

**MINUTES OF A
WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
FEBRUARY 13, 2024**

The Jackson County Board of Commissioners met in a Work Session on February 13, 2024, 1:00 p.m., Justice and Administration Building, Room A201, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Mark A. Letson, Chairman	Darlene Fox, Interim County Manager
Todd Bryson, Vice Chair	John Kubis, Interim County Attorney (Via Zoom)
Mark Jones, Commissioner	Angela M. Winchester, Clerk to the Board
John W. Smith, Commissioner	
Tom Stribling, Commissioner	

Chairman Letson called the meeting to order.

(1) VOLUNTEER FIRE DEPARTMENT STATE GRANT MATCH PROGRAM:

Michael Forbis, Fire Marshal stated the Office of the State Fire Marshal provided Fire Grants for volunteer fire departments each year. The Volunteer Fire Department Fund was created to assist departments with equipment purchases and to meet capital expenditures. There were seven fire departments in the county with four qualifying for this grant. Representatives from each of the qualifying fire departments were in attendance.

(a) Balsam Volunteer Fire Department: Chief Brian McMahan presented a copy of Balsam's grant application for the 2024 NC Volunteer Fire Grant in the amount of \$80,164. He provided a detailed list of various equipment the grant funds would be used to purchase. The required local match requested from the county was \$40,000.

(b) Canada Volunteer Fire Department: Chief Terry McCall presented a copy of Canada's grant application for the 2024 NC Volunteer Fire Grant in the amount of approximately \$80,000. He provided a detailed list of various equipment the grant funds would be used to purchase. The required local match requested from the county was \$40,000.

(c) Qualla Volunteer Fire and Rescue Department: Captain Trevor Sutton presented a copy of Qualla's grant application for the 2024 NC Volunteer Fire Grant in the amount of \$81,381.84. He provided a detailed list of various equipment the grant funds would be used to purchase. The required local match requested from the county was \$40,000.

(d) Savannah Volunteer Fire Department: Chief Floyd Green presented a copy of Savannah's grant application for the 2024 NC Volunteer Fire Grant in the amount of \$80,039.74. He provided a detailed list of various equipment the grant funds would be used to purchase. The required local match requested from the county was \$40,000.

General discussions were held.

The Board requested detailed information regarding calls for each department for the past five years.

Mr. Forbis stated he would provide the information to the Board.

Consensus: *Move forward with the grant matches as requested.*

(2) AFFORDABLE HOUSING: Tiffany Henry, Economic Development Director; Sara VanLear, Project Manager, Development Finance Initiative; and Sara Odio, Assistant Director Housing and Revitalization were present for this item.

Ms. Henry stated she presented information about Development Finance Initiative (DFI) at a previous meeting of the Board. Over the past month, each Commissioner had spoken with Ms. VanLear and Ms. Odio regarding the Housing Needs Assessment.

Ms. VanLear presented Housing Needs Assessment:

(a) DFI: A program of UNC Chapel Hill School of Government (SOG), partners with local governments to attract private investment for transformative projects by providing specialized finance and development expertise. SOG was the largest university based local government training, advisory and research organization in the United States and served more than 12,000 public officials each year.

(b) Phase 1: Opportunity Site Identification: In order to identify affordable housing development opportunities, DFI would conduct:

- Stakeholder engagement: Goal: Inform county's priorities for future affordable housing development.
- Housing needs (market) assessment: Goal: Determine demand for different housing types based on economic drivers and current housing supply.
- Site suitability analysis: Goal: Identify sites that would meet the county's priorities for future affordable housing development.
- High level site and financial feasibility: Goal: For each site identified (up to four), determine type and scale of housing development possible; and to estimate potential private funding sources and identify minimum funding gap for each scenario.

(c) Potential Phase 2: Site-specific predevelopment services and development partner solicitation.

