



Town of Beaufort, NC
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Board of Commissioners
Regular Meeting
6:00 PM Monday, May 08, 2023
Train Depot, 614 Broad Street, Beaufort, NC 28516

Call to Order/Pledge of Allegiance

Mayor Harker called the meeting to order at 6:00 p.m. and invited all to join in reciting the Pledge of Allegiance.

Roll Call

Elizabeth Lewis, Town Clerk, called the roll.

PRESENT:

Mayor Harker
Mayor Pro Tem Hagle
Commissioner Oliver
Commissioner Cooper
Commissioner Terwilliger
Commissioner Hollinshed

Agenda Approval

Commissioner Hagle made a motion to approve the agenda.

The motion carried unanimously.

Public Comment

There was none.

Items of Consent

1. American Rescue Plan Policies
2. Meeting Minutes

Commissioner Cooper made a motion to approve the Items of Consent.

The motion carried unanimously.

Presentations

1. FY 2024 Budget Presentation

Todd Clark, Town Manager, presented the FY24 Proposed Budget. He highlighted several key objectives and shared his budget message. It was noted that the total proposed budget for Fiscal Year 2024 is \$18,774,817; which represents an increase of \$2,542,219 from the adopted 2023 fiscal year budget. A copy of the FY24 proposed budget is on file in the Town Clerk's office, and can also be found on the Town of Beaufort's website: <https://www.beaufortnc.org/>

Public Hearing

1. Case #23-01 Text Amendment - Affordable Housing District

Commissioner Hagle made a motion to open the Public Hearing.

The motion carried unanimously.

Kyle Garner, Planning Director explained Case #23-01 was a zoning text amendment, the text portion only, that would create an Affordable Housing District. He provided background information on the item and shared it had been to the Planning Board for consideration. He noted the Planning Board had recommended approval, but with several changes; those changes are included in the meeting packet. He shared any properties in the Historic District would require additional approval from the Historic Preservation Commission. He reminded the group this was a draft version, and the Board could edit the proposal as they see fit.

Commissioner Hollinshed pointed out the word "Townhome" was not included on page 46 of the meeting packet, but it was included in the permitted uses.

Mr. Garner confirmed the text was left off, and noted the table would take presence over the text anyway, but ensured staff would fix it for consistency.

Commissioner Hollinshed shared she wanted to include a daycare center and a group/neighborhood recreation center in the permitted uses.

Commissioner Hagle noted the need for affordable housing in the area and commended the Beaufort Housing Authority (BHA) and Town staff for their work in developing the draft amendment.

Commissioner Oliver shared that he supported Commissioner Hollinshed's suggestions of including the daycare center and a group/neighborhood recreation center as permitted uses. He spoke to the public regarding the proposed text amendment before the Board and how the Town reached this point, over several years of working to address affordable housing needs.

Dick deButts, Chairman of the Beaufort Housing Authority, recognized the current BHA Board of Commissioners and others who would be speaking on behalf of the BHA during their presentation. He explained the BHA operates under HUD (United States Department of Housing and Urban Development) which provides limited funding. He expressed challenges associated with deteriorating BHA facilities, as many have been in their present location for nearly 70 years. He shared the best way to completely demo and rebuild the existing 100 units was through the (Rental Assistance Demonstration) RAD conversion process which HUD will allow them to use. He shared three potential options available to enhance the standard of living for current and future tenants. He explained option one as the BHA assuming the role of the developer, with total cost estimated at 20 million dollars. He explained option two as the BHA hiring a developer and paying a 10% fee, with total cost estimated 22 million dollars. He explained the third option, allowed

