

## **COMMUNITY HOUSING & NEIGHBORHOOD DEVELOPMENT COMMITTEE**

**Note: A quorum of the Committee was not present**

*Chaired by Council Member Golden*

**January 13, 2015 – 10:00 a.m.**

**Third Floor Lobby Conference Room (Fishbowl)**

### **Present:**

Committee Chair Jeff Golden, Committee Member Jason Ewing (arrived at 10:30 a.m.).

**Also Present:** Council Member Cynthia Davis

**Staff Present:** Greg Demko, City Manager; Randy McCaslin, Assistant City Manager; Mike McNair, Director of Community Development; Tony Jackson, Community Development; Michelle McNair, Community Development; Jeron Hollis, Communications Officer; Wendy Fuscoe, Core City Administrator; Richard Fuqua, Affordable Housing Manager; Eric Olmedo, Budget and Performance Manager; Tom Tricot, GIS; Lisa Vierling, City Clerk; Tom Vincent, Deputy City Clerk.

### **Others Present:**

Craig Stone – Wynnefield Properties

Davis Ray – Wynnefield Properties

Ross Lackey – Citizen

### **Media Present:**

Pat Kimbrough – *High Point Enterprise*

### **Discussion on Sec. 108/State Tax Credit Housing Projects**

Craig Stone of Wynnefield Properties provided an update on Sec. 108/Tax Credit Housing Project. The first project Mr. Stone presented was the Kirkwood site. Mr. Stone noted that in the past Wynnefield Properties, in partnership with the North Carolina Housing Finance Agency (NCHFA), constructed Admiral Point apartments, which are completed and in service. Under construction now is Addington Ridge which is a family apartment community. Mr. Stone said these were done in a competitive process with the NCHFA. Currently 150 people have called for units in Addington Ridge; there are 58 units available. January 23<sup>rd</sup> is the application submission deadline. Wynnefield Properties currently has two sites for a number of different reasons. Last year there were 152 applications for a little fewer than forty awards. Mr. Stone said since the process is so competitive, they have selected two sites, but one site will be dropped.

Mr. Stone explained that Kirkwood is the first site. The area has good access and is a great location and is the number one option. The site is bounded by a bank and multi-family and other uses that make it acceptable for the proposed property. The site is currently zoned. Wynnefield Properties is contemplating 96 units. That would be four families, 72 units two bedroom, 24 units three bedrooms. They are currently trying, within the Qualified Allocations Plan (QAP) that NCHFA puts out, to decide the final unit numbers and unit mix. They should have that finalized within the next week. Mr. Stone said the current site design incorporates all the

existing QAP requirements to get the most advantageous score in the QAP process. This community has a number of site amenities: handicap accessible, plenty of walkways, gazebos and a separate community building with community space with a computer center and fitness station. All these items are being finalized so Wynnfield Properties can maximize their point process and everything they can in the QAP. Mr. Stone said the Kirkwood site would rank higher in the way the NCHFA would look at it and this is their desired site.

The next property Wynnfield Properties has proposed a second site off of Eastchester Drive. This particular community has some issues related to watershed and density. What they proposed is actually two lots and for access onto Eastchester drive they have contemplated purchasing another lot. The Eastchester site is a 72 unit site. With the density restrictions they are limited to 72 units: 54 two bedrooms and 18 three bedrooms. The total acreage is 7.07 acres, 6.79 acres of usable space. Wynnfield Properties have not finalized the design portion and they have one thing they need to coordinate on the detention pond, but they currently meet watershed guidelines. They would prefer to have more units so they rank better competitively in the QAP, but are comfortable with what they have currently contemplated.

Mr. Stone said both properties would amount to an \$11.4 million dollar investment. Both sites are contemplated with an all brick and hearty plank façade, metal stairs and broken rooflines. Similar to the Addington Ridge and Admiral Point properties.

Mr. Stone said they wanted to give some information about the communities and they are trying to finalize everything for the QAP. The submission deadline is noon on January 23<sup>rd</sup>. Wynnfield Properties looks forward to finalizing everything and a continued partnership with the City.

Assistant City Manager Randy McCaslin asked at what point he would need Council action to take some commitment on support. Mr. Stone replied they have been negotiating with owners of the first property to get the option; they have just finalized that. Wynnfield Properties is also analyzing and finalizing the QAP. They expect to finalize that and have a source and use that we would say is a proposed source and use for submission to the preliminary. We will submit that to the City as quickly as we can possibly can. By May of this year they would need final confirmation from Council. Wynnfield Properties is going to work with everyone in the community to get finalized.

