

Wednesday, March 28, 2012

8:00 AM – 9:00 AM

Meeting with Wilmur Conyers, City of Durham Community Development Department, Federal Programs Coordinator

Currently, priority number one of the Community Development Department is the Southside Redevelopment Project.

The Southside Project Area encompasses approximately 125 acres located south of the Durham Freeway and just north of North Carolina Central University. Disinvestment in the neighborhood has accelerated in the past decades and continues today, Southside has one of the City's highest concentrations of vacant lots and vacant homes and one of the lowest homeownership rates. The City's objective is to stabilize the neighborhood and encourage long term private investment through the creation of new, high quality rental and homeownership units serving a broad range of incomes. Construction of the first phase of rental development will begin in the spring of 2012 and will consist of 119 rental units and 13 "live-work" units located at Lakewood Avenue and Roxboro Street. McCormack Baron Salazar is the developer for the mixed-income project which will include affordable, workforce and market rate units. Construction of new homeownership units will occur on the west side of Roxboro Street led by the Center for Community Self-Help and other homebuilders. Assistance to help existing homeowners rehabilitate their properties is also being provided.

Wilmur's duties include: Annual Action Plan, CAPER, federal program compliance, grant management, RFP's, RFQ's, reporting, and IDIS (project manager enters and maintains data, while Wilmur reviews IDIS reports).

The City of Durham fiscal year is from July 1 to June 30.

The City expects to receive \$ 1,638,531 in CDBG, \$767,896 in HOME, and \$152,760 in ESG (amendment is \$47,969).

Harry Miles has been the City's HUD rep for the past two years.

Wednesday, March 28, 2012

9:00 AM – 11:00 AM

Meeting with the Housing Related Agencies/Firms

No one attended the meeting.

Wednesday, March 28, 2012

11:00 AM – 12:00 PM

Meeting with Reginald J. Johnson, Director of City of Durham Community Development Department, Larry Jarvis, Assistant Director of Housing Production Division, Juanita Massenburg, Senior Project Manager, and Wilmur Conyers, Federal Programs Coordinator

The Southside Redevelopment Project is the main focus of the Community Development Department

Since the 2008 housing bubble, the City of Durham has experienced problems with the current real estate market. The City has seen a drastic reduction in the number of takers in the City's second mortgage program. As well as, there have been a number of problems with underwriting homebuyers. Low loan to home value situation is negatively affecting all homeowners. Additionally, CRA products are no longer as plentiful and diverse as they were prior to 2008.

In the Walltown Neighborhood, the City built alot of affordable housing for sale. This area is close to Duke. Duke University housing has not offset rentals or increased rental costs for the City as a whole.

There is a high percentage of rental housing in the City. There are a good number of single family homes for rent, so multi-bedroom family housing is not an issue.

For Extremely low-income 20 units were completed in the last few years.

There is one HUD 811 project, ACRA was completed five years ago. And there is a Section 202 project that has 44 units for the elderly.

There are a few LIHTC projects. Last one done was Maplewood, which was 119 units in Southside.

In 1996, the City issued a Bond that earmarked \$20,000,000 for housing. The funds were used for down payment assistance, second mortgages, etc. The proceeds from the bond helped over 1,500 homeowners with down payments.

Information on the Southside Revitalization Project:

- So far 51 properties have been acquired for development
- The project will be a mixed income development
- 125 acres, 451 parcels; of those 1/3 are vacant lots, 1/3 are vacant structures, and almost all of the remaining 1/3 are rentals
- There are only 22 homeowners in the area

- Used to be a thriving worker housing community for tobacco and textile industries, unfortunately the tobacco and textile companies closed and the area was hit hard
- Over the next five years the plan is to develop 200+ mixed income rental units and build 45 units for sale
- The intention is to create conditions to encourage private investment
- McCormack Baron will be doing the rental part of the project
- No eminent domain will be used
- Self Help is land banking for the project by acquiring properties
- City Council is working as the Redevelopment Commission
- Plan announced 12/2007
- Since 2008, the project has focused on planning, acquiring land, and setting up financing
- Financing is \$8,800,000 through HUD Section 108 Loan, \$950,000 NSP III, \$5,400,000 subordinate financing with McCormack Baron
- McCormack Baron was awarded LIHTC in last round of funding

There are four CHDO's in the City: Volunteers of America, CASA, Builders of Hope, and Durham Community Land Trustees.