(d) Affordable housing:

- Families were cost burdened when over 30% of their annual income was spent on housing related expenses.
- Housing expenses included rent plus utilities or mortgage, insurance and property taxes plus utilities.
- Families living in affordable housing had more income than cost burdened households to cover other expenses like childcare, healthcare, transportation or food.

(e) Affordable housing was either:

- Not restricted by income:
 - Known as unsubsidized or naturally occurring affordable housing (NOAH).
 - Affordable due to quality, type or location.
 - Residents vulnerable to changes in the market.
- Restricted by income:
 - Funding source or contract imposed restrictions on affordability or income eligibility.
 - Publicly owned and managed.
 - Or privately owned and managed, with or without public participation.

(f) 40% of county households were low to moderate income. County AMI for a four-person household was \$73,700.

(g) Who could the county assist? State constitution and statutory requirement enabled the county to support the development of housing units for low to moderate-income households under the following circumstances:

- Housing for low income or poor. 20% of total units were income restricted to households earning less than 60% AMI.
- Housing that served a public purpose.
- Housing units that were income restricted to households earning up to 80% AMI.

- Housing that met funding source requirements.
 - No authority existed to aid unrestricted housing units.
- (h) Demographic and Economic Changes:
- New households moving to the county earned higher incomes on average.
 - Industry growth in the county was led by low wage jobs.
- (i) Housing Need: Summary of key affordable housing terms:
- Low to moderate-income (LMI) households: Households who earned an area median income (AMI) of 80% or below.
 - Cost Burden: Burden were households who spent 30% or more of their annual income on housing related costs. Severe burden were households who spent more than 50% of their annual income on housing related costs.
 - Housing need: Households who were cost burdened. Households who lived in units without plumbing or kitchen facilities. Households who lived in units with more than 1.5 people per room.
- (j) County housing supply constraints:
- Seasonal use homes, student housing and low quality and other supply constraints.
 - Limited housing supply fostered low vacancy rates across the county.
 - Households needed to earn more than \$80,000 per year to afford the average rent in the county.
 - Since 2020, the average sale price for a single family home almost doubled.
 - Households needed an estimated annual income of \$163,000 to purchase the average home on the market.
- (k) Summary of key takeaways:
- LMI households represented over 40% of the county’s households and more than 1,200 households had severe housing needs.
 - Housing supply was constrained by seasonal use units, low quality or off market homes and student housing. These constraints had contributed to a market with low vacancy and rising prices.
 - The number of LMI households with housing needs would likely grow based on the following demographics and economic shifts in the county:
 - Net migration of out of state, higher income households.
 - Economic growth driven by low wage jobs.
- (l) Next steps:
- DFI would identify up to four sites with county staff and the Board’s input.
 - DFI would conduct site and financial feasibility analyses on each site.
 - DFI would present findings to county staff and the Board.

General discussions were held.

Informational item.

(3) AGRICULTURAL DISTRICT ORDINANCE AMENDMENTS: Michael Poston, Planning Director, stated the Planning Department was assisting the Soil and Water Conservation Staff with amendments to the Agricultural District Ordinance to reflect recent changes in the North Carolina General Statutes. The Agricultural Advisory Board reviewed the proposed amendments and recommended that the Board of Commissioners consider adoption of the amendments.

He presented the proposed amendments to the Agricultural District Ordinance:

(a) Article 3. Purpose. 3.1(c) *Decrease the likelihood of legal disputes, such a nuisance actions between farm owners and their neighbors. Increase protection from nuisance suits as a result of the requirement for notice of the presence of working farms in county land records; and*

(b) Article 7. Certification and Qualification of Farmland. 7.1(a) It must [be] actively engaged in *bona fide farm purposes agriculture* as the word is defined in G.S. 106-743.4(a) and G.S. 160D-903106-584.1 and...

(c) Article 7. Certification and Qualification of Farmland. 7.1(c) ...county land use regulations. *This agreement must be approved by the Agricultural Advisory Board.*

(d) Article 14. Land Use Review. 14.1 ...of the proposed development *as measured from the property line of any enrolled tract.*

He requested the Board place this item on the next agenda to consider calling for a public hearing.