Council Member C. Davis asked what was their typical source and use. Mr. Stone said the typical source and use is one that uses Federal Credits, Rental Production Program (RPP) money and private debt financing. It would be a similar letter to what they obtained for Addington Ridge. You don't have to have the finalized documents, just a MOU or letter of intent in place. Mr. McCaslin inquired if they would need an MOU or letter of intent by sometime in April. Mr. Stone concurred with Mr. McCaslin and Mike McNair, Director of Community Development, suggested the City may not wait that late.

Mr. Stone explained with the competitive nature of the process he wanted to note in the past they had used State Credit Financing. They had approximately \$40 to \$50 million of those proceeds to use, that has been reduced by the State Legislature to \$10 million. That means the

competition will be more severe this year. The sooner Wynnfield Properties can get in the queue the better.

Mr. McCaslin noted because of the increased competition the projects not be able to qualify without a Section 108 low interest loan from the City. Mr. Stone agreed and explained they will be competing in the Metro Round. The geographic regions are west, central and east. The Metro gets the largest percentage of those funds, that is for Guilford County, Mecklenburg, Raleigh and Asheville. Other cities are putting up partnering funds for projects and this increases the competition. There will be 60 to 70 applications in the Metro Round alone and without City funds the deals simply would not perform.

Based on Wynnfield's preferred site, Mr. McCaslin inquired about the type of low interest loan or commitment from the City. Mr. Stone said the QAP specifies how local government can support a particular property. It contemplates if we were to use RPP loans, a 2% payback. What we are currently trying to finalize is the Section 108 money and its payback and a partnering of those source and uses. We should be able to finalize that by the end of this week. The QAP specifies a 20 year term at 2%.

Mr. McCaslin asked if there was a specific dollar amount. Mr. Stone stated the more dollars that are received into a given community that is proposed in the competitive process, the better chance the proposal has of winning. Raleigh and Charlotte and other metro areas are likely going to be \$2 to \$3 million. Wynnfield Properties has talked about \$1.75 million of Section 108 monies that are currently available. Mr. McNair said the City of High Point had \$2.55 million left.

Mr. Stone reiterated this is a highly competitive process and using the amount of funds that gives us the best opportunity to win. Ultimately this will come down to a tie break, and that tie break is efficiency: efficiency of credits, efficiency of your financing structure. These dollars help in that efficiency.

At this time, Committee Chair Golden introduced City Manager Greg Demko to everyone in the room.

### **Discussion on CD&H Consolidated Plan/Action Plan**

Mike McNair, Director of Community Development, informed the Committee that Community Development was in the process of working with a consultant to prepare their Five Year Consolidated Plan and One Year Action Plan. The process is underway and there have already been several community meetings and interviews with stakeholders. The consultants are preparing a Needs Assessment. Community Development expects to have a draft document available for public consumption in mid-March. The process is moving forward and will come to the Council on April 20<sup>th</sup>. The Action Plan will be available to the Citizens Advisory Committee (CAC) on March 26<sup>th</sup> and must be submitted to HUD by May 15<sup>th</sup>.

**Discussion on CD&H Budgetary Impacts**

Mike McNair, Director of Community Development, informed the Committee that a public hearing will be held on the Section 108 Loan Application. The City will need to issue a commitment later. Mr. McNair suggested the City should not wait until May, and noted it would be coming to Council sometime in February.

Mr. McNair said last year at budget time there was a conversation about transferring CDBG CD staff to the general fund in order to free up CDBG dollars. Assistant City Manager Randy McCaslin explained that for years the City has been paying staff salaries out of the CDBG allocation. Last year the Council elected to move one person, in this case the Director's salary, from the CDBG allocation and fund it with general fund dollars. The direction Council gave last year was that the City should try and do that again this year. Since City staff will soon get involved with the budget process, staff needs some direction from the current Council.

Committee Chair Golden explained that Council felt they were not getting the best bang for their buck with CDBG funds. He suggested this be discussed further at the next Finance Committee meeting.

Mr. McNair brought up the Core City Homebuyer Assistance Program. He said this program will expire on June 30<sup>th</sup> and staff will need to know if Council wants to continue the program.

