



Charlotte City Council  
Housing and Neighborhood Development Committee  
Summary  
November 11, 2013

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**COMMITTEE AGENDA TOPICS**

- I. **Nuisance Business Properties**
- II. **Housing Support Funding Requests**

**COMMITTEE INFORMATION**

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**Council Members Present:** John Autry, Michael Barnes, Warren Cooksey, Billy Maddalon, LaWana Mayfield

**Staff Resources:** Julie Burch, Assistant City Manager  
Major Diego Anselmo, Charlotte-Mecklenburg Police Department  
Dana Fenton, City Manager's Office  
Pat Mumford, Neighborhood & Business Services  
Mark Newbold, City Attorney's Office  
Anna Schleunes, City Attorney's Office  
Pamela Wideman, Neighborhood & Business Services

**Speakers:** Julie Porter, Charlotte-Mecklenburg Housing Partnership  
Caroline Chambre, Director of Housing Programs for the Urban Ministry Center

**Meeting Duration:** 3:34 PM – 5:00 PM

**ATTACHMENTS**

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- 1. Agenda Packet – November 11, 2013
- 2. Presentation – Nuisance Enforcement Strategy
- 3. Presentation – Housing Support Funding

**DISCUSSION HIGHLIGHTS**

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Mayfield: Welcomed attendees.

### **Nuisance Business Properties**

Maddalon: Nuisance abatement is an area of concern in our community that most urban communities experience regarding the number of businesses that are actively participating in or allowing criminal activities to occur. For a number of years the State of North Carolina statutes were interpreted in a way to allow local municipalities to threaten those businesses with code enforcement and zoning regulations. A law suit took away some of that and our Police Department is spending a large amount of resources with small outcomes. It has become a difficult issue with hotels, motels and convenience stores. I would like to see our new City Council support this as part of the new legislative agenda and actively advocate for it. The North Carolina League of Municipalities has made it part of their previous agenda and it will be a topic of conversation again this session. This is a bi-partisan issue, supported by police departments and district attorneys throughout the state, urban, suburban and rural areas.

Mayfield: Thank you for the background. Major Anselmo is here to give a presentation on the issue.

Anselmo: I would like to share some of the work the Charlotte-Mecklenburg Police Department in partnership with Code Enforcement, Fire Department, and Health Department has been doing for the last four years. We are trying to hold the owners and operators accountable for the criminal activity that is taking place on their property.

#### Presentation

Mayfield: There is no action for us today, this was for information.

Barnes: I understand there are clearly business related nuisance issues, but there are also sometimes residential issues that become more critical when you are dealing with stable neighborhoods that are destabilized by one or two problem home. What would you view as the next efforts by the next Council? What do you want the next City Council to do to help you and what can we do to tie in the residential piece?

Anselmo: For the Police Department, liquor houses are the residential area issues. Using the rental ordinance we have been able to address some of the problems with rental properties. We continue to have some issues when the problems are with the homeowners.

Barnes:

Newbold: Mark Newbold, Deputy City Attorney. The bill dealing with public nuisance had language inserted that gut our ability to go after the property owner. Prior to the amendment due to the Statesville case, we had to show that the sole purpose of the house or business was to sell drugs. It had to have sufficient "Breaches of the Peace" to meet another standard. The problem with the amendment was that it said if a business

is regulated by Alcohol regulations we cannot use Chapter 19 to go after them. We are happy they amended that portion stating the business' sole purpose was to sell drugs.

Barnes: What is the status of the rental ordinance?

Newbold: We have been successful in keeping our program in place. There were some amendments that provided a little more protection to the property owner. We would argue if a certain type of activity were to occur on your property repeatedly, that is enough notice for the property owner. We had always tried to contact the property owner and our ordinance came about because we didn't always have the database to find the owner as quickly as we wanted to.

Fenton: House Bill 773, sponsored by Representative Brawley, has been held up in the Senate. It says we are placing blame on property owners and not on those who are perpetrating the crime. The City is actively opposing the bill.

Barnes: What do you view as the next evolution of what Council Maddalon has brought to the Committee? What do you expect us to do in December concerning nuisance businesses?

Newbold: Make sure that they do not water down the rental registration ordinance any more than they currently have.

Anselmo: We still see a lot of the crime occurring on apartment properties. Use of the rental registration allows us to hold them accountable and to do remedial action plans with them.

Mayfield: Once we know the new committee appointments, we will make sure this conversation stays in front of the Housing and Neighborhood Development Committee.

### **Housing Support Funding Request**

Wideman: I have Julie Porter from the Charlotte-Mecklenburg Housing Partnership (CMHP) and Caroline Chambre from Moore Place here today to present two funding requests. The first is the CMHP request for \$700,000 of unallocated Community Development Block Grant Funding for the continued revitalization of Brightwalk. We also have the Urban Ministry Center requesting \$1,000,000 from the Housing Trust Fund for the expansion of Moore Place.

#### Presentation

Porter: The market momentum of Brightwalk has been so good that the cost of infrastructure has exceeded our ability to cover at this time. The accelerated build structure means an accelerated cost structure and led to a shortage of funds. Right now there are no lots currently available and we are at risk of losing the momentum. There are a few things

the contributed to the cash short flow. One is the delay in the Tax Increment Financing (TIF) payments, which were casted originally assuming property tax increments would begin to flow in September 2012. Those have not started to flow because Brightwalk is also a brownfield and the brownfield agreement abates those taxes for five years on a declining basis.

Barnes: Are you saying the law pertaining to brownfields supersedes the TIF agreement we have with CMHP?

Porter: That is correct. It abates the property tax to the homebuyers themselves for a declining period for five years. For the cash flow for Brightwalk, we had anticipated those TIF payments to actually help pay those Section 108 loan downs. We have covered that out of our cash flow and have not had the TIF to back that up.

Barnes: Whose job was it to know that on our side? Someone on our staff should have known that we would not get that money because of the brownfields.

Wideman: We have had a change in leadership.

