City of High Point

Municipal Office Building
211 S. Hamilton Street
High Point, NC 27260

Minutes - Final

Tuesday, September 13, 2022

4:00 PM

Council Chambers

Community Development Committee

Christopher Williams, Chair
Wesley Hudson
Cyril Jefferson
Tyrone Johnson
Mayor Jay Wagner (Alternate)
Mayor Pro Tem Monica Peters (Alternate)

Community Development Committee - Council Member Williams, Chair

CALL TO ORDER

CALL TO ORDER

Chairman Chris Williams called the meeting to order at 4:02 p.m. Following roll call, the following attendance by Committee Members was duly noted.

Present (4): Chairman Chris Williams, Committee Member Cyril Jefferson, and Committee Member Tyrone Johnson

Absent (1): Committee Member Wesley Hudson

Staff Present:

Tasha Logan Ford, City Manager; Eric Olmedo, Assistant City Manager; Greg Ferguson, Assistant City Manager; Damon Dequenne, Assistant City Manager; Jeron Hollis, Managing Director; Meghan Maguire, Deputy City Attorney; Lori Loosemore, Code Enforcement Manager; Nena Wilson, Community Development Interim Director; Candance Edwards, Compliance Officer; and Mary S. Brooks, Interim City Clerk

The following documents associated with the presentations, are hereby attached as a permanent part of these proceedings:

1. Handout-Homebuyer Assistance Program Policy.
2. Handout-Section 3 Plan.
3. Handout-Recapture and Resale Policy.

PRESENTATION OF ITEMS

2022-398 **Update-Local Codes regarding Minimum Housing Cases**

Staff will be giving an update regarding the local codes for Minimum Housing Cases.

Attachments: Local Codes Update - Blight Reduction Efforts

Lori Loosemore, Code Enforcement Manger provided an update regarding the local codes for Minimum Housing Cases; provided a brief history from 2016 to 2022 for housing cases; said that there were 233 active minimum housing cases to date; gave a breakdown of the 233 cases; 39% repair demolish cases; 12 potential cases ready to come before council to date; and said that due to the number of cases decreasing that the Community Development Department would be

reporting cases every other month moving forward.

Chairman Williams asked if staff could provide more information to citizens regarding how the demolition process worked; and if staff could provide the community a progress report from 2016 to date. Ms. Loosemore responded that staff would provide the community a progress report using possible videos as well as other forms.

Chairman Williams voiced appreciation and thanked staff for their hard work and efforts.

2022-399 **Approval Request-Homebuyer Assistance Programs**

Staff will be providing an update regarding the homebuyer assistance provided through City Programs; and will be requesting a recommendation to city council for approval.

Attachments: Homebuyer Assistance Update

2022-399 **Approval Request-Homebuyer Assistance Programs**

Staff will be providing an update regarding the homebuyer assistance provided through City Programs; and will be requesting a recommendation to city council for approval.

Nena Wilson, Community Development Interim Director gave an update regarding homebuyer's assistance provided through city programs; gave a brief history of the program; discussed the housing market trends; outlined the recommended revisions and changes to the program policies and underwriting guidelines as followed:

CURRENT POLICY	RECOMMENDED REVISION
Maximum assistance is $5,000	Increase maximum assistance to $7,500
No provision	Maximum seller contribution is 6% of the sales price to be used only toward closing costs
Front-end housing expense ratio is 31%	Increase front-end housing expense ratio to 33%
Maximum asset limit is $10,000 for buyers at or below 80% AMI	Increase asset limit to $20,000 for buyers at or below 80% AMI
No asset limit for buyers over 80% AMI	Impose asset limit of $50,000 for buyers over 80% AMI
Loan repayment terms for buyers at or below 80% AMI: deferred for 3 years, then payments at 3% interest over 5 years	Loan repayment terms for buyers at or below 80% AMI: deferred loan, 0% interest over 5 years; balance forgiven at a prorated amount of 20% each year

Ms. Wilson continued discussion regarding the down payment assistance program process; said that this assistance was provided to eligible homebuyers through the Homebuyer Assistance Program and

the Core City Homebuyer Incentive Program; spoke to the affordable housing challenges faced for homebuyers; to diversifying the core city; to the need for assistance and incentives; and requested the committee to approve the recommended revisions as a favorable recommendation to council for approval.

Chairman Williams asked when the recommended revisions would go into effect. Ms. Wilson responded that the recommended revisions would go into effect on October 1, 2022.

