



COMMUNITY HOUSING & NEIGHBORHOOD DEVELOPMENT COMMITTEE

Committee Members: Golden, Ewing, Alexander and Williams

Chaired by Mayor Pro Tem Golden

DECEMBER 13, 2016 – 10:00 A.M.

3RD FLOOR LOBBY CONFERENCE ROOM

NOTE: A QUORUM WAS NOT PRESENT

MINUTES

Present:

Chairman Jeff Golden

Absent:

Committee Members Latimer Alexander, Chris Williams, and Jason Ewing

Also Present:

Council Member Cynthia Davis

Staff Present:

Randy McCaslin, Deputy City Manager; Randy Hemann, Assistant City Manager; Mike McNair, Director of Community Development; JoAnne Carlyle, City Attorney; Richard Fuqua, Affordable Housing Manager; Nena Wilson, CD Administrator; Lori Loosemore, Supervisor- Code Enforcement; Michelle McNair, Community Resource Manager; Alisha Doulen, Community Resource Specialist; Lauren Atwell-Bass, Community Resource Specialist; Maria Smith, Deputy City Clerk; and Lisa Vierling, City Clerk

News Media:

Pat Kimbrough, High Point Enterprise

Others Present:

Sofia Crisp, Executive Director, Housing Consultants

Note: The following hand-outs were distributed during the meeting and will be attached as a permanent part of these proceedings:

- *Core City CDC*
- *Clay Ave Corridor*
- *Audit and Modify Local Minimum Housing Ordinance*
- *Community Housing and Neighborhood Development Committee*

▪ *Update on Core City Homebuyer Incentive Program*

Chairman Golden called the Community Housing & Neighborhood Development Committee meeting to order at 10:00 a.m.

Discussions regarding a Core City Community Development (CDC)

Randy Hemann, Assistant City Manager, spoke briefly about the Core City CDC and the non-profit arm that would give the flexibility and ability to work with properties and do things that the city cannot otherwise do. He proceeded to review the proposal and talked about how other communities have CD corporations. He shared this non-profit would be set up to:

- ✓ Receive donations of properties
- ✓ Purchase properties
- ✓ Stabilize, develop and build affordable housing
- ✓ Partner with other groups such as High Point CAV, etc.....

He noted that many communities have CD corporations and shared that it would be a group similar to Forward High Point—a closely held non-profit that would be populated by city/community people with the Chamber providing broad support.

He proceeded to review the composition of the proposed Board of Directors:

- Chair of this Committee
- Representative from the Community Foundation
- Core City Representative
- Mike McNair, Director of Community Development
- City Manager or designee
- Hayden-Harman Foundation
- High Point Chamber of Commerce
- City Council designee from the community at-large

Mr. Hemann advised that they would not seek funding for an executive director for the immediate future, but would seek funding from foundations and City funds that are used for blight reduction. He also anticipates that this group would target certain areas and do projects for more specific proposals for use of that funding.

Mr. Hemann provided some examples of how the group could acquire properties in different areas. Randy McCaslin, Deputy City Manager also suggested it would be helpful to work with non-profits such as Habitat for Humanity. JoAnne Carlyle, City Attorney shared that forming a non-profit in this context would also make an easier transition for the transfer of properties from a legal standpoint. She asked Mr. Hemann if there would be a link from Bank of North Carolina properties to help get projects that are ongoing and he shared that this would make it much easier for the city to achieve its goal to clean up blighted neighborhoods and build affordable housing.

Chairman Golden inquired about the “At-Large City Council designee” and asked if the two At-Large candidates would both designate the person or would this be done by the City Council. Mr. Hemann noted Council would designate the At-Large person. Mr. McCaslin further explained it does not necessarily mean at-large as with the election; it just means one of the council members. Mr. Hemann clarified that it could be anybody.

