Leveraging What You Have: Partnering to Improve Existing Affordable Housing

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Core City Challenges AND Opportunities

- 11 Square Mile Area
- Downtown (Furniture Showrooms) and Surrounding Neighborhoods
- Poverty
- Blight
- Safety/Crime
- Underutilized Property
- Growth Potential
- Existing Infrastructure
Core City Challenges AND Opportunities

• 2015 Study by UNCG
• 15,000 Parcels
• Over 400 homes in foreclosure
• 584 properties that have code liens
• 20% of lots are vacant
• 9.7% of homes are vacant
• We will spend over $500,000 this year on nuisance abatement and demolition
Core City Challenges AND Opportunities

- Market Study/Data
- Code Enforcement
- Housing
- Quality of Life
Community Development & Housing Strategies to Strengthen Core

Pursuant to Council’s strategic plan and the study:

- Mitigate blighting influences
  - Demolish abandoned substandard structures
  - Promote conversion of empty lots to community gardens
  - Neighborhood cleanups – Keep High Point Beautiful
  - Home repairs – Operation In As Much, Urgent Repair Program

- Diversify incomes
  - Core-city homebuyer incentives
  - New single family affordable housing
  - Multifamily development outside of the Core

- Maintain community partnerships
  - Help reduce crime
  - Neighborhood Gardens

- Market our successes!
Market Study

- Commissioned July 2015 after CPLI & RVP
- Study included more than 15,000 parcels
- Focused on factors such as housing, economics and population
- [https://www.highpointnc.gov/DocumentCenter/View/7024](https://www.highpointnc.gov/DocumentCenter/View/7024)

<table>
<thead>
<tr>
<th>#</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Enhance data driven planning practices</td>
</tr>
<tr>
<td>2</td>
<td>Fund code enforcement, targeted stabilization programs, as well as personnel</td>
</tr>
<tr>
<td></td>
<td>for long-range planning and grant writing</td>
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<tr>
<td>3</td>
<td>Develop rigorous code enforcement</td>
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<tr>
<td>4</td>
<td>Identify potential properties for demolition, rehabilitation, and redevelopment</td>
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<tr>
<td>5</td>
<td>Increased home ownership rates/ stabilize existing renters</td>
</tr>
<tr>
<td>6</td>
<td>Pursue delinquent tax accounts</td>
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<td>7</td>
<td>Tax liens could on vacant properties</td>
</tr>
<tr>
<td>8</td>
<td>Improvements to the condition of vacant and abandoned houses</td>
</tr>
<tr>
<td>9</td>
<td>Conduct in-person housing stock assessments</td>
</tr>
<tr>
<td>10</td>
<td>Develop additional layers of data</td>
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<tr>
<td>11</td>
<td>Create public ‘data dashboard’ for visualization</td>
</tr>
<tr>
<td>12</td>
<td>Stabilize functioning and constrained markets</td>
</tr>
<tr>
<td>13</td>
<td>Seek economic and technical assistance for weak and extremely weak neighborhoods</td>
</tr>
<tr>
<td>14</td>
<td>Pursue “low-hanging fruit” identified in this report</td>
</tr>
<tr>
<td>15</td>
<td>Prep weak and extremely weak neighborhoods for future investment</td>
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</table>
Housing Market Segmentation Study

- Conducted 2015 by Center for Housing and Community Studies (UNCG)
- Parcel-level housing stock assessment of the Core-City.
- Provides data to help prioritize redevelopment and revitalization activities
- Block groups are divided into five ratings based on data.
  - **Stable** – high home values, low vacancy rates, high homeownership.
  - **Functioning** – moderate home values, varied vacancy rates and moderate homeownership.
  - **Constrained** – moderate home values, higher vacancy rates, low homeownership, more substandard properties, higher poverty and unemployment.
  - **Weak** – low home values, higher vacancy rates, low homeownership, substandard homes, many vacant lots, poverty and unemployment is very high.
  - **Extremely Weak** – lowest home values, highest vacancy rates, highest rental rates, substandard homes, and many lots are vacant. Poverty and unemployment is the highest.
Market Segments

- Indirect correlation between market index and improvement costs.
- Strategies should be informed by data characteristics of each neighborhood.
- Types of activity (resources) must be “right sized” to needs of the neighborhood.
- Some areas will require working from the outside edges in.
- Targeted code enforcement through out Core to address blighting influences:
  - Burnouts
  - Dilapidated & abandoned properties
  - High grass
- All strategies will require effective community partnerships.
## Comparative Core City Statistics

