

# **W** CITY OF **WILMINGTON** NORTH CAROLINA



## **ANNUAL ACTION PLAN FOR CDBG AND HOME PROGRAMS**

**July 1, 2015 - June 30, 2016**



**Adopted by City Council May 5, 2015**

**City of Wilmington  
City Council**

Bill Saffo, Mayor

Margaret Haynes, Mayor Pro-Tem  
Kevin O'Grady  
Laura Padgett

Earl Sheridan  
Neil Anderson  
Charlie Rivenbark

Sterling B. Cheatham, City Manager

---

**Community Development Administration, Planning and Housing**

Steven L. Harrell, Community Services Director and Community Development Manager

Suzanne E. Rogers, Community Development & Housing Planner  
Teresa Campo, Community Development Analyst/ Compliance  
Dana Blanks, Community Development Analyst /Housing Finance Counselor  
Gene Langley, Senior Rehabilitation Specialist  
Rachel LaCoe, Community Development Specialist  
Alice Johnson, Senior Accountant

---

**Community Development Application Review Panel:**

Scott Steinhilber, Budget Division  
Angela Faison, Development Services Department  
Steven L. Harrell, Community Services Department  
Alice Johnson, Finance Department  
Suzanne E. Rogers, Community Development Division  
Teresa Campo, Community Development Division  
Dana Blanks, Community Development Division

**Plan Prepared by:**

Suzanne E. Rogers, Community Development & Housing Planner  
Alice Johnson, Senior Accountant

City of Wilmington  
Community Services/ Community Development  
305 Chestnut Street  
Post Office Box 1810  
Wilmington, NC 28402-1810  
910-341-7836



# SF 424

## SF 424

Complete the fillable fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

Date Submitted 5/15/2015	Applicant Identifier	Type of Submission	
Date Received by state	State Identifier	Application	Pre-application
Date Received by HUD	B-10-MC-37-0010	<input checked="" type="checkbox"/> Construction	<input type="checkbox"/> Construction
		<input checked="" type="checkbox"/> Non Construction	<input type="checkbox"/> Non Construction
<b>Applicant Information</b>			
City of Wilmington		NC373144 WILMINGTON	
305 Chestnut Street		72007875	
Street Address Line 2		City of Wilmington	
Wilmington	North Carolina	Community Services Department	
28401	Country U.S.A.	Community Development Division	
<b>Employer Identification Number (EIN):</b>		New Hanover	
<b>56-6000239</b>		Program Year Start Date 07/01/14	
<b>Applicant Type:</b>		<b>Specify Other Type if necessary:</b>	
Local Government: City		Specify Other Type	
<b>Program Funding</b>		<b>U.S. Department of Housing and Urban Development</b>	
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, Counties, localities etc.); Estimated Funding			
<b>Community Development Block Grant</b>		14.218 Entitlement Grant	
CDBG Project Titles: Housing, Public Facilities, Public Services, Administration		Description of Areas Affected by CDBG Project(s): Citywide, NorthSide Neighborhood Revitalization Strategy Area	
CDBG Grant Amount \$881,896	Additional HUD Grant(s) Leveraged \$747,823	Describe: Continuum of Care,	
Additional Federal Funds Leveraged: \$ 2,040,139		Additional State Funds Leveraged: \$1,721,050	
Locally Leveraged Funds \$7,944,559		Grantee Funds Leveraged: \$526,381	
Anticipated Program Income \$4,700		Other (Describe): \$359,000 Revolving Loan Funds	
Total Funds Leveraged for CDBG-based Project(s): \$ 13,343,652			
<b>Home Investment Partnerships Program</b>		14.239 HOME	
HOME Project Titles: Housing, CHDO Set Asides, Administration		Description of Areas Affected by HOME Project(s): Citywide	
HOME Grant Amount: \$439,437	Additional HUD Grant(s) Leveraged	Describe	
Additional Federal Funds Leveraged: \$5,623,537 LIHTC		Additional State Funds Leveraged:	
Locally Leveraged Funds: \$305,000 CHDO Proceeds		Grantee Funds Leveraged:	
Anticipated Program Income: \$250,000		Other (Describe): \$934,773 Revolving Loan Housing	

Total Funds Leveraged for HOME-based Project(s): \$7,113,310

<b>Housing Opportunities for People with AIDS</b>		14.241 HOPWA	
HOPWA Project Titles		Description of Areas Affected by HOPWA Project(s)	
\$HOPWA Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for HOPWA-based Project(s)			