Ms. Carlyle asked Mr. Hemann if he had been working with the outside legal firm on the composition, etc... Mr. Hemann mentioned they received two proposals for outside assistance (to set up the non-profit and do all the legal work associated with it): David Kyger in Greensboro and Parker Poe. He advised there was a significant price difference between the two proposals with Kyger coming in at \$5,000 versus Parker Poe at \$10,000. He noted that he has not yet contracted with anybody, but was leaning towards Kyger because of the lower price and knowing that he is qualified to do it. Ms. Carlyle suggested even with the price difference, it might be good to take into consideration the other knowledge that Parker Poe already has regarding some of the city's other projects because this may eventually save some time and billable hours.

Chairman Golden inquired about how long it would take to set up the non-profit and Mr. Hemann estimated approximately three months. He suggested if there is interest in setting up this non-profit, he would like to go ahead and start laying the groundwork for it. Chairman Golden suggested that they also reach out to the other Committee Members to see how they feel about it. Mr. Hemann stated he would go ahead and send the information out to them and asked Chairman Golden to individually poll them or have them contact him directly with any suggestions.

Modifications to the City's Minimum Housing Ordinance Regarding Repair Orders and Demolitions

City Attorney Joanne Carlyle advised that she is not satisfied with the work product and felt more tweaks were needed such as plugging in reasonable cause and whether or not reasonable cause would actually apply legally to minimum housing issues. She explained that she has reached out to the School of Government and is waiting to hear back from them. In addition, she stated she would like to loop in Lori Loosemore and Mike McNair and discuss it with them before bringing it back to the Committee.

Randy Hemann, Assistant City Manager shared the following comments and noted they were specifically from the report from the Center for Community Progress:

#1: Consider altering it so that where it says "repair, alter, or improve only" as opposed to repair or "vacating and close," which would offer the option of having someone fix it whether than vacate and close.

#2: Adjusting the "reasonable cost of repair" percentage. He explained now when it is set at 50 percent if the property value is low, it may force more demolition than desired. He suggested possibly raising this threshold above 50% (possibly 65-70%) because it still might be reasonable to have the house fixed at the higher percentage. It was felt that this would encourage more repair and less demolition.

Ms. Carlyle reported a lot of what she saw while reviewing it clarified that a lot of "clean-up" was needed in the ordinance. She felt there definitely needs to be some discussion with Council on the 50%. Mr. Hemann suggested for Mr. McNair or Ms. Loosemore lead a discussion on what the actual percentages look like to get some basis of understanding if there was a change of policy and what it would really mean getting out into the field. Chairman Golden asked if it was dollar amount opposed to the actual work. Ms. Loosemore explained staff generally bases estimates on the contractors and noted if the property was valued at \$10,000 or more, then they would start a demolition, but the assessment cost is based on professionals doing it—not the homeowner. Chairman Golden commented that he likes "repair, alter and improve," but asked if this would increase the number of demolitions. Ms. Carlyle suggested another statutory option would be to order them to do it or the inspector to go out and do it and this would then put it back in the hands

of the city. She noted that this might be an area where the non-profit mentioned earlier could step up and possibly flip the property.

Mr. Hemann mentioned another tool available is receivership statutes. He advised that there are sixteen states that have receiver statutes, but North Carolina is not one. He explained this would authorize the court to appoint a receiver in cases where property is not being maintained properly and suggested in some places, this could be the Community Development Corporation (non-profit) as the receiver, then take it and do the improvements to the property, place a lien on it, etc... Chairman Golden asked while the lien is on it, if the property could be leased, rented, etc... Ms. Carlyle confirmed it would be there with just a lien on it. Mr. Hemann advised that since North Carolina is a property rights state, it would require special legislation which would make it difficult.

Chairman Golden shared that Council actually looked into receivership in 2013. Ms. Carlyle noted that Fred Baggett would be talking with Council at the December 19th meeting regarding the receivership option and the possibility of going through Raleigh and work with some of the groups, as well as provide a brief update on what to expect regarding 2017 legislation.

