



Town of Nags Head
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TO: Nags Head Board of Commissioners

Date: September 13, 2022

Re: Housing White Paper

At your September 7, 2022 regular meeting, Commissioner Cahoon requested a white paper on the proposed Woda Cooper housing development at US 158 and Hollowell Street. The following information was obtained by the mayor, with the assistance of the developer as well as Dare County Schools, the Outer Banks Hospital, and the Town of Nags Head. The board is scheduled to hear a presentation from Woda Cooper at its November regular meeting. Staff anticipates publishing this white paper, along with any additional requested information, as part of the November agenda packet.

Workforce Housing in Nags Head

Woda Cooper Companies is proposing a multifamily apartment development in Nags Head. Residents will pay below-market rents and will be limited to a household income which makes them eligible. Maximum allowed rental rates based on income and household size are established by HUD, and incomes are verified annually. Compliance with this program is managed by the NC Housing Finance Agency (NCHFA). This type of development is alternatively called affordable, workforce, or essential housing. This housing will be an affordable alternative for many who serve our community in the healthcare, education, public safety, public services, hospitality, and educational sectors. Woda Cooper Companies is a national leader in developing and managing this type of development. (Residents will not receive government vouchers to pay for rent, which is commonly called Section 8 housing. This project is NOT Section 8.)

Employees of Nags Head based businesses and institutions will benefit from this housing opportunity

The Outer Banks Hospital, nursing home Peak Resources, Nags Head Elementary School, private businesses, and the town itself, have employees in salary ranges which could qualify for the proposed apartments. Rents would be considered "affordable" for households with low to moderate incomes—typically households whose earnings are between 30 percent and 120 percent of area median income (AMI). As of April 2022, the AMI for a four-person household was estimated to be \$78,900 in Dare County. It should be noted that a \$15/hour wage equates to approximately \$30,000 per year.

Representative local starting salaries include:

Pharmacy Tech II	\$37,752	Starting Teacher	\$37,000	Sanitation Equipment Trainee	\$39,600
Medical Assistant	\$32,468	Child Nutrition Assistant	\$26,000	Water Plant Operator	\$41,600
Point of Serv. Specialist	\$34,222	Teaching Admin. Asst.	\$33,000	Sr. Facilities Maint. Tech.	\$43,600
Central Scheduler	\$36,645	Teacher w/ Local Supp.	\$41,000	Administrative Specialist	\$41,600
Floor Technician	\$31,408	School Custodian	\$25,000	Custodian	\$35,900

Town positions in the last column show hiring rates. After 6 months the town provides a 5% probationary increase up to the "salary minimum". Those minimums are therefore:

Sanitation Eq. Trainee	\$41,562
Water Plant Operator	\$43,640
Sr. Facilities Maint. Tech	\$45,822
Administrative Specialist	\$43,640
Custodian	\$37,697

The Nags Head development will have units for households with incomes of 40%, 60% and 80% of the Dare County AMI, and there will be one-, two-, and three-bedroom units. Qualifying incomes for households of up to six persons are shown below.

	60.00%	40.00%	80.00%
1 Person	33,180	22,120	44,240
2 Person	37,920	25,280	50,560
3 Person	42,660	28,440	56,880
4 Person	47,340	31,560	63,120
5 Person	51,180	34,120	68,240
6 Person	54,960	36,640	73,280

And, depending on total family income, family size, and apartment size, the maximum rates would be as shown below. (Maximum occupancy is two persons per bedroom.)

Bedrooms (People)	60.00%	40.00%	80.00%
1 Bedroom (1.5)	888	592	1,185
2 Bedrooms (3.0)	1,066	711	1,422
3 Bedrooms (4.5)	1,231	821	1,642

Woda Cooper Companies will not charge the maximum rents allowed. The projected rates for this community are:

	1-BR		2-BR		3-BR		AMI Total
AMI	Units	Rent	Units	Rent	Units	Rent	
40%	3	\$ 440.00	12	\$ 730.00	2	\$1,025.00	17
60%	4	\$ 515.00	13	\$ 875.00	2	\$1,200.00	19
80%	3	\$ 585.00	13	\$ 990.00	2	\$1,385.00	18
Unit Total	10		38		6		54

For example, a single-income 4-person household (full-time parent, part-time parent, and 2 children) with an income of \$63,120 or less (80% of the \$78,900 AMI) could rent a 3-bedroom apartment for \$1,385 per month. (As of 9/8/22 the writer could find **no** 3-bedroom year-round houses or apartments for rent in Nags Head.)

