



**HIGH POINT CITY COUNCIL
SPECIAL MEETING
PRE-BUDGET MEETING #6
HIGH POINT MUNICIPAL BUILDING
MARCH 21, 2016 – 3:30 P.M.
3RD FLOOR LOBBY CONFERENCE ROOM**

MINUTES

Present:

Mayor Bill Bencini; Mayor Pro Tem Golden (Ward 1); and Council Members Cynthia Davis (At-Large); Chris Williams (Ward 2); Alyce Hill (Ward 3); Jay Wagner (Ward 4); Jason Ewing (Ward 6) (joined the meeting at 3:47 p.m.); James Davis (Ward 5); and Latimer Alexander (At-Large)

Staff Present:

Greg Demko, City Manager; Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; JoAnne Carlyle, City Attorney; Laura Altizer, Budget Analyst; Roslyn McNeil, Budget Analyst; Jeron Hollis, Communications & Public Engagement Director; Fanta Dorley, Human Relations Manager; Mike McNair, Director of Community Development; Glenda Barnes, Public Services Analyst; Loren Hill, Economic Development Director; Robby Stone, Public Services Assistant Director; Jeff Moore, Director of Financial Services; Richard Fuqua, Affordable Housing Manager; Maria Smith, Deputy City Clerk; and Lisa Vierling, City Clerk

Others Presents:

Felicia Jones, Resident and Human Relations Commissioner

News Media:

Jordan Green, Triad City Beat

Note: The following handouts were distributed and will be attached as a permanent part of these proceedings:

- *Community Development and Housing Department*
- *Values and Vision*

Greg Demko, City Manager, called the meeting to order and advised everyone that this will be the last Manager's Briefing on the budget and the last one before the retreat. Mr. Demko welcomed Mike McNair, Director of Community Development.

Mr. McNair began his presentation on Community Development and Housing and started with a department overview of what kind of funding sources they had. He reviewed their current organizational chart and had code enforcement added to it. He discussed their objective and goal is to strengthen the neighborhoods.

- Providing affordable housing for low-to-moderate income families
- Promoting neighborhood and economic development
- Assisting with the provision of services for homeless population
- Strategic code enforcement

Some examples Mr. McNair provided was also to provide that they participate in the community were:

- Computer Labs
- GED Program Site
- Community Garden
- Christmas Parade

Mr. McNair gave some examples of housing services that they provide:

- Southside
- Habitat
- Construction Partnership Training Program

Mr. McNair shared that they received two basic annual funding sources plus an allocation from Council and a CDBG allocation from this year that they expect it to be \$832,055. He also shared the home allocation program and that it had gone up from the previous year and is \$360,207. He reported their successful from receiving funds through other sources and proud to mention the remediated 449 properties with 201 children in lead free homes.

By April 4th, Mr. McNair reported that the draft 2016-17 annual action plan budget plan should become available and some of the numbers may move around. Council Member Alexander inquired if some of those funds were recycled and Mr. McNair confirmed that they were. Mr. McNair further explained when they received the grant, they would go into North High Point, 27265 and require a property that they felt that they could sell them and then come back to the Core with the proceeds and then get to spend it twice. Randy McCaslin, Deputy City Manager, confirmed that those had to be foreclosures or vacant.

Mr. McNair discussed the Technical Assistance Scholarship program and that six were in attendance:

- Mr. McNair
- Mayor Pro Tem Golden
- JoAnne Carlyle, City Attorney
- Mr. Demko
- Bill McNeil
- Dorothy Darr

Also, included was Greensboro along with five other cities with an intense training that led them down a path which they had applied for this assistance and awarded 200 hours of consultant time

and they would come down start working with the City. He also noted that this would be a six month engagement.

While Mr. McNair reviewed the Analysis of Impediments and Assessment of Fair Housing Choice, he stated how population had become more diverse with the comparison between 2000 and 2010. He also shared how the mixture of rentals by \$500 or less went down by 53 percent and the City is growing but the availability of lower rents is shrinking.

Council Member Alexander asked because of inflation and if you pick an arbitrary figure of \$500 and \$500 in 2000 is not \$500 in 2016. He asked, "What do you think that number would be factored for a small inflation number?" Mr. McNair believed it would be an inflation rate of approximately 2 percent.