Porter: There were also some things that exceeded the original budget; including relocation of the residents. During the difficult economy there were substantial discounts to lots prices for Standard Pacific. We are still at the old agreement with Standard Pacific on those lots. We only recognize \$15,000 net on the sale of a lot to Standard Pacific on the first phase. With debt service and infrastructure cost to get phases ready we cannot get the next set of lots ready. Caused a significant cash flow issue for CMHP. One question you may have is could the \$700,000 be a loan? The short answer is, no. With remaining infrastructure costs and debt service, we will not have excess funds to pay back the \$700,000. We have made a better deal on the next set of lots remaining so we do not have to come back again.

Cooksey: You are losing money on a successful real estate development.

Porter: Remember this started in 2007 and you need to think of it in context of urban development. We are creating value for the city.

Mayfield: The Committee action requested is to recommend approval of funding request in the amount of \$700,000 of unallocated Community Development Block Grant (CDBG) carryover funding for the continued redevelopment of the Brightwalk community.

Cooksey: What projects will not happen if we move this CDBG money to an established project?

Wideman: This is carryover money and is not currently allocated. We currently have \$4.7 million unallocated.

Cooksey: CDBG is federally funded source that through the NLC we have consistently lobbied for Congress not to cut, we can't spend all the money they send us?

Wideman: Some of the reason we continue to have carryover is that Habitat for Humanity, who does our rehab work, hasn't done as much as they have projected; we held some vacancies in Neighborhood & Business Services in Housing Services, so a portion is used for that; and, two years ago Council approved a reduced relocation program.

Barnes: What is the balance?

Wideman: We would have a \$4 million balance if we awarded the \$700,000.

Barnes: He makes a good point.

*Council member Autry requested information on how CDBG funds can be used.*

**Motion**

Council member Autry: I recommend the approval of the funding request in the amount of \$700,000 of unallocated Community Development Block Grant carryover funding for the continued redevelopment of the Brightwalk Community.

Council member Mayfield seconded the motion.

**Vote**

Council member Mayfield called for a vote.

Barnes: I don't like that staff didn't tell us about the implications of the brownfields piece. In 2007 everyone knew that it was a brownfields and would have to recognize that federal law would prohibit the normal operation of the \$3.6 million TIF.

Wideman: That is a fair question and I would be happy to find out information for you.

Burch: Let us look into the circumstances around that, I do not believe that was intentional in any way. I take that very seriously

**Motion**

Council member Cooksey: I offer a substitute motion to place this item on the Council agenda for November 25 with no Committee recommendation as to action.

Barnes: What are the implications regarding the timing?

Porter: We have used the \$199 that is contributing toward that and we are to the point that we have to stop.

Mayfield: Is there a second on Council member Cooksey motion

Burch: The only thing I can say is that it is helpful to the full Council discussion if there is an indication in terms of a recommendation of where the Committee is.

**Motion**

Council member Autry: I recommend the approval of the funding request in the amount of \$700,000 of unallocated Community Development Block Grant carryover funding for the continued redevelopment of the Brightwalk Community.

Council member Barnes seconded Council member Autry's motion.

**Vote**

Yes - Council members Autry, Barnes and Mayfield

No - Council member Cooksey

Mayfield: Can we look at making sure that checks and balances are in place so that we make sure that moving forward these issues do not happen again?

Burch: I understand the nature of this conversation and we will dig into what was said and what we knew back in 2007. It is hard to guarantee anything three to five years out, but certainly we want to make sure we are on top of game at all times.

Mumford: While I agree fully with Ms. Burch in the approach we will take, remember with tax increment grant financing it is incumbent on the developer to put in place enough development that would spin off property taxes so they could get their money back. The City is not at risk, the developer is at risk if there is not enough property tax proceed for them to get paid back. The reason the City is now in this situation is that the developer doesn't have another source of funding to proceed with the project.

Barnes: That is fair. The difference is the special relationship between CMHP and the City. It might have created a difference in the way the Council would have looked at the financing of the project.

Mumford: It may be the projections took into account the limited amount of revenue from brownfields, but because the economy is totally different they might have thought they would be fine.

**Moore Place**

Presentation of history of Moore Place

Wideman: Caroline Chambre is here to talk about the community savings and two-year UNCC evaluation study program.

Cambre: The population at Moore Place is e those that experience longtime homelessness and are living with a lot of disabilities. We are in the middle of a two year evaluation that UNCC is conducting for us and are looking at the impact of Moore Place. We have 75 residents who have agreed to participate in the study.

Presentation

Barnes: In reference to the slide that mentions the 15,000 under supply. You know that is never going to go away. Last week, CMPD had a story that talked about people getting a one-way bus ticket to Charlotte because we have better services. How do we address that issue and how do we avoid the situation where that 15,000 turns into 50,000 because people continue coming here?

Chambre: The 75 people that live in Moore Place now and the 35 that we would target are Charlotteans. They are people who are cycling between Urban Ministry Center, Men's Shelter, and the hospital and are well known throughout the system. We have not seen an influx of people coming from outside the community and trying to get prioritization for this housing.

Barnes: I am trying to figure out how we address this? As a city, how do we deal with the influx and ultimately solve the problem?

Chambre: I don't think people come to Charlotte to be homeless. We had the same conversations when I worked in New York because New York is a "right to shelter" city. If you talk to advocates across the country there persists this notion that people are moving to those jurisdictions to be homeless.

#### Presentation

Wideman: To the extent you are comfortable, we would be asking you to approve this request today and to recommend moving this forward for discussion at the November 25<sup>th</sup> City Council meeting.

Barnes: What is the SBE/MWBE commitment?

Wideman: What we typically do for the Housing Trust Fund dollars that we are requesting would be a 6% commitment. We can bring more information on that and find out the exact commitment for the November 25<sup>th</sup> discussion.

Barnes: You said that that about 21% of the \$1.9 has been raised. If you don't get to the other 79%, what will happen?

Chambre: The actual development and construction cost is \$2.2 million. We are also raising \$1.8 million to go into "assisting the building fund." A core component of the first campaign was not only the bricks and mortar, but a sustainability fund that would keep the project whole in the long-term. We need \$2.2 million to get to construction and have some time for the sustainability fund.