under RAD, was to hire a highly successful developer with HUD experience and mixed income and workforce housing in North Carolina. Under option three, he shared the current 100 units would be replaced and 300 additional units would be added as workforce and mixed income housing; this would provide a stable financial model under a 99-year lease. He suggested the third option was the best choice for the 27 acres of land the BHA has to utilize in the Town of Beaufort. He noted the Master Developers Agreement, sharing the BHA Board is listed as a general partner in the Public Private Partnership with Winn Development. He explained after the partnership reached a level of sustainability, the BHA would receive 30% of the earnings to invest back into the community. He shared there were 100 current units, which produced a tenant population of 200. He went on to explain after zoning, environmental, and architectural engineering studies have been completed, they hope to add 300 units for workforce and mixed income; these were described as studio units with one, two, and three bedroom options. He noted the estimated total population to be 800-850, even with the additional units. He shared the development would be phased, with an estimated completion time of 8-10 years. He discussed the potential of a learning lab in the community building, which would allow the neighborhood residents and Town of Beaufort citizens the opportunity to take college courses.

Commissioner Hollinshed asked what the community building would fall under in the permitted uses.

Mr. Garner shared if the building was going to be open for the entire community, it would not be considered recreation, therefore not listed in the permitted uses as such.

Commissioner Hollinshed suggested they have two separate facilities to meet these goals.

Commissioner Terwilliger asked if there were any assumed financial costs from the Town associated with the future project.

Mr. deButts confirmed there would not be any expenses for the Town. He did note they may ask for help on items such as impact fees, but the BHA was not depending on the Town for financial support. He shared the text amendment would provide ground rules for what facilities they can and cannot build; a master plan would then be completed to follow approval of the proposed amendment.

Commissioner Hagle discussed the 300 additional units, as it sounded like they were needed to support and finance the whole package. He asked for clarity on the rent range of these units, based on income.

Mr. deButts deferred to Chris Fleming, with Winn Companies, to answer Commissioner Hagle's question.

Mr. Fleming explained the current 100 units would remain Section 8 and be rebuilt. He went on to share the plans for any additional units; these units would be rented to individuals with incomes between 50-80% of the area median income, which would qualify for low-income house credits; and the to those with incomes between 80-120% of the area median income, making the target market workforce housing.

Commissioner Oliver confirmed that the Town of Beaufort, through the BHA, has an obligation to provide 100 affordable housing units. He asked Mr. Fleming if his understanding was correct on their intentions of the 100 units, for those to remain Section 8, without that number increasing or decreasing.

Mr. Fleming confirmed his perception was correct.

Commissioner Cooper commented on meetings and information provided to the tenants about the potential project. He noted some frequently asked questions and asked for clarity on the RAD program.

Reggie Barner, consultant for the BHA, explained HUD gives housing authorities the abilities to use their assets to be able to leverage with codeveloper's and use their land to

help present development opportunities. He shared that HUD does not allow the housing authority to use their assets to pledge or provide a guarantee to the lender and the bank; thus, that is why a codeveloper is needed. He explained the benefits of a complete rebuild of the 70-year-old units, as opposed to just renovations.

Commissioner Cooper asked if there would be an opportunity for homeownership of the additional units in the future.

Mr. Fleming explained it was a great opportunity and Winn had done it several times.

Commissioner Oliver asked how the Town could come up with a comfort level associated with the quality of the units over the full term of the lease and have viable recourse to address any future issues.

Mr. Fleming shared that the BHA made it very clear during the RFQ process that quality and construction was very important to them. He referenced the development agreement, which gives BHA the right to approve of the plans and construction specifications. He explained Winn Companies was a long-term holder of real estate, sharing the company still owns the first building they ever developed. He suggested their financial plan was sound and explained they build into their projects with anticipation they are going to own them 50 to 100 years. He did note there was no guarantee they would never sell, and if for some reason they did want to remove themselves from the deal, the BHA would have right of first refusal to purchase Winn's interest. He suggested they would build and maintain the units to the best of their ability. He also noted they were willing to incorporate any type of reasonable default provisions the BHA or Town desired.

Commissioner Oliver asked if they build reserves in their profit structure on a monthly basis.

Mr. Fleming confirmed they were required to by HUD.