Mr. McNair reviewed briefly the RCAPS and pointed out the racially concentrated areas of poverty. He also shared how UNCG conducted the study on the Housing Market Segmentation study. Mr. McNair was surprised to the Core City statistics and homeowner rate at 14 percent that the poverty rate was at 40 percent.

With the summary of Core City Community issues, Mr. McNair advised that there are issues in our community. He advised that calling the police is not the only solution and we need to do something else. To address many of these issues would require \$45M full and for redevelopment would likely to exceed \$500M.

Going forward, Mr. McNair addressed the Strategic Code Enforcement and a full staff code enforcement division. He also suggested to proactively enforcing codes as much as the NC General Statutes would allow. He noted that they would be working closely with Ms. Carlyle and the School of Government to make sure they understand apply it properly, provide clarity, to get endorsement from legal team and Council.

Mr. Demko advised that we get to define it. Council Member Alexander states as far as Council beyond standing up for code enforcement and as you step up for code enforcement we are going to have more appeals. As an example: Katherine Bossi, Code Enforcement Supervisor, tried to deal with boarded up housing and something sits there for more than 10 years and then the property owner comes in and requested a little more time... What can we do than just back your play? Mr. McNair suggested that an ordinance would need to be passed. Ms. Carlyle also advised that by the time there would be so much policy thinking and then by that time Council would be ready to just take action. Mr. Demko also agreed as elected officials you would want to address community issues.

Mr. McNair communicated that there is over 1,400 acres of lots in the Core City. Council Member C. Davis asked if a vacant lot means absolutely no structure whatsoever. Mr. McNair confirmed that would be correct. He advised any fire damage lots they would need to look at first and find ways to address it. Council Member Williams requested a number to refer for delinquent taxes on this section. Mr. McNair will follow up on Council Member Williams request.

Mr. McNair reported on Community Engagement. He advised how they need to get out in the community, deal with issues and reach out to them as well, engage stakeholders and keep High Point Beautiful.

Council Member C. Davis mentioned the neighborhood watches throughout the City and asked if he would be using all those neighborhood watches throughout the City. She knows that there are community resource officers that attend those meetings and when you we say engage stakeholders there are also stakeholders that do not reside in the most impacted areas. Mr. McNair replied that there are people with great interest in the Core that will live in the Core.

Years ago, Mr. McNair would hear how people in north High Point would want to help people in south High Point but did not know how to do it. He mentioned the “adopt a neighborhood.” Mr. Demko talked about many outreach and keep High Point Beautiful and traditional 400-700 volunteers for an event to have a cleanup in the community for a couple of hours for 1-2 times a year and cleanup around the streams. He addressed that this year they have been promoting it more and getting better responses from businesses and offering incentives and the target is to get 3,000 volunteers for the City.

As for Housing, Mr. McNair spoke on wanting to increase the homeownership rates in the Core City. He also mentioned to help homeowners to stay in their homes. He reviewed the Wrap Up with the Immediate Next Steps and how they want to meet with Council. He touched on the fully staff Code Enforcement Division, Implement Neighborhood Enhancement Team, and Implement Operation Inasmuch in May.

Council Member C. Davis requested to have an update on Operation Inasmuch. In response to Council Member C. Davis’ request, Mr. McNair recapped Inasmuch about 21 years ago begun by a church in Fayetteville and was designed to get people out of the church and into the communities in need and then partnering with the City of Fayetteville. Then they had this partnership and they had the City, the church, they had non-profit that provided repair and services and the church would get the volunteers, the non-profit would assess what the needs would be, and the City would play the role of funding the materials.

Council Member C. Davis asked if the homeowner would be responsible for paying it back. Mr. McNair replied they would not and explained it is actually a grant, but to qualify the person must be a homeowner.

Usually, a red area would be an area that they would start at, Mr. McNair noted because that would be a large presence there and they would had a large relationships there. He advised to Google it because it is all over the Country now and cities all over are doing it now. He reported that they are trying to push it to a certain level where they can do it twice a year or maybe four times a year. He expressed what an uplifting program it can be. He understood that there are 12 churches signed up locally.

Council Member C. Davis understood that 12 churches have been signed up but wanted to know how many of those have actually been contacted. Mr. McNair reported that they are currently working with a third party on that and will find out Thursday and will report back to Council Member C. Davis.

