



County of Dare

P.O. Box 1000 | Manteo, NC 27954

Dare County Housing Task Force

Dare County Administration Building, Manteo, NC

March 19, 2024, 9:00 a.m.

Approved 4.16.24

Present: Robert Woodard, Sr., Robert Outten, Sherry Wickstrom, Elizabeth Morey, Matt Neal, Drew Havens, Andy Garmin, Melissa Dickerson, Ryan Lang, Caroline Basnight, Ron Payne, Duke Geraghty, Donna Creef, Mitchell Bateman, Malcolm Fearing, Tess Judge, Carol Warnecki, Ronnie Sloan, Steve Basnight, Ivy Ingram

Absent: Craig Garriss, Melody Clopton, Bob Peele, Monica Thibodeau, Jeff Schwartzenberg, John Windley, Michael Siers

Also Attending: Dorothy Hester, Public Information Officer, Skyler Foley, Clerk, Mary Helen Goodloe-Murphy, Kathy Marshall, Susan Bothwell, Mary Ellen Balance, Katie Morgan, Sam Walker, Macey Chovaz, Ron Tumolo, Michael Zahner, John Robbins, Breynn Bailey, Jamie Wegener

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

ITEM 1 OPENING REMARKS

Chairman Woodard acknowledged that the Chamber held a meeting this morning and expressed that he did not want postpone the Task Force Meeting for a second consecutive month. He then expressed gratitude to the Task Force for their understanding in canceling the February meeting in light of Mr. Ray White's service. Lastly, he expressed his hope that the Task Force will be able to reach a consensus among themselves to address the pressing housing need in the community.

ITEM 2 APPROVAL OF MINUTES

MOTION

Duke Geraghty motioned to approve the minutes as amended from the January 18th, 2024 meeting.

Ron Payne seconded the motion.

VOTE: AYES Unanimous

ITEM 3 DROPBOX/DOCUMENTS

Mr. Outten explained to the Task Force that a Google Link will be emailed to the Housing Task Force Members. The members will have read-only access to the Drive and will not be able to make any changes. Notifications will be sent via email when new items are added.

ITEM 4 MISSION STATEMENT

Donna Creef drafted the following Mission Statement for the Housing Task Force:

“To collaboratively develop short-term and long-term solutions to address housing issues affecting Dare County residents, business owners and workforce. These solutions include identifying physical sites for construction of housing units, building community support through appropriate outreach activities, and implementing regulatory reforms and options that can be tailored to fit each community’s unique characteristics and constituency.”

MOTION

Duke Geraghty motioned to approve the Mission Statement that was drafted by Donna Creef.

Malcolm Fearing seconded the motion.

VOTE: AYES unanimous

ITEM 5 TARGET MARKET

Mr. Outten discussed how the county has been in communication with various entities within the county that need housing for their employees. There is a wide range of housing needs, so the key question is identifying our target market and determining how to cater to their needs. He noted that the target market may be specific or broad. While schools, hospitals, and other entities may have more flexibility in their housing plans, the county and towns have certain limitations and restrictions that must be considered. It is essential for us to establish our target market, identify where the funding will come from, and determine the appropriate actions to take.

Mr. Sloan explained that the hospital faces challenges because anything they subsidize has to go into their employees' salaries. He highlighted the importance of maintaining consistency among the team of 400-500 members, explaining that any benefits extended to one individual must be offered to all. Additionally, when dealing with providers and physicians, there are Federal Rules and Regulations known as STARK which prevents the hospital from compensating a physician beyond fair market value for their normal earning. He mentioned that the hospital has had people decline job offers ranging from positions in food and housekeeping services to healthcare providers. The hospital was able to lease ten homes from a developer on the north end as a recruitment incentive for individuals looking to establish themselves in the area for a year or two, allowing them to settle in and search for a suitable lot or house.

Duke Geraghty inquired about the reasoning on why the county has to follow all the guidelines, and is it because of the state grant money? Mr. Outten responded that we have a broad need for housing, but counties in North Carolina are restricted by a constitutional provision which only allows them to allocate funds for services to assist the poor. The courts have defined the poor in one case as 60% of AMI and in another case, they allowed it to be 80% of AMI and the consensus in the legal community is that you have to do 20% of your units at 60% AMI and the rest of the county funded units at 80% AMI. Using an AMI of approximately \$62,000 as an example, this means that individuals earning 80% of AMI (around \$40,000) would be eligible for housing, with rent not exceeding one-third of their income. In investor-driven projects, county funds are used to target lower-income individuals, while private dollars are utilized to assist higher-income individuals, ensuring a balanced approach to the housing issue.

Superintendent Basnight shared that the school district encounters difficulties in recruiting recent college graduates as new teachers. With a starting salary of \$39,000, many of these candidates find themselves unable to afford living in this area.

