



***DRAFT* MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS**

MULTI-FAMILY/WORKFORCE HOUSING WORKSHOP

WEDNESDAY, SEPTEMBER 18, 2024

The Nags Head Board of Commissioners met at the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, September 18, 2024 at 9:00 a.m. for a Recessed Meeting/Workshop.

Board members Present: Mayor Ben Cahoon; Mayor Pro Tem Michael Siers; Comr. Kevin Brinkley; Comr. Bob Sanders; and Comr. Megan Lambert

Board members Absent: None

Others present: Town Manager Andy Garman; Kelly Wyatt; David Ryan; Joe Costello; Karen Snyder; Paula Houck; Gary Houck; Terry Brown; David Roberts; Donna Creef; Amanda Kornegay; Kenneth and Kathleen Morgan; Duke Geraghty; Bob Muller; Hilary McCubbins; David Shufflebarger; Wayne and Becky Varilek; Valerie Netsch; Megan Oaksmith; Sam Gonzales; Mark Dunlevy; David Elder; Dave Carawan; Bill Simmons; Susan Lee; Clara and Steve Smiley; Lauren Nelson; Meade Gwinn; and Town Clerk Carolyn F. Morris

CALL TO ORDER

Mayor Cahoon called the meeting to order at 9 am. He expressed his appreciation of everyone coming out to listen to and speak on the important topic of multi-family dwellings.

Mayor Cahoon explained that the workshop will be less formal than regular meetings with a presentation followed by public comments and some exchange with Board members. The discussion concerns an ordinance that applies to the commercial district (C-2) – not about a specific piece of property. The ordinance would reintroduce multi-family housing into the town code. The Sugar Creek condominiums and other projects were built under the old multi-family ordinance which was struck from the Town Code by the Board two years ago over affordable housing concerns.

Multi-Family / Workforce Housing Workshop

Town Manager Andy Garman presented slides summarizing the background, process, and final draft ordinance on the Multi-Family/Workforce Housing issue. His slides are attached to and made a part of these minutes as shown in Addendum "A".

Manager Garman presented the Final Draft Ordinance that the Board will consider at their October 2nd Board meeting which does the following:

- Modifies the Planning Board recommendation as follows:
 - Allows apartments and townhouses in the large category
 - Parking is required at 2 spaces per dwelling unit + 1 space for every four units
 - A cap of no more than 3 multi-family developments can be approved under large category
- Maintains the 25 bedrooms per acre limitation
- Clarifies that the HOA is responsible for enforcing deed restrictions and reporting to the town

Town Manager Garman noted the extensive public notification of the ordinance and of today's workshop.

Mayor Cahoon invited those present to speak.

David Shufflebarger, Nags Head resident; he applauded the revisions presented to include the addition of apartments and suggested increasing the square footage limit to 11,000 to allow for a 3-story unit.

Donna Creef, Outer Banks Association of Realtors, Government Affairs rep, she served on the working group which was a good process - it was a good blend of what the Planning Board had done; the housing workforce language is a positive step; idea of the cap should be carefully considered as once it is in the ordinance, it is there; she is not sure the annual cap is needed here at the beginning of the ordinance and suggested an annual review; she thanked the Board for today's workshop.

Duke Geraghty, Outer Banks Homebuilders Association Government Affairs rep, he served on the working group; his concerns are square foot limit – it would be nice to lower that limit to get more units on a lot; the highest and best use are short term rentals; he suggested rethinking the cap and to consider a review of the ordinance in a year; no regulations on cost since it is multi-family and not an affordable housing ordinance.

Amanda Kornegay, Carolinian Circle resident; she questioned why go from 10 to 11 bedrooms per acre up to 25 bedrooms per acre; Town Manager Garman explained that it was units per acre and now it is bedrooms per acre; she expressed concern about the Kelly's site and how bad it looks; if a multi-family unit is built there, how would that affect their septic, traffic, etc; she stated that Carolinian Circle property owners are very concerned and she asked the Board to please consider these concerns. Mayor Cahoon confirmed with Manager Garman that large projects would be a conditional use and would have to be approved by the Planning Board and then the Board of Commissioners; all Town Code, wastewater, and stormwater regulations would have to be met in addition to the required vegetative buffers during the site plan process; it was noted that the C-2 district allows multiple types of uses.

David Elder, Planning Board member and Carolinian Circle resident; he expressed concern with not only what property is available presently but other properties that could be considered.

Lauren Nelson, Nags Head resident; she questioned the 60% workforce regulation definition; she also pointed out that the townhouse style is contradictory to the multi-family definition. Manager Garman read the Workforce Housing definition on the screen which includes that someone must be working in Dare County.

Dave Carawan, Nags Head Cove resident; workforce housing is the biggest problem that affects most communities – more than anything he is curious where people come from; he's astounded by how many travel from other counties to work here; this is just one piece of a bigger puzzle; this is our responsibility to solve; he suggested that we reach out to other communities and make sure they are passing ordinances and working together to help with this issue; he doesn't want to lose opportunities if there is not enough workforce here.

Sam Gonzales, relatively new resident; accessory dwelling units (ADU's) are also being discussed as a possible solution to the need for multi-family dwellings; he questioned what the Homeowner's Associations' perspective

would be on this. Mayor Cahoon said that at some point the Town has to make sure the appropriate documents are being recorded, are meeting the Town's needs, and are enforceable.

