ACQUISITION, RENOVATION AND DEVELOPMENT
COMMITTEE MEETING
OF THE HOUSING AUTHORITY OF THE CITY
OF WILMINGTON, NORTH CAROLNIA
August 15, 2012

The regular monthly meeting of the Acquisition, Renovation and Development Committee was held on Wednesday, August 15, 2012 at 4:00 p.m. at the Wilmington Housing Authority, 1524 South 16th Street, Wilmington, North Carolina.

Committee Members Present: Arcelia Wicker, Sr., Commissioner and Chair
L.S. "Bo" Dean, Jr., Commissioner
Greg Neel, Commissioner
Jeff Hovis, Commissioner
Stuart Franck, Commissioner
Helayne Levy, Commissioner
Debra H. Hays, Commissioner
Glenn Floyd, Director of HEO
Michelle Kerwin, Director of Finance

Committee Members Absent: None

Others Present: Michael Krause, Esq., Chief Executive Officer
Sara Davis, Executive Assistant
Paul D'Angelo
Chuck Billand
Dennis Madsen

1. Call to Order

The meeting of the Acquisition, Renovation, and Development Committee, "ARD" was called to order by the Chair at 4:02 p.m. on August 15, 2012, pursuant to the Notice sent to the Commissioners and Staff of Wilmington Housing Authority.

2. Approval of Minutes

A motion made by Commissioner Neel and seconded by Commissioner Hovis, to approve the minutes of May 23, 2012 Acquisition, Renovation, and Development Committee, "ARD" meeting, carried.

3. Choice Neighborhoods

Mr. Krause turned it over to Chuck Billand, our Choice Neighborhood Consultant.

Mr. Billand talked about where Choice Neighborhoods stands. He started by talking about the need for increasing density. Due to the Pine Ridge failure, we are now compelled to increase the density on the site. What is being attempted is to put the maximum amount of density on the site without having to be rezoned. Mr. Billand spoke to the Committee about the positives of higher density,

- More density increases the commercial pressence in the area
- Basic municipal services will be needed; an example given was public transportation, more bus stops.
- With higher density there are more walkable opportunities.

Mr. Billand talked about one-for-one replacement which is a requirement for Choice Neighborhoods. Commissioner Wicker asked for clarification and Mr. Krause stated that it requires for every unit demolished it be replaced with one, plus one. And it must be one public housing and one mixed- income.

a.) Presentation of site plans for Choice Neighborhoods

Mr. Billand turned it over to Dennis Madsen who presented a draft of the site plan. Mr. Madsen stated that, for now, it is just a draft to see how many can fit on the site within the current zoning requirement. The number currently is 17 units per acre so as not to need to rezone. He broke down the number and type of units that is currently being considered; approximately 402 units with a breakdown of, 80 duplex units, 96 Flats, 88 senior units, 138 multi-family units (2 to 3 stories).

He stated that there are 4 basic concepts being looked at,

- Taking the existing grid in the area and extend it into the site; making it more part of the surrounding area.
- More open space and amenities.
- Comparative scale and rhythm better flow throughout the neighborhood so that it blends in.
- Variety of building types.

Green spaces have been outlined and they are looking for locations to insert more. One suggestion made was to place one at the end of a street where it is easy visible. It is also important to look at how the housing relates to the block; the plan has it so the houses are close together, aimed towards to the street, small setbacks, all creating a very neighborhood scale. It is one way to knit the redevelopment into the surrounding neighborhood.

He said the challenge is how to get the density needed but not overwhelm the area. Mr. Madsen explained the draft has one and two story buildings along 13th Street with 2 and 3 story buildings along Dawson and 16th Street. It is also important to use a variety of building types to help blend in with the existing neighborhood, avoiding a "tract" of something. On the plan it is broken out by proposed housing type. First is a duplex similar to the bungalows in the area, mixed in would be a two story duplex with individual entrances, 2 to 3 bedrooms. The apartments along Dawson Street could be three stories with four units on each floor. The family apartments are 3 stories with 3 bedrooms located on Dawson and 16th street. The senior housing will accommodate 60 units close to amenities. It would have an elevator with 1 to 2 bedroom units. All building styles would be designed to fit with other buildings already in the neighborhood.