Council Member J. Davis addressed the repair cleanup and wanted to know if Mr. McNair was coordinating with other City Departments to get our trucks with the big gravel to go clean up the debris in the neighborhoods that need it. Mr. McNair suggested staying out of the middle and the others seek information from us as needed and when they get together Thursday we will see where they are because May 14th is the target date. Council Member J. Davis advised if they took 4-5 of those trucks/trailers into a neighborhood it would make such a difference within a day. Randy Hemann, Assistant City Manager, discussed how the Mr. Demko had requested him to look into and instead of having it twice a year it is the same analogy; we need this once a month and, for instance, as Council Member C. Davis mentioned 12 neighborhood groups/12 months a year. He continued that if we focused on a neighborhood a month and worked with the groups that would be the path we need to focus on and head down to coordinate that. Mr. Demko advised that we are trying to develop and nurture some relationships with other groups outside of churches to step in and help with homeownership and repair with dilapidated buildings and as we move forward and what they are asking of us and guarantee code enforcement to preserve values and guaranteeing public safety so that homes would be marketed.

Council Member J. Davis asked the question if anyone had ever reached out to the Homebuilders Association because he hears from them all the time. With Council Member J. Davis' suggestion, Mr. McNair, would reach out to them and see if they would put a team together. Mr. Demko advised setting aside some money last year and asked what would be the best way to use and attack the issues that we face and how we acquire properties and work to change rental housing into home ownership. Council Member J. Davis shared that is how Habitat works. Council Member J. Davis shared his contact information with Mr. McNair.

Council Member Williams would like the status of the funds of the homeowners with the down payment of the assistance program. Mr. McNair shared the States programs that they are not accepting additional reservations but did request for another amount and did expect to have it back on the street by this summer and it would come back at \$15,000. Council Member J. Davis asked if we had expended our \$120,000 that we had budgeted this year and Mr. McNair confirmed that we had not but had used some of it.

Mr. Demko discussed how to activity engage the community and promote it more. As Mr. Demko recognized when something is put out there and not promote what you have it does not get taken advantage of and we have a real need to get homeowners into rental housing.

With that being said, Council Member C. Davis is concerned that there are several brick homes in her neighborhood that are handled by Housing Authority and if we do not maintain them properly, they will be the next problem site. She continued with the house immediately next door to her, the driveway and instead of tearing up the drive because it was starting to droop because the drain pipe is on Council's side and the other houses have the yard up over the drains but the wash of the water on Council's side was washing out on that driveway. So, instead of repairing it properly, they just pushed three bags of concrete in the hole to fix that repair and those things needs to stop.

Mayor Pro Tem Golden wanted to understand that they had one offer out for code enforcement and another one on its way. Mr. McNair did confirm that was correct and anticipated that he will

accept. Mayor Pro Tem Golden asked if Mr. McNair had to raise the pay scale or do anything else different and he responded that the pay scale is still current. Mr. Hemann advised that there had been some time to review. Council Member J. Davis questioned if they were hiring people with certifications or if they would be training and Mr. McNair replied that they are looking at levels with both. Council Member J. Davis wanted to know how they determine the level of experience they have of construction. Mr. McNair assured Council they follow up with their references and running them through certain tests and a six month review.

Values and Vision

Mr. Hemann began his presentation on Values and Vision. He started with the frame work with the options and how policy decisions are made. He discussed the total taxable value over 8Billion in the Core of town with over 47 square miles that we can tax and 11 of those square miles are about 19 percent are in that Core area.

Some different ways to grow our tax base Mr. Hemann touched on were:

- New Commercial Development
- New Housing
- Existing Commercial Development
- Existing Housing
- It's not about *size*
- It's somewhat about *Quality*
- It's mostly about *Density*

Continuing with his presentation, Mr. Hemann, had a variety of homes with different comparisons of acres for each home and compared to big box retailer, small downtown, unrestored, new downtown high rise and old downtown high rise. He shared some interesting points on density that if you go up as a means to gain additional development and to think about mid-level hi-rises that are 3-4 stories. When all of these are put side by side with the differences and how they add up, if the Core houses switch we could easily gain a lot of tax base to some new value.

Council Member C. Davis questioned about the new hi rise downtown if they were for home ownership and not apartments and Mr. Hemann stated some are rentals but overall they are mainly condominiumized. He further continued that they could be either or take a historic building and divide up or create an infrastructure.

