



Community Housing, Neighborhood Development and Public Safety Committee

Chaired by Council Member Golden

Committee Members: Golden, Peters, Scarborough, and Williams

March 5, 2019 – 10:00 a.m.

3rd Floor Lobby Conference Room

MINUTES

Present:

Chairman Jeff Golden, Committee Member Monica Peters, and Committee Member Don Scarborough

Absent:

Committee Member Chris Williams

Also Present:

Council Member Britt Moore; Mayor Pro Tem Jason Ewing

Staff Present:

Randy McCaslin, Deputy City Manager; Mike McNair, Director of Community Development & Housing; Thanena Wilson, Assistant Director of Community Development; Michelle McNair; Community Resources Manager; Lori Loosemore, Local Codes Enforcement Manager; Meredith Green, Community Resource Specialist; Alisha Doulen, Community Resource Specialist; Fanta Dorley, Human Relations Manager; JoAnne Carlyle; City Attorney; and Lisa Vierling, City Clerk

Others Present:

Jerry Mingo, Citizens Advisory Council Member, Resident- Burns Hill Neighborhood
Judy Stalder, TREBIC

Note: The following handouts were distributed during the meeting and are hereby attached as a permanent part of these proceedings.

- ✓ Volunteer Income Tax Assistance Program 2019 Tax Season Update (TY 2018)

- ✓ Information Sheet- Free Tax preparation for Eligible Families
- ✓ Core City Homebuyer Incentive Presentation
- ✓ Top 10% Properties with Crime or Disorder Problems Handout

Chairman Golden called the meeting to order at 10:00 a.m.

1. Update- VITA Program

Alisha Doulen, Community Resource Specialist, provided an update on the VITA Program. The VITA Program is an IRS sponsored program. The program assists the underserved population with income tax preparation assistance through partner sites and Coalition volunteers and VITA volunteers that are IRS certified tax preparers. The VITA program has been ongoing in High Point for the past thirteen years (2006-2018). Ms. Doulen then shared the following Program Totals for the VITA Program for this 13-year period.

Tax Year	Total Returns	Federal Refunds	Earned Income Tax Credit	Average AGI	Child Tax Credit
2006-2018	6,164	\$7,558,078	\$3,186,891	\$16,110	\$870,160

Following the presentation, Ms. Doulen entertained questions/comments. There were none.

2. Core City Homebuyer Incentive Program

Mike McNair, Director of Community Development & Housing, provided an update on the Core City Homebuyer Incentive Program. He reported that the program has been extremely successful with 153 applications received since inception of the program with 29 applications already received for FY 2018-2019. Requirements for the program are:

- ✓ Down Payment/Closing Cost Assistance= \$5,000
- ✓ 5-Year Deferred Loan at 0% Interest
- ✓ Loan Forgiven at 20% each year
- ✓ Property must be primary residence and located in the Core
- ✓ Property sales price not to exceed \$200,000

Mr. McNair then reviewed a few recent changes that have been made to the program.

- ✓ Lowered the amount of assistance available from \$7,500 to \$5,000
- ✓ Appointments/Reservations are now required

The program was designed to attract middle income, young families into the Core City. He shared the following averages.

- ✓ Average age: 39
- ✓ Average house price: \$39,000
- ✓ Average income: \$45,535 (96% of the Median Income)

3. Operation Inasmuch (OIAM)

Mr. McNair shared a video from the last OIAM event that was held in the West End area. The next OIAM event is scheduled for the Southside Neighborhood.

4. Top 10% of Crime and Disorder Properties

City Attorney JoAnne Carlyle distributed a handout outlining requirements of the State statute. She shared that the groundwork has been laid and most things are in place for Council to move forward with adopting an ordinance or putting a program in place.

She advised that she has contacted Tyler Mulligan, a professor and expert on the subject matter with the School of Government, for clarification on N.C.G.S. 160A-424 as to whether or not the Top 10% allows for the city to inspect because it is unclear in the statute; however, the statute does make it clear that there must be a reasonable cause to conduct an inspection. She also pointed out that according to Mr. Mulligan, an argument could be made for the program that is established to include inspections. Ms. Carlyle explained there is not automatic authority under the statute to do periodic inspections; this is something that Council would have to take action on and specify.

She emphasized that the statute actually takes two paths: 1) Periodic Inspections; and 2) Top 10% Properties with Crime or Disorder Problems.

N.C. General Statute 160A-424

- ✓ Allows the city to make periodic inspections, subject to council's direction (unsafe, unsanitary, hazardous, and unlawful conditions).
- ✓ May make periodic inspections only when there is a reasonable cause to believe that unsafe, unsanitary or hazardous or unlawful conditions exist.