Commissioner Dean questioned the amount of floors in the Senior Building and asked if there was a height restriction with the City? Mr. Madsen said, per the height restrictions, the building could be 4 to 5 stories but to keep the look of the area, and due to safety, it should not exceed 3 floors. Commissioner Dean also questioned the flexibility of parking for the seniors and if there was a way to maximize the amount of units available for seniors? Mr. Madsen stated that the parking is lower at 1 space per 2 units.

Commissioner Franck asked what is driving our need to dictate the numbers of 1, 2, and 3 bedroom units. Mr. Billand stated that it is done by market study.

Commissioner Wicker questioned the site plan in terms of parking and street width. Mr. Madsen stated they are working closely with the city staff on the regulations needed.

Commissioner Dean brought up the topic of tree preservation asking what has been done so far in that regard. Mr. Madsen informed the committee that they talked to the City about the process for overlay and the process involving a tree survey. Mr. Krause stated that the survey has already been done and another one would be completed.

Commissioner Franck questioned the green space amount asking if there is an amount of space that needs to be dedicated to green space. Mr. Madsen said it will also be determined by if it is a redevelopment or new development, which would be decided by the City.

Commissioner Franck questioned where the mass transit pickup/drop off location would be and Mr. Madsen said it will be figured in and currently there is one on Dawson Street.

Commissioner Dean questioned the railroad track at the back at the senior center. Mr. Madsen said it is a 75 foot setback and a 150 noise corridor.

Commissioner Levy questioned the placement of the Urban Farm and if it met the requirement of open space? Mr. Billand stated that no, it would not meet the requirements because the open space would have to be on the Hillcrest site. Mr. Madsen did say the retention ponds can be counted as open space.

Commissioner Wicker asked when this would be presented to the Resident Steering Committee and Mr. Krause stated that would happen in September. Commissioner Wicker also told the Committee, the most challenging question will be how to explain to people the density and one for one requirement.

Commissioner Dean stated that what we learned with Pine Ridge and the public opinion of affordable housing, it is important to push the mixed development aspect as it would be more desirable through the neighborhood.

Mr. Krause stated that from a logistics perspective, once feedback is given the plans will be tweaked, and then in September, will be shown to the residents and the community at large. Commissioner Wicker asked when the grant would have to be submitted and Mr. Krause said there hasn't been a date revealed by HUD but it is expected by April, 2013.

Commissioner Franck brought up the question of multi-use and Mr. Madsen said it has been talked about along Dawson Street. The Committee discussed different types of commercial use that could go in that area. Commissioner Dean stated that this is something to take to the City Council and ask for the possibility of tax incentives to help bring in commercial.

Mr. Krause talked to the Committee about some observations that staff had after seeing the plan.

- Access to transportation routes and the lack of accessibility for the seniors.
- Senior building better located more centrally or closer to Dawson Street due to safety.
- Multi-family units fronting Dawson St. safety issue for families with children playing near the busy road.
- Position of park and community center. Should it be moved and more accessible to the whole community?
- Does this layout solve the problem of accessibility for emergency services?
- Is the proposed layout the same as the current layout of Hillcrest?

Commissioner Levy commented on the senior building looking institutional. Mr. Madsen said that the style would be built more fitting to the area.

Commissioner Wicker agreed with the concern for the multifamily homes being placed along Dawson Street due to the safety of the children.

Commissioner Hovis stated that his concern is the draft as is appears underwhelming and with having to compete against 17 other cities, is it enough?

Commissioner Dean asked about the review process, questioning if they look at what is currently there and then compare it to the site plan or do they just look at the site plan? Mr. Billand stated that they will look at both, what is currently there and what the site plan shows. Commissioner Dean stated that if you look at what Hillcrest is now and compare it to the plan, it doesn't have an underwhelming feeling. He did state he likes the park on the inside of the community vs. on the outside. He used the park at Taylor as an example as to what happens if it is on the outside of Hillcrest.

Mr. Krause stated he wants the senior building placement to be really examined. He feels the senior's main concern will be transportation and the current location on the site plan puts them to far from access to transportation. Mr. Billand suggested a location (location inaudible). Mr. Krause and Committee members agreed that that is a good possibility because it is removed from the area of families and is along Dawson Street. Mr. Krause pointed out the railroad track puts a lot of challenges on the design.