All of the above salaries, and other similar salaries not cited, would qualify to live in this development.

AMI, qualifying incomes, and rental rates are all subject to change. Units cannot be sublet, used as Air BnB units, rented seasonally, or converted to market-rate apartments.

Household status is reviewed on a regular basis. However, once a household qualifies, and unless the household makeup changes (like in family size or number of wage earners) the residents are permitted to remain indefinitely. Regular pay increases above the qualifying maximum would not require that a family move out.

Woda Cooper Companies will manage the property. The application process, which includes credit and criminal background checks will begin about three months prior to completion of construction.

The Nags Head Site and Development

Woda Cooper’s Nags Head development will be located on a 4.7-acre site fronting US 158 south of Hollowell Street. The site is zoned C-2 which permits multifamily development. The developer is working on a site plan which complies with current town ordinances and has not asked for any variances, density increases, height increases, or any other text amendments.

The development will be comprised of three 3-story buildings totaling 54 units in a mix which includes (10) 1-BR, (38) 2-BR, and (6) 3-BR units. There will be community space in one of the buildings including the management/leasing office, multipurpose space, laundry facility and fitness room. The residents will be near to numerous shopping opportunities, restaurants, banks, schools, and public services as well as the main hospital for Dare County. The site is ideal for a multifamily development with safe and easy egress/ingress off East Hollowell Street, where there is a traffic signal at the US 158 intersection. The site is already served by a sidewalk along Hollowell which connects to both the US 158 and Beach Road multiuse paths.

Building exteriors will meet Nags Head design standards which impose an appropriate coastal character. Exterior facades may include some brick at ground level for low maintenance. The development will have the appropriate number of handicapped accessible units as well as units specifically equipped for sight/hearing impaired. Exterior amenities will include a playground, tot-lot, and a covered picnic area with tables and grills. Additional benches will be located throughout the property. Each unit will offer a bright, comfortable and efficient living space plus a 16-sf exterior storage closet. Each unit will have pre-wired connections for cable, telephone and internet. In the kitchen, all units will feature Energy Star appliances (electric range/oven, dishwasher, and refrigerator/freezer).

Project Financing

The project will be financed through a combination of private capital, low-interest loans, a grant from Dare County, and the sale of low-income housing tax credits to an institutional investor. Nags Head is not providing any financing for the project.

Project Timeline

September	2022	Pre-application submission to NCHFA
January	2023	Full application submission to NCHFA
March	2023	NCHFA awards tax credits
March-June	2023	Finalize civil and architectural construction documents
May	2023	Close on property
May-August	2023	Permitting process
September	2023	Notice to Proceed / Start construction
July	2024	Begin pre-leasing
October	2024	End of construction / place into service
Oct. – Dec.	2024	Lease-up

Woda Cooper Companies, Inc.

Woda Cooper Companies, Inc. develops, designs, constructs, and manages affordable housing communities. Their talented team of employees has broad expertise across the spectrum of affordable housing: urban and rural communities; senior and general occupancy communities; mid-rise, garden and single-family communities; and new construction, acquisition rehabilitation, and adaptive reuse developments. Since their beginning in 1990 they have taken a long-term approach to every community they develop and construct. Their company has developed, owns, and manages over 375 communities (16,000 units) and “they work hard to keep their promise to make a positive contribution in every village, town, and city where their housing is located”. Woda Cooper Companies, Inc. and its affiliates are recognized leading experts in the affordable housing industry. Affordable Housing Finance magazine ranked the firm 10th overall among Developers and 18th overall among Owners in its May 2021 issue.

Woda Cooper Companies, Inc. is the first vertically integrated affordable housing company in the nation to be owned by an Employee Stock Ownership Plan (ESOP). Its principals Jeffrey J. Woda and David Cooper, Jr., are recognized leaders in the affordable housing community.