<table>
<thead>
<tr>
<th>Area</th>
<th>Population</th>
<th>Avg. Median Income</th>
<th>Poverty Rate</th>
<th>Unemployment Rate</th>
<th>Homeowner Rate</th>
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<tbody>
<tr>
<td>Entire City*</td>
<td>112,201</td>
<td>42,299</td>
<td>22%</td>
<td>11%</td>
<td>56%</td>
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<tr>
<td>Core-City</td>
<td>31,492</td>
<td>29,770</td>
<td>40%</td>
<td>22%</td>
<td>41%</td>
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<tr>
<td>Stable</td>
<td>6,369</td>
<td>60,588</td>
<td>14%</td>
<td>9%</td>
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<td>Functioning</td>
<td>7,608</td>
<td>30,910</td>
<td>35%</td>
<td>17%</td>
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<td>21,910</td>
<td>35%</td>
<td>28%</td>
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<td>18,507</td>
<td>52%</td>
<td>31%</td>
<td>28%</td>
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<tr>
<td>Extremely Weak</td>
<td>5,091</td>
<td>13,675</td>
<td>68%</td>
<td>26%</td>
<td>14%</td>
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</table>

* According to 2015 American Community Survey Data:
  • Median Income for Homeowners = $60,883
  • Median Income for Renters = $27,881
Assessed Valuation by Census Tract 2012-16

- Negative valuation change in most block groups in Weak or Extremely Weak markets
- Blighting influences are probably contributing to negative valuations outside of the Core as well.
Looking at the Census tract reveals the different markets by block group.

What if we could drill down to the parcel and ID Census blocks of interest?
Data Insights from the Market Study

- Census Block Groups consist of city blocks
- Maintaining parcel level data is crucial
- Parcel level data may provide inferences of distress at the city block level
- Clusters of distressed properties could allow for more efficient responses

### Pearson’s Correlation Matrix for Variables Included in Index

<table>
<thead>
<tr>
<th></th>
<th>MEDIAN VALUE</th>
<th>Vacant Lots</th>
<th>Subst</th>
<th>Occup</th>
<th>Mobility</th>
<th>mortg</th>
<th>Loans</th>
<th>Delinquent</th>
<th>Crimes</th>
<th>Non-White</th>
<th>Foreign Born</th>
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<th>18 &amp; under</th>
<th>65 &amp; over</th>
<th>Med incom</th>
<th>below poverty</th>
<th>Food Stamps</th>
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<td>521°</td>
<td>360°</td>
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<td>.633°</td>
<td>.740°</td>
<td>.890°</td>
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</tbody>
</table>

**, Correlation is significant at the 0.01 level (2-tailed).**

*Correlation is significant at the 0.05 level (2-tailed).*
2016 Technical Assistance Scholarship Program

- Six month engagement
- Four Focus Areas:
  - Data Management Systems & Practices
  - Code Enforcement Systems
  - Property Tax Enforcement Systems
  - Community Partnerships and Programs
- Stakeholders included:
  - City Council
  - CHP staff
  - Guilford County Tax Office
  - Guilford County Schools
  - Community members
  - Local Non-profits
- [https://www.highpointnc.gov/DocumentCenter/View/7023](https://www.highpointnc.gov/DocumentCenter/View/7023)
Code Enforcement Systems

Nuisance Abatement, Code Liens, & Cost Recovery

According to data provided by the City:

- 1,692 unpaid code liens on 861 properties
- Total amount owed is $694,392
- Only 118 have 4 or more liens, and 75% of these are tax delinquent an average of 7.2 years!
- There are 584 properties that have liens, totaling nearly half of owed amount, and are tax current!

2016 TASP Finding

- Clearly a problem with lien collection
- Comparison of liens vs tax current was an eye opener
- Older liens are probably abandoned
Discussions underway to have City pursue foreclosures 2 – 4 year delinquencies

No action – County handles payment plans

County has agreed to include unpaid liens on tax bills

City has forwarded list of unpaid liens to County to include on tax bills

City has established a CDC to receive property and manage the land bank
Code Enforcement

- Moved Inspections from Planning to Community Development & Housing Department
- Hired Temporary help from State Code Enforcement
- Increased Number of Inspections from 2 to 6
- Redefined Zones
- Rewrote Minimum Housing Ordinance
  - % of Value increased from 50% to 65%
  - Discourage Board Up and Abandon
- Liens on Tax Bills
  - Paid automatically by mortgage companies
Code Enforcement Data

Cases used to define assignment zones

- From 8/15 through 2/17 (2,382):
  - Housing Cases – 355
  - Nuisance Cases – 1903
  - Demolition - 124
Housing – Habitat Partnership
Housing – Habitat Partnership

Legend

🌟 = Completed and sold
🌟 = Under Construction
🌟 = Part of proposed contract
Housing – Habitat Partnership