Mr. McNair said the City received a grant in 2008 from the Neighborhood Stabilization Program (NSP). The purpose of the program was to take foreclosed properties and put them back into service. During that program the City bought nine foreclosed properties, rehabbed them and put them up for sale, but the properties did not sell. The State said if the City could not sell the properties, then they had to rent them so the City set up a lease-purchase program. All the properties are occupied, five of them have been sold and the other four are about to be sold. That money will be coming back and will have to be appropriated.

Mr. McNair presented several projects Community Development hoped to do. The first was building a bridge over the creek at Southside Recreation Center. The land is all owned by the City; the bridge will connect the two sections of the park and the Greenway will come through. The cost for the bridge is expected to be \$80,000 to \$100,000. The engineering has been done and staff is waiting to get authorization from the State to spend the money. When the State does that, staff will come to Council to seek Council's concurrence and appropriate the funds at that time.

Mr. McNair said the next project is in the North Hoskins area. The City has received a lot of complaints about traffic speeding through this area. The Police Department suggested some type of traffic calming device. Ross Lackey, a citizen, asked if the issue has come up since Montlieu Drive was closed. Mr. McNair stated that it has been an ongoing issue for the last couple of years. There is a lot of construction here with Habitat and there are a lot of families moving in. People use it as a cut-through from Washington Street to College Drive.

Mr. McNair presented the third project as one that former Mayor Sims wanted to pursue. This involves some land that the City purchased in Southside and Ms. Sims wanted townhomes built to provide some variety in the types of housing available. This would require some significant infrastructure and is still on drawing board. The State may have some money.

Mr. McCaslin asked if the NSP funds the City receives from the sale has to be used for community development projects. Mr. McNair said that was the case.

### **Update on Core City Home Buyer Assistance Program**

Mike McNair, Director of Community Development, explained this program was approved in November 2014. Staff had received some feedback, one suggestion was to expand it to the entire Core City. The City set up \$120,000 and depending on the size of the loan, that could assist 10 to 20 people. One issue was that some found the map difficult to read. The IT department set up an app to assist with this. Mr. McNair presented a MLS listing that showed a property being eligible for the Core City Homebuyer Assistance Program. He demonstrated an app on the City's website that identified what levels of assistance are available for different properties. He said IT is working on a mobile app.

Mr. McNair noted there have not been any sales under this program, but there has been a lot of interest.

Assistant City Manager Randy McCaslin explained this down payment assistance is for properties that were highlighted in the Core City. It is not based on income; it is based on buying a house in the Core City. Mr. McNair suggested expanding it to the whole Core City, but place a cap on the value of the house.

### **Update on Meredith Street Apartments Demolition**

Assistant City Manager Randy McCaslin explained Council has been dealing with the Meredith Street Apartments for several years and Council instructed staff to demolish the buildings. The contractor began demolition a week ago. Four of the seven buildings are in the process of being demolished, and it will take two weeks to finish. The contractor is required to come back and sow grass. The contractor as informed the City that these building are extremely well built, but unfortunately the City could not find anyone with a plan preserve the apartments.

Ross Lackey, a citizen, commented this was the perfect place to add community gardens and have a nice micro-home community. He agreed the buildings were well built and it was a shame to spend the money to tear them down.

Mr. McCaslin said that was why it took the Council over two years to demolish the apartments; they were hoping someone would step forward and do the renovations.

**Update on West End Community's request for a community garden**

Mike McNair, Director of Community Development, said the City received a proposal from the West End Neighborhood Association to utilize some City property to do a community garden. The City acquired the property 10 years ago for redevelopment, the non-profit the City conveyed the property to went bankrupt so it never happened. The City is in the process of getting the property back and there is no one standing in line to get it.

Mr. McNair said City staff met with the West End Neighborhood Association and they submitted a site plan. Mr. McNair explained the site plan needed to be sharpened and the City's concerns were sustainability, commitments and who is going to do what. If the Association can answer those questions and partner with someone like the Extension Service, this can advance.

Ross Lackey, a citizen, noted there is an active group in Greensboro converting city-owned properties into working gardens. Mr. Lackey said he would be happy to get in contact with those people to get some help with the design.

Assistant City Manager Randy McCaslin said the Neighborhood Association had a student, a VISTA volunteer, that is helping with this and the City can put Mr. Lackey in contact with that person.

