



COMMUNITY HOUSING & NEIGHBORHOOD DEVELOPMENT COMMITTEE

Committee Members: Golden, Ewing, Alexander and Williams

Chaired by Mayor Pro Tem Golden

FEBRUARY 9, 2016 – 10:00 A.M.

3RD FLOOR LOBBY CONFERENCE ROOM

MINUTES

Present:

Jeff Golden, Chairman; and Committee Member Latimer Alexander and Christopher Williams

Absent:

Committee Members Jason Ewing

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; JoAnne Carlyle, City Attorney; Mike McNair, Director of Community Development; Michelle McNair, Community Resource Manager; Richard Fuqua, Affordable Housing Manager; Thanena Wilson, Community Development Administrator; Lee Burnette, Planning & Development Director; Jeron Hollis, Communications & Public Engagement Officer; Ryan Ferguson, Marketing Manager; Toni Jackson, Housing Specialist; Katherine Bossi, Code Enforcement Supervisor; Maria Smith, Deputy City Clerk; and Lisa Vierling, City Clerk

Others Present:

Judy Stalder (TREBIC), Craig Stone, Wynnefield Properties, Sofia Crisp, Housing Consultants Group, Gene Brown, Community Housing Solutions

***Handouts:**

- *Review of Relocation Assistance Policy arising from Minimum Housing Code Enforcement*
- *Map of Southside Neighborhood*
- *HCG (Housing Consultants Group)*
- *Operation Inasmuch*

*These handouts will be attached as a permanent part of these proceedings.

Chairman Golden thanked everyone for coming and called the meeting to order at 10:00 a.m. He asked Randy Hemann, Assistant City Manager, to proceed with the update on Code Enforcement.

1. Update on Code Academy/Code Enforcement

Mr. Hemann proceeded to give an update on the Code Enforcement Academy regarding the trip he took with Lee Burnette, Planning & Development Director, on November 16-17th in Dallas, TX. Both Mr. Hemann and Mr. Burnette spent a couple of days hearing about what others had done with Code Enforcement from all over the country. He also mentioned that it was sponsored and facilitated by the

Center for Community Progress. The city has applied for a technical assistance grant through the Center for Community Progress.

Mr. Hemann spoke about the take-aways learned through the trip:

- 1) Philadelphia does an extremely great job by having a “good cop/bad cop” method that appeared to work well. Code Enforcement would point out the problems, focus on long-term vacancies and code enforcement issues by using a heavy-handed approach in dealing with the extreme issues.
- 2) Another city that made a great impression was Dallas. They had a non-profit arm that would share solutions to the issues and had a community prosecutor’s team (contracted with attorneys outside the city attorney’s office). They focused only on code enforcement and actually paired a code enforcement officer with an attorney and went after the worst of the legal problems. They teamed up together, did site visits and identified legal means that might be available for them to take property.

Mr. Hemann shared that each city and neighborhood had their own issues. He pointed out one problem is how to help the aging population maintain their property and how to create more home ownership (i.e. blight removal, legal issues encountered, etc...). He explained there will be many solutions, pieces of the puzzle and as the city moves forward with the HEAT map, Code Enforcement will be a big portion of that.

Mr. Hemann informed the Committee that staff is in the process of reviewing a group of applicants (second round) and hopes to have something soon in filling these positions.

Mr. Burnette reiterated Mr. Hemann’s comments about the partnerships and what impressed him was the successful jurisdictions have the partnerships with their attorneys, non-profits, etc... and it was not just Code Enforcement. He also elaborated on the points of validation in that the successful jurisdictions had already done a map analysis of their areas and knew where to strategize because the data drives the enforcement. He pointed out it was not a one-size fits all approach.

Council Member Alexander asked if any of the successful jurisdictions had a strategy to deal with situations involving identifying all the people who have party to a property. Mr. Hemann explained that many states have better tools to deal with situations like this than the city currently has. He pointed out the city is bound by state statutes not to do anything more than the statutes allow. Mr. Hemann noted that many states that a receivership program, which is a much greater tool where they can come in and legally take properties and do what they can to get that property in public hands so they can do something with it.