Life House of Durham is a 24 unit transitional housing development for veterans.

CASA has housing for the disabled. They are developing a new project targeting disabled veterans.

Maplewood is a 32 unit senior housing development in SW Central Durham.

Shirley Stroebel Place is a 12 unit housing development for mental disabilities.

In Durham, the public school system is combined City and County.

Juanita Massenburg (additional comments from meeting on Thursday March 29, 2012)

HOME program offers a second mortgage program. CDD partnered with Sun Trust Bank to create the guidelines. Annually, the housing stakeholders meet to discuss strategies, this includes lenders and realtors. Program has been successful because the CDD assumes a portion of the risk from the loans. The program is for 80% and below.

Marketing for the HOME program is achieved through partnerships with every bank in the City (posting information) and through the Board of Realtors (disseminating information to members). Additionally, ads are run in the Herald Sun, Carolina Times, and local Hispanic publications.

Bad credit has always been an issue for HOME Program. As such, the HOME program has pre-purchase and post purchase financial literacy programs. These programs are offered through contractual agreements with counseling agencies. Unfortunately, recent funding has been cut, and these programs have been reduced.

In the HOME program, there have been delinquencies but not as high as private lender delinquency rates. The HOME program used to do about 100 loans per year; now there are about 30 to 35 loans per year.

Self-Help, a community development lender, credit union, and real estate developer, has a rehabilitation partnership program with the Community Development Department. CDD provides funds to Self-Help to acquire properties for rehabilitation. This program and the projects it picks have always accepted lots of input from the community, lenders, and real estate agents.

Wednesday, March 28, 2012

1:00 PM – 3:00 PM

Meeting with Social Service Agencies/Organizations

In attendance were:

1. Alexander Herring, Urban Ministries of Durham
2. Stephanie Williams, The Durham Center
3. Juanita Nelson, Durham Center for Senior Life
4. Alma Davis, Durham Crisis Response Center

Urban Ministries is a faith-based agency providing food, clothing, shelter and counseling in Durham, North Carolina. Urban Ministries provides over 600 meals per day, shelters 134 individuals (male and female) per night, and provides case management to individuals for disability and substance abuse.

The Durham Center for Senior Life enhances the lives of older adults through education, recreation, nutrition and social services in welcoming community settings. The Durham Center for Senior Life assists everyone over the age of 60, including the homeless, substance abusers, and victims of violence. The Durham Center for Senior Life has over 4,000 contacts per year.

The Durham Center pursues a community effort dedicated to supporting the lives of citizens affected by mental illness, developmental disabilities, and substance abuse by assuring a collaborative, accessible, responsive and efficient system of services and supports. The Durham Center manages other non-profits throughout Durham.

The Durham Crisis Center provides comprehensive shelter and support to survivors and their families in the aftermath of domestic or sexual violence. Eighteen beds served 197 women and children last year.

Through discussions the following needs and issues concerning Fair Housing were identified:

- There is a need for coordinated intake (has been started for adults with children under 18 only)
- There is not an active Community Resource Center in Durham County
- Single point of contact for information and referral services
- No Continuum of Care organization in place; the Durham System of Care had been filling the role but was inactive for the past year but is expected to be restarted soon
- More affordable housing, especially rentals
- Would like to see senior housing to be located in lower crime rate areas, especially given the security issues present in older apartments and specific to seniors

- Issues need to be addressed about age gaps between residents, for example seniors and disabled may be concentrated together
- Need senior designated housing in the Northern and Southwestern areas of Durham
- Suburbs need more affordable housing
- More live/work housing development
- Public transportation is limited in some areas by not offering continuous service
- Employment opportunities
- “No forgiveness for felonies” - address the issue of lack of housing access for those with criminal records
- Create legislation mandating Section 3 participation
- Most homeless would like to work but have limits such as: restricted travel access
- Proper infrastructure not in place to support commercial development
- Job security is compromised by at-will employment laws
- African American males have a higher rate of mental illness that continues to increase, because of this employment issues have arisen
- No housing for the working poor; especially males
- If you earn minimum wage, you cannot afford to live in the City
- Incomes do not support housing costs
- Males have financial burdens that can become unrecoverable financial pressures
- Need to connect housing and social services
- Tenant rights education – who do you call to resolve a problem?
- A lot of mistreatment issues are occurring in assisted living facilities
- Fear of reprisal from reporting complaints
- Gaps in medical care

Wednesday, March 28, 2012

3:00 PM – 4:00 PM

Meeting with Delilah Donaldson, City of Durham Human Relations Manager

The mission of the Human Relations department is to improve race and human relations in the City of Durham by: working to eliminate discrimination in the areas of employment, housing and public accommodations; and, to prioritize community outreach and educational activities to meet the needs of our citizens.