Reasonable Cause means any of the following:

- (i) The property has a history of **more than four** verified violations of the **housing ordinances or codes** within a **rolling 12-month period**;
- (ii) There has been a **complaint** that substandard conditions exist within the building or there has been a request that the building be inspected;
- (iii) The inspection department has **actual knowledge** of an unsafe condition within the building; or
- (iv) Violations of the local ordinances or codes are **visible from the outside of the property**.

Council Member Moore questioned (i) and asked where the number "four" came from. Ms. Carlyle explained it came straight out of the statute and the only way it could be changed is through legislation. Mayor Pro Tem Ewing pointed out the city could adopt an ordinance to reflect a number greater than four, but could not go below the threshold set out in the State statute. Ms.

Carlyle added that if they are not willing to reduce that number, then it might be possible to include some language where the number could be lowered if a situation arises where it could be justified. Randy McCaslin, Deputy City Manager, pointed out it might be difficult to get more than four in a rolling 12-month period. Lori Loosemore, Local Codes Enforcement Manager, agreed that it would rarely happen.

Ms. Carlyle advised that the statute does allow for establishment of a targeted area, whereby the city could require periodical inspections in an effort to respond to blighted or potential planning conditions with regards to blight. To establish a target area, the city shall

1. Have a stated neighborhood revitalization strategy in place;
2. Provide notice to all owners and residents of properties in the area;
3. Provide notice of public hearing;
4. Hold a public hearing; and
5. Establish a plan to address low income residential property owners being able to comply with the Minimum Housing Code.

Mayor Pro Tem Ewing mentioned when this was previously discussed, staff suggested using identified Census tracts to make it data driven. Mike McNair, Director of Community Development & Housing, explained it was a bit concerning in that it seemed to suggest that there would be a requirement to essentially inspect everybody and staff did not want to go there. Ms. Carlyle did not necessarily agree and noted from a legal standpoint, there may be something simpler that could be done.

Judy Stalder, representing TREBIC, shared that Greensboro looked extensively at this and got feedback from some of the neighborhoods and the neighborhoods saw it as an additional stigma being identified as a targeted area. Committee Member Peters felt the word “target” has a negative connotation and suggested possibly using a more positive word to describe an area such as “growth area” or “opportunity area.”

Referring to the five requirements to establish a targeted area, Chairman Golden pointed out that the city is already doing most of them as far as blight elimination. He asked if the notice would be given to the renters or the actual homeowners. Ms. Carlyle replied that the notice would go to both.

She then proceeded to identify the requirements outlined in the statute for the Top 10% Properties with Crime or Disorder Problems.

- ✓ City must adopt an ordinance defining crime and disorder problems
- ✓ City may adopt an ordinance requiring individual rental units....
 1. That have either more than four *verified violations* in a rolling 12-month period **OR**
 2. Two or more verified violations in a rolling 30-day period **OR**
 3. That have property identified within the Top 10% with crime or disorder problems as defined in the ordinance....

To obtain a permit to lease residential real property **OR** to **register** rental property within the city.

The city may then....

- ✓ Require an owner or manager of residential rental property to participate in any government program as a condition of obtaining a Certificate of Occupancy (CO); OR
- ✓ Levy a special fee or tax on residential rental property that is not levied against other commercial and residential properties (not to exceed \$500 in any 12-month period where violations are found);
- ✓ Make any violation of rental registration punishable as a criminal offense;
- ✓ Require any owner or manager of rental property to submit to an inspection before receiving any utility service provided by the city.

Other requirements of the statute for the Top 10% Properties with Crime or Disorder Problems....

- ✓ City must notify the landlord to allow the landlord an opportunity to correct; and
- ✓ City and police department shall assist the landlord in addressing any criminal activity (this includes testifying in court and assisting with summary ejectment).

Ms. Carlyle pointed out that if the city or the police department do not cooperate in the eviction, then the tenant's behavior shall not be counted as a crime, and the property may not be included in the top 10%.

She advised that the ordinance could require the top 10% to participate in any government program as a condition of obtaining a CO and Mr. Mulligan believes this is where the city has a hook to tie in an inspection as being part of the "governmental program". Ms. Loosemore noted it still references the Minimum Housing Code when talking about a CO when a house meets minimum standards. Mr. McCaslin asked if a CO could be revoked if a house does not meet the minimum standards and Ms. Loosemore stated that it could not be revoked, but it would be a Notice of Violation.

Chairman Golden asked if it might be possible to identify a minimum rent that could warrant or trigger an inspection. Ms. Carlyle believed it would probably be considered discriminatory based on economics. Going back to identifying areas by Census tract, Mayor Pro Tem Ewing that it would allow it to be done on a more general basis looking at the cost of living, average rents, average rent per square foot, etc.....