Hilary McCubbins, Nags Head resident; she felt that deed restrictions would be more valuable for enforcing the small multi-family regulations and expressed her concern with small developments having so few property owners with a stake in it.

Town Manager Garman stated that the deed restrictions will apply to any of the multi-family projects – the HOA enforcement would be the second layer. Mayor Cahoon noted that for the smaller units, 100% of the residents have to be workforce housing. Town Manager Garman also noted that each project will require a zoning permit – which is another layer of review.

Bill Simmons, Nags Head Pond resident; the HOA is good to have but he is aware that the Nags Head Pond HOA does not have the funds to hire a lawyer to enforce a covenant; he is also concerned about the C-2 District and the Kelly's site which is one of the busiest intersections in Nags Head; when you add 100 people to that area, this will be a large impact on that intersection. Mayor Cahoon pointed out that with conditional uses, the Town can impose certain restrictions to help with specific issues.

Valerie Netsch, Nags Head resident; she feels that this is great progress; she appreciates having a cap; everything should be in writing and she would like to see in writing that any unit cannot be turned into a short term rental or Air-BNB for a number of years. Mayor Cahoon explained that the HOA enforcement is one level but the deed restriction, that would have to be recorded before final BOC approval, it is perpetual and goes with the building.

Paula Houck, Nags Head property owner/MD resident; this community is head and shoulders above other communities; if the HOA is bankrupt and can't take people to court, it would fall to the county, what she sees as a problem is no impact fees and questions why no one requires developers to pay impact fees; she left a "Social Host" ordinance with Town staff for consideration.

Susan Lee, Nags Head resident; she has HOA concerns; those who were active in the HOA in her neighborhood are now gone; there are lots of cases in her neighborhood but they can't afford attorneys; she questioned what can communities do if the HOA is the first line of defense or one without an HOA. Mayor Cahoon addressed the HOA concern - the deed restrictions go with the property and the Town would impose, regardless of what the HOA does or does not do; Town Manager Garman said that the HOA would be required to be formed and each unit would be required to be a member to record who is living there and make sure they are meeting the workforce housing requirements; the Town would do the enforcement of what is in the ordinance. Mayor Cahoon said that the concern is how the units will be occupied and the Town has the tools to enforce that.

Wayne Varilek, Nags Head resident, over time there may not be compliance with no one qualifying in the home due to death, moving out, etc. Planning Director Kelly Wyatt said that it would be on a case-by-case scenario when those types of things happen with no intention to remove the family or the rest of the members if that qualifying person should no longer be in the unit.

Mark Dunlevy, Old Nags Head Cove resident; questioned if the Town has considered occupancy requirements for these units; at times they have seen neighbors renting their bedrooms to 14 people. Town Manager Garman said that the County Health Dept addresses occupancy requirements and the standard is 2 persons per bedroom.

Hilary McCubbins, Nags Head resident; she said that after yesterday's storm, she is worried about the large multi-family projects, and stormwater issues – there need to be more permeable surfaces. Mayor Cahoon stated that development standards for stormwater are not in this ordinance but are in another part of the ordinance. Town Manager Garman said that lot coverage for commercial uses in C-2 is 55% and parking lots have to be at least 20% permeable and stormwater management also has to be adhered to – the Town requires

almost three times what the state requires. Mayor Cahoon noted that flooding issues in a neighborhood are fixed on a case-by-case basis as was the case with Old Nags Head Place. Comr. Sanders asked about open space and Manager Garman explained the requirement for the amount of open space required for a commercial development.

Kenneth Morgan, Nags Head resident; he has not heard anyone mention any traffic surveys being done and if a traffic signal would be warranted coming out of the Kelly's neighborhood; Coordination of traffic flow is not easy and takes long-term study; he also questioned housing for the four-month rush of employees needed. Mayor Cahoon responded that this effort is to address one piece of the problem – the need for short-term employee housing on the Outer Banks is a separate problem with a separate solution.

Town Engineer David Ryan responded to Mr. Morgan that for large projects a traffic impact analysis can be required of the developer by the Town; that area is very congested and after analysis, staff would coordinate with NCDOT as they are the ultimate authority for installation of any type of traffic signal.

NEXT STEPS

Mayor Cahoon explained that the next step would be that the proposed ordinance, as outlined by Manager Garman, would come back to the Board of Commissioners at the October 2nd Board meeting. He mentioned the possibility for additional public comment at that time; the Board may vote on the proposed ordinance at that time.

Mayor Cahoon thanked everyone for coming to today's workshop as well as the Board for allowing this additional opportunity to hear comments and to staff for the new draft ordinance and for pushing notification of the workshop to the public.

Comr. Lambert stated how nice it was to walk in and see so many people at today's workshop and to see so much interest in the multi-family dwelling issue.

Mayor Pro Tem Siers thanked everyone for coming to today's workshop; he appreciated the community input.

Comr. Brinkley thanked everyone for coming to today's workshop and providing input.

Comr. Sanders felt like he received a lot of great information and feedback today and was very appreciative.

Mayor Cahoon said that he looks forward to getting the best ordinance possible back on the books.

Town Manager Garman expressed his appreciation of the work done by the Planning Board, the Working Group, and the Board of Commissioners on this issue.

ADJOURNMENT

It was Board consensus to adjourn the workshop; the time was 10:30 a.m.

Carolyn F. Morris, Town Clerk

Date Approved: _____

Mayor: _____
Benjamin Cahoon