Duke Geraghty shared that a lot of entities in Dare County are paying more than \$39,000. He further explained that the low-income individuals are going to be hard to address unless we subsidize.

Mr. Outten referred back to the AMI and targeting up to 115/120% of the AMI threshold. This could potentially lead to salaries close to six figures. It is not a lot when you have a nurse and a police officer that you cannot hire because their combined incomes exceed what can be done with local money and there is no housing here for them.

Donna Creef expressed that the Task Force needs to focus on how to get housing for individuals with salaries starting at \$40,000 all the way up to the low six-figures.

Melissa Dickerson stated that there are currently three job openings in the Town of Manteo, with salaries ranging from \$46,000 to \$68,000. While Manteo has received numerous applications, we are unable to hire them due to a lack of available housing options. Many of the town's employees reside in Currituck and Columbia. Drew Havens mentioned that the Town of Duck is situated similarly, with staff members commuting from Colombia, Camden, and other regions.

Andy Garmin stated The Town of Nags Head situation is similar to that of other places. Applications are being accepted for open positions, but priority is given to those who already have housing. Salaries for the available positions range from \$40,000 to \$60,000 per year. He noted that the town is in the early stages of working on housing for its employees.

Ronnie Sloan pointed out that the Sugar Kingdoms, Wawa, Target will be recruiting many entry-level employees from their current positions. The hospital offers a starting wage of \$18.00 per hour, with all team members earning over \$40,000 annually. Currently, the hospital has 75 job opening and even with the assistance of traveler employees, there is a shortage of 35 staff members. He stated that if vacation rentals could be turned into long term rentals, homes for the workforce would open up quickly.

Malcolm Fearing emphasized the significance of owning a home, a topic that seems to be overlooked in discussions. He explained that the journey to becoming a homeowner is the most beneficial for individuals. Fearing pointed out that no one on the task force has the necessary knowledge to fully address the issue at hand. The main issue lies in the housing inventory, as we do not lack housing with thousands of weekly rentals available. The real problem lies in providing housing for the year-round community. He stated that the Board of Education provides housing, not for their employees, but they have mobile homes/lots that were gifted to them that generates \$120,000 a year. The Airport Authority has a mobile home park with no restrictions on the occupants. The Dare County Education Foundation, which is part of government, has housing. Government is providing housing, and Dare County can not do it with their direct money, but could it possibly be done with a CDC, a Community Land Trust and the establishment of a non-profit that could be funded. We can come up with a mechanism as we did for beach nourishment, to help the constituents.

Bobby Outten responded and said we have to get to the remedy phase but we have to make sure everyone is on the same page, identify our goals, and decide on who our target markets are. Malcolm Fearing responded that the whole community is the target market.

Ryan Lang stated that the Town of KDH has issues hiring in the Public Services Department, trash sanitation, lifeguards, and the entry level water department positions.

Ivy Ingram expressed that she is a below AMI individual and she would qualify if she alone. She noted that a lot of individuals came here 25-30 years who filled a lot of entry level positions and have provided services for many years, but are all about to turn 50 and are close to retirement. There are a lot of non-profit, entry level jobs will need to be filled.

Bobby Outten stated that the goal is not to overlook any demographic, but there is money that has to be spent and it can only be spent on the 80% AMI, we are limited by that. The demographics above that cannot be fulfilled by government money so we have to fund solutions for those problems that do not involve government subsidies.

Elizabeth Morey mentioned that the Town of Southern Shores has been searching for candidates to fill three law enforcement positions for over a year. She also announced that the town recently acquired a historic property next to their town property, which they plan to offer as an incentive to potential hires in law enforcement. She pointed out that the starting salary for a police officer is around \$44,000 and emphasized the significance of the seasonal workforce, as well as the need to find solutions for providing housing for them.

Bobby Outten explained that even if you were to achieve maximum density, it would still only be a small contribution towards solving this issue. With \$100 million, the maximum number of units that can be obtained is 400, but a more realistic number is 250-300.

Mitchell Bateman stated that the number one employer in Dare County is the Board of Education. The Dare Education Foundation provides 24 units at Run Hill and 12 in Hatteras. There are articles that detail their target market for a two-bedroom, two-bath condo priced at \$1050 a month, previously \$950 a month in December. The County currently holds a combined \$45 million. What if a 501c3 organization was created with a mission statement that specifies who they intend to serve? Can we not allocate some of that money through a grant? Bobby Outten responded that the \$35 million that the county currently has was received through a grant process.

The Dare Education Foundation had the State Employee Credit Union, which was not restricted, that allowed them to make it economically feasible. With future solutions, that model is a good model if you can find the benefactor to help accomplish things that government can't do.