Mr. Hemann shared some tax value per acre facts which were:

- The Central Business District (Downtown) represents .0006 of the City's land mass but 7.4 percent of the City's tax base
- Average per acre across the entire City is around \$271,000 per acre
- Still have parking and infrastructure and have a tax value averaging \$3.4M

Regarding a question that Council Member J. Davis had this past week, Clemmons is getting a new \$10M development downtown and that is what High Point wants. He asked they got that in Clemmons and explained that in Clemmons most the people decide to live there choose to live in a smaller town environment, slower pace life, lower tax rate, lower cost of living and people generally work in the Winston-Salem area and have an influx of retirees who are moving to that

location for that same quality of life. He shared that their median income had doubled in the last five years and that had created the need for that kind of development that would make it work for a developer. Council Member J. Davis raised the question that we are talking about is the same thing but how do we encourage people to move to High Point. Mr. Hemann recommended having a catalyst. He emphasized that we need to have a catalyst project in our downtown that would help with that and once you get it started it becomes self-perpetuated and others would want to join in. He advised how the demographics are the key but yet only a piece of it.

Council Member Wagner discussed how he had learned over the years from studying this is that the biggest thing that attracts people is other people. He shared if a place is energized and engaging which will attract more people. As Mr. Hemann had viewed other spaces such as residential development around Greensboro and you may have asked what were the catalyst, and one of the catalyst were to have some green space nearby many millennials had requested that in this environment with walking nearby. Council Member Wagner also commented that there are benefits on the expense side for the City because if you are redeveloping the downtown your infrastructure is already in place versus if you go out to a green field the developer is building that and he would be passing that onto the City and then the City would have to pay to maintain that. Mr. Hemann mentioned that the demographics is the driver behind this and that everybody would tell you that it is about rooftops, income, disposable income, education levels, and lifestyle.

Mr. Hemann reviewed the maps that showed the median levels near Green Street for rental property. He pointed out the median homeowners have gone up significantly and the strategy is to convert rentals to homeowners and get more investment in properties. He noted there was a lot of tax value on the table that needs to be recaptured.

He discussed that we have twice as many rentals as we do homeowners. He mentioned how he and Council Member Alexander have had this discussion regarding infill opportunities. He noticed a significant jump on the median income toward Eastchester. Mr. Hemann will give Council individual PDFs copies so that they are easier to read. Mr. Demko advised that some of the managed rentals are apartment's, not single family homes.

Mr. Hemann then asked the question, what does all this mean? He added at the end of the day, we need to make some decisions on where and why invest.

- 1) Provide the highest per Acre Yield
- 2) Stabilize areas in decline
- 3) Build a better quality of life
- 4) Utilize existing infrastructure
- 5) Draw from a larger market area
- 6) Bring about additional investment

Council Member C. Davis agreed talked about the red and orange areas presented the study that Mr. McNair was talking about had been like that since the 1960s and when she sees "Build a better quality of life," she wanted to know for whom are we targeting because the red sections have been neglected and wanted to know when will we get to them if we do not start working on

them somewhat more than we have been doing now. Mr. Hemann believed that all of the housing programs had been in the Core and most of the money we had been spending had been in the red. Council Member C. Davis is concerned that everybody that helped paying these bills and these debts are being serviced at the same time. Mr. Hemann stated that going into the red area there is more work to do and the land is cheaper and going in with shock and all to be more successful.

In conclusion, Mr. Hemann ended with the key to building a city for the people that will want to visit is to build a great city for the people that live there.

Council Member C. Davis is concerned with what we build and plan to build and that the average person may not be able to afford so they are still stuck in the same position. She continued that she would love to see our City grow. She just wanted to make sure that when we are making the impacts that we are making the impacts that people can move from here and up. Then she discussed that we are talking about housing and retail and we still need to be having the conversation about hard core life sustaining jobs also so that they can transition from where they are into from what they are creating. Mr. Hemann discussed that is why part of the reason that we do work in our Core. He mentioned Newbern had 2,300 jobs went further downtown development efforts over the years long-term. Council Member C. Davis is excited to see change in our City and wants to be on the same page as everyone else but it is hard to get there if there is not any dialogue.