Commissioner Oliver asked if there was dissatisfaction, would there be a way the Town could have access and claim one of the reserve funds.

Mr. Fleming confirmed they could, as that is the purpose of the reserve funds.

Commissioner Oliver noted the importance of being able to protect the buildings for the entire term of the lease.

Commissioner Hagle asked Mr. Fleming if they had ever sold any of their units over the past 50 years.

Mr. Fleming said they had sold in the last ten years, when the relative values got skewed from what people were willing to pay for housing and what value the company considered appropriate; but noted in general, that was not their policy.

Commissioner Hollinshed had questions about who owned the actual property.

Mr. Fleming noted it was his understanding the project would be structured as a ground lease, and the BHA would always own the land. He explained if there was a future sale, it would only be of the buildings and not the land.

Commissioner Hollinshed suggested the different rental brackets would help subsidize portions of the project.

Commissioner Oliver asked how many proposals came in after running an RFQ.

Mr. deButts confirmed they received five inquiries, and actually considered four companies. He noted the project was started in 2016, and it had been an ongoing process. He added that selling certain properties upfront did not prove to be beneficial in the long run for this type of housing.

Commissioner Cooper asked if there was any intention to sell the Turner Street property.

Mr. deButts confirmed there was no intention to sell that property, or any other.

Commissioner Hagle asked how many children were currently living in the 100 units.

Mr. deButts noted there were approximately 70 children, ages 18 and younger, and pointed out they were not all school age yet.

Dakota Lipscombe, attorney with Ward and Smith, represented the Beaufort Housing Authority by providing an overview of the affordable housing zoning district that was being proposed by the text amendment. His comments were captured and referenced within a presentation, which is incorporated and attached as part of the minutes. He noted the BHA respectfully requests the following as part of the Affordable Housing District (AHD): 40-foot height maximum outside of the historic district; 1.5 parking spaces per unit; 16-unit density on Legion Street site; 13 unit density on Turner Street site; and no changes to density on smaller sites (historic district). He also shared the BHA was willing to agree to 80-foot lot width and applicable setbacks; addition of a daycare center and neighborhood recreation center to the table of permitted uses; and 15% open space. He discussed the BHA would have to apply for rezoning of their properties, following approval of the proposed text amendment, and explained who would be able to build in the district.

Rachel Carol, BHA Director, discussed the local housing market needs. Her presentation is also attached for reference.

Mr. Barner, shared steps taken by the BHA to include stakeholders in its planning process. He explained the BHA had made extensive and repeated outreach to the public, including tenants and local Town officials since 2018. He shared in the last 8 months, they have been especially busy with the Town Board of Commissioners and Planning Board efforts. He provided more details on the RFQ process and how they determined Winn Companies could meet the design standards set forth by HUD. He also spoke on the low-income tax credit program. He noted that the BHA was not the administrator of the Section 8 program in the community, and explained it was operated by Coastal Community Action. He discussed potential Town Home developments and the 15-year restrictions on those units if the tax credit program was utilized.

Commissioner Cooper asked where the residents would go during construction.

Mr. Barner explained the intent was to build on an open lot first, and current residents would not have to be relocated until the new units were complete.

Commissioner Cooper noted he would like to see two parking spaces per unit, not one and a half.

Mr. Fleming explained the thought process behind one and a half parking spots per unit.

Mayor Harker asked if 300 units was being suggested to meet a profit margin.

Mr. Fleming explained from Winn's point of view, they could do less units, but he felt it would be a lost opportunity. He added they would not go below 100 units; that being 100 existing and 100 new. He noted future growth should be considered.

Mayor Harker asked for public comment on the item.

Gary Barger, 307 Cedar Street in Beaufort, referenced a flier he received in mail regarding an affordable housing district. It was determined the flier was sent by a group of citizens in Beaufort and had nothing to do with Town Staff or any Board members. He noted that with extra residents in the area, it would affect wait time at doctor's offices.