Bobby Outten referenced the CDC which is a non-profit entity, the issue with the CDC is that they are restricted by funding sources. Even without having a profit motive, the CDC struggled to identify a viable financing mechanism to make any impact on housing. He further explained that the School Board is not restricted if they are using the housing for their own staff, the county can simply add a million dollars to the school budget for staff housing. We can not directly give it to the Dare County Education Foundation, but we can increase their budget and they can do what their legally authorized to do with their budget. Dare County is allowed to spend money solely on housing for county employees, but there are limitations on spending for the at-large community. The rules for towns spending money on housing varies from the county, but there are still regulations in place.

Mitchell Bateman explained that he viewed it as a renewable resource model, where the funds circulate within the organization that oversees it, thereby creating a continuous source of funding.

Tess Judge inquired if there was a time limit on the \$35 million. Chairman Woodard replied that there is no specific timeline, but expressed concern that the funds have been sitting unused for too long.

Sherry Wickstrom & Melissa Dickerson exited the meeting at 10:04 a.m., they did not return.

ITEM 6 UNDERSTANDING HOUSING AUTHORITIES

Mr. Outten clarified that county governments are permitted to establish Housing Authorities under the statute, but they are subject to the same limitations as previously mentioned and must also adhere to additional HUD guidelines. These guidelines restrict the demographic served to individuals in the lower income bracket, which is why a Housing Authority is not currently in place.

ITEM 7 UNDERSTANDING THE RESTRICTIONS ON HOUSING PROJECTS

Mr. Outten stated that this topic was preciously addressed.

ITEM 8 OTHER BUSINESS & MEMBER COMMENTS

Superintendent Basnight stated that the schools are considering all possible solutions. Due to the increasing cost of living, teachers have been leaving after their four-year tenure in teacher housing as they cannot afford to live elsewhere. They expressed that they have already lost three teachers in 2024

Tess Judge stated that this is not a new issue in the hospitality industry. She mentioned that many employees currently come from Colombia and Elizabeth City. She emphasized that addressing this issue is not solely the responsibility of the Commissioners, but rather a collective effort that requires everyone to come together.

Elizabeth Morey stated that there are numerous housing units unused for eight months of the year. She asked about necessary legislative adjustments to convert these homes from short-term rentals to long-term rentals. Bobby Outten responded that he would reach out to the School of Government in Chapel Hill for some guidance.

Matt Neal stated that he is eager to see what incentives could be beneficial.

Carrol Warneiki feels that the county needs to utilize the \$35 million. She is eager to learn and acquire knowledge in order to better educate the public.

Malcolm Fearing referenced the "Book of Empathy" and felt that it surrounds the housing subject. He also referenced "The Principals of Developing Affordable Housing" and stated that the Urban Land Institute was established in 1939 in 90 countries. Asked the local government entities to look at their rules and regulations and see how they affect/could affect their constituents.

Drew Havens emphasized the importance of addressing the needs of minimum wage earners, particularly those in the service industry. These individuals are vital to our tourism-based economy. He also pointed out that there is no available land in Duck, not even enough space to construct a fire station.

Caroline Basnight appreciated the insight she had received from all of the different entities. She noted that there is a wide range of restaurant demographics in need, from those making \$15 per hour to individuals earning \$100,000 annually. While any solution will provide some level of assistance, people may still be left behind. In terms of real estate, she believes that offering incentives to convert short-term rentals into long-term accommodations could have a significant and immediate impact on the situation.

Superintendent Basnight outlined that one-third of the staff in the school system do not hold teaching positions. They encompass roles such as maintenance crew, custodians, bus drivers, etc. Their salaries are hourly-based and do not start at \$40,000 like those of teachers. Caroline Basnight noted that a lot of her restaurant staff are school and county employees.

Ron Payne felt that the Task Force is beginning to narrow down who the workforce is. It is important for the community to know who these people are so they can understand the reasons behind the construction projects. Payne pointed out that most of the members of the Housing Task Force would be unable to move to Dare County in today's world. He also emphasizes the importance of promoting home ownership, and high-density homes need to be looked into.

Duke Geraghty mentioned that a bill was reintroduced the previous year in North Carolina, which would permit duplexes, triplexes, and quads on every lot in the state. During various meetings he has attended, the common concerns that have been raised were that in Manteo, residents were against the idea due to potential increase in traffic. In Nags Head, there was opposition due to proximity to the historic district. Southern Shores residents were worried about their views being obstructed, while Wanchese experienced a "Save our Island" campaign. He emphasized that the municipalities need to get on board and there needs to be some political willpower.