<b>Emergency Shelter Grants Program</b>		14.231 ESG	
ESG Project Titles		Description of Areas Affected by ESG Project(s)	
\$ESG Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for ESG-based Project(s)			

Congressional Districts of:		Is application subject to review by state Executive Order 12372 Process?	
Applicant Districts 7	Project Districts 7	<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input checked="" type="checkbox"/> No	Program is not covered by EO 12372
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A	Program has not been selected by the state for review

Person to be contacted regarding this application		
Steven	L.	Harrell
Manager	910-341-5838	910-341-5809
Steve.harrell@wilmingtonnc.gov		Suzanne E. Rogers
Signature of Authorized Representative		Date Signed






# SF 424

SF 424

Complete the blank fields (blue cells) in the table below. The other items are pre-filled with values from the Grantee Information Worksheet.

Line Number	Code	Applicant Name	Type of SDB	Subtype
1	0000	San Joaquin	Applicable	Non-Construction
2	0000	San Joaquin	Applicable	Non-Construction
<b>Applicant Information</b>				
City of Wilmington			NC373144 WILMINGTON	
305 Chestnut Street			72007875	
Street Address Line 2			City of Wilmington	
Wilmington			Community Services Department	
28401			Community Development Division	
County U.S.A.			New Hanover	
Program Identification Number (PIN)			New Hanover	
98-5000235			Program Year Start Date 07/01/14	
Applicant Type			Local Government - City	
Local Government - City			Specify Other Type	
<b>Program Funding</b>				
Catalogue of Federal Domestic Assistance Numbers; Descriptive Title of Applicant Project(s); Areas Affected by Project(s) (cities, counties, counties etc.); Estimated Funding				
Community Development Block Grant			1421 - Entitled to Grant	
CDBG Project Title: Housing, Public Facilities, Public			Description of Areas Affected by CDBG Project(s):	
National Administration			City of Wilmington, North Carolina	
CDBG Grant Amount \$531,893			\$1,225,130	
Additional Federal Funds Leveraged \$1,225,130			Additional State Funds Leveraged \$1,225,130	
Locally Leveraged Funds \$0.00			Grantee Funds Leveraged \$0.00	
Anticipated Program Income \$0.00			Other (Describe): \$0.00 Receiving Loan Funds	
Total Funds Leveraged by CDBG Grant Project(s) \$1,225,130				
<b>Remaining CDBG Funds Available</b>			14 239 HOME	
HOME Grant Title: Housing, CDBG, Other			Description of Areas Affected by HOME Project(s):	
Administration			Grant	
HOME Grant Amount \$439,437			Additional HUD Grants Leveraged Describe	
Additional Federal Funds Leveraged \$439,437 LHTO			Additional State Funds Leveraged	
Locally Leveraged Funds \$0.00 CDBG Proceeds			Grantee Funds Leveraged	
Anticipated Program Income \$0.00			Other (Describe): \$0.00 Receiving Loan Funds	

Total Funds Leveraged for HOME-based Project(s): \$7,113,310			
Housing Opportunities for People with AIDS		14.241 HOPWA	
HOPWA Project Titles		Description of Areas Affected by HOPWA Project(s)	
\$HOPWA Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for HOPWA-based Project(s)			
Emergency Shelter Grants Program		14.231 ESG	
ESG Project Titles		Description of Areas Affected by ESG Project(s)	
\$ESG Grant Amount	\$Additional HUD Grant(s) Leveraged	Describe	
\$Additional Federal Funds Leveraged		\$Additional State Funds Leveraged	
\$Locally Leveraged Funds		\$Grantee Funds Leveraged	
\$Anticipated Program Income		Other (Describe)	
Total Funds Leveraged for ESG-based Project(s)			
Congressional Districts of		Is application subject to review by state Executive Order 12372 Process?	
Applicant Districts 7	Project Districts 7	<input type="checkbox"/> Yes	This application was made available to the state EO 12372 process for review on DATE
Is the applicant delinquent on any federal debt? If "Yes" please include an additional document explaining the situation.		<input checked="" type="checkbox"/> No	Program is not covered by EO 12372
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A	Program has not been selected by the state for review
Person to be contacted regarding this application			
Steven	L.	Harrell	
Manager	910-341-5838	910-341-5809	
Steve.harrell@wilmingtonnc.gov		Suzanne E. Rogers	
Signature of Authorized Representative		Date Signed	
		4-29-15	



