



County of Dare

P.O. Box 1000 | Manteo, NC 27954

SPECIAL MEETING MINUTES HOUSING WORKSHOP DARE COUNTY BOARD OF COMMISSIONERS MEETING

2:00 p.m., November 15, 2021

Commissioners present: Chairman Robert Woodard, Sr., Vice-Chairman Wally Overman, Commissioners Rob Ross, Steve House, Jim Tobin and Ervin Bateman

Commissioners absent: Commissioner Danny Couch

Others present: County Manager/Attorney, Robert Outten
Master Public Information Officer, Dorothy Hester
Sarah Odio, UNC/SOG via audio connection, Mary Helen Goodloe-Murphy, Sam Barker, Duke Geraghty and Cheryl C. Anby, Clerk to the Board

At 2:01 p.m. Chairman Woodard called to order the special meeting with appropriate prior public notice having been given.

Mr. Outten advised the group that Sarah Odio would be reviewing her findings at the meeting and asking for guidance from the Board. She would be returning at the first Board meeting in December at which time the Board would make a decision on a proposal to move forward with a housing project. Sara would then begin working on the RFQ's with the various developers. She had prepared a middle ground scenario with \$6 million dollars as the Dare participation for the Bowsertown parcel. (A spread sheet was provided to the group and is attached as part of these minutes.)

Mr. Outten stated the Elizabethan Inn did not look like an option due to price and huge zoning challenges and would be pulled off the table for affordable housing.

Sarah began a discussion about the options on the table. The County would have access to tax credits to assist with projects. Her handout reflected 42 units at \$900, 13 at \$720 and 11 at \$1,150. Units with the moderate income rent at \$900/month would not have access to the tax credits. With a mixed income approach, if the county participates in an affordable housing development, at least 20% of the units have to be at 60% AMI (area median income). A one-bedroom would be at approximately \$720-30/month. Commissioner Ross asked what the income level was for 60% AMI. Sarah responded it was family of two with approximately \$35,000 a year income, i.e. single parent with a child. A single person's income level would be approximately \$28,000.

The result of looking at a project with rents in the \$900's and inclusion of units with 60% AMI was a total of 66 units with 53 of them in the \$900-\$1150 range. This was not as much density as other options with 76 units and \$4 million dollar County participation. There was also denser project with 151 units with mixed income levels (low, moderate and market rate) with a County \$7.3 million investment.

Mr. Outten asked to look at the mixed income/max density project with 151 units (70 of which would be market units). It was questioned whether reducing the market units and increasing either of the other units would increase the cost and Sarah agreed.

Each option had "wiggle room" for changes but would also be narrowed down by the public interest shared by the Board which was maximizing the number of lower income units and attracting public and private investment. There were tradeoffs with either more units or a lower investment. Commissioner Ross asked about the 151 unit option, which was approximately \$90,000 per unit with 70 market rate units. He asked if it would be preferable to spend \$7.3 million instead of \$6 million in order to produce 151 units with max density. Mr. Outten had stated the majority of those units were one bedroom. Sarah agreed there were only eleven two bed rooms units in that project.

As the group discussed possible changes to the scenarios, Sarah emphasized the importance of setting a cap on the County contribution and setting priorities of either one or two bedroom units in order to help narrow the options. Chairman Woodard asked what kind of data was available to recommend the need for more two or one bedroom units. Commissioner Ross felt there was a significant amount of couples with children who would need a two bedroom unit. Commissioner Tobin mentioned he knew of three families who wanted to move to the area and none of these options fit their scenario. Chairman Woodard said the number of two bedroom units could be increased. Mr. Outten advised the market units were included in the projects because they provided cash that reduced our subsidy. In early discussions with developers, there was a stated immediate demand for both one and two bedroom units. The need was there and the County would need to decide what mix they wanted in their developments and how the mix would affect the County's bottom line investment.

Commissioner Ross asked how adding more two bedroom units into the eighty-one units that were subsidized would significantly alter the County contribution if there were 70 market units. Mr. Outten explained there would be an approximate loss of \$400 per unit in rent, which would be a change of going from \$1,300 to \$900 per month in cost. Sarah said market rate units did not subsidize other units. They paid for themselves. The inclusion of market rate units was a choice to provide more units at no cost to the County. With low-income units there would always be a gap. It was important to look at the rent versus the cost to build in deciding whether to build one or two bedroom units. Vice-Chairman Overman confirmed a one bedroom was 550 square feet and a two bedroom was 900 square feet.

Commissioner Bateman stated two bedroom units would suit a couple with one child or the boyfriend/girlfriend scenario. They discussed running a model of seventy market rate units with seventy subsidized. This would be 110 one-bedroom units and 30 two-bedrooms.

Commissioner Ross asked what the market rate would be for two bedrooms. In Kill Devil Hills it averaged about \$1,600-1,900.

Chairman Woodard summarized the Board needed to make a decision of how many units they wanted (one bedroom - two bedrooms) and then get a proposal on the project, which could be tweaked. Mr. Outten cited the Board could advise DFI to limit the project to spending no more than "x" with a balance of one and two bedrooms to best leverage the funds. Chairman Woodard reminded the group this would not be the only project. If the first project had more one bedroom units, then the next project could focus on more two bedrooms. The discussion led to a consensus to have DFI provide scenarios at \$7, \$7.5 and \$8 million. Sarah advised she would confirm figures at the December 6, 2021 Board meeting once she confirmed the scenarios with the architect.

At 3:03 p.m., the Board of Commissioners adjourned until 5:00 p.m., November 15, 2021.



APPROVED:

Respectfully submitted,

By:

Cheryl C. Anby
Cheryl C. Anby, Clerk to the Board

By:

Robert Woodard, Sr.
Robert Woodard, Sr., Chairman
Dare County Board of Commissioners

Note: Copies of supporting material considered by the Board of Commissioners at this meeting are on file in the office of the Clerk to the Board.