Human Relations was merged into the Neighborhood Improvement Services Department about a year ago.

The Durham Human Relations Division (DHRD) is committed to affirmatively furthering fair housing throughout the City of Durham and serves as a supporter of affordable and fair housing for all. DHRD enforces the City of Durham's Fair Housing Ordinance and the Federal Fair Housing Act. DHRD accepts formal complaints from citizens who feel that they have been discriminated against in housing because of their race, color, religion, national origin, gender, familial status, or disability. The Division is responsible for processing alleged cases of housing discrimination and providing intake, investigation conciliation and enforcement of complaints. Human Relations handles about 50 formal complaints of housing cases per year.

These services as well as education and outreach activities are provided in collaboration and conjunction with the US Department of Housing and Urban Development (HUD) Fair Housing Assistance Program (FHAP). Fair Housing department staff have been certified by HUD to investigate fair housing complaints and this qualifies the Division to receive Fair Housing grant funds from HUD.

The Human Relations Division also provides an opportunity for landlords and tenants to iron out disputes even if they don't allege that they have been discriminated against on the basis of one of the protected classes. The Landlord-Tenant Dispute Program assists tenants and landlords in cases involving: damaged property, security deposits, noise complaints, eviction issues and miscellaneous conflicts stemming from the landlord-tenant relationship.

In addition, the Human Relations Division develops and fosters programs aimed at addressing and improving human relations in Durham. The Division serves as the liaison to the Human Relations Commission who are volunteers who work throughout Durham to enhance racial and cultural relations in order to create a greater level of harmony in the community. Human Relations facilitates the meetings of the City's Diversity Council and the Mayor's Hispanic-Latino Inclusion Committee.

Testing has not been done through Human Relations since 2006. Human Relations is partnering with Legal Aid (a FHIP), Jack Holtzman, in Raleigh to do testing on lending, disability, etc.

The majority of formal fair housing complaints are based on national origin, mainly by Hispanic-Latinos. Conciliation rates are around 95%. Around 85% of the complaints are tenant landlord issues, such as replace refrigerator, fix leak, etc. The complaints that are being reported are not the big issue type complaints; Human Relation is not sure of the reason for this discrepancy.

The City does not have the ability to enact local legislation that would combat issues if a pattern of abuse were to show up; this could be of concern.

Most of the disability cases have involved the Housing Authority. Complaints have mainly focused on accommodation issues and have been conciliated. In general, disability/accessibility design issues have decreased.

PSA's are run on DTV8, Time Warner Cable channel 8.

Human Relations has a booth at the Latino Festival each year and partners with other City departments to promote Fair Housing.

Human Relations has a new HUD Partnership Grant with El Centro that will provide an opportunity for neighborhood partnership activities and monthly fair housing trainings.

HUD-FHEO is out of Greensboro, NC. Sarah Bocanegra is FHEO HUD monitor and is located in Greensboro.

Thursday, March 29, 2012

8:00 AM – 9:00 AM

Meeting with Steven Medlin, City of Durham Director of City - County Planning Department

On January 1, 2006 the Durham's City-County Unified Development Ordinance (UDO) became effective replacing the previous Zoning and Subdivision Ordinances. It represented a major overhaul of Durham's development regulations in tandem with the newly adopted Comprehensive Plan to strengthen Durham's development regulations. The UDO is constantly being updated to be more urban/suburban focused.

There is no state planning code and no exclusionary zoning.

Planning did a regulatory review for Southside Redevelopment. Rolling Hills part looks straight forward but there will need to be some rezoning to be completed for Southside West.

CDD used to be a part of Planning many years ago.