Cooksey: What is the leverage?

Wideman: For supportive housing it is 1:2.

Cooksey: Typical leverage on Housing Trust Fund dollars?

Wideman: Typically you have a 1:10 for tax credit developments where you have 180 or so units. This is significantly lower for supportive housing than what you would typically see.

Barnes: Getting back to the SBE, we have a new policy and that should be no lower than 10%.

Chambre: We are fine with that. We took our queues from the City.

Mayfield: We just improved it a few months ago.

Cooksey: The percentages are based on a formula; the percentage is not based on something arbitrary.

Barnes: It seems like since it is around the business of building and there are a lot of small business in that field, that it should be higher.

Mayfield: At the November 25<sup>th</sup> meeting, Ms. Wideman will let us know what the true maximum is for the SBE.

Do we have motion to recommend approval?

**Motion**

Autry: Recommend approval of a funding request in the amount of \$1,000,000 of Housing Trust Fund dollars for the expansion of Moore Place.

Motion seconded by Council member Barnes.

**Vote** Yes – Council members Autry, Barnes, Cooksey, and Mayfield

Mayfield: This is a sad moment as we say thank you to Julie Burch at her final Housing & Neighborhood Development Committee meeting.

Julie: Thank you. It has been a pleasure working with the Housing & Neighborhood Development; not only with this group, but certainly with previous Council members as well. I appreciate the opportunity and I believe we have moved the cause of housing and neighborhood development forward in these years.

Meeting adjourned.

# City Council

## Housing and Neighborhood Development Committee

Monday, November 11, 2013

3:30 p.m.

Charlotte-Mecklenburg Government Center

Room – 280

**Committee Members:** LaWana Mayfield, Chair  
John Autry  
Michael Barnes  
Warren Cooksey  
Mayor Patsy Kinsey

**Staff Resource:** Julie Burch, Assistant City Manager

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### AGENDA

#### I. Nuisance Business Properties

This matter was referred to the Housing & Neighborhood Development Committee for information sharing and discussion at the request of Council Member Maddalon. No action is requested.

- Senate Bill 264 (**Attachment #1**)

#### II. Housing Support (Funding Requests)

Staff will review the funding recommendations for the Charlotte-Mecklenburg Housing Partnership for the Brightwalk Development and Urban Ministry for expansion of Moore Place.

- Charlotte-Mecklenburg Housing Partnership – Brightwalk (**Attachment #2**)
- Urban Ministry Center - Moore Place Expansion (**Attachment #3**)

#### Distribution:

Mayor/Council  
Ron Carlee, City Manager  
Julie Burch, Assistant City Manager  
City Leadership Team  
Corporate Communications  
Debra Campbell – Planning Department  
Anna Schleunes- City Attorney's Office  
Charlotte-Mecklenburg Coalition  
for Housing

Randy Harrington  
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Julie Porter  
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Steve Allen  
Jamie Banks  
Brad Richardson  
Pamela Wideman  
Tom Warshauer

**Nuisance Business Properties**  
**Housing and Neighborhood Development Committee Meeting**  
**November 11, 2013**

**Committee Action:**

This matter was referred to the Committee for information sharing and discussion at the request of Council Member Maddalon. No action is requested.

**Explanation:**

- During the October 7, 2013 City Council workshop, Council Member Maddalon requested that the subject of “nuisance business properties” be referred to the Housing & Neighborhood Development Committee.
- During the November 11, 2013 Committee meeting, Council Member Maddalon will share information about nuisance business properties through conversations with Charlotte-Mecklenburg Police, Neighborhood & Business Services Code Enforcement, and Dana Fenton over the past several months. Additionally, Charlotte-Mecklenburg Police and Neighborhood & Business Services staffs will discuss how this issue impacts neighborhoods and their ongoing collaboration to address nuisance properties throughout the City.
- Additionally, Dana Fenton will attend the meeting to discuss newly approved Senate Bill 264 – An Act to Strengthen the Nuisance Laws to Close down Businesses That Repeatedly Sell Controlled Substances. This bill was approved in the General Assembly on June 25, 2013 and by the Senate on July 3, 2013 (***Attachment #1***).

**Next Steps:**

The Committee is not being requested to take action.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

SESSION LAW 2013-229  
SENATE BILL 264

AN ACT TO STRENGTHEN THE NUISANCE LAWS TO CLOSE DOWN BUSINESSES  
THAT REPEATEDLY SELL CONTROLLED SUBSTANCES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 19-1 reads as rewritten:

**"§ 19-1. What are nuisances under this Chapter.**

(a) The erection, establishment, continuance, maintenance, use, ownership or leasing of any building or place for the purpose of assignation, prostitution, gambling, illegal possession or sale of alcoholic beverages, illegal possession or sale of controlled substances as defined in the North Carolina Controlled Substances Act, or illegal possession or sale of obscene or lewd matter, as defined in this Chapter, shall constitute a nuisance. The activity sought to be abated need not be the sole purpose of the building or place in order for it to constitute a nuisance under this Chapter.

(b) The erection, establishment, continuance, maintenance, use, ownership or leasing of any building or place wherein or whereon are carried on, conducted, or permitted repeated acts which create and constitute a breach of the peace shall constitute a nuisance.

(b1) The erection, establishment, continuance, maintenance, use, ownership or leasing of any building or place wherein or whereon are carried on, conducted, or permitted repeated activities or conditions which violate a local ordinance regulating sexually oriented businesses so as to contribute to adverse secondary impacts shall constitute a nuisance.

(b2) The erection, establishment, continuance, maintenance, use, ownership, or leasing of any building or place for the purpose of carrying on, conducting, or engaging in any activities in violation of G.S. 14-72.7.

(c) The building, place, vehicle, or the ground itself, in or upon which a nuisance as defined in subsection (a), (b), or (b1) of this section is carried on, and the furniture, fixtures, and contents, are also declared a nuisance, and shall be enjoined and abated as hereinafter provided.

