

## **Dare Community Housing Task Force**

*Dare County Administration Building, Manteo, NC*

*May 14<sup>th</sup>, 2024*

*Approved 5.28.24*

**Present:** *Chair Donna Creef, Vice-Chair Malcolm Fearing, Robert Outten, Craig Garriss, Sherry Wickstrom, Monica Thibodeau, Elizabeth Morey, Drew Havens, Melissa Dickerson, Ryan Lang, Jeff Schwartzberg, Caroline Basnight, Ron Payne, Duke Geraghty, Tess Judge, Carole Warnecki, Ronnie Sloan, Briggs McEwan, Noah Gillam*

**Absent:** *John Windley, Melody Clopton, Andy Garmin, Mitchell Bateman, Robert Woodard, Matt Neal, Mike Siers, Bob Peele*

**Also Attending:** *Skyler Foley-Clerk, Bob Edwards, Breyann Bailey, Bea Basnight, James Flanigan*

Madam Chair called the meeting to order at 9:00 a.m. and led the Pledge of Allegiance to the flag. The Vice-Chair led the meeting in a prayer.

Madam Chair noted that the Task Force will now be known as the “*Dare Community Housing Task Force.*”

### **ITEM 1 APPROVAL OF MINUTES**

#### **MOTION**

Monica Thibodeau made a motion to approve the 04.30.24 Minutes with an amendment to accurately reflect that Betty Selby attended the meeting.

The Vice-Chair seconded the motion.

**VOTE:** AYES unanimous

*Melissa Dickerson arrived at 9:03 and Elizabeth Morey arrived at 9:05*

### **ITEM 2 OPENING REMARKS**

Madam Chair requested the Task Force members to notify her or the Clerk if they are unable to attend a meeting and are designating a substitute so the record of the voting members will be accurate. She shared insights from the National Association of Realtors Legislative Conference in Washington D.C., where the discussion revolved around housing issues such as inventory and home costs nationwide. Some key points included the record-low number of housing starts in 2023, the shift in the average age of first-time home buyers to 38 years old, and the extended time between purchasing first and second homes. The expiration of capital gains tax laws was highlighted, and stated that long-term homeowners are choosing to stay in their current homes to avoid paying capital gains tax. Madam Chair emphasized that this housing dilemma is not unique to Dare County but is a widespread problem across the country. She proceeded to discuss the Technical Correction Bill which repealed the language for local zoning preemption and also mentioned that it recalled the \$35 million grant that Dare County had received. She mentioned that the Planning Sub-Committee had a meeting on May 3rd and the Non-Profit Sub-Committee had a meeting on May 10th. She suggested that establishing a Community Outreach and Engagement Sub-Committee could be beneficial. Jeff Schwartzberg and Craig Garriss volunteered to be part of that sub-committee. She also pointed out that the general public may not understand what AMI (Area Median Income) means and suggested that the Outreach Committee could

assist in spreading information about it and possibly provide examples to help people better understand how it relates to their incomes.

### **ITEM 3 REVISED MEETING SCHEDULE**

Madam Chair informed the Task Force that meeting every two weeks is no longer necessary, so they can go back to their old schedule starting in July. The May 28th meeting will still proceed as planned since it was already announced in newspapers and other accounts. The June meeting is scheduled for the 25th, and Tyler Mulligan from the UNC School of Government will participate virtually.

Following these meetings, the Task Force will resume meeting on the third Tuesday of every month. She mentioned that she reached out to the City of Asheville and Buncombe County for a presentation, but has not received a response yet.