The following are Durham Historic Districts:

1. Cleveland Street Historic District
2. Downtown Durham Historic District
3. Fayetteville Street Historic District
4. Holloway Street Historic District
5. Morehead Hill Historic District
6. Trinity Heights Historic District
7. Watts Hospital-Hillandale Historic District

Group homes are allowed in most areas through a special use permit. Family definition is less than six and is allowed in any area by right. The City does not have an overconcentration of multi-family residences.

Durham has a large inventory of housing; the major issue is bringing the housing up to code. Neighborhood Improvement Services is in charge of this.

Throughout the City there is not a lot of new construction.

During the housing crisis, Durham was not severely hit, it was a slow down though. Since then, there has been a resurgence of development – large corporate development is leading the way.

The City has had stable population growth.

The Planning Department reaches out to the local neighborhoods for planning input. Usually, there is not a lot of input. There are a few established and strong neighborhood groups that give input. Displacement has been historically a sore subject. It continues to be as well.

The layout for Durham has some satellite areas. This is due to annexation. Recent State Legislation has become more stringent for annexation. Roads cannot be connections and 60% of the neighborhood must approve the annexation. There have not been any involuntary annexations in the last 10+ years.

The largest employers in Durham are Duke, UNC, and the Research Triangle Park.

Research Triangle Park is not part of the City of Durham, nor could it be annexed into the City based on current state requirements. Water is provided by the City, sewer is provided by the County, and trash is private (but deposited with the City and sent to Southern Virginia). Most individuals that work in RTP live outside of Durham County and the City.

Duke has recognized that they are an important part of the City and proactively gets involved in the community as well as being recognized as a major participant in City decisions. Duke has done a good job of responding to student residential needs and those actions by Duke have not adversely affected the residents of Durham. Duke has interacted with the community to incentivize projects and to assist students in locating off-campus housing.

Duke was granted special zoning designation, UC, to better manage housing inside of campus, the border areas, and partnering of development. This zoning includes parking regulation.

North Carolina Central University is more of a commuter college than Duke. NCCU is becoming more involved as of lately in the community and has begun to recognize that planning for the campus requires interaction with the community to be successful.

Thursday, March 29, 2012

9:30 AM – 10:30 AM

Meeting with Dallas Parks, Director of Durham Housing Authority, Vanessa Dunn, Acting Director of Voucher Program, Kelvin MacKlain, Senior Property Manager, and Tammy Atkins, Senior Property Manger

There are 2,734 vouchers, 24 project based, and 50 VASH for veterans. The waitlist is down to +/- 600. This will increase as the waitlist will be reopened.

Voucher Program anticipates a shortfall this summer of available properties as waiting lists are expected to be opened. Problems that are encountered in voucher housing are generally small resolvable problems like switch plate covers and smoke detectors. There is a shortage of one-bedroom apartments, especially for seniors. The landlord list is about 1,000 landlords but HA is looking to expand that list. Serving around 2,000 families. Most families live in 17 to 20% impacted areas; HA would like to have a lower concentration. There are some concerns about accessible units. There are a very limited number of large families served (6 and up); only about ten families total. Based on this HA has reduced the number of bedrooms for housing.

Average Housing Authority property age is 47 years old.

Housing Authority has shown amazing improvements over the past five years. PHAS scores have gone from 48 to 58 to 72 to 83 to the last score of 86 with 0 findings and files showing an under 5% error rate. During this time, dramatic cost cutting and administrative changes were made at the Authority. Staff was reduced by 25%.

Housing Authority and City Council have met on in-fill housing needs. A plan is being developed to develop in-fill housing.

Housing Authority will be applying for LHITC. This will be used to convert 102 units, Pricedale Place, into 82 units.

Development Ventures Inc. is a non-profit affordable housing developer created by the Housing Authority. DVI has developed around 35 for-sale properties in conjunction with Durham Community Development Department.

Creative Housing Inc. is a management company created by the Housing Authority.

HA serves almost 25% of all persons at or below the poverty level in Durham.

Housing Authority can go 10 miles outside of the City limits to have housing.

The Housing Authority uses the City code and trains inspectors on the Unified Code.

There are 1,752 on the waiting list for public housing. There will be an electronic opening of the waiting list in the summer of 2012 to address the City's need for more affordable housing.