(d) No nuisance action under this Article may be brought against a place or business which is subject to regulation under Chapter 18B of the General Statutes when the basis for the action constitutes a violation of laws or regulations under that Chapter pertaining to the possession or sale of alcoholic beverages."



**SECTION 2.** This act is effective when it becomes law and applies to nuisance actions filed on or after that date.

In the General Assembly read three times and ratified this the 25<sup>th</sup> day of June, 2013.

s/ Daniel J. Forest  
President of the Senate

s/ Tim Moore  
Presiding Officer of the House of Representatives

s/ Pat McCrory  
Governor

Approved 10:31 a.m. this 3<sup>rd</sup> day of July, 2013

**Housing Support Funding Requests**  
**Charlotte-Mecklenburg Housing Partnership - BrightWalk**  
**Housing and Neighborhood Development Committee Meeting**  
**November 11, 2013**

**Committee Action:**

Recommend approval of a funding request in the amount of \$700,000 of unallocated Community Development Block Grant carryover funding, for the continued redevelopment of the Brightwalk Community. (*Attachment #2*)

**Policy:**

- On November 26, 2001, City Council established a Housing Trust Fund (HTF) to provide gap financing for affordable housing development in the Charlotte community.
- The FY2013 U. S. Department of Housing and Urban Development Annual Action Plan was adopted by City Council on April 23, 2012.
- The Annual Action Plan for Housing and Community Development identifies the need for affordable, safe and decent housing for low and moderate-income families.
- The Plan reaffirms the three basic goals of the City's Housing Policy: preserve the existing housing stock, expand the supply of affordable housing, and support family self-sufficiency initiatives.

**Explanation:**

- The Charlotte Mecklenburg Housing Partnership, Inc. (CMHP) requests the City of Charlotte award \$700,000 of unallocated Community Development Block Grant (CDBG) funding for the continued revitalization of Brightwalk at Historic Double Oaks community ("Double Oaks").
- CDBG funds will be used to pay for critical infrastructure necessary to continue the development of Brightwalk, on the west side of Double Oaks Road and for intersection improvements at Statesville Ave. and Norris.
- CMHP has experienced tremendous success in rebuilding and revitalizing the Double Oaks community by creating a mixed-income development, with a highly diverse resident mix of race, ethnicity, age, income, and other demographic factors. Through September 2013, the development encompasses 214 affordable multi-family housing units and 77 market rate and affordable single family homes and townhomes
- In addition to the 77 homes described above, CMHP has an additional nearly 250 incremental single family home and townhome lots in various stages of development which are under contract with the builder, Standard Pacific, over the next 18 months. This is a much faster pace than originally anticipated by either CMHP or Standard Pacific.
- When the redevelopment began in 2007, the appraised tax value of the entire 85-acre Double Oaks site was less than \$1,000,000.
- During the November 11, 2013 meeting, Charlotte-Mecklenburg Housing Partnership staff and Neighborhood & Business Services staff will be prepared to discuss the details of the funding request and answer any additional questions about the development.

**Next Steps:**

City Council will be requested to approve the funding request at their November 25, 2013 Business Meeting.

**October 23, 2013**

Ms. Pam Wideman  
Neighborhood & Business Services  
City of Charlotte  
600 East Trade Street  
Charlotte, NC 28292

Re: Additional Financial Support

Dear Pam:

Request:

The Charlotte Mecklenburg Housing Partnership, Inc. (CMHP) respectfully requests the City of Charlotte award \$700,000 of CDBG for the continued revitalization of Brightwalk at Historic Double Oaks community ("Double Oaks"). The CDBG funds will be used to pay for critical infrastructure elements on the west side of Double Oaks Road and for intersection improvements at Statesville Ave. and Norris.

Current Status:

CMHP has experienced tremendous success in rebuilding and revitalizing the Double Oaks community by creating a mixed income project, with a highly diverse resident mix of race, ethnicity, age, income, and other demographic factors. Through September 2013, the development encompasses 214 affordable multi-family housing units and 77 market rate and affordable single family homes and townhomes. The 77 homes and townhomes are either already owner-occupied or are under contract and under construction for new residents with expected move-in dates during the next six months. At last count, over 60 of the 77 families have moved into completed homes.

In addition to the 77 homes described above, CMHP has an additional nearly 250 incremental single family home and townhome lots in various stages of development which are under contract for takedown by the builder Standard Pacific over the next 18 months. This is a much faster pace of lot takedowns than originally anticipated by either CMHP or Standard Pacific.

Tangible Value Creation:

The appraised value by Charlotte's taxing authorities of the entire 85-acre Double Oaks site was less than \$1,000,000 when CMHP began the project. Through September 2013, the 77 homes under contract or closed and occupied have a combined aggregate purchase price exceeding \$15,000,000. The average sales price for each for-sale unit is almost \$200,000. Recent single family home sales in October 2013 have eclipsed the \$300,000 mark for the first time. Assuming no increase in the average sales price and no change in the mix of single family/townhome products (which is conservative relative to Standard Pacific's planned and platted lot development), the additional nearly 250 units are expected to yield more than \$45,000,000 in tax value based solely on purchase prices

alone and no appreciation. This results in an expectation for the residential parcels to appraise at over \$60,000,000 in aggregate, exclusive of any value for CMHP's remaining commercial parcels as well as the Arden St properties.

Double Oaks Financial Situation:

CMHP is currently experiencing a rapidly rising construction cost environment, estimated at a 10-15% increase over 2012 levels depending on the cost category. These costs are significantly higher than those projected in the original Double Oaks cost model, which was prepared during the economic downturn when the project began. The rising cost environment, in combination with recent unexpectedly strong home sales and rapid lot absorption rates, have created greater than expected cost volatility and higher cash flow requirements for CMHP in its cost modeling. Moreover, the cost of federally mandated relocation of Double Oaks residents greatly exceeded original estimates and contributed heavily to our current request. Additionally, significant unanticipated delays in synthetic TIF payments from the City of Charlotte to service CMHP HUD Section 108 debt have occurred largely due to the unintended consequences of Brownfield inclusion of most of Double Oaks. Lastly, pursuant to a loan agreement with the City, a portion of Brightwalk lot sale proceeds are to be used to fund a defeasance account dedicated to making systematic HUD Section 108 loan payments. This combination of factors has created an unfortunate set of circumstances related to CMHP's ability to fund the next phase of Brightwalk lots and other needed infrastructure in the development.