Council Member Alexander asked if it might be possible to get some local legislation for receivership or if the Constitution prohibits it. Mr. Hemann felt the city would be challenged to get local legislation approved, but thinks something for the Furniture Market might be a better bet. He then advised that this would not preclude us from looking at statewide legislation. Mr. Hemann noted that North Carolina is a property rights state, and that it was unfortunate that we cannot look at the property rights of the person who suffers because they are sitting next to property we cannot do anything about. Council Member Alexander suggested that staff contact and discuss this with the League of Municipalities if they have not already done so. City Attorney JoAnne Carlyle stated she would welcome the city getting outside counsel to work with on these issues and stressed that it would need to be someone who is an expert in this area and clearly understands the issues.

Chairman Golden asked how some of the other major cities paid their outside attorney costs and Mr. Hemann replied that it was part of the General Fund. Mr. Hemann agreed that it not only takes a person with expertise, but also a person with extreme tenacity who are willing to go after these properties with great zeal.

Mr. Burnette shared that they had an opportunity to tour out and look at one of the areas and the attorneys involved reiterated that it was not just dealing with housing issues/code enforcement, but dealing with drugs, and other crime issues dealing with a comprehensive criminal action. To address the city's issues, Mr. McCaslin suggested that staff would have to look at every tool possible and noted he was told by Tyler Mulligan from the School of Government that there are some legal remedies that we could try.

Council Member Alexander mentioned the houses on Hobson and noted the seizure funds go to the school system and if any though has been given to this. Mr. McCaslin reported in that particular situation, when those houses were received through the seizure funds, the school system held on to them for a short time and then wanted to give them back to the city because they would not be able to sell them and the expense involved in maintaining them. He felt the city should look at other methods such as tax liens or code liens to get control of the property.

Chairman Golden asked if staff could provide a snapshot of the tools that are available that can be used. Mr. McCaslin asked Mr. McNair to put together a list and to work with Katherine Bossi, Local Codes Enforcement Supervisor to ensure that everything is covered.

2. Discussion on Project "Inasmuch"

Mr. McNair explained that Project Inasmuch was designed to create partnerships between churches, local governments, non-profits and communities in need, which was created in Fayetteville in 1995. He noted the local government got involved by putting funds in to expand the scope of the program with the non-profits providing the expertise. Then local government was putting funds in to expand the scope and the non-profit would come in and provide the expertise to define what needed to be done and it became a home repair blitz, rather than a day of caring.

Mr. McNair explained the Community Development staff has started a planning team consisting of Sofia Crisp, Housing Consultants Group; Gene Brown, Community Housing Solutions; along with Emerywood Baptist Church. He advised that Emerywood Baptist Church was chosen due to the history and their work with Project Cornerstone 10-15 years ago, so they were asked to play the role in reaching out to other churches.

Mr. McNair introduced Ms. Crisp. She spoke about being a non-profit partner, logistics and getting some teams together, doing the surveys of the communities and really assessing the housing needs and other needs as well. Ms. Crisp mentioned there are communities with people who are on fixed-incomes that are not able to take care of their homes, resulting in blight. She pointed out the goal at the end of the day with this project was to improve the appearance of the neighborhoods. She then shared a short YouTube video as a visual of what this looks like. The video featured an emerging awareness of the need to minister in communities with Inasmuch being a significant part of this in North Carolina. The video showcased an event in 2009 where approximately 1,000 churches participated in a one-day mission community blitz which involved approximately 60,000 volunteers with approximately 5,000 projects being completed.

Ms. Crisp hopes to have 100-150 people involved and noted that it does not require everyone to be a hammer and nails type person, there would be something for everybody to do.

At the conclusion of the video, Ms. Crisp introduced Gene Brown, with Community Housing Solutions to discuss his role. Initially, this will be a one-day community wide event which has been scheduled for May 14th. Mr. McNair shared that he hopes to possibly do a community day like this twice a year and hopes the idea catches on with some of the other churches/non-profits in the area that may want to go out and do something similar themselves.