# CITY OF WILMINGTON

## ANNUAL ACTION PLAN 2015-2016

Adopted by City Council  
May 5, 2015

Submitted to the Citizens of Wilmington  
And  
U.S. Department of HUD  
May 15, 2015

**The City of Wilmington does not discriminate on the basis of race, sex, color, national origin, religion or disability in its employment opportunities, programs or activities.**

## CONTENTS

### SF 424

#### GENERAL NARRATIVE

Executive Summary	3
General Questions	4
Managing the Process	7
Citizen Participation	10
Institutional Structure	12
Monitoring	12
Lead-based Paint	13
Specific Objectives	13

#### HOUSING

Specific Housing Objectives	14
Needs of Public Housing	23
Barriers to Affordable Housing	24

#### RECAPTURE POLICY 27

#### HOMELESS NARRATIVE

Specific Homeless Prevention Elements	30
---------------------------------------	----

#### COMMUNITY DEVELOPMENT

Community Development	38
Anti-Poverty Strategy	41

#### NON-HOMELESS SPECIAL NEEDS NARRATIVE

Non-Homeless Special Needs Analyses	42
-------------------------------------	----

#### CDBG & HOME Budget Summary 45

#### ATTACHMENTS

- Attachment 1: Recommendations for General Fund Grants 53
- Attachment 2: Affirmative Marketing Compliance Procedures 54
- Attachment 3: City of Wilmington MBE-WBE Plan 56
- Attachment 4: City of Wilmington Fair Housing Plan
- Attachment 5: Non-State Certifications
- Attachment 6: Foundations Report (draft)
- Attachment 7: City of Wilmington Housing Loan Program Guidelines
- Attachment 8: Public Comments & Affidavit of Publication

## **Action Plan**

The FY2015-16 Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

## **Narrative Responses**

### **GENERAL**

### **Executive Summary**

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

#### **Action Plan Executive Summary:**

The Annual Action Plan describes the programs and projects that will be initiated or continued during the period from July 1, 2015 through June 30, 2016. This is the fourth program year (PY) of the five-year Consolidated Plan. The main focus of the plan is to provide a summary of projects and programs that will address the housing and community development priorities identified in the City's Consolidated Plan. The plan provides direction for the appropriation of the City's federal entitlement grants and the related program income.

The City of Wilmington has been a Community Development Block Grant (CDBG) entitlement community since 1975. Funding comes to the City's Community Development Division, Community Services Department, in the form of an annual block grant administered by the U.S. Department of Housing and Urban Development (HUD). CDBG funds can be used with great flexibility to provide "decent housing, a suitable living environment, and expand economic opportunities principally for persons of low and moderate income". In addition to the CDBG funds, the City receives HOME Investment Partnership Program funds, also funded through HUD. The HOME grant is specifically for affordable housing.

In program year 2015-16, the City anticipates \$881,896 in CDBG entitlement funds (\$19,648 decrease) and \$439,437 in HOME entitlement funds (13% decrease, \$59,213). Program income is projected to be \$363,700 for CDBG programs, including unappropriated revolving loan income, and \$250,000 for HOME. In addition, as of February 28, 2015, the following funds were available \$1,423,768 in unexpended and prior year HOME funds along with \$1,423,526 in unexpended and prior year CDBG, along with \$1,127,492 in Revolving Loan funds. These funds will be used to complete and/or continue programs and projects identified in the FY2014-15 Annual Action Plan or applied to FY2015-16 projects as described herein. One hundred percent of CDBG funds are anticipated to be used for the benefit of low-to-moderate income persons.

The proposed projects and programs for implementation in the coming fiscal year, as presented in this plan, include projects to increase the supply of affordable rental housing; foster homeownership; preserve and rehabilitate existing housing stock; and provide services and support for the homeless, including ex-offenders, victims of domestic violence and at-risk youth. Resources are made available to provide for services to improve neighborhoods and serve citizens, including at-risk youth.

This Action Plan is prepared using HUD's guidelines for creating a Consolidated Plan. This Plan includes all the necessary and required elements of an Action Plan including, but not limited to, descriptive narratives, geographic area receiving benefits, identification of obstacles and barriers to meeting needs and providing affordable housing, planning process and methodology, monitoring plan, lead-based paint, specific housing development objectives, community development objectives, and homelessness prevention objectives. The plan also includes a budget for the use of CDBG and HOME entitlement funds for the plan year and carryover of unexpended funds from prior years.