Mr. McCaslin reported that several of Council had been contacted regarding Shorewood and there had been a neighborhood meeting the other night to discuss trees and sidewalks and Robby Stone, Public Services Assistant Director, would give a brief presentation. Mr. McCaslin shared that this neighborhood was approved in the 80s before the City had their sidewalk provision and development ordinance. He shared that the developer installed the sidewalks within two feet behind the curb and there was no tree ordinance and no landscaping ordinance at that time and they planted many Oak trees in that grassy street area and the two feet was not big enough for an Oak tree to grow and now it is damaging the sidewalk and curb. Mr. Stone went out the other evening to come up with a solution that would work and continuing maintenance that the City cannot keep up with at this level for Citywide.

Mr. Stone began his presentation with Waterview Road. He did some research and then over the years the homeowners had planted trees and they happened to be the wrong type of trees. Then four years ago the City had tried to rework several sections of the sidewalk that had been displaced by the trees. Mr. Stone noted that some of the curbs may have a 1 ½ - 2 inch raised level trip hazard throughout the neighborhood on both sides of sidewalks. Council Member J. Davis asked if they had a homeowners association and Mr. Stone confirmed that it had been dissolved. Mr. McCaslin advised that if they had a homeowners associations we could have had more options in working with them but right now we can either take up the sidewalks or cut down the trees and neither of these options does the neighborhood want. Otherwise, Mr. McCaslin specified that it would be a constant maintenance that the City cannot maintain this level of maintenance.

Mayor asked the question what is the difference of the Core City because we never hear these kinds of complaints. Mr. Stone received a complaint from the homeowner and we need to try to

make it safe. Mayor reported that we had \$200,000 for sidewalks and we could fix it. Council Member Alexander commented that the neighbors believed that if we go in and just *shave* it that it would fix the problem but the reality is that it would keep lifting. Council Member Williams requested a preliminary ballpark of what we are looking at to remove the trees. Mr. McCaslin advised that the City was trying to work with the neighborhood and have not come up with any numbers yet to take down any trees or to remove the sidewalks. Council Member J. Davis agreed that removing the trees would destroy the neighborhood and suggested to go back and say, "You had a HOA and you dissolved it so you are responsible for it?" Ms. Carlyle replied, "No, that the sidewalks are the City's." She also advised once you received notice on something then the burden is on you do to something about it.

Mr. Stone is currently looking at different options and looking at rubber sidewalks. Mr. McCaslin reported that would be an additional cost for the City. Mr. Demko suggested with Counselor's advice to convey these sidewalks back to the homeowner.

Mr. McCaslin advised Council that right now staff does not have a solution but wanted Council to be aware of the situation and would need to come up with an answer. Council Member Ewing suggested that if this was an ongoing issue if it would be possible to just rip out the sidewalks and plant grass. Mr. Stone asked for the homeowners opinions at the meeting and most of them said no. He did have a homeowner bring up the option for the City to assess that homeowners property in front of his home.

Council Member J. Davis raised the question if we were to assess each homeowner's property individually. Mr. McCaslin believed that would require special legislation and we would have to look into that. Furthermore, he added, we need to look into our development ordinance to make sure we are putting sidewalks into the right place so we do not get into situations like this and to make sure we are not over burdening ourselves from the stand point of future sidewalk maintenance.

Council Member Wagner just forwarded an email to everyone regarding a disabled man on how he is upset that he was charged an inspection fee for putting a handicapped ramp on a house and would like Council to waive it and making it no fee to get the plans approved to get the handicap ramp on the house. The fee is currently \$25.

Council Member Alexander believes that Council would open a can of worms by doing so. He believes that all permits should be cost recovery and it would be different if they made a different housing choice where they had a zero entry and did not even have to have a ramp.

Council Member J. Davis brought to Council's attention regarding one of his neighbors who happen to own a tanning bed in town and went to the MRF to recycle his fluorescent bulbs and the MRF would not accept his bulbs because we do not have a recycling program and the state law states they need to be recycled. Council Member J. Davis reached out to Mr. McCaslin who then reached out to Melanie Bruton, MRF Superintendent, would be looking into setting one up.

There being no further discussion, the meeting adjourned at 5:15 p.m. upon motion duly made and second by Council Member Ewing.

Respectfully Submitted,

Maria A. Smith
Deputy City Clerk

DRAFT