At this time, Ms. Stalder was provided an opportunity to share about a personal experience she had recently while attempting to get someone evicted in a house where drug activity was known to have been going on. She stated she did get the police involved, but their hands were tied because the tenant had not yet been convicted of a crime and they were paying their rent. Ms Carlyle was not sure that it would require a conviction but it would require criminal activity.

Council Member Moore felt the police department should be involved with this discussion. He felt that the issue that Ms. Stalder brought up was a big issue because the police have certain laws they have to abide by that heavily favors a tenant. It was noted that they were invited, but they were tied up with bid procedures for the new police headquarters.

Mr. McNair explained that the police department is in the process of changing their crime classifications to FBI standards, so staff is in the process of revisiting the Top 10% list. They do not expect the numbers to change that much and they anticipate that it will probably be the same units. He stressed that the inspection component would not be the lead action, but it would be the police action, so it would be a crime feature. He indicated that staff is still in the process of working through it and would bring something back for consideration although it would look different than what we've had in the past.

Committee Member Peters pointed out there is a broad spectrum of landlords and tenants from one extreme to the other and mentioned she had received some calls from neighbors who were upset that the landlords continuously re-rent houses to people doing drug-related activities. She asked if it might be possible to hold the landlord accountable. Chairman Ewing agreed this is a challenge and added that it could be handled by the screening process, but unfortunately there are some landlords that don't care and don't have a good screening process. He felt if across-the-board requirements are implemented for rental property, it may cause more harm than good because of the high percentage of those that do follow the rules and have an interest in keeping the property in good shape and do a good job screening their tenants. He felt utilizing this as a tool for crime prevention and deterrence as opposed to targeting it on the code enforcement side would work because it would give the police department the ability to engage and put some of the trouble people out of the area.

Chairman Golden asked about the legality of publishing the names and addresses of those property owners that fit in the Top 10% list and if this information is a matter of public record. Ms. Carlyle advised that she thought it would be public record although there could be some private information that would need to be redacted.

Mayor Pro Tem Ewing suggested getting the big property management companies involved in the process to get some data and have them sit down with staff first to review the list of the Top 10 properties. Ms. Carlyle noted that the statute does address three classes of individuals: property owner, property manager, and the renter.

Ms. Carlyle advised if Council decides to move forward with either of these options, there will need to be an appeal process set up for the due process, which would be the Zoning Board of Adjustment and it would be a quasi-judicial hearing. She reminded the Committee that due process moves slowly and pointed out there is an additional 21-day period of correction requirement in the statute and there are still some limitations and time restraints involved.

Since more work needs to be done on the police process, Mr. McNair asked if there was a desire to implement a permit and registration process.

Chairman Golden asked if Greensboro performs an initial inspection on all rental properties. Ms. Stalder reported that Greensboro did until this statute was written. They did initial inspections on all rental properties, but it caused issues because of economic discrimination and the property managers were upset because it was taking up a whole lot of their time and adding to their cost, so it became a funding nightmare for Greensboro as well as the property managers. She also advised

that since then Greensboro has rewritten their Minimum Housing Code to include the reasonable cause part and the repeat offender part but left the rest out such as the targeted area and the top 10% crime properties. Chairman Golden asked if it might be possible to get a copy of Greensboro's Minimum Housing Code that was rewritten. Ms. Carlyle advised she would be glad to get a copy, but she was not sure if that is where High Point would benefit the most from tightening that language up as opposed to having this opportunity with the one that the city is looking at now.

Committee Member Peters reiterated that she felt there should be a way to hold the property managers/landlords accountable because everyone's rights need to be protected. She also asked if it might be possible to get a list of violations identified in the Minimum Housing Code so it can be shared with neighborhood groups. Ms. Loosemore explained that she already does presentations before groups in the community and tells people what constitutes a reasonable cause.

Ms. Carlyle advised that staff would set up a meeting with the property management group, then bring it back to the City Council once the police department completes the process of changing their crime classifications to be consistent with the FBI standards. Mayor Pro Tem Ewing reiterated that it would be beneficial to have the list ready of the Top 10% properties with crime and disorder ready prior to meeting with the property managers. Council Member Moore asked staff to follow up closely on the part in the statute that gives cities more local authority and flexibility within the umbrella of the statute to address their own unique needs.

Ms. Carlyle suggested that she could work with Fred Baggett, the City's Legislative Counsel, on the wording regarding reducing the "four" verified violations to a lesser number, but still have a cap, which would allow some flexibility to word it in a way that if the city could prove and define a true need, then it could be based on that. She advised that she could bring back some language to the full Council as a proposed change.

Mr. McCaslin asked if this would be through a local bill or a revision to this bill. Ms. Carlyle explained it could be either way and may depend on which way would be quicker and easier.

There being no further discussion, the meeting adjourned at 10:10 a.m. upon motion duly made and seconded.

Respectfully submitted,

Lisa B. Vierling, City Clerk

Jeff Golden, Chairman