Commissioner Dean asked if there were any fences. Mr. Madsen confirmed that there will be no fences and where one is needed there would be natural fencing.

Commissioner Franck asked if there was a way to create it so it looked like it was developed over time. Mr. Madsen confirmed that is the goal by mixing the builds and adjusting the facades.

Mr. Krause asked the Committee what their general thoughts are about the site plan. Mr. Madsen confirmed that now is the time to state their likes and dislikes. Commissioner Levy stated she liked the way the street ran into the park that it added a nice visual and controlled the speed of traffic. Mr. Krause agreed but does not like how the street runs into the park and feels it doesn't really change the connectivity from what it is now?

Commissioner Wicker asked if the same number of units can be achieved if you changed the flow of the streets. Mr. Madsen stated there is some flexibility but the challenge is not losing any parking.

Commissioner Neel questioned crosswalks and Mr. Madsen stated that there are several planned they just are not able to be reflected in this draft of the plan. He also informed the Committee that it is a priority with the City.

Mr. Krause asked Mr. Madsen to share ideas on how to keep the children safe if the family housing is placed along Dawson Street. Mr. Madsen stated that some possibilities are wider sidewalk, wider yards, and park placement closer so children choose to play at the park then along the street side sidewalk.

Mr. Billand suggested a book called "Death and Life of American Cities" by Jane Jacobs that's focus is building communities with eyes on the street.

b.) Making Application Competitive

Mr. Krause talked to the Committee about the upcoming meeting with City Council. He told the Committee that Mr. Billand has put together a list of things the City can do to maximize the points on our grant application. Mr. Krause has a meeting with the Mayor to discuss CBDG Funds, tax incentives, and donating land as part of a commitment. He will also include things mentioned today in his meeting with the Mayor.

Commissioner Levy asked if there was a concern that any commercial included in the plan would go unfilled. Mr. Krause stated there is a definite concern that it would be difficult to get businesses to come in. He does feel that if there is enough of an incentive it might work but as of right now no it is a long shot. Commissioner Dean asked if any of the warehouses over in the area are available for use. Paul D'Angelo answered, stating that there is organizations and businesses in the majority of buildings over there. Commissioner Wicker asked if Mr. Krause had met with the new Development Services Director and Mr. Krause stated that he was unaware that anyone was put in that position but that he would contact him.

Mr. Krause stated that the goal was to use the Pine Ridge Development to help with the points for Choice Neighborhoods. So the only way to get the points back is to develop the Dawson Street frontage. Mr. Krause stated this topic would be picked back up later in the Committee meeting.

c.) Acquisition Plan

Mr. Krause stated that we are beginning to solicit interest in acquiring as much property in the area as possible. One way will be advertising, "If you are interested in selling your property, please contact…" In addition there would be a staff person assigned to directly solicit homeowners to gauge interest in selling their home. He asked the Committee about their comfort with that. Commissioner Dean questioned what would happen with any property if we did not get the award. Mr. Krause stated nothing would be bought it would be contingent on receiving the grant. Paul D'Angelo stated that there have already been a few interested homeowners and the ads haven't gone out yet.

Mr. Krause asked the Chair to please adjust the agenda by moving items number 4 and 5 to accommodate Mr. Billand. The Chair agreed and the meeting continued with agenda item number 5.

d.) Procurement of Co-Developer

Mr. Krause told the Committee that he found out the week prior, from the Choice Neighborhoods Consultants, that a Co-Developer needed to be procured.

Commissioner Dean asked if this is something we could find a local company and Mr. Krause confirmed that it would have to be a national company that has experience working with HUD developments.

The Committee discussed policies and procedures in procuring a Co-Developer.

4. Dawson Street Development

a.) Mr. Krause stated it needs to be developed as a mixed finance development which is a combination of federal and nonfederal funds. Mr. Krause stated that staff has been working on how many units can fit on site. He also said the Rental Assistance Demonstration Program ("RAD") could be an option for Dawson Street.

b.) Mr. Billand explained to the Committee that RAD is a new program by HUD for Housing Authorities that cannot generate enough capital funds to repair their units. It works by the Housing Authority turning in their Annual Contributions Contract and HUD will give project based vouchers that are good for 20-40 years, allowing the authority to borrow a sum of money. Mr. Billand believes that is a good program to use for Dawson Street. The reason being is because a large amount of points are based on "Early Start" which requires a project to be already started. So what is being looked at is a combination of RAD combined with Project Based Vouchers.

c.) The committee discussed the style of the build that is being considered and all agreed it needs to all blend throughout the neighborhood.