Consensus: *Add this item to the next regular meeting agenda for consideration.*

(4) MEMORANDUM OF AGREEMENT WITH NORTH CAROLINA STATE UNIVERSITY: Rob Hawk, Cooperative Extension Agent, stated when the state provided raises to Cooperative Extension, he would make a request to the county for a match. The county was currently in a non-lock-in agreement with the state. Cooperative Extension was funded by the state and county 50/50.

He presented a Memorandum of Agreement from the state for every county to consider, which would move towards a lock-in. This was the preferred arrangement to support the salary agreement between the county and North Carolina State University for Extension personnel. This would mean when the state provided a raise, the county would automatically match the raise on the county portion. In the past, the Board of Commissioners had always provided the requested match.

General discussions were held.

Consensus: *Add this item to the next regular meeting agenda for consideration.*

(5) OFFER TO PURCHASE ON TAX FORECLOSURE PROPERTY: Ms. Fox presented an offer received from Tyler Davis for Lot 28, Hampton Springs, containing 1.54 acres, (PIN #7575-73-3611) in Hamburg Township for \$40,000.00. The property included an abandoned home that was approximately 40% completed.

This property was foreclosed in November 2022. There were several issues with the property, including septic, water and property lines. If approved, staff would send letters to all of the adjoining property owners. This would also be published in the newspaper for the upset bid process.

General discussions were held.

Consensus: *Add this item to the next regular meeting agenda for consideration.*

(6) TAX REAPPRAISAL 2025: Tabitha Ashe, Tax Administrator, presented 2025 Reappraisal:

(a) Reappraisal: The process of updating real property values to reflect fair market value as of January 1 of each reappraisal year.

(b) Fair Market Value:

- The most probable price a property would bring in an open and competitive market.
- A hypothetical sale.
- The Tax Assessor did not create market value. Rather, they analyze the patterns and trends of the local real estate market and use the information to estimate market value for all property.
- NC law did not allow for fractional assessment or an increase cap. The value as of January 1 of each reappraisal must be 100% of what the property should sell for on the open market.
- Values adjust regardless of whether the property owner made changes to the property.

- (c) What did not reflect Fair Market Value?
 - Forced sale or auction.
 - Sales between relatives or related businesses.
 - Property swaps or trades.
 - Properties not listed on the open market.
- (d) Why perform a reappraisal:
 - North Carolina law requires all counties to reappraise real property at least once every 8 years.
 - NC Department of Revenue recommends all counties conduct a countywide reappraisal of all real property at least once every four years.
 - Reappraisal taxes were based on property values. Without periodic reappraisals, some property owners would pay more than their fair share while others would pay less. Reappraisal resets property values to their current market value so the property tax burden would be equalized for all taxpayers.
 - Any changes to the property in a non-reappraisal year must be valued in accordance with the Schedule of Value (SOV) currently in place.
 - Sales assessment ratio studies were conducted annually by NCDOR. The study would seek to examine a random sample of real property sales by comparing the sales price occurring during a calendar year to the corresponding ratio for that particular property sale.
 - The sales ratios were used for equalization of public service companies.
 - More frequent reappraisals reduced substantial percentage changes to the assessed value.
- (e) Reappraisal cycles: 2000, 2004, 2008, 2016, 2021, 2025, 2029
- (f) Mass appraisal was the process grouping similar properties together based on location, type of construction, age, replacement cost, advantages and disadvantages, zoning and other factors.
- (g) Reappraisal process.
 - The county was divided into neighborhoods based on similar market, economic and geographic conditions.
 - There were 17 townships in the county with 396 neighborhoods.
 - Property sales of both homes and land were analyzed to establish appropriate land values, building grades and the influence of various property characteristics.
 - Each property type and location change at varying rates. The value adjustment percentages could vary drastically.
 - Staff would review the proposed rates by visiting neighborhoods and properties around the county.
 - The rates and value ranges established by these analyses were compiled into the SOV. The SOV must be approved by the Board of Commissioners.
 - Value notices would be mailed to property owners with an opportunity to challenge the assessment.
- (h) Tax Year vs. Fiscal Year:
 - Tax assessment activities were based on a calendar year basis of January 1 to December 31.
 - Taxes were collected on a fiscal year basis of July 1 to June 30.
- (i) Taxable Real Property Value History:
 - 2020 \$9,026,875,540
 - 2021 \$10,560,975,630
 - 2022 \$10,887,669,440
 - 2023 \$11,216,202,715
 - 2024 \$11,485,676,742