Donna Creef explained that housing is a widespread problem in the country, focusing on the concept of the "missing middle" as the target audience. She proposed the idea of creating "blended neighborhoods" that include both multifamily and single-family homes. Legislative incentives will need to be put in place to address the issue of non-resident property owners who must be involved in the solution because they own majority of the short-term rentals. Creef also mentioned that there are some families that rent out their basement/spaces through Airbnb to help pay for their mortgage. She further explained that the CDC was a result of a committee that the county had with late Commissioner Richard Johnson, which is where the Bowsertown project came from and a lot of the same problems were faced then.

Ivy Ingram reported that she recently went to Steamboat, and she spent some time watching their Board of Commissioners Meetings and saw where residential zones were established that prohibits short-term rentals. She emphasized the importance of planning for the future, suggesting that the Task Force develop a comprehensive toolbox for towns to utilize. In a similar vein, she noted that Kill Devil Hills approval of a cluster development behind Walgreens included a requirement for a 90-day lease.

Ryan Lang announced that Kill Devil Hills has recently approved the use of Accessory Dwelling Units on the west side of KDH. These units will have deed restrictions in place, mandating long-term rentals. He also mentioned that many homeowners are using Airbnb to rent out their basements/spaces in order to assist with their mortgage payments. We should explore ways to encourage them to consider making these rentals long-term or implementing three to six-month leases. He also raised the question of whether government funds could be used to purchase homes? Bobby Outten stated that it is required the Dare County be the granting agency for a private entity to build houses.

Malcolm Fearing asked for an update on where the developer is in the planning process. Mr. Outten responded that they are diligently working to create a development plan that is suitable for the community they are collaborating with.

Public Comments:

Carson Creef asked the towns of Duck, Nags Head, Kill Devil Hills, and Southern Shores about the possibility of constructing a 400-unit facility within their jurisdictions. A key concern raised was the limited availability of land for such a development. It was also noted that Kill Devil Hills already has the highest density among the towns. Creef emphasized that the issue cannot simply be passed on to unincorporated Dare County. He suggested that providing transportation from neighboring areas such as Camden, Elizabeth City, and Moyock could help address the workforce needs of the county.

Mary Ellen, a mother of a first responder who is moving back home, emphasized the importance of considering the needs of this group of individuals who are coming out of school and beginning careers. She illustrated her point by explaining that the quickest way to recognize that a church is folding is when the younger people do not show up.

John Robbins expressed that zoning is not a bad thing and through zoning proper development can be achieved. He stated that the proposed plans for Wanchese were not in alignment with the community and it was poor zoning. There is a wealth of knowledge on the Task Force and in the room, but no one has expertise in developing workforce housing. He mentioned the \$35 million and the risk of the county losing it, expressing dissatisfaction with the lack of detail in the update on the developer's progress. Lastly, he noted that the Tourism Bureau has witnessed growth in the area and receives funding from the county to continue to promote the Outer Banks. He suggested taking some of that funding from the Tourism Bureau and diverting into areas like housing.

Katie Morgan shared her worries about the potential repercussions of HB 259. She further questioned whether utilizing the \$12 million from the county versus the \$35 million could ease some of the limitations. She emphasized her concerns as a citizen about the uncertainty of future events, such as who will be affected and who will be responsible for managing the housing projects.

Ron Tumolo recommended allowing apartments to be constructed over commercial buildings which would create mixed-use spaces. He emphasized the countless possibilities that come with this idea, with 300 commercial buildings already existing in Kitty Hawk, they could be rezoned and rebuilt if necessary for mixed use with the addition of deed restrictions.

Kathy Marshall emphasized the significance of Senior Housing, she shared that she has been without a home since May of the previous year. Her sister, who is battling cancer, currently resides in a motor lodge alongside other elderly individuals. Unfortunately, they have all been informed that they will be evicted in April.

Bree Daily emphasized that the issue at hand needs to be treated as if it is specific to Eastern North Carolina and emphasized the need for collaboration among the counties. She shared her personal experience of her family facing homelessness for a year and explained that they were recently notified that their current living situation would be converted into an Airbnb, leaving them in need of a new place to live. She also disclosed that her daughter is currently attending COA but is struggling to find stable housing, resorting to moving between friends' homes and working in restaurants. Bree pointed out that there is a significant population of individuals earning less than \$40,000.

Jamie Wegner emphasized the importance of exploring transportation as a valuable resource for the county. She also conveyed her gratitude for the proposed immediate solutions and emphasized the need to assess the current housing stock for potential housing options. Additionally, she expressed appreciation for the collaborative efforts of everyone involved in addressing and resolving this issue.

MOTION

Tess Judge motion to adjourn the Housing Task Force Meeting.

Ron Payne and Duke Geraghty seconded the motion.

VOTE: Unanimous

There being no further business, the meeting ended at 11:13 a.m.