Ms. Loosemore asked if a lien placed on property that the city has repaired would be collectible just like a tax lien and Ms. Carlyle affirmed that it would be.

Update on OperationInAsMuch

Mike McNair, Director of Community Development and Housing provided a brief follow-up from the OperationInAsMuch (OIAM) operation that was done in East Central and Southside. They are looking at the Highland Mills area as the next site, which is scheduled for May 6th. He explained the preliminary analysis shows there are 84 homeowners in the projected area, which also includes the Ward Street area as well and staff plans to reach out to these homeowners to see which ones would qualify.

To do things a little differently, he advised that they would be involving the neighborhood associations earlier on in the process to help alleviate any perceptions that it might be a scam. Several churches have also indicated an interest and have indicated that they would like to do this more often than every six months. Mr. McNair pointed out to get the best results, they would work up a team, make sure they have the capacity, identify the project, they provide the labor, and we pay for the materials.

Sofia Crisp, Executive Director, Housing Consultants, shared how they are trying to also engage High Point University students to help with surveying the homeowners.

Update on Core City Homebuyer's

Mr. McNair provided a brief update on the Core City Homebuyer Incentive Program. He indicated that the city continues to get a lot of interest for this program and stated the city has received 36 applications with most of them pending and a few withdrawals. He pointed out the idea behind the program was to attract younger middle income people in the Core City. He noted the average age of the applicant is 38 years old with the average area median at 93% of the median. He shared this proves the city's goals for this program are being realized.

Council Member C. Davis gave an example of how someone that she was related to was interested in purchasing an affordable home in the Core City and when she went to research it on the city's website, she came across something that said a family member would not be eligible until she transitioned off of Council for one year. Mr. McNair noted that it could be the conflict of interest statement. Ms. Carlyle was not sure that was correct because it has nothing to do with the

qualification status and noted that council members do not make any decisions as to the qualifications anyway. She agreed to look into it further and asked Council Member C. Davis to show her where this language was on the website.

Nena Wilson, CD Administrator, wanted to know if they were speaking of non-grant funds, in the general fund, because even with grant funds a request for a waiver of the conflict of interest could be requested. Council Member C. Davis asked Ms. Wilson to find the information and share it so everyone would know what she is referring to.

Chairman Golden inquired about the withdrawals and the types of incidents that might cause a withdrawal of an application. Mr. McNair explained it could be for various reasons such as the buyer changing his/her mind.

Update on Southside Pedestrian Bridge Project

Mr. McNair reported there was nothing new to report regarding this matter. He noted staff has been communicating back and forth with the State for the last several weeks and they have asked that the environmental review for the project be resubmitted to them. He advised that staff could not advertise for bids until the State has all the necessary information.

Clay Avenue Corridor

Mr. Hemann advised that staff has had some conversations with GTCC regarding people using Clay Avenue as a cut through from Macedonia and GTCC. As a result, GTCC decided they wanted a more formalized trail to connect Macedonia Center and GTCC. He shared a map of the corridor and noted the property outlined in gold is owned by GTCC and the city-owned lot was outlined in blue. He reported that they have the project funded and they are working on the design work. As a result of an inquiry by GTCC regarding the disposition of the city-owned property, staff conducted some research and determined that the city has \$43,000 in the property (\$32,000 for the property and \$11,000 in demolition costs). He felt this would be great for GTCC, the neighborhood, as well as the city.

Ms. Carlyle explained the city does have the authority to exchange, give or sell the property. Mr. Hemann noted the next step would be to close this portion of Clay Avenue. Chairman Golden felt this would be the logical thing to do. Mr. Hemann stated if there is support to do this, he would like to start talking with GTCC and laying some of the groundwork to see if Council could approve it in the near future.

Chairman Golden offered to reach out to the other Committee members to fill them in on today's meeting and to get a feel of where they might stand.

There being no further business to discuss, the meeting adjourned at 10:40 a.m.

Respectfully Submitted,

Maria A. Smith
Deputy City Clerk

Jeff Golden, Chairman