- (j) Schedule of values, standards and rules:
 - Requirement of NC General Statute 105-317
 - Two Schedules:
 - Used in appraising real property at its true value
 - Used in appraising present use value
 - Must be approved before January 1 of the year they were applied.
- (k) Proposed Timeline:
 - May 14: Reappraisal update
 - August 13: Reappraisal Schedule of Values discussion
 - September 3: Submit proposed 2025 Schedule of Values to the Board of Commissioners
 - October 1: Hold public hearing on proposed Schedule of Values
 - October 15: Adopt Schedule of Values
 - January 1: Effective date of 2025 reappraisal
 - February 3: Mail reappraisal notices
- (l) Tax Relief: Senior and Disabled:
 - Must be 65 or older or totally and permanently disabled;
 - Must be a full-time NC resident;
 - Must be primary residence;
 - Must have a gross household income of \$36,700 or less;
 - Includes both real and personal property.
 - Application information:
 - One time application due between January 1 and June 1;
 - Must provide copy of driver's license;
 - Must provide copy of complete income tax return or proof of income;
 - For disabled applicants, must provide Form AV-9A.
- (m) Tax Relief: Disabled Veteran:
 - Must have a total and permanent service connected disability;
 - Must be a full-time NC resident;
 - Must be primary residence;
 - Surviving spouse may qualify in certain situations;
 - Includes both real and personal property.
 - Application information:
 - One time application due between January 1 and June 1;
 - Must provide copy of driver's license;
 - Must provide Form NCDVV-9.

General discussions were held.

Informational item.

(7) FONTANA REGIONAL LIBRARY AGREEMENT: Ms. Fox stated on February 9, she and Mr. Kubis met with Macon and Swain Counties and the Fontana Regional Board Director and Chair. She thought they had a very good meeting. The consensus of the meeting was that Jackson and Swain Counties would work out the agreement with the changes they wanted to see versus what Macon County had done. Mr. Kubis would be working with Kim Carpenter, Swain County Attorney and take the lead going forward.

Mr. Kubis stated he thought they did have a positive and solid meeting. The consensus among the group was they had the foundation of a good working document. Some issues remained they wanted to flesh out, but they were in lock step on the direction they wanted to move.

One of the main issues they needed to focus on first was the redlined version of the agreement they had was not the correct version. Step one in the process would be to go back from the original document to find out what new language had been added. They did not believe it would substantially alter the agreement. As a matter of course, he believed they had to be at a starting place of knowing what was being proposed as amended language before they could go forward.

They intended to collaborate with Swain and define the key areas they believed would have the most impact to include the purpose of the document and how it would change the level of oversight the Board of Commissioners would have when situations would arise for noncompliance with the agreement. One item of concern would be if it would create a burden for the participating members of the Board of Commissioners to the agreement.

Their intent was to get this cleaned up and agreed upon by everyone as quickly as they could. He was hopeful to have a final document in the near future. He thought everyone was unified in wanting resolution on the matter.

Informational item.

There being no further business, Commissioner Stribling moved to adjourn the meeting. Commissioner Smith seconded the Motion. Motion carried and the meeting adjourned at 3:30 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Mark A. Letson, Chairman