Mr. Brown shared by involving volunteers, it raises the awareness in the communities and with the initial project they are looking to work with faith groups, but in his experience, many businesses are interested in doing service projects as well as civic organizations. Mr. Brown shared that Community Housing Solutions is a non-profit organization that has been in operation for ten years. He then shared that they first partnered with the City to build two new homes in the Southside Community at George Place, and they have done some repairs, built ramps, energy efficient repairs for home owners in High Point as well.

The key roles that they will play is they will be the skilled construction leaders to oversee the volunteers. Community Housing Solutions is a licensed general contractor with more than 80 years of experience and they have a staff of five construction leaders. He explained they would be the part of the project to help assess the work to be done, to find the scope, and do any prep work before bringing the volunteers on site so their work can be successful that day.

Mr. Brown advised their programs are geared to promote home ownership and shared the higher the home ownership percentage in a community, the more safe the neighborhood tends to be. They focus on trying to preserve the homes of the elderly, disabled and single-parent families. He noted they offer a home repair program for the ones that own and occupy their home with an income below 80 percent and they also promote home ownership through doing some scatter site new home construction. They have also done a lot of rehab work where they acquired vacant/abandoned foreclosed homes and renovated them to resell to qualified low income home owners.

Mr. Brown reported in 2015, they completed 97 home repairs in Guilford County and shared this number was up from 65 the previous year.

Mr. Brown talked more about being a volunteer and emphasized the importance of engaging people from all across the community to assist them with all projects. He then shared some photos from homes that they received requests to repair and noted that Ms. Crisp would be involved with doing some door-to-door surveys to identify people and the City of High Point would be assisting with some mailings to get the word out to the people in the community that their services are available. He noted the biggest challenge in the successfulness of this event would be building bridges of trust, so people will allow them to come in and provide the assistance they need and developing relationships with the volunteers.

Mr. Brown reviewed some of the criteria for qualifying:

- 80% of the median income is used as a guideline for Guilford County
- Home ownership required
- Income must be below the median income level
- The scope of work would need to be done within the one-day home repair blitz

He advised that when they make these improvements, it results in a ripple effect and other neighbors begin to try to spruce up their yards, houses, etc... Mr. Brown stated his target is 10 homes which is also contingent on the number of the number of volunteers while using Emerywood Baptist Church as the initial organization to help recruit other faith organizations in this outreach. Council Member Alexander suggested two churches:

- 1) First United Methodist
- 2) Covenant United Methodist

He shared that both have been involved with Appalachian Service Projects (goal of “warmer/safer/dryer”).

Mr. McNair explained that Southside was selected because the city has strong relationships with this community with a lot of investments in it and this was the first one. The next community that will most likely be targeted is East Central. He also shared that on that same day, Habitat would be starting a two week housing blitz, build day and the City would have an opportunity to leverage both of these especially if there are more volunteers than projects and the excess could be sent to help out with Habitat. Mr. McCaslin suggested that we might be able to identify some other neighborhoods and can do some clean-up in some neighborhoods for the less skilled projects.

3. Update on Sec 108/Tax Credit Housing

Mr. McNair reported that 5 ½ years ago the city applied for a Section 108 loan authorization, received an award and used about \$3.2 million of it. The authorization expires September 30th, and this left about \$694,000 on the table, but the city could re-apply for these funds for another five-year authorization. The city is partnering with Craig Stone and Wynnefield Properties to do a new development. Wynnefield Properties has recently developed Admiral Pointe and Addington Ridge. In addition to these, Kirkwood Crossing is working its way through the pre-development processes.

Mr. McNair explained that public hearings would be necessary to start this process, and amendments would need to be made to the Annual Action Plan and Consolidated Plan. This process will start on Monday, February 15th with a presentation to Council with a second public hearing scheduled for March 21st. If everything goes according to plan, the application can be submitted to HUD on March 22nd for HUD approval and trying to meet the State’s schedule. Mr. McNair noted the funding would be similar to that of Addington Ridge and Kirkwood and would be leant to Wynnefield with the city acquiring the property first, then would convey these properties to Wynnefield with a lien attached at which time the units come on line, they would make payments to the city and the city would make payments to HUD.

Mr. McNair explained the reason it is being done this way is to maximize the number of points Wynnefield Properties can get through the State process. Craig Stone pointed out it would technically be a single purpose LLC for that property and it would not actually be to Wynnefield.