Joe Provenzano, 131 Gray Duck Drive in Beaufort, spoke on HUD funding and National Income and Product Accounts (NIPA) documentation. He questioned whether there would be a municipal services agreement with the Town, concerning utilities, and public safety services. He pointed out it would be another entity that would need service. He discussed permits associated with the future project, and factors such as stormwater and sewer capacity. He expressed concerns with additional development on top of already approved projects.

Paloma Capanna, 225 Rudolph Drive in Beaufort, expressed her concerns associated with questions that had been raised by the Board, and that a market survey had not yet been completed by the developers. She also suggested documents were being exchanged by email that citizens were not aware of, making it seem like things were being hidden. She shared that she did not like the process in which items such as the text amendment and rezonings required. She noted the BHA website showed no indication of a wait list, or that the property was under review for a potential future project. She commented on the current 100 units, noting the Town prides itself on having old homes. She discussed other available housing units in the area, not just those owned by BHA.

Patricia Shephard, 114 Queen Street in Beaufort, discussed median income in the area and noted she was glad to hear some clarity on the Section 8 portion of the BHA. She noted there were plenty of jobs in the area. She shared her concerns with the local infrastructure and hospitals supporting the new development and its population. She offered statistics from the schools in Beaufort.

Kevin Sisso, 225 Rudolph Drive in Beaufort, thanked everyone for the information presented at the meeting. He discussed residents per unit and suggested limiting the size and scope of the project. He discussed potential strains on sewer, water and first responders in the area. He suggested the current units could be renovated cheaper and offered ideas on how to do that.

R.J. Lytle, 240 Arrington Road Beaufort, suggested the school system could not handle the amount of growth that would result in the new development. He suggested 400 units, with one child per unit, would result in 400-800 additional kids. He noted this would be a significant impact on such a small school district. He shared his perception of a school budget, noting three areas. He suggested additional staff would need to be hired to support all the new children entering Beaufort schools. He also commented on the potential need for additional space, buses, and school supplies.

Robert Harper, 1020 Broad Street in Beaufort, he expressed concerns about the project and that the BHA was requesting the amendments that would in turn create an Affordable Housing District. He suggested if the Board granted the request, other developers were going to ask for amendments to suit their needs as well. He discussed the importance of being fair to all developers in Town and being consistent. He shared until this point, there had not been any information shared in the community. He noted much of the information shared by the applicant and developers was verbal, not in a handout or something that could easily be referenced. He suggested the Board request all the information in writing to ensure all the promises and numbers are clear. He urged the Board to vote against the request until they obtained a document that was verifiable and legally binding.

Commissioner Hagle made a motion to close the Public Hearing.

The motion carried unanimously.

Commissioner Hollinshed said she would like to see the additions previously mentioned as part of the text amendment and noted she hoped the BHA would not be asking for any subsidies from the Town for the proposed project. She requested the BHA keep the Town Board of Commissioners informed with more updates than the yearly audit.

Commissioner Terwilliger shared he did not think they were ready to vote on the proposed text amendment. He questioned whether the changes would apply to government owned property only and suggested being as specific as possible with the text amendment.

Commissioner Hagle recommended more clarity on the text amendment and to have the suggested changes discussed by the Board included in a revised version.

Commissioner Oliver made a motion that the Board set a 30-day timeframe in which they would move forward with the text amendment based upon the following assumptions:

- An acceptable written master development agreement outlining each of the proposed considerations made by the operator be specifically stated in writing.
- That there be 40-foot maximum height allowance, except for the Historic District.
- That a 15 % open space requirement be included.
- That duplexes be a permitted use.
- That 1.5 parking spaces for Section 8 type housing and 2.0 for affordable housing be provided.
- That up to 16 dwelling units per acre be provided.
- That group living items and daycare be included as a permitted use.

He suggested giving staff time to review the minutes, notes and all the warrants and representation made at the meeting, so they could be included as a portion of the zoning approval.