Mr. McNair said this may be coming to Council in the future.

**Discussion on (map) city-owned/properties with liens**

Mike McNair, Director of Community Development, said Committee Member Ewing had requested the property listings in the context of the opportunity areas. Staff drafted a map that was divided into categories.

Assistant City Manager Randy McCaslin said some of the properties the City owns outright; some of the properties the City have liens on. Mr. McNair noted one difference between this map and a previous map is this map includes all the properties; the previous map only included residential properties. Committee Member Ewing asked if this meant 200 of them are commercial. Mr. McNair said they were not zoned residential. There are also properties associated with the lake.

Committee Chair Golden said the purple properties were eligible for demolition and pink ones are the nuisance properties and the lighter purple are properties which are being secured now. The darker colors like the dark orange are low opportunity areas.

Mr. McNair said when the City did their analysis of impediments for Fair Housing Choice the consultants went and looked at the City and said based on amenities, housing stock and income, some areas were higher opportunity than others. The red areas are low opportunity and the green areas are higher opportunity areas. Mr. McNair said what Committee Member Ewing wanted to

see is if there was any correlation between the properties and the locations that may make them more desirable.

Committee Member Ewing said the map the Council was previously shown helped to identify the most impoverished area. If that is going to be the target, the City has all these other properties scattered about. Some of these properties have developmental restrictions because of proximity to the lake or watershed. But there are some properties the City owns on that are developable. He suggested the City dispose of the properties that are not of any use. This will allow the City to receive tax revenue. Plus, the City can get funds from the sale and put that into any initiative that we want to focus in this core region. Committee Member Ewing pointed out this would help to identify a section to focus on and likened it to land banking. The City could then assemble some properties that might be of interest to a developer. Committee Member Ewing suggested possibly taking a trip to Charlotte to see some of their housing projects (a mix between lower, mid and high income all within the same housing complex). Council Member C. Davis said Mayor Pro Tem Davis had talked about doing a Planned Unit Development (PUD).

Ross Lackey, a citizen, suggested a value or use to properties near a wetland or lake. (i.e.; could be a rain garden that would provide some water filtration) Mr. Lackey said he thought the idea should be flipped around with the red areas being the focus. The low opportunity areas on the map are the high opportunity. He said if you look at the problems in the community and focus energy on turning them into solutions, people will want to buy homes in these areas. He suggested the properties that are purple dots on the map be turned into a park, an orchard or an urban farm. Let people in the communities come to City and let you know what they want to do with the property. He suggested these lots can become food production sites as some are in the same areas as the food deserts. He suggested, since these are city-owned lots, the City could lease them for a minimal amount to a young entrepreneur.

Committee Member Ewing agreed this was a good concept but the challenge is a lot of these properties are not vacant parcels, they have dilapidated buildings and there would be demolition costs.

Mr. Lackey informed the Committee that there are people that would like to get involved. (i.e. The Greensboro Permaculture Guild). If people put in farms and orchards twenty years from now there won't be buildings to tear down.

Committee Chair Golden suggested Mr. Lackey get together with Mr. McNair to coordinate his ideas with the community.

Mr. Lackey questioned if there was a process to let people in the community know about these vacant lots. Mr. McCaslin replied many of the lots are not vacant. The City would need to do a survey these properties and identify which one are vacant, which ones are city owned and which ones have liens attached.

Mr. McNair felt there may be some properties in some target areas that could be used for gardens.

**Discussion on Core City Home Buyer Assistance Program**

Committee Chair Golden said he liked the idea of opening up the Core City Homebuyer Assistance program to the entire Core City and putting a cap on it. Council Member C. Davis was in agreement. Mr. McNair said the balance in the program was \$120,000 and that would be sufficient to assist ten to twenty homebuyers. He added when the program was set up the City did not do a street by street analysis. Mr. McNair suggested to make it simple make it the whole Core City and cap it at \$200,000. Committee Member Ewing suggested \$150,000. Committee Chair Golden agreed with \$200,000. Mr. McNair again suggested a cap of \$200,000 for the purchase price with a limit of \$7500 in down payment assistance. He said they would work on it and get something to Council for their consideration.

There being no further business to discuss, the meeting adjourned at 11:00 a.m. upon motion duly made and seconded.

Respectfully Submitted,

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Jeff Golden, Chairman

Attest:

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Tom Vincent, Deputy City Clerk