

CCA Member Meeting Minutes

23 March 2023

Call to Order at 6PM

Pledge of Allegiance

Introduction of the Board by Barb Marzetti, President: Wayne Evans, Vice President; Tony Cerri, Secretary; Scott Quigley. Ben Watson absent. A quorum was established.

Guest Speaker - Clark Twiddy, President of Twiddy & Company

Mr. Twiddy's primary topic was housing for the Corolla workforce. In his opinion, it is the biggest challenge the Outer Banks is facing now from an economic standpoint. While we have substance abuse, natural environment and infrastructure/transportation challenges, we would probably all agree that worker housing is clearly the biggest. There simply is no affordable housing and there is no sign that real estate prices will be coming down over the next 3 to 5 years.

It's an extremely complicated problem without a simple universal solution. In Clark's view, the future of affordable housing is in Elizabeth City and Columbia; as is the future of those things that affect where people live, such as access to health care.

When one thinks of what one can do in this area there are multiple conversations to be had. First, there's the government conversation - what can government provide or incentivize, what can it do in the way of zoning; what can the private sector do - currently heavy capital investment in housing as we have primarily a service economy here and those services are primarily delivered by people, so employers are providing subsidized housing to their employees. The last sector is "home sharing" - VRBO & Air BnB; when this moved into the residential sector it took a lot of long-term rental housing out of the market as it became more profitable to do short-term vacation rentals than to do long term rentals to residents.

The lack of workforce housing is the most significant limiting factor on ability to provide services necessary to support the vacation business on the Outer Banks.

Q - Why don't you see real estate prices in OBX coming down over the next 3 - 5 years?

A - Two main reasons -- Intrinsic Value & Behavioral Finance (ranks emotion higher than intrinsic value; e.g., tulips in Holland). OBX is still a bargain compared to most of the coastal communities up and down the East Coast. Most of the coastal communities are bucking the overall cooling trend for housing in the country. Also, much of the \$9 trillion dollars the Feds pumped into the economy ended up in individual accounts and that money has flowed into real estate markets like the Outer Banks. Also, a lot of intergenerational cash flowing from Boomers to the next generations. Lastly, demand continues to outstrip supply. For NC, 2 million people have moved in over the last 10 years (equal to the population of Nebraska). While Johnston County can build more homes, OBX doesn't have the vacant land to add more housing supply. Lack of inventory has had a bigger impact than rising interest rates.

Q - Investment firms like BlackRock and Vanguard are now huge buyers of homes throughout the country. Have you seen this in OBX?

A - Haven't seen that in the coastal area yet. Blackrock owns 3,300 homes in the Charlotte area. In recent years, 60% of the homes in Wake County have been purchased by LLCs, which implies a sophisticated investor. We have seen the emergence of sophisticated investors who have bought blocks of homes in

Corolla/Carova, e.g., 7 -10 homes as a hedge against the equity markets, but have not yet seen a big money management firm come in and try to buy everything on the oceanfront.

Q - What is Twiddy & Company's doing to address workforce housing for its business?

A - Twiddy has employee housing as part of its footprint. It's one of Twiddy's most important capital investments. More than half of the employees live in company-owned housing with subsidized rent. If we didn't provide this, we would not have talented employees, and the only way we can provide a career path for them is to solve the housing problem for them. We'd love to see the County do some things to help the situation, but to be honest, do not see that in the cards.

Q - Corolla business owners and residents have more in common with Dare County than with Currituck mainland. Do you see a way that Corolla could work with the groups in Dare County that are trying to address the workforce housing issue?

A - Probably not. Dare County has the money – it received \$30 million from the State to invest in workforce housing -- but the reality is that NIMBY is undefeated. Everywhere in Dare County they have tried to spend that money, they've been voted down. We will not see greater density in Lower Currituck because the Commissioners' attitude is that it's not up to them to solve what they perceive as a Dare County housing problem.

Q - Isn't the other side of that coin, but hasn't Moyock become a bedroom community for the Hampton Roads area? How can that be reconciled?

A – My observation is that they have realized that the cat got out of bag in Moyock and the Commissioners don't want that to happen again in Lower Currituck. General business zoning has always been a preference as it only allows one structure per acre. MXR (mixed residential) is the canary in the coal mine for housing. MXR is the code word for density (4 units per acre). Predicts that we will hear more about MXR in the future. Also, some thought be given to non-profit solutions.

Q - When are we going to get a medical clinic?

A – Number one problem is staffing compounded by seasonal demand. Difficult to develop a viable economic model with only partial year demand. 20% of open positions at Outer Banks Hospital can't be filled.

Q - Are there any land parcels available for worker housing in Corolla, particularly on the west side of Route 12? How do we kick start something like that?

A - There are some. James Johnson (Coastland Corp) owns the plot between the water plant and TimBuck II. That's an emotional issue for him and I don't see a rational economic solution that can triumph over his emotional connection to the property. It may become available some day and, when it does, there will be immediate interest and think that it will have MXR zoning. It may happen at some point in the future but, for now, it's Elizabeth City. The fastest growing workforce is in Elizabeth City because the workforce responds to housing.

Q - How would we get workers here from Elizabeth City?

A – NC DOT does have a grant program to help address the transportation infrastructure challenges, but at the end of the day, it's a "last mile" challenge – getting workers from a central dropoff point to their work location. Maybe a mixed use (public + tourist) trolley system could help solve the "last mile" problem.

Q - Can property management (PM) and realty firms put pressure on County Commissioners to re-nourish the beaches?

A – We will advocate for homeowners but not prudent from a business perspective to cross swords as that risks cutting off communication channels with the county. Preference is to use trade associations to carry the water in lieu of directly locking horns. I had a conversation earlier today with the County Manager about beach nourishment.

Q - What about “accessory units” on residential lots?

A – There are zoning issues. Someone who was on the Planning Board back in the day admitted that, decades ago, we slit our own throats with the zoning, but we didn’t know it at the time because we could never imagine what would happen in Corolla down the line. Corolla/Carova was almost the moon back in the 70’s and we never knew that millions of people would be coming here on vacation someday. Future will depend on more appropriate zoning.

Q - What about a KOA-type campground?

A – There is precedent in Waterlily. Mixed feelings amongst residents. Tiny houses are getting popular.

Q – What do you think will happen with the Mid-Currituck Bridge?

A – State Senator Hanig says that pilings will be going in in 2025. Has a Virginia Pilot article that from 1985 saying construction imminent so will believe it when sees it. One might conclude that when Alligator River got \$125 million from Senator Tillis to rebuild the Alligator River Bridge that was Senator Tillis’ way of saying that we weren’t getting the Mid-Currituck Bridge. But reasonable minds can differ. Permits and funding must be secured before construction on the Mid-Currituck Bridge can commence.

Old Business –

Appears the playground construction in Whalehead will start in April.

Outer Banks Association of Realtors (OBAR) is sponsoring a panel discussion on Beach Week issues and CCA has been invited to participate.

Could use help attending & reporting back on county meetings of all types.

CCA can use volunteer help for projects or things that interest the members.

Still waiting for movement on the lawsuit. CCA has been able to pay all legal fees.

Q – What about the Willis project?

A – Phase 1 is approved. 3 CCA members attended the approval opinion and expressed concerns about various measures. However, County lawyer told BoC members to disregard comments as CCA members were not ‘experts’ and, therefore, had no standing.

Approval of Minutes, 2/23/2023 meeting. Motion seconded and approved.

Next Meeting will be 4/27/2023 and Mr. White, our commissioner, will be the guest speaker.

Motion to adjourn at 7:20. Seconded and approved.