Commissioner Cooper shared his preference of requiring two parking spots, regardless of Section 8 housing or not. He suggested a housing committee be formed to analyze the needs in the community.

Commissioner Oliver amended his motion to include two parking spots for all types of housing.

Commissioner Terwilliger again questioned how to restrict the text amendment to specifically address what the Town wants to do in this situation. He noted he would like to hear from the attorney later regarding his concerns.

Commissioner Oliver shared that is why he believed the master development agreement was so crucial and noted there was one currently in existence that should be reviewed after the information discussed at the meeting, to confirm all warrants and applications are captured and clearly understood.

Mayor Harker asked how that document affected zoning.

Arey Grady shared he had not reviewed the current master development agreement, referenced by Commissioner Oliver, but would do so to follow the meeting.

Commissioner Hagle recommended 35 feet be the maximum height allowance throughout all districts.

Mayor Harker reminded the Board there was a motion on the floor and called for a vote.

The motion was denied with a (4-1) vote.

Voting in opposition was Commissioner Cooper, Commissioner Hagle, Commissioner Terwilliger, and Commissioner Hollinshed.

Voting in favor was Commissioner Oliver.

Mayor Harker suggested the next step would be for the Board to review the master development agreement and to revisit the item again at the June 12th Regular Meeting.

Commissioner Hollinshed made a motion to recess the meeting at 8:40 p.m.

The motion carried unanimously.

Commissioner Terwilliger made a motion to reconvene the meeting.

The motion carried unanimously.

Items for Discussion and Consideration

1. Approval of Plans and Specifications- USDA-Funded Utilities Project

Greg Meshaw, Town Engineer, shared the plans and specifications for the USDA-funded water-wastewater-stormwater projects that have been completed. All regulatory permits and authorizations needed to construct the improvements have also been obtained. Copies of these plans, specifications, and permits/authorizations have been supplied to and accepted/approved by USDA. He noted that with these approvals, the next step in the process is for the local USDA office in conjunction with the State office to request loan closing instructions from the USDA Office of General Counsel. With that, several resolutions need to be adopted by the Board.

Commissioner Hagle made a motion to approve Resolution No. 23-07 for the Wastewater Collection System Rehabilitation Project.

The motion carried unanimously.

Commissioner Hagle made a motion to approve Resolution No. 23-08 for the Water Distribution System Project.

The motion carried unanimously.

Commissioner Hagle made a motion to approve Resolution No. 23-09 for the Stormwater Improvements Project.

The motion carried unanimously.

2. Award of Construction Contract- Cedar Street Pervious Parking Lanes Pavement

Mr. Meshaw shared a bid tabulation for the Cedar Street parking lane project. He noted that Sunland Builders Inc. was the lowest bidder. The bid amounts were noted as \$725,285.00 for the base bid and \$648,885 for the alternate bid, which includes construction of pavement using previous concrete. He explained both bids exceed the amount budgeted for the project, noting current Town funds available as \$369,000.00. He recommended the contract be awarded on the amount of available funding and shared a revised work exhibit for the pervious parking lanes. He also shared that the Town had recently applied for a grant with the Division of Coastal Management to help fund the remainder of the original project.

Commissioner Terwilliger suggested cancelling the project and requesting that North Carolina Division of Transportation pave Cedar Street.

Commissioner Hagle expressed his support of the pervious parking lanes on Cedar Street.

Commissioner Oliver had questions regarding the grant.

Mr. Meshaw shared it was his understanding that the Town would know if they were going to receive the grant by the end of May.

Mayor Harker noted the pervious pavement had an important purpose.

Commissioner Cooper made a motion to award the Cedar Street Pervious Parking Lanes Pavement Contract to Sunland Builders Inc., for the available funding amount.

The motion carried on a (4-1 vote), with Commissioner Terwilliger voting in opposition.