### **ITEM 4 SUB-COMMITTEE REPORTS**

Madam Chair gave the report on The Planning Sub-Committee. She stated that they reviewed the Bowsertown Property which is owned by Dare County. Outten noted that the wetland survey had previously been completed but they are waiting on the survey. Madam Chair confirmed that the \$12 million dollars allocated for development in Bowsertown is still available. Outten stated that it is important to note that the county does not have \$12 million dollars to spend freely, but rather we need to negotiate based on the actual costs involved. It is essential to leverage the funds effectively in order to maximize their impact. Madam Chair went on to discuss the conversations regarding the importance of documenting the empty lots in Dare County that are two acres or larger. These parcels will be classified based on whether they are publicly or privately owned. This information will be used to examine the zoning regulations of the towns and county to decide what developments could potentially be allowed on those specific properties. Outten informed Madam Chair that there is already an excel sheet listing all of the lots that are over two acres, although the zoning is not included. The Vice-Chair elaborated that his suggestion for the Task Force is to examine all parcels of land measuring two acres or more within the entire county. While acknowledging the history of Bowsertown, he suggested that selecting a property without conducting additional analysis would not be appropriate. Outten pointed out that there could be sites in the county that are not included on the list because they have been improved and were not originally included. Madam Chair suggested that the Task Force should review the list and have either herself or sub-committees contact town planners for additional information and guidance. She also stated that the committee discussed private sector development and the need to provide incentives, proposing the option to explore permit fee schedules and local zoning procedures to expedite certain processes. In conclusion, the sub-committee found it important for the Task Force to incorporate home ownership, rather than just focusing on rental properties.

Madam Chair informed the committee that the Non-Profit Sub-Committee discussed plans for establishing a non-profit organization and focused on housing trust funds, land trust funds, and non-profit trust funds in partnership with both public and private sector entities. The goal is for the Task Force to explore the creation of a non-profit that can manage charitable donations and fundraising efforts to kickstart this initiative. She further stated that once things progress, there may be a need to approach the General Assembly to request changes in legislation similar to how the Dare Education Foundation was granted specific legislation for building units. She stated that Geraghty had informed her that Durham County and the City of Durham have filed legislation requesting special permission to construct housing for their first responders and teachers. She mentioned that she is unsure if it will receive much traction noting that it has already been filed in the past and resubmitted this year. She also suggested that Dare County should consider pursuing a similar initiative if a path is created. The next item the sub-committee discussed was school populations and projections and doing a deeper dive into the housing statistics. Geraghty mentioned that the sub-committee discussed a possible budget and

that the Housing Task Force will require funding for bringing in guest speakers, possibly conducting a survey, and getting started with necessary resources. Madam Chair compared it to the Town of Manteo, where they had a specific budget line item to support the Healthcare Task Force. Sloan advised the Task Force to be mindful that the hospital is a non-profit organization and currently has a staff member dedicated to housing and housing that is provided to employees has to be part of their taxable income. Madam Chair mentioned that she had sent an email to the tax department regarding the statistics for Airbnb's and VRBO's. She asked for a detailed breakdown of the last five years in order to analyze the trends, and stated that there was a decline in short-term rentals. She expressed a desire to reach out to property owners who wish to use their properties for personal use during the off-season and explore the possibility of collaborating with them to offer housing for seasonal workers such as lifeguards.

The Vice-Chair stated that he met with a couple members of the Board of Education and the Dare Education Foundation (DEF) about teacher housing being an issue on Roanoke Island and asked them, without any commitment, did they want to have a continuing conversation about teacher housing and their response was yes and he hopes to continue to have them as part of this group. Madam Chair noted that the DEF was a lot of their conversation because they have been successful in the past and are now constructing additional units.

Morey elaborated on the legislative priorities and emphasized the importance of having them prepared for when the General Assembly resumes session. Additionally, she highlighted the need to consider lobbying efforts and explore potential partnerships with other regions of the state that the Task Force may want to collaborate with.