The availability of the draft FY2015-16 Annual Action Plan for public comment was advertised on the internet and in the Wilmington Star News newspaper on April 6, 2015. Copies of the draft were made available through the Community Development division, City Clerk's and City Manager's Office and on the City website. A summary report of the Plan was presented to the Council and for public hearing on April 21, 2015.

## **General Questions**

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a) (1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.
4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.



### **Action Plan General Questions Response:**

1. The geographic area is the City of Wilmington and all census tracts within the city limits. Targeted areas will depend on the topic in question and will be noted in the respective sections of the Plan.

2. The basis for allocating resources geographically within the City of Wilmington will be directed by the information and policy resulting from the formulation of the City's Comprehensive Plan. Additionally, the City is a member of a consortium that received a HUD/EPA/DOT Regional Sustainability Planning Grant which provided a great deal of data and information to guide the allocation of CDBG/HOME and other community development resources. These planning processes, along with the New Hanover County Comprehensive Planning process, are already providing useful information to add to existing plans like the NorthSide Plan and the Choice Neighborhood Plan for the Southside. As a result, the City in partnership with the Wilmington Housing Authority and many other public, private and non-profit organizations applied to HUD to be designated as a Promise Zone. This designation will help continue the focus on the City's most distressed neighborhoods to better coordinate resources and secure additional resources. Recommendations, findings, and data resulting from the aforementioned plans and Promise Zone area will be referenced throughout the Annual Action Plan as a basis for allocation of resources.

3. The greatest obstacle to meeting underserved needs in Wilmington is persistent income inequality and the stagnation of earned income and job advancement opportunity in the local economy. Over the past several decades Wilmington and the surrounding region have experienced population growth as a result of in-migration of retirees and others; thus the limited supply of housing and developable land has become more costly. According to Wilmington's Comprehensive Plan, the city is 90 percent built out. The increase in housing cost has far out-paced any increase in median income. Providing affordable housing to anyone below 80 percent of area median income is a challenge. Special populations (elderly, disabled, homeless, ex-offenders) are adversely impacted by the gap of affordable housing

Many of the new residents moving to the area are retired and relocating from areas with higher incomes and property values. While this contributes to an increase in the area median income and brings higher income households into the local economy, it also factors into the increase in housing costs. According to census data compiled by HUD the Median Family Income increased by 27 percent from 2000 to 2010, while the Median Home Value increased by 94 percent. Housing cost are outpacing income and making homeownership unattainable for many families. This change in population negatively impacts the proportion of lower income households that have equitable access to housing in all areas of the region.

For residents earning wages from employment in the area, in contrast to income from retirement investments, the median hourly wage is \$14.91 or about \$31,013 annually

([www.bls.gov/oes/2001/oes\\_9200.htm#600-0000](http://www.bls.gov/oes/2001/oes_9200.htm#600-0000))

([http://www.bls.gov/oes/current/oes\\_48900.htm](http://www.bls.gov/oes/current/oes_48900.htm)). The Garner Report, a report commissioned by New Hanover County and the City of Wilmington, to examine economic indicators and identify strategies for improving economic development and growth, found that wages in the Wilmington job market are below comparable benchmark cities and the state and nation. The report goes on to point out that wages adjusted for inflation have declined over the last five years. The wages that most families earn is not, according to the MIT Living Wage Calculator, sufficient for providing the food, shelter and other necessities for a modest standard of living. (<http://livingwage.mit.edu/places/3712974440>)

A 2014 National Low Income Housing Coalition report “Out of Reach” determined that in Wilmington a family would need to earn \$32,720 annually or \$15.73/hour to afford a two bedroom unit at Fair Market Rent of \$818. The report goes on to show that the estimated average (mean) wage of renters in Wilmington is \$10.92/hour. At this wage an affordable apartment would need to cost no more than \$568 month. As indicated in previous reports, Wilmington continues to have a problem with housing cost burden, or stated another way, renters are paying more than 30 percent of their income for housing. This leaves little income to pay for other necessities or disposable income to support the local economy. ([www.nlihc.org](http://www.nlihc.org))

Home ownership continues to be a challenge for many households in the region. As noted above the majority of working households earn wages below the area median income. An examination of the area median income (AMI) over the past decade reveals that families earning 80 percent or less AMI have been challenged to purchase a home since 2004. This trend continues even with the recent decline in home prices. Not unlike many communities, the development of more affordably priced housing has moved farther from the existing economic and employment centers into suburban and rural areas within Brunswick and Pender Counties. Those homeowners living in more affordably priced homes in rapidly growing, newly developed suburban areas are experiencing the increased cost of transportation. Ninety-one percent of the population in the region is paying more than 45 percent of their income on combined housing and transportation costs.