3. ARP Budget Ordinance and Amendments- Revenue Replacement

Mr. Clark and Christi Wood, Finance Director, explained the proposed Budget Ordinance and Amendments were housekeeping items associated with American Rescue Plan funds the Town received. Both Mr. Clark and Ms. Wood provided background information and a detailed explanation as to why the budget amendments were necessary.

Commissioner Hagle made a motion to approve the following: Grant Project Budget Ordinance Amendment #1 (Federal American Rescue Plan Act 2021); FY 2023 Budget Amendment #9; FY 2023 Budget Amendment #10; Capital Project Budget Amendment #1 (Stormwater and Equipment); and Capital Project Budget Amendment #1 (Utilities).

The motion carried unanimously.

4. Arts in Beaufort Mural Project

Rachel Johnson, Parks and Event Coordinator/PIO, provided a summary of the Arts in Beaufort Mural Project. She noted the Board of Commissioners had previously directed Arts in Beaufort to revise the proposed painting for the shower house.

BJ Vincent, with Arts in Beaufort, provided background on the project and shared the only changes made by the artist since the original rendering was presented to the Board was the additional of dolphins in the letter "F", instead of the fish.

Vic Fasolino, also associated with Arts in Beaufort, explained the historic significance of Blackbeard in the mural.

Commissioner Oliver made a motion to approve the mural, "Beaufort Blue", provided that there is a legend that describes each of the images located underneath the art piece. Included in that motion, Commissioner Oliver approved the other requests as presented: to remove the existing fence located on the boardwalk, and to remove the current shutters and replace them with solid pieces of wood.

It was also noted by Mr. Fasolino, the cost of the legend and mural would be taken care of by Arts in Beaufort.

The motion carried on a (4-1) vote, with Commissioner Hollinshed voting in opposition.

Manager Report

Mr. Clark distributed the monthly Manager's Report for May 2023; this information is also posted online at: <https://www.beaufortnc.org/boardofcommissioners/page/managers-report>

Mayor/Commissioner Comments

Commissioner Hagle offered a safety message about the importance of focused driving.

Commissioner Oliver shared he believed there was no conflict of interest with George Stanziale being on the Planning Board, and noted he did not participate in the meeting where the BHA item was considered. He also pointed out Mr. Stanziale was a highly qualified member of the Planning Board.

Mayor Harker thanked the citizens for attending the meeting. She also thanked the Arts in Beaufort committee. She commended the Town staff for preparing the FY 2024 Budget and noted she was looking forward to discussing it at the upcoming workshop meetings.

Closed Session

1. Pursuant to NCGS 143-318.11 (a) (5)

Commissioner Hagle made a motion to enter closed session, pursuant to NCGS 143-318.11 (a) (5).

The motion carried unanimously.

Adjourn

Commissioner Hagle made a motion to adjourn the meeting at 10:00 p.m.

The motion carried unanimously.

Sharon E. Harker, Mayor

Elizabeth Lewis, Town Clerk



Beaufort Housing Authority
Affordable Housing District

Who is Beaufort Housing Authority?

- ◆ Founded by the Town Board in 1966
- ◆ Existing units built between 1969-1971
- ◆ NC General Statutes Chapter 157 Provides the Legal Framework
- ◆ Is legally independent from the Town, but Mayor and Town Board provide oversight
- ◆ Mayor appoints the BHA board members, but once appointed, the Board members' legal duty is to the BHA
- ◆ **US HUD is the ultimate authority—HUD provides funding and controls BHA operations through a contract governed by federal law**

Why an affordable housing district (AHD)?

- ◆ Provide flexibility
- ◆ Allow for planned and phased replacement of existing public housing
- ◆ Provide new housing units for those who need affordable and workforce housing

AHD Needs Local Input

- ◆ An AHD will make sure housing is focused on affordable and workforce housing while providing adequate review by the Town officials.
- ◆ According to HUD local zoning can help affordable housing. HUD encourages pro-housing land use and zoning reforms.
- ◆ BHA wants to work with the Town to create the AHD so that we can avoid the problems other communities across the nation experience.