The NC Housing Finance Agency does not administer any housing vouchers.

Problems the HA sees are credit problems from past rental history and prior criminal histories that inhibit individuals for housing choice. Felony records prevent individuals from participating in programs for 5 years from prior conviction of felonies.

Transportation has improved serving areas where housing is located.

Due to market forces rental costs have increased and landlords can be pickier. These landlords are establishing higher credit standards.

Resident services are available to residents such as job training, financial management, and home ownership.

The HA has not noticed an increase in Hispanic population in their housing even though the population is growing in Durham. This could be a citizenship issue as a social security card and birth certificate are required for housing through the HA.

Thursday, March 29, 2012

1:00 PM – 2:00 PM

Meeting with Peter Skillern, Executive Director of Reinvestment Partners, Inc.

The Reinvestment Partners' mission is to promote and protect community wealth. Reinvestment Partners advocates for change in the lending practices of financial institutions to promote wealth building of underserved communities and to end predatory lending practices that strip wealth.

Land Use/Zoning is the biggest obstacle to fair housing. Current zoning does not encourage multi-family developments that would allow affordable housing units to be located throughout the City. Multi-family units are only located in low-income areas. Zoning to change land usage would allow for deconcentration of affordable housing.

An example of a plan to aid in deconcentration of affordable housing units would be the Light Rail Plan. By changing zoning around light rail development area, affordable housing could be expanded.

HMDA data shows an impact on the protected classes.

There is a lack of affordable credit; lenders need to adjust policies.

Foreclosure data shows an impact on the protected classes.

The Southside Redevelopment Project is draining the City's financial resources and not helping with affordable housing.

There is a lack of land in Durham for development.

Reinvestment Partners works with the Hispanic community on financial literacy. The Hispanic community is dispersed throughout the City. Hispanic homeownership in the City has decreased as credit standards have changed.

Human Rights is not getting the message out to the public.

Thursday, March 29, 2012

2:00 PM – 3:00 PM

Meeting with Thomas J. Bonfield, City of Durham City Manager

Currently the City is dealing with a back log of affordable for sale housing that has been developed but has not sold. These properties have been sitting empty and the question is what to do with the properties and why they have not been selling. One issue that has been identified is the need for more qualified buyers. Another issue is that the neighborhoods that the housing has been developed in are perceived as undesirable. Because the supply is not meeting the current demand the City is becoming more deliberate and methodical in its process of developing affordable housing to be more in line with community demand.

The City Council recognizes that affordable housing has been concentrated and as such strategically the City is focusing on creating mixed-income neighborhoods.

Based on demographic changes, the City is still transitioning into a more multi-cultural area. As such, there are issues that are developing that will need to be addressed shortly. Specific to the increased Latino population, the City is partnering with El Centro to involve the Latino community in future planning endeavors.

Last month (February 2012) City Council passed the Proactive Rental Inspection Program to encourage landlords to keep rental properties up to code and to support stronger code enforcement against problem properties. The program becomes active on July 1st. This is a mandatory and focused program that allows City Inspectors the right to inspect any property that is in a targeted area without an official complaint. The program allows the City more latitude in targeted areas based on higher poverty, crime, and lower code compliance rates. The program also includes a rental registration and annual inspection requirement.

In terms of crime, the ten year trend in Durham has seen a decrease in crime. Violent crime is slightly up. Violent crime amongst youth is a growing concern.

Thursday, March 29, 2012

2:00 PM – 3:00 PM

Meeting with Gene Bradham, City of Durham Director of City - County Inspections Department

Inspections is a merged City/County Department.

Follows NC Accessibility Code, ANSI, Modified IBC (with NC amendments), and Chapter 11 of NC Code.

Code is enforced through plan review and inspections.

NC has one of the better accessibility codes.

Common accessibility problems are no van accessible space.

Common minor accessibility problems are signage for vans and wheel stops.

Developers and contractors have in general complied with enforcement of accessibility.

No glaring problems being created by developers or architects.

Summary spreadsheets of plan reviews and permits were discussed; no major issues to report.

Thursday, March 29, 2012

3:00 PM – 4:00 PM

Meeting with Terry Allebaugh, NAACP, Chair of Housing Committee and Executive Director of Housing for New Hope

Durham is a progressive and engaging City with a lot of diversity. Diversity is embraced by the City. The City has a very diverse population and the community in general is very accepting. The Community should be commended for collaborative progress achieved on the City. There are some areas for concern and improvement.