- 28 homes constructed and sold
- Six homes presently under construction, with three expected to close before October
- $3.1 million investment in neighborhood since 2008
Housing – Core City Homebuyer Incentives

CHP Program:
• Down Payment/Closing Cost Assistance = $7,500
• 5 Year deferred loan at 0% interest
• Loan forgiven at 20% per year
• Property must be primary residence and located in the Core
• Property sales price not to exceed $200,000

NCHFA program:
• Down Payment/Closing Cost Assistance = $15,000
• First time home buyer (or have not owned a home in 3 years)
• Income doesn’t exceed certain limits
  • 1-2 persons $67,500 / 3+ Persons $78,000
• Purchase an existing home below $245,000
• Credit score is 640 or higher
• Complete an in-person or online home buyer education course
• Purchase property within Guilford County

Metrics on 64 apps (56 closed, 5 pending, 3 withdrawn):
• Average price = $109,215
• Average age = 41
• Average household income = 92% of AMI
• Total Incentives Expended or reserved = $407,500 ($277,500 Local + $130,000 Federal)
Housing – Operation In As Much

- Designed to serve low/mod income homeowners
- Targeted neighborhoods weakest markets
  - Southside (May 5, 2016)
  - Burns Hill (November 5, 2016)
  - Highland Mills (May 7, 2017)
- Partnership between CHP, CHS, HCG, churches & volunteers
  - CHP selects neighborhood and provides funding
  - CHS coordinates home repairs
  - HCG community outreach
  - Churches and volunteers donate their labor
- Will improve quality of life for more than 60 families
- Council has been very supportive
- Video at https://www.highpointnc.gov/1838/Operation-Inasmuch
Housing – Operation In As Much

- In as much as you did it for the least of these you did it for me…
- Exploring Participants Desire to make the program “year round” rather than a few times a year
Housing – Operation In As Much

<table>
<thead>
<tr>
<th></th>
<th>OIAM – Southside</th>
<th>OIAM – East Central</th>
<th>OIAM – Highland Mills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Homes Rehabilitated</td>
<td>11</td>
<td>12</td>
<td>21</td>
</tr>
<tr>
<td>Number of Volunteers</td>
<td>150</td>
<td>161</td>
<td>191</td>
</tr>
</tbody>
</table>
Housing – BNC Partnership

• BNC has committed to investing $5 million in affordable housing in High Point
• CHP acquires property via tax foreclosures
• CHP conveys property to BNC and/or Core City CDC for affordable housing
• BNC home buyers have access to down payment assistance
Housing – BNC Partnership

- 1,200 sf, Brick, Under 100K
- Sold at Cost
- 3 Houses Completed
- 5 Houses Under Construction
- 7 Lots Available for future use
- Capacity to build 25+ houses per year
• Eleven homes planned for Phase I
• 10 of 11 homes are in various stages of completion
• Construction of 11th home expected to begin in September 2017
• HOME funds sourced for construction loan(s)
• Homes are marketed to IDA participants as well as general market place.
Housing – CHDO Construction
Housing – Low Income Housing Tax Credits

Admiral Pointe
• Awarded 2011 & completed 2012
• 3725 Admiral Drive
• 54 apartments for the elderly
• Cost approximately $5,411,059
• CHP loaned $560,000 - HOME funds

Addington Ridge
• Awarded 2013 & completed 2015
• 3726 Admiral Drive
• 58 multi-family units
• Cost approximately 6,949,799
• CHP loaned $1,350,000 – Section 108
Kirkwood Crossing
• Awarded 2015
• Construction completed July 2017
• Rent up process has begun
• 2208 Kirkwood Street
• 84 multi-family apartments
• Estimated cost = $10,259,851
• CHP Loaned $2,000,000 – Section 108

Hartley Ridge
• Awarded 2016
• Construction expected to begin summer 2017
• Completion expected by Spring 2018
• 700 W. Hartley Drive
• 84 multi-family apartments
• Estimated cost = $9,476,893
• CHP Loaned $694,000
Housing – Low Income Housing Tax Credits

Access to services
Competition for limited
Quality of Life – Traffic Control

- Traffic exceeded speed limits in Habitat neighborhood
- HPPD recommended traffic calming
- Petitions validated by HPDOT
- Speed cushions installed at strategic points
- Funded by NSP program income
- 1st installation in High Point
Quality of Life – Neighborhood Gardens
Quality of Life – Food Insecurity
Quality of Life – Food Insecurity
Quality of Life – Traffic Calming

- Installed as several small speed humps
- Wider axle emergency vehicles straddle the cushions without slowing down
- Speed cushions slow cars down to between 15-20 mph
- Environmentally friendly - Made of 100% recycled rubber
- Simple to install and easy remove