What should the AHD include?

- ◆ BHA respectfully requests:
 - ◆ 40 foot height maximum outside of the historic district
 - ◆ 1.5 parking spaces per unit
 - ◆ 16 unit density on Legion St. Site
 - ◆ 13 unit density on Turner St. Site
 - ◆ No change to density on smaller sites (historic district)

AHD Improvements

- ◆ Planning Board discussion brought up areas for improvement. These would be acceptable and demonstrate BHA's willingness to work with the Town:
 - ◆ 80 foot lot width and applicable set backs
 - ◆ Addition of day care to permitted uses
 - ◆ 15% open space

Will the AHD automatically apply to BHA property?

◆ No.

◆ The BHA will still need to apply for AHD rezoning for BHA property. This added step provides more opportunity for comment and review.

Who can build in the AHD?

- ◆ The real-life impact of the AHD is that only BHA can develop in the AHD.
- ◆ Construction in the AHD must still meet HUD requirements.
- ◆ These criteria make sure the housing development is for the public good and receives an additional layer of community oversight
- ◆ *AHD imposes more oversight than current zoning*

Does this AHD allow BHA to begin construction?

◆ No.

◆ It is important to keep in mind that BHA's plans still need to be approved as zoning map amendments (which will come in the next months) and plan review approvals (which will come once the zoning is approved and the architect completes preliminary plans).

Local Housing Needs

- ◆ There is a recognized need for affordable rental housing in Beaufort as well as Carteret County as a whole.
- ◆ Apartment rentals are in High Demand and there is Pent-Up Demand for affordable and workforce housing.
- ◆ Demand for multifamily rental housing is very strong withing Carteret County; only five of the 1,919 surveyed units were vacant, resulting in an overall 99.7% occupancy rate
- ◆ *With nearly 8,000 housing cost-burdened households in the county, affordable housing alternatives should be part of future housing solutions.*

HUD Identified Low-Vacancy Area

- ◆ HUD has identified Carteret County as a Low-Vacancy Area for many years, with current available datasets dating back to FY2017. Low-vacancy areas are set at the county level using occupancy rates for public housing and multifamily assisted properties.

Fiscal Year	% Occupied
2022	95.9%
2021	96.1%
2020	94%
2019	95.4%
2018	96.4%
2017	95.2%

Housing Needs Assessment: Household Income, Housing Costs & Affordability

Household Income, Housing Costs and Affordability								
	2020 Households	Median Household Income	Estimated Median Home Value	Average Gross Rent	Share of Cost Burdened Households*		Share of Severe Cost Burdened Households**	
					Renter	Owner	Renter	Owner
Beach	3,803	\$69,092	\$377,345	\$1,229	37.7%	22.9%	23.4%	9.8%
Central	15,150	\$54,704	\$186,981	\$919	42.2%	22.2%	20.4%	7.7%
East	8,113	\$56,238	\$188,696	\$838	34.3%	18.8%	19.4%	6.4%
West	4,468	\$69,316	\$237,339	\$1,213	32.5%	25.0%	12.7%	10.1%
Carteret County	31,534	\$58,570	\$214,964	\$954	38.8%	22.0%	19.6%	8.1%
North Carolina	4,215,474	\$55,916	\$175,782	\$979	43.3%	19.9%	20.6%	7.9%

Source: American Community Survey (2015-2019); ESRI

*Paying more than 30% of income toward housing costs

**Paying more than 50% of income toward housing costs

Housing Needs Assessment

- ◆ Community Input Indicates that Area's Housing Shortage is Adversely Impacting Local Employers and Limiting Economic Growth
- ◆ Over 80.0% of respondents indicating that housing affordability and limited availability of housing were often experienced in the market.
- ◆ Most employers surveyed (54.5%) stated that in the past couple of years they have experienced difficulty attracting and/or retaining employees due to housing related issues and challenges.
- ◆ Unaffordable rental housing was ranked as the greatest housing challenge, while unaffordable for-sale housing was a major concern.
- ◆ Several employers indicated that they would do additional hiring if more housing was available and affordable to their employees.