Committee Member Jefferson inquired on the program terms comparisons regarding the Home Buyer Assistance Program and the Core City Incentive Program. Ms. Wilson responded and spoke to community feedback that voiced the need of having equitable loan terms for both programs; and reiterated the need to diversify the core city.

Chairman Williams voiced the challenges faced regarding the housing market in the core city due to the bidding process compared to the housing market outside of the core city.

Committee Member Jefferson inquired about the current strategies used from the Community Development Department regarding the recommended revision for assistance with closing cost for homebuyers. Ms. Wilson replied and explained the how the down payment assistance program process; that the buyer would be responsible for their down payment assistance, and the seller would be able to contribute to the closing cost; and added that part of the recommended revisions was to raise the sale price for homes in the core city from a maximum of $200,000 to a maximum of $300,000.

Chairman Williams moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Johnson made a second to the motion. Following a roll call vote by Chairman Williams, the motion carried by the following 3-0 unanimous vote:

Aye (3): Chairman Williams, Committee Member Johnson, and Committee Member Jefferson

Absent (1): Committee Member Hudson

2022-400 **Approval Request-Section 3 Policy with Revisions**

Staff will discuss the Section 3 Policy with Revisions; and will be requesting a recommendation to city council for approval.

Attachments: Section 3 Revision

Candace Edwards, Compliance Officer with the Community Development Department extended greetings; spoke to the Section 3 Policy with Revisions; said that effective November 30, 2020, HUD completed the new Section 3 final rule found at 24 CFR Part 75, designed to improve the focus on economic opportunity outcomes while simultaneously reducing the regulatory burden on those entities that received funds impacted by this requirement; these regulations were applicable to Section 3 projects for which assistance or funds were committed on or after July 1, 2021; the policy had been updated to reflect those changes and bring the City's policy in alignment with HUD's Section 3 final rule; the Section 3 program required that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provided economic opportunities to low- and very low-income persons; the city received funding through the Community Development and Housing Department, to include CDBG and HOME funds, that required the implementation of a Section 3 Plan; and gave an overview and explained the three following changes as followed:

1. Track and report labor hours.
2. Removing qualified census track from section 3 definition.
3. Employed by section 3 business.

Ms. Edwards noted that she was also the Section 3 Coordinator for the City of High Point as well as the Compliance Officer; and that as the Section 3 Coordinator she would be responsible for assuring that reporting labor hours were accurate and in align with said policy.

Chairman Williams moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Jefferson made a second to the motion. Following a roll call vote by Chairman Williams, the motion carried by the following 3-0 unanimous vote:

Aye (3): Chairman Williams, Committee Member Johnson, and Committee Member Jefferson

Absent (1): Committee Member Hudson

2022-401 **Approval Request-Presumption of Affordability Provision**

Staff will discuss the Presumption of Affordability Provision; and will be requesting a

recommendation to city council for approval.

Attachments: Recapture Resale Provisions Revised 9.2022

Nena Wilson, Community Development Interim Director reported that in order to comply with HOME regulations pertaining to continued affordability of HOME-assisted homebuyer properties, the Recapture and Resale Policy was being revised to include the Presumption of Affordability provision; section 215 of the HOME statute established specific requirements that all HOME-assisted homebuyer housing must meet to qualify as affordable housing; specifically, all HOME-assisted homebuyer housing must have an initial purchase price that does not exceed 95 percent of the median purchase price for the area, be the principal residence of an owner whose family qualified as low-income at the time of purchase, and be subject to either resale or recapture provisions; the HOME statute stated that resale provisions must limit subsequent purchase of the property to income-eligible families, provide the owner with a fair return on investment, including any improvements, and ensured that the housing would remain affordable to a reasonable range of low-income homebuyers; the HOME statute also specified that recaptured provisions must recapture the HOME investment from available net proceeds to assist other HOME-eligible families; and that each PJ must establish its resale and/or recapture provisions in writing and submit the provisions to HUD for approval.

Committee Member Jefferson inquired on deed restrictions. Ms. Wilson explained the different types of deed restrictions such as this provision would help track deeds on property that were sold, deeded to someone else, etc.…

Chairman Williams moved to forward this matter to the City Council with a favorable recommendation for approval. Committee Member Johnson made a second to the motion. Following a roll call vote by Chairman Williams, the motion carried by the following 3-0 unanimous vote:

Aye (3): Chairman Williams, Committee Member Johnson, and Committee Member Jefferson

Absent (1): Committee Member Hudson

ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 4:41 p.m.

Respectfully Submitted:

Christopher Williams, Chairman

Attest:

Mary S. Brooks, CMC
Interim City Clerk