CMHP has already spent its entire fiscal year 2014 City of Charlotte CDBG allocation, and a considerable amount of its own cash flows to fund 2013 construction efforts in order to keep pace with the above factors. Standard Pacific has no single family lots left to sell and only a few townhome lots remaining in its inventory despite closing on 12 single family lots and 12 townhome lots in September. There are no funds to pay for construction expenses related to the next phase of lot development west of Double Oaks Rd. which includes approximately 46 single family lots, related roads, curbs and gutters, sidewalks, alleyways, and dry utilities. This does not include needed road straightening or intersection improvements at Statesville Ave. and Norris.

These elements are critical at this juncture as CMHP faces a significant risk of losing its residential sales momentum and related tax base creation in Brightwalk. This pacing of residential sales is critically important as CMHP hopes to create another 84-130 units of affordable housing in Brightwalk (a preliminary bond application for 130 units has already been filed.). However, we need to keep the relationship of affordable and market rate rentals and for-sale home and townhomes in reasonable balance to maintain the success of the overall master plan. Perhaps more importantly, CMHP has the unique opportunity to attract commercial and retail development to Double Oaks and the surrounding community, but not unless the intersection at Statesville Ave. is aligned correctly in order to accommodate the flow of traffic expected from a retail center and Brightwalk commuters.

CMHP understands the City is keenly interested in making Brightwalk a success. To do so makes it feasible for use as a model of redevelopment. However, we also understand it

is CMHP's responsibility to do so in a manner that is fiscally conservative and financially viable. We have spent numerous hours analyzing the overall cash-flow model and feel this CDBG request will enable CMHP to complete the housing portion of Brightwalk without additional financial support from the City of Charlotte, other than what has already been committed to the project or to support the final multi-family development. Of course, extraordinary events occur. Because of circumstances beyond our control, CMHP has not been able to predict the full cost to develop the site and costs related to federally mandated relocation. Our experience tells us that redevelopment of blighted conditions in urban communities has unforeseen expenses. However, Brightwalk is well on its way and we don't anticipate any additional extraordinary CDBG requests. We have renegotiated the next phase of lots with the builder and, as a result, will be able to cash flow the costs of future phases and retire the Section 108 debt associated with the housing portion of the development. However, it remains that CMHP has absorbed a significant cash burden in maintaining the momentum of Brightwalk, and has suffered significant financial losses as well over the past several years.

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Budget for Infrastructure Items:

The budget for the needed infrastructure improvements follows:

West of Double Oaks Rd Infrastructure (46 SF Home Lots included):

Staking	\$ 16,620
Erosion Control	\$ 26,525
Demolition	\$ 11,820
Grading	\$132,250
Storm Drainage	\$ 39,321
Sewer Collection & Water Distribution	\$154,330
Concrete Curbs, Entrances and Sidewalks	\$112,550
Handrail/Guardrails	\$ 26,640
Asphalt Paving	\$ 59,080
Contractor Bonding	<u>\$ 20,000</u>
	\$599,136*

\*Note - total is based on actual bid results

Statesville Intersection Preliminary Estimates:

Concrete, Curbs, Entrances and Sidewalks,	\$240,000
Asphalt Paving	
Other Costs including Traffic Signals, Striping, Etc	<u>60,000</u>
	\$300,000**
	\$899,136

\*\*Note - total is based on CMHP estimates for portion of intersection that will support housing development. Additional funding from various sources may be necessary for costs related to future commercial development and infrastructure including traffic roundabout, pool demolition and relocation, berms, screening, parking, additional paving and concrete work.

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**Sources and Uses:**

Sources:

CDBG Request	\$700,000
CMHP Equity	<u>\$199,136</u>
	\$899,136

Uses:

Hard Costs of Infrastructure	\$899,136
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Thank you for your consideration of this request. We greatly appreciate our continued partnership.

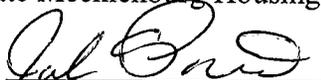
Very truly yours,

Charlotte Mecklenburg Housing Partnership, Inc.

By:

Name:

Title:

  
Julie A. Poirer  
PRESIDENT

**Housing Support Funding Request  
Urban Ministry – Moore Place Expansion  
Housing and Neighborhood Development Committee Meeting  
November 11, 2013**

**Committee Action:**

Recommend approval of a funding request in the amount of \$1,000,000 of Housing Trust Fund dollars for the expansion of Moore Place. **(Attachment #3)**

**Policy:**

- On November 26, 2001, City Council established a Housing Trust Fund (HTF) to provide gap financing for affordable housing development in the Charlotte community.
- The FY2013 U. S. Department of Housing and Urban Development Annual Action Plan was adopted by City Council on April 23, 2012.
- The Annual Action Plan for Housing and Community Development identifies the need for affordable, safe and decent housing for low and moderate-income families.
- The Plan reaffirms the three basic goals of the City's Housing Policy: preserve the existing housing stock, expand the supply of affordable housing, and support family self-sufficiency initiatives.
- In 2007, City Council adopted the Ten-Year Plan to End and Prevent Homelessness.

**Explanation:**

- The Urban Ministry Center is requesting \$1,000,000 from the Housing Trust Fund for the expansion of Moore Place.
- The Urban Ministry Center is seeking to expand Moore Place by adding 35 new units of permanent supportive housing. 10 of the new units will be set aside for chronically homeless veterans.
- Moore Place is a permanent supportive housing development for chronically homeless adults.
- Moore Place has been fully operational since July 2012 and has maintained a 100% occupancy rate, demonstrating the demand for permanent housing for the chronically homeless.
- Moore Place is located at the corner of Lucena and Moretz Avenue and is zone I-1, consistent for use with Single Room Occupancy in Section 12.527 of the City of Charlotte Zoning Ordinance.
- During the November 11, 2013 meeting, Neighborhood & Business Services staff and Charlotte-Mecklenburg Housing Partnership staff will be prepared to discuss the funding request and answer any additional questions about the development.