Mr. McNair then reviewed the proposed site at 700 West Hartley. Mr. McCaslin pointed out this property was rezoned for multi-family since the 1980s and explained that even though the property may have to be rezoned to get the number of units desired, it has been on the Land Use Plan since the 1980s for multi-family.

Mr. Stone provided an update for Hartley Ridge. He noted that this project was submitted January 22, 2016 into the NC Housing Agency’s QAV process. He shared that there are about 150 total applications for this year and with the Federal adjustment for the 9% credit, there would be about 35 awards this year. He stressed that the competition would be extremely aggressive with many communities involved. He then explained how the competition works with three different regions:

- Central
- East and West
- Metro overlay

He explained High Point is in Guilford County which competes with the Metro overlay which competes with Raleigh, Wake County, Mecklenburg County, Buncombe County, Forsyth County and Durham County and noted this makes it a little more competitive with the credits being distributed on the Census so there is more concentration on population in the Metro and more credit dollars. He advised there were four applications in Guilford County that were submitted that they would be competing with, but due to some associated zoning issues with one project, the competition would involve three.

He pointed out this particular site plan at this point is preliminary and it would have to go through the approval process. He noted they recently submitted a zoning application to the Planning Department related to density and they are about 35-40 days away in the process for a market study consultation which could allow for an adjustment for the number of units. Eighty-four units are proposed, but it could be reduced to seventy-two units with the final application being submitted by May 13th with anticipation that they would hear something by the end of August.

Mr. McCaslin informed Council that Mr. Stone was also evaluating a site off of Fairfield Road, but noted the Hartley site affords better opportunity at getting the competitive State funding than the Fairfield Road site. Mr. Stone shared that they actually had seven sites that they were evaluating this year and explained that the QAP document changes every year and it was radically changed this year as far as site selection in the number of amenities from the site (site entrances and buildings) and the distances to the site amenities, specifically within a mile. They have added some required amenities to get the base level of points. He advised that they have significantly tightened the points scoring process this year and they now have double access amenities they have to meet. He pointed out this site, by less than one-tenth of a mile qualified for all of the points. Mr. Stone explained they have also put a weighted average that would give points based on how efficient the cost structure is for the development. Mr. McCaslin reiterated the Hartley site would give Wynnefield the best opportunity to get the project done.

Council Member Alexander expressed concerns about the property between Ingleside and the property in question and pointed out it appears to be real tight fit. Mr. McCaslin explained that Transportation did look at it and they have made the determination that it meets their requirements. Mr. Stone reported that there were a number of options and as they go through TRC and DOT review, if they were to make changes that did not meet these application requirements or the city's municipal application requirements they certainly could work with these.

Mr. Stone gave a quick update on Kirkwood. They are finalizing site plans and hope to have plans within the next 30-60 days with the grading anticipated to begin within the next 90-120 days.

4. Discussion on Relocation Assistance Program

Mr. McNair advised at the last Council meeting the Council requested that staff review the Relocation Policy that was rescinded several years ago. He explained this was a policy that Council initially implemented in November 2000 and was in effect for 12 years. The program was designed to assist people in unfit housing that needed to be relocated. The initial benefit was \$500, which was increased by Council at the request of staff in 2007 to a level consistent with the Uniform Relocation Act. In 2012, there was a request do a historical analysis of the expenditure of those funds. He noted there were some concerns voiced by Council that tenants and landlords were taking advantage of the system. Council voted to rescind the relocation assistance program on April 16, 2012 by a 4-3 vote.

Chairman Golden noted while reading through the minutes, there were some concerns that there was no onus on the part of the property owners, and when he was looking at the situation that occurred two weeks ago, he felt the same way. He asked if it might be possible for the city to put a stipulation that the homeowner has to have a city inspection before the property can be re-rented similar to how it is done in Greensboro. Mr. McCaslin explained the only reason the city should be paying for someone to be

relocated is in the case that the property is not habitable and for the property owner to make it habitable it would require a building permit to be obtained to make the necessary repairs. Katherine Bossi, Local Codes Enforcement Supervisor, further explained that the utilities would not be released until all the repairs are made and the structure is brought up to Minimum Housing Code standards.