Mr. Krause pointed out that the project has to be under construction by the time the grant is submitted and tax credits are not an option. Mr. Krause explained to the committee that someone will have to be procured to help with the application due to procurement regulations. With the Committee's agreement Mr. Krause will go forward with the procurement.

5. Eastbrook

a.) Mr. Krause announced to the Committee that the check, to pay off the debt, was written yesterday. Commissioner Dean commended the Committee for paying off the debt and following through with their obligations.

b.) Mr. Krause stated that new construction was mentioned as a possibility. The TDC calculations were done and were found to be at 102% making it not possible. Redevelopment will be pursued and Eastbrook will be taken down to stick. Commissioner Franck questioned the definition of redevelopment and Mr. Krause stated that it would be similar to Creekwood in a full gut rehab due to all the moisture and mold issues.

Mr. Krause explained that the approval from HUD has been reviewed that approval has been given to use the proceeds of the sale of Nesbit Courts to pay off the Eastbrook debt. Then we would use the RHF funds to develop Eastbrook.

c.) The Committee discussed the available money left for development. A bulk of the money is Replacement Housing Factor funds "RHF", both first and second increment funding, that has to be used on public housing; while the rest of the funds have to be used on affordable housing. He explained that whenever you dispose or demolish a property you are entitled to RHF funds. The funds are available in yearly increments over a 5 year period. He also told the group you can request a second 5 years in receiving the funds.

Mr. Krause informed the Committee that WHA has had an architect under contract for Eastbrook and is ready to begin. Mr. Floyd informed the Committee the goal at Easbrook is to get the demolition plans, procure a contractor, do the demolition and then do the plans for the rehab.

Commissioner Wicker stated that it would be wise for the meeting with City Council, to present to them where we are at with the projects, how it will impact the points with Choice Neighborhoods, showing them what we are doing and what they can do.

6. Creekwood South

a.) Mr. Krause showed pictures of the improvements at Creekwood. Mr. Krause informed the Committee about the change order for the laundry facility. He explained that to convert the existing space into laundry facilities would mean losing space for housing. He feels adding an addition onto the building at the cost of approximately $20,000 would be a much wiser decision.

b.) He talked to the Committee regarding the 3 residents that refuse to relocate. He informed them the relocation process has gone well except the last 3 residents being the most challenging.

7. Solomon Towers

a.) Mr. Krause reported to the Committee that work is still being done at Solomon. Recently there was a handicap ramp installed, handicap accessible picnic tables, and a sidewalk along the back. He told the Committee that He and Mr. Floyd have met with the residents on where they would like to see improvements.

b.) Briefing the Committee on those improvements, Mr. Krause stated that a lot of work will be done on the first floor; including, moving all the management offices around, in the community room glass walls will be installed along with a TV room, computer lab, upgrading kitchen, redoing the lighting in all hallways and replacing wallpaper. If there are still funds available then they would be looking to change the flooring. Mr. Krause told the Committee that the installation of video surveillance started the week prior. He showed the Committee a couple of pictures of what has been done so far.

Commissioner Wicker asked how much money has been spent on Solomon Towers in the last couple years. Mr. Krause confirmed that it has cost nearly $4 million; he reminded the Committee that until a couple years ago no renovations had been done and that is why the cost is so high.

8. Rankin Terrace/Elderhaus

Mr. Krause informed the Committee that they would know in September on both Rankin Terrace and Elderhaus grants.

9. Winfield Smith

Mr. Krause stated that there has been no plan for Winfield Smith and something has to be done. He informed the Committee that there is a balloon due in 2014, to date there has been $400,000 in interest paid, and there is approximately 3.5 more years' worth of funds left in reserves. He told the Committee that this land is immediately to the East of Creekwood and is a large wooded lot that state has a plan to build Independence Ave over it.

The Committee discussed the options left for this land. It was decided by the Committee that a realtor would be contacted and the land would be put up for sale.

10. Other Business

There was no other business brought before the Committee.

11. Adjournment

A motion made by Commissioner Franck and seconded by Commissioner Dean to adjourn the meeting carried unanimously.