**Next Steps:**

City Council will be requested to approve the funding request at their November 25, 2013 Business Meeting.



**HousingWorks – Permanent Supportive Housing**

2435 Lucena Street, Charlotte, North Carolina 28206 \* Phone: 980-224-9260 Fax: 980-224-9261

**The Reverend Dale Mullennix**  
EXECUTIVE DIRECTOR

**Sarah Belk**  
COMMUNITY VOLUNTEER

**Peggy Brookhouse**  
LUQUIRE GEORGE ANDREWS

**Kedar Bryan**  
ARROWPOINT CAPITAL

**Jennie R. Buckner**  
COMMUNITY VOLUNTEER

**Gary Chesson**  
TRINITY CAPITAL ADVISORS

**Jason Cipriani**  
STERLING STAMOS CAPITAL  
MANAGEMENT

**Michael Clement**  
BANK OF AMERICA

**The Reverend Elizabeth Coppedge-  
Henley**  
FIRST UNITED METHODIST CHURCH

**The Reverend Kathleen A. Crowe**  
FIRST PRESBYTERIAN

**Paul Duffy**  
PRICE WATERHOUSE COOPERS, LLP

**David L. Eades**  
MOORE & VAN ALLEN, PLLC

**The Reverend Patrick Earl, S.J.**  
ST. PETER'S CATHOLIC CHURCH

**Mark F. Ethridge, III**  
CHARLOTTE PARENT

**John Feldman**  
BANK OF AMERICA

**Gerald G. Fox**  
COMMUNITY VOLUNTEER

**Gregory H. Gach**  
ATTORNEY AT LAW

**Jerry Licari**  
COMMUNITY VOLUNTEER

**Harriet B. Long**  
COMMUNITY VOLUNTEER

**Debra Plousha Moore**  
CAROLINAS HEALTHCARE SYSTEM

**Sheila Person-Scott**  
COMMUNITY VOLUNTEER

**Stephen Smith**  
HARVEST CENTER

**John Stubbs**  
DAVIS MOORE CAPITAL

September 24, 2013

Pamela Wideman  
Assistant Director  
Neighborhood and Business Services  
City of Charlotte  
600 East Trade Street, First Floor  
Charlotte, NC 28202

Dear Ms. Wideman,

*Pam*

Enclosed please find Urban Ministry Center's request to the City of Charlotte's Housing Trust Fund for support for the expansion of Moore Place. The City was a vital partner on the development of the first phase of Moore Place, which has been open since February 2012 and is demonstrating to save lives and community resources. The expansion will create 35 new units of permanent supportive housing for the chronically homeless and aligned with the Charlotte-Mecklenburg Ten Year Plan to Prevent and End Homelessness.

We are respectfully requesting \$1 million from the Housing Trust Fund for the expansion project. We know this model works, and we believe the City will continue to be pleased with its return on investment in permanent supportive housing for our most vulnerable citizens.

A hard copy and a flash drive containing all documents are enclosed. Please contact me at 980-224-9254 should you need any additional information. We look forward to continued partnership with the City of Charlotte.

Sincerely,

*Caroline Chambre*

Caroline Chambre  
Director, HousingWorks

CC: Patrick Mumford, Director – Neighborhood & Business Services  
Dale Mullennix, Executive Director, UMC



  
**CHARLOTTE**  
 NEIGHBORHOOD & BUSINESS  
 SERVICES

## Nuisance Enforcement Strategy Team

Housing & Neighborhood Development  
 Committee  
 November 11, 2013

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## Nuisance Enforcement Strategy Team

- Nuisance Enforcement Strategy Team
  - Consists of multiple agencies:
    - Charlotte-Mecklenburg Police Department
    - Charlotte Fire Department
    - Mecklenburg County Health Department
    - Neighborhood & Business Services Code Enforcement
  - Addresses nuisances properties when additional resources are necessary
  - Focuses on the property
  - Allows partners to recommend properties needing assistance
  - Streamlines nuisance actions and enables information to be maintained in one place

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## Nuisance Enforcement Strategy Team Action

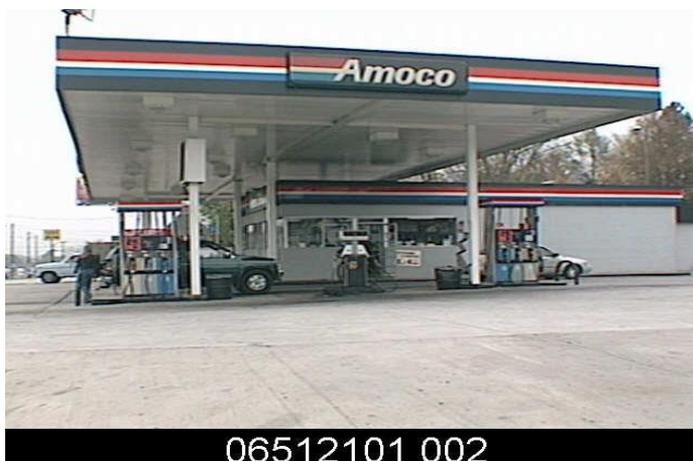
- Two Types of Nuisance
  - Behavior-related: CMPD
  - Property conditions: Code Enforcement
- CMPD employs a legal process if determined to be a behavioral nuisance.
- Code Enforcement addresses issues related to building and property conditions.
- If issues are not addressed property can be considered a nuisance and civil remedies are sought.