Local Market Survey

- ◆ In March 2023, BHA conducted a local market survey of Affordable Housing providers in Carteret County. There were a total of 15 Affordable Housing providers included in the survey (including BHA).
- ◆ At the time of the survey there were a total of **434 families currently on wait lists for Affordable Housing.**
- ◆ Additionally, according to a representative with the Coastal Community Action Association, there are approximately **68 Housing Choice Voucher holders waiting for housing, and an additional 271 people currently on the waiting list.**
- ◆ **There are a total of 773 families waiting for affordable or subsidized housing in Carteret County.**

What has BHA done to include stakeholders in its planning?

- ◆ BHA has made extensive and repeated outreach to the public, including tenants and local Town officials since 2018
- ◆ Last 8 months have been especially busy with Town Board of Commissioner and Planning Board efforts

Outreach: Extensive and Ongoing

- ◆ August 15, 2018 - Resident Information Meeting about HUD's RAD Program with its efforts
- ◆ September 4, 2018 - HUD RAD Application Submitted
- ◆ December 6, 2018 - HUD awards BHA a Commitment to Enter into a Housing Assistance Payments Contract (also known as a CHAP award)
- ◆ 2019—additional research to evaluate RAD and redevelopment options. Consultants and legal counsel provided input.
- ◆ 2020—Carteret County housing study prepared and released
- ◆ 2020-2022—Covid-related delays.
- ◆ April 26, 2022 - BHA Board discusses moving forward with new RAD proposition. September 1, 2022 - Co-Developers Notified of Award (Winn) or Rejection (Others)
- ◆ October 10, 2022 - BHA and Winn sign a non-binding term sheet and agree to prepare a comprehensive Development Agreement.
- ◆ October 10, 2022 - Presentation at Town Board of Commissioners meeting of Winn and overall project goals discussed
- ◆ April 2022 through October 2022 - RAD Updates & Facts published in BHA's monthly newsletters that are distributed to all residents
- ◆ October 2022—Town Board of Commissioners encourages BHA to proceed
- ◆ November 1, 2022 - Information session with BHA, Winn, and Town Officials to discuss overall project
- ◆ January 17, 2023 - Initial Presentation/Request to Planning Board for Affordable Housing District (AHD) - However, the presentation was not made because the Planning Board did not have enough attendance for a quorum
- ◆ February 20, 2023 - Planning Board Meeting - Discussed request for AHD - vote tabled to next meeting
- ◆ February 24, 2023 - Final Development Agreement executed between BHA and Winn - Press Release posted
- ◆ March 20, 2023 - Planning Board Meeting - AHD approved with modifications from proposal

BHA's Developer Team

- ◆ Winn was selected from four applicants
- ◆ This partnership will replace the current 100 units of public housing with new and better units
- ◆ A full feasibility study, including demand quantification, environmental restrictions architectural review and other considerations are yet to be accomplished.

AHD Allows Responsible Development

- ◆ Add approximately 300 additional affordable and workforce apartments over 8-10 years
- ◆ Option for some affordable home ownership through condos that will remain on BHA-owned land through the long-term lease

BHA and Community Safeguards

- ◆ BHA participates in all development decisions, review rights overall all program, design financing and scheduling
- ◆ BHA receives 30% of cash flow and benefits with financing proceeds and retention of property's residual value

BHA Benefits

- ◆ BHA retains right to purchase the property if Winn wants to exit—
Winn cannot sell to another outside developer without BHA having the right of first refusal
- ◆ BHA continues to own the land, just leasing it to the development company (and BHA will own a portion of the development company)
- ◆ BHA shares in the development fees generated by the project