Committee Member Williams asked staff to share an example of the abuse that they are referring to. Mr. McNair explained if a house is determined to be unfit, they initially would not be aware of who or what caused it to be unfit, and mentioned there were some situations where they had some repeat recipients. Mr. McCaslin clarified that the abuse was evidenced on both sides (the landlord and the tenant side). One example he gave was that a landlord wanted to get rid of a tenant who had not paid the rent which was in arrears, so the landlord refused to make the necessary repairs. Then there were tenants who called and filed complaints and as soon as the housing inspectors went out to make the inspection, the tenants were asking when they would get a check from the city to move. Ms. Bossi added that when the city did away with the relocation assistance, staff did see a slight drop in complaints.

Chairman Golden asked Council Member Alexander to share his thoughts since he was on Council when the decision to rescind the relocation policy was made. Council Member Alexander felt the concept of helping people in a bad or dangerous situation is a worthy thing to do; however, when you mix in the knowledge and gaming of the system, it led to some abuse. So the question was if the city was being helpful, or enabling the parties to fight. He questioned putting the city staff in the middle of these situations and suggested the city could possibly work through a non-profit that could use more judgment and fewer rules. Council Member Williams mentioned the Housing Authority has emergency heating and suggested they might have a blue print the city could look at.

Mr. McCaslin felt it might be helpful to give an update on the housing situation that was recently on the Council's agenda. He explained that case involved a duplex, with family members on both sides, and the tenant that was without heat was staying with the family members on the other side of the duplex and also worked 3rd shift at one of the local hotels and was spending the night there as well. The tenant turned down space heaters that were offered by the landlord and pointed out it was not a situation where the landlord was trying to walk away from his responsibilities. Mr. McCaslin acknowledged that she was behind in the rent and also owed the city \$900 in back utilities. Ms. Bossi reported that the landlord has not finished the other repair, but the tenant is staying with her son, who occupies the other side of the duplex which does have heat.

Council Member Alexander pointed out many communities throughout the State require inspections when tenants move in and out and expect it to meet Minimum Housing Code requirements. Mr. McCaslin noted that the NC General Assembly may have taken away this authority. City Attorney JoAnne Carlyle thought they did too. Judy Stalder, TREBIC, mentioned that there are limits on the inspections that can be made. She explained in these types of situations, she feels like the city would be tying the hands of the good landlords that can provide housing quickly if these inspections are required because the city does not have the manpower to get out and make those inspections in a timely manner, which causes lapses between tenants. Council Member Alexander added that this also increases the cost for the landlord.

Ms. Bossi advised that if a tenant requests a Minimum Housing Code inspection, the inspection usually occurs within a day or two, with urgent issues being the same day or the next morning. Mr. McNair reminded Chairman Golden of one of the challenges if the city does intervene and provide a hotel room, etc....for the displaced tenant and if the landlord does not respond in a timely manner, it puts the city in an awkward situation where the city is stuck in the middle with a decision having to be made as to when to cut the funding off.

Chairman Golden felt like there was nothing from this discussion that this needed to be taken back to Council.

Mr. McCaslin asked Chairman Golden if there was anything he wanted staff to address (issues, future programs, etc....). Chairman Golden stated he would be in contact with Mr. McNair in the case that something comes up.

Council Member Alexander asked if the city was doing everything possible to help with the scoring of these sites and Mr. McCaslin confirmed that Mr. Stone has been working very closely with Mr. McNair throughout the process. Mr. Stone pointed out that Wynnefield Properties has volunteered to increase the 10% qualification for ADA compliance to 20%, so all properties in High Point has already increased the service population of at-risk groups by 10%. He also noted there are 58 units at Addington Ridge with a 72-page Fair Housing compliant wait list that contains 1,172 names, but only collected application fees from 200 due to a majority of these not qualifying. He estimated about 675+ would have qualified for the 58 units.

There being no further business to discuss, the meeting adjourned at 11:21 a.m.

Respectfully Submitted,

Maria A. Smith
Deputy City Clerk

Jeff Golden, Chairman