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## Nuisance Enforcement Strategy Team Action

**Brookshire BP: 3521 Brookshire Blvd.**



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 CITY OF CHARLOTTE Nuisance Enforcement Strategy Team Action

### Toll House Motel

2116 West Morehead



2124 West Morehead



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 CITY OF CHARLOTTE Nuisance Enforcement Strategy Team Action

### 1724 Dunkirk



CMPD's partnership with NBS resulted in compliance and tenant eviction

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## 2012 OUTCOMES

- Twenty-five problem locations have achieved reductions in the citizen-initiated calls for service.
- Eight problem locations have achieved reductions in Part I offenses (homicide, rape, aggravated assault, burglary, auto theft, and arson).
- Five problem locations were eliminated either through demolition, tenant evictions, or increased cooperation and civil nuisance cases initiated against the locations.

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**CHARLOTTE**  
NEIGHBORHOOD & BUSINESS  
SERVICES

## Housing Support Funding Requests

Housing & Neighborhood Development  
Committee  
November 11, 2013

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 CITY OF CHARLOTTE

## Funding Requests

- The Charlotte-Mecklenburg Housing Partnership requests \$700,000 of unallocated Community Development Block Grant Funding for the continued revitalization of Brightwalk
- The Urban Ministry Center requests \$1,000,000 from the Housing Trust Fund for the expansion of Moore Place

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 CITY OF CHARLOTTE

## Brightwalk

**Before**



**Current**



- Appraised tax value when purchased was less than \$1M
- Anticipated tax value when complete is \$60M

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 CITY OF CHARLOTTE

## Brightwalk Today

- Mixed-Income Development
  - Diverse resident mix
  - 214 Affordable/Workforce multi-family housing units
  - 77 Market Rate and Affordable/Workforce single-family homes and townhomes
  - Over 200 single-family and townhomes currently under development
  - Additional lots under contract with Standard Pacific over next 18 months

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## Rationale for Funding Request

- Market momentum is exceeding infrastructure schedule
- Infrastructure necessary to respond to residential sales momentum
- Unanticipated delays in Tax Increment Finance Payments due to Brownfield's Tax structure
- Rapidly rising construction costs

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## Rationale for Funding Request



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CITY OF CHARLOTTE

### Use of CDBG Funding

Infrastructure Budget	
Staking	\$ 16,620
Erosion Control	\$ 26,525
Demolition/Grading	\$144,070
Storm Drainage	\$ 39,321
Sewer Collection/Water Distribution	\$154,330
Curbs, Entrances, Sidewalks	\$352,550
Handrails/Guardrails	\$ 26,640
Asphalt Paving	\$ 59,080
Contractor Bonding	\$ 20,000
<u>Traffic Signals, Stripping, etc.</u>	<u>\$ 60,000</u>
<b>Total</b>	<b>\$899,136</b>

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CITY OF CHARLOTTE

### Use of CDBG Funding

Infrastructure Budget	
<b>Sources:</b>	
CDBG Request	\$700,000
<u>CMHP Equity</u>	<u>\$199,136</u>
<b>Total</b>	<b>\$899,136</b>
<b>Uses:</b>	
Infrastructure Costs	\$899,136

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 CITY OF CHARLOTTE

## Moore Place Expansion



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 CITY OF CHARLOTTE

## History

- Opened in 2012
- 85 one-bedroom efficiency apartments
- Supportive housing for chronically homeless, disabled adults
- Partners include:
  - Charlotte Housing Authority
  - City of Charlotte
  - NC Housing Finance Agency
  - Foundations and Faith community
  - Mecklenburg County



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## Life at Moore Place

- Priority for most vulnerable, long-term homeless (men & women)
- 78% of residents are 50 years old and older
- Residents have lease obligations
- Residents pay monthly rent (30% of income)
- 82% of residents have income



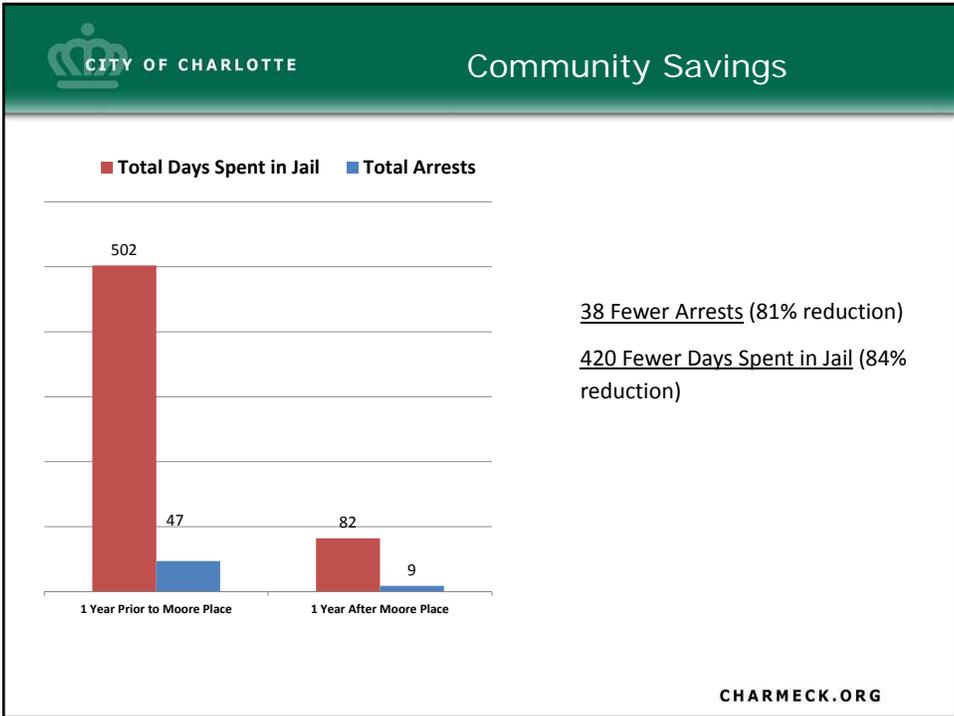
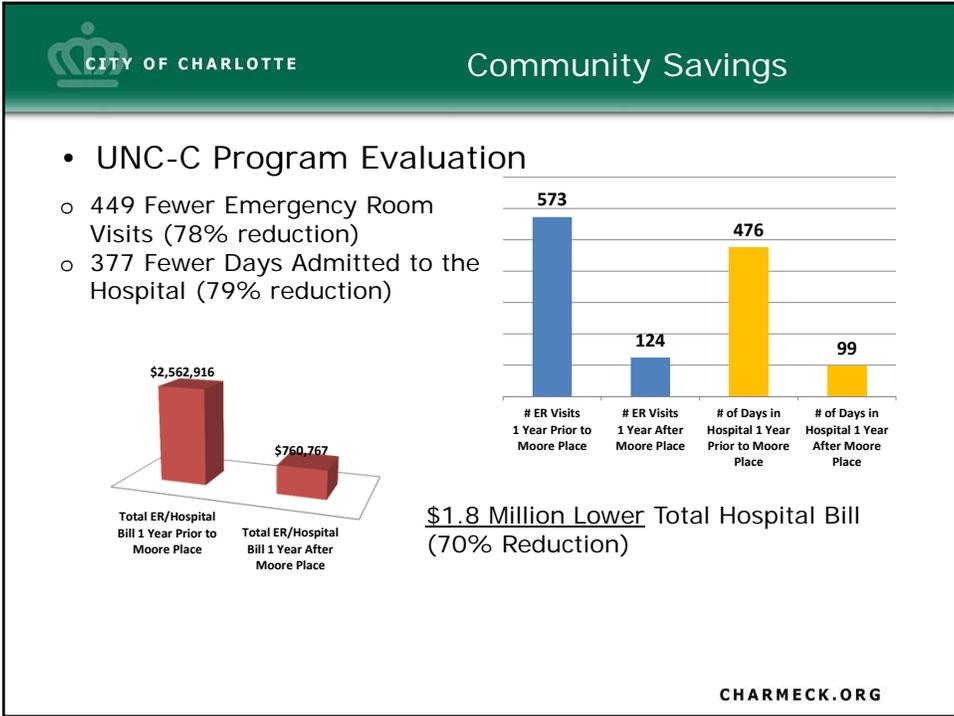