An analysis of HUD’s Comprehensive Housing Affordability Strategy data shows that in Wilmington a majority of homeowners (71%) and renters (69%) earning less than 80 percent of the area median income are housing cost burdened. This data also reveals that minority households experience housing cost burden at a greater rate than non-minority households. This information coupled with the existing income and housing data confirms what many affordable housing practitioners, and government and public agency officials, among others, have observed, the region is experiencing greater disparity in equitable access to affordable housing based upon income.

The five-year Consolidated Plan for FY2013-2017 identified the greatest community development need in our community as affordable rental housing for the extremely-low and very-low-income families. In addition, the plan identified the need for access to affordable homeownership for low-income households as a priority, along with preservation of existing affordable housing stock, and providing emergency shelter and services for homeless and sustaining progress in transitioning homeless to permanent housing, including permanent supportive housing. Additionally, the plan identified special needs populations as high priority for prevention of homelessness, and housing and other services.

The proposed projects and programs for implementation in the coming fiscal year, as presented in this plan, include projects to develop affordable rental housing for families. The plan continues initiatives to provide affordable homeownership opportunities for low-to-moderate income households, as well as, support for low-to-moderate income homeowners seeking assistance with housing rehabilitation and/or repairs, especially elderly and other special needs populations. These projects help maintain existing affordable housing stock and foster homeownership within the city. In addition, the plan provides opportunities to rehabilitate foreclosed upon and vacant properties and return these units to the affordable housing market.

Furthermore, youth serving organizations are also recommended for funding to ensure that at-risk youth have access to services needed to maintain a suitable living environment. Job counseling and placement services for special populations, specifically homeless and ex-offenders, are supported in the plan. Continued support for emergency shelters and transitional housing is included. Public facilities improvements for transitional housing serving special populations is provided for in the plan to ensure access to suitable living environment.

## **Managing the Process**

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.
3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

### **Action Plan Managing the Process Response:**

1. The City of Wilmington carries out federal programs administered by the U.S. Department of Housing and Urban Development (HUD). The Five-Year Consolidated Plan is the document that Wilmington submits to HUD as an application for funding for the following programs:

Community Development Block Grant program (CDBG)  
HOME Investment Partnership Program (HOME)

The lead agency responsible for the development of the City's Annual Action Plan is the Wilmington Community Development Division, Community Services Department.

Agencies assisting the City in carrying out its Plan include the Wilmington Housing Authority, Community Housing Development Organizations (CHDOs), Cape Fear Habitat for Humanity, and other non-profit agencies providing housing and public services to the homeless, victims of domestic violence, people with disabilities, and people released from local, state and federal institutions.

2. The development of the Annual Action Plan for CDBG and HOME Programs FY2015-16, is built on a number of other studies, plans and reports prepared in recent years. In particular, the Annual Action Plan is utilizing data, findings, recommendations presented as a result of three comprehensive planning processes underway in the City of Wilmington, New Hanover County, and the Lower Cape Fear Region (New Hanover, Pender, & Brunswick Counties). Additionally, the Wilmington Housing Authority's Neighborhood Transformation Plan for Choice Neighborhoods Plan for the Southside, the City of Wilmington Promise Zone application, the Tri-County Continuum of Care application, and various small area plans and studies that are referenced or incorporated in the aforementioned comprehensive plans.

The process by which the plan was developed integrated the goals and objectives set forth in the aforementioned plans. To that end, the process include the solicitation of applications identifying activities to address CDBG and HOME objectives, priorities and needs identified in the City's Five-Year Consolidated Plan and City of Wilmington Strategic Plan.

In response to the 2012 HOME Appropriations Act and in an effort to ensure a timely expenditure of CDBG and HOME funds the City Council adopted the City of Wilmington HOME Appropriations Policy for Complying with the FY2012 HOME Appropriations Law (*Consolidated and Further Continuing Appropriations Act