There is a concentration of subsidized housing in areas of poverty.

In 2003, the City adopted the Subsidized Housing Location Policy to reverse the concentration of subsidized housing in low-income areas. While this was good policy to support, it has not been successfully implemented in Durham.

In 2005, the City created the Affordable Housing Density Bonus to encourage the development of affordable housing throughout the community; a zoning density bonus is available for developments that include a residential component. Since its adoption, participation has been 0. This would have generated more participation if it had been mandatory.

After these changes failed to reverse the concentration trend, the City has been encouraged to adopt inclusionary zoning. This will need to be made into law by the State Legislature.

The problem is that a multi-family development requires a special use permit that must be approved by Council while most community members would oppose such a development. Based on this, affordable housing providers would like to see the City to pro-actively get involved in supporting affordable housing projects from the start.

There is a problem with criminal records not being recognized as a protected class.

Would like to see the City:

- Use its bully pulpit to encourage the City to embrace fair housing
- Develop incentives to foster affordable housing development
- Divide City onto sections to encourage development
- Provide funds for land acquisition
- City to push the State Legislature for inclusionary zoning

Thursday, March 29, 2012

4:30 PM – 5:30 PM

Meeting with Constance Stancil, City of Durham Director of Neighborhood Improvement Services Department

The department is responsible for enforcement of quality of life ordinances and state statutes including the City's Minimum Housing Code; Nonresidential Code; Weedy Lot, Abandoned and Junk Vehicle ordinances; and the State of North Carolina's Unsafe Building Statute.

Code Enforcement

- Tries to be non-confrontational
- Working with the Housing Authority on ensuring that Section 8 Landlords are code compliant and creating a synchronization on the two codes
- Liens are placed on properties that are demo'ed or stabilized by NIS

Proactive Rental Inspection Program (PRIP)

- Created to bring Durham housing up to code compliance
- Focus on property owners with three or more violation (probable cause) to inspect all properties to ensure that properties are to code; owner is required to register which entails a fee and requirement that property is brought up to code
- The law allows the City to inspect without owner refusal; provides administrative search warrants
- In targeted areas any property can be inspected
- Property owners are encouraged to self-certify, which is a minimum code checklist, and City will list the properties as code compliant
- Program is designed to assist property owners with financial support to bring property up to code; future rent is pledged as repayment
- Landlord training is being incorporated to educate owners of non-compliant housing

Thursday, April 3, 2012

2:00 PM – 3:00 PM

Phone Interview with Kevin Dick, City of Durham Director of Economic and Workforce Development Department

The Department of Economic and Workforce Development administers programs that start, grow, and sustain businesses in the City of Durham. It is the objective of the Department to create, recruit, and support a strong workforce in the City. Additionally, the Department acts as a pass through for Department of Labor Workforce Development Programs.

Job growth in Durham is steady and has been improving lately. Unemployment numbers tend to be 1% to 2% less than National and State unemployment average rates. The reason for the difference is the diverse mix of businesses in Durham. Major employers are the healthcare, biotechnology, manufacturing, IT, and green industries.

In the recent past, job growth had been in the research triangle Park and around Duke University. Current trends are showing a less centralized pattern of development. The Downtown area has been uniquely developing jobs. About 15 years ago there were approximately 3,800 jobs downtown; now there are close to 14,000.

In Mr. Dick's capacity as the Director of Economic and Workforce Development Department, he has felt that the existing housing stock has not acted as a hindrance to job growth or economic development in the area. Housing development has been slow and steady in response to population needs. Additionally, the local housing market has been a fair to good investment option.

Unfortunately, there are not enough businesses located around the areas where new affordable housing is being developed. Most business development has been concentrated in commercial corridors.

The Economic and Workforce Development Department is involved in the Southside Revitalization Project. A Section 3 coordinator has been identified and that position is being tied into Job Link. Education and training will be included in the revitalization plan as an important facet for success.

Mr. Dick recommends that economic development projects should include plans that integrate affordable housing as a key component to project's success.

Mr. Dick feels that the City Council has been a vocal advocate of promoting that a portion of new housing be affordable.