Madam Chair discussed a new federal law that had been proposed regarding workforce housing tax credits where LIHTC focuses on the low class. She highlighted the growing recognition across the country of the issue of the "missing middle," referring to middle-income individuals who need affordable housing options. Outten stated that when Tyler Mulligan makes his presentation that the Task Force should discuss this issue because from his understanding government funds in NC are limited by the constitution, preventing legislative action to fix the AMI issues. Therefore, resolving the missing middle problem will require funding sources other than local government funds. Dickerson pointed out that this is why they discussed fundraising and developing funds without such restrictions.

The Vice-Chair emphasized the importance of carefully considering legislative outreach efforts when making proposals. It is crucial that this process is transparent and allows for direct input from municipalities and stated that the county has lobbyist. He expressed that it is not necessary for everyone to contact the General Assembly individually; instead, a coordinated effort is needed. Judge highlighted the significance of partnering with other areas within the state to strengthen the Task Forces proposals, echoing Morey's statement. Additionally, Outten mentioned the upcoming State Housing Conference in October, noting that it could provide valuable information and suggesting that sending some individuals to attend could be beneficial.

#### **ITEM 5 FUTURE PRESENTATIONS – SUGGESTIONS FROM TASK FORCE**

Madam Chair expressed her hope that Asheville and Buncombe will respond so they can present at the meeting on May 28th, and mentioned that Greensboro is also on her list. Outten recommended reading Tyler Mulligan's articles on the Coates' Canons website. Payne shared that he talked to an Executive Director from Aspen, Colorado who has successful affordable housing models and will help implement them in different localities. There is also a real estate attorney moving to the area who has worked with the Aspen model and could be a valuable resource. Madam Chair acknowledged that Colorado may have different legislative setups than North Carolina, but it is still valuable to consider their input.

There were further discussions about other areas in Colorado, Arizona, and areas within North Carolina that are all addressing housing. The Vice-Chair stated that moving forward it is important to listen and learn what is going on within the communities to ensure no one group or entity is stepping over each other. Madam Chair responded that the Visitors Bureau expressed that they were waiting to see what the Housing Task Force does first, the Nags Head Task Force is specific to their multi-family in the C2. She noted that having the Dare Education Foundation and the Outer Banks Community Foundation come and speak could be beneficial and worth pursuing. The Vice-Chair further explained that in trying to provide housing, there is a true need for a different approach: a private-public partnership that utilizes private funding with some government funds. It is important to understand that the solution is not solely government-based, as it can become complex. The private sector has the ability to move differently. There are private investors in Dare County, and by combining all these elements, we can achieve positive outcomes. It would be beneficial for us to grasp this concept and involve the private sector in the process. Outten mentioned that the county attempted a similar strategy unsuccessfully, but this model has proven effective elsewhere. Private developers are incentivized by receiving land, fees, and financial support to ensure a satisfactory return on investment. While we have the capability to implement such partnerships, the question remains: how do we fund it? The Vice-Chair commented that it sounded like a potential sub-committee. Madam Chair stated that based on the public outcry, this issue is going to have to be approached in small increments rather than all at once. She also revealed plans that she will be attending a virtual meeting with individuals from East Carolina to discuss nimbyism. Outten added that starting with a small project in an area with acceptable density could help dispel negative perceptions and pave the way for more projects. Madam Chair cited the success of the LIHTC Housing project in Baum Bay Harbor as an example of well-maintained affordable housing. The Vice-Chair discussed Harbortowne and how it has not had a negative impact on surrounding property values. He then emphasized the significance of ensuring that any housing project proposed aligns with the community standards and zoning regulations. Morey expressed a desire to find a local private investor who could come speak to the group about their experiences in regards to housing. Sherry Wickstrom volunteered for the Outreach Community.

**Public Comments:**

Breyann Bailey asked how many units had been built and James Flanigan stated that he was a Developer/Contractor that had completed renovation work in Elizabeth City with Historic Tax Credits.

**MOTION:**

Craig Garriss made a motion to adjourn the meeting.

Ron Payne seconded the motion.

VOTE: AYES unanimous

*There being no further business, the meeting ended at 10:19 a.m.*