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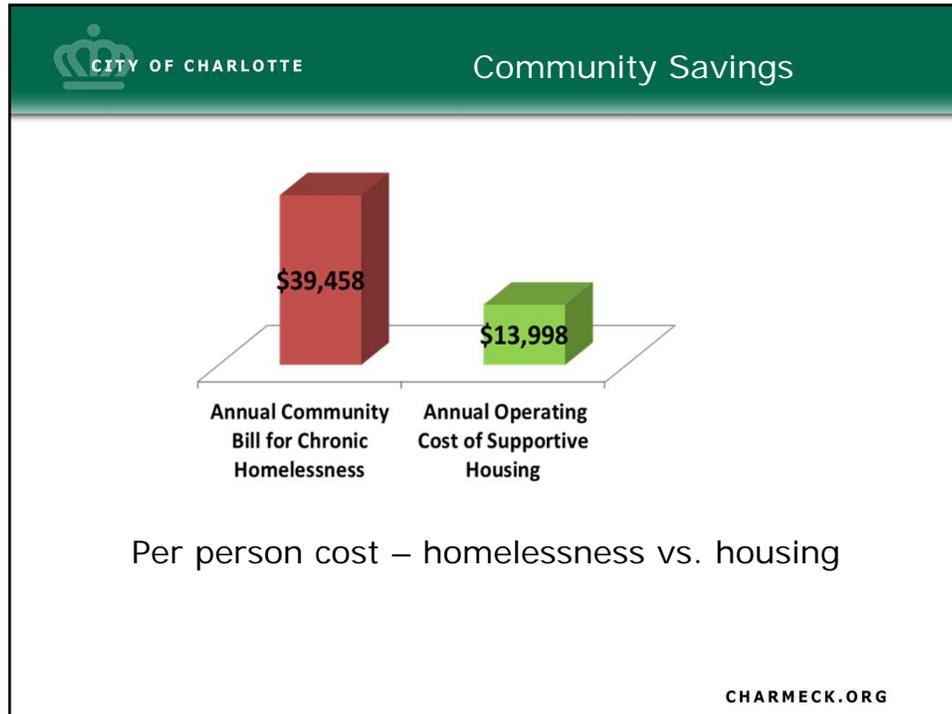
 CITY OF CHARLOTTE

## Life at Moore Place

- 40% of residents have three disabling conditions
- On-site supportive services provided through partnerships
  - Mecklenburg County Community Support Services: five full-time social workers
  - Carolinas HealthCare System: full-time nurse, part-time psychiatrist, primary care physician
- Comprehensive case management and wrap-around support helps residents, meet personal goals and remain stably housed (over 80% of residents remain stably housed)

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 CITY OF CHARLOTTE

## Expansion Request

- Urban Ministry Center seeks to add 35 new units that will be affordable for 50 years
- 10 units set aside for chronically homeless veterans
- Demonstrated need through:
  - 2012 City study (15000 undersupply of units for households earning <30% AMI)
- Leverage existing property and operational efficiencies
- Aligned with Council's Ten-Year Plan to End and Prevent Homelessness

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CITY OF CHARLOTTE

## Continued Partnerships

- Charlotte Housing Authority considering providing 35 rental subsidy vouchers
- Mecklenburg County considering an additional social worker
- Carolinas HealthCare System to provide primary care



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## Neighborhood Support

- "The Druid Hills fully supports the expansion of Moore Place"

– Darryl Gaston, President, Neighborhood Association



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CITY OF CHARLOTTE

### Expansion Budget

Sources	Amounts
North Carolina Housing Finance Agency	\$ 600,000
Federal Home Loan Bank	\$ 500,000
Urban Ministry	\$1,900,000
<u>City of Charlotte</u>	<u>\$1,000,000</u>
<b>Total</b>	<b>\$4,000,000</b>

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- 
- CITY OF CHARLOTTE
- ### Next Steps
- Housing & Neighborhood Development Committee requested to make a recommendation for approval to Council on November 11, 2013
  - Council consider approval on November 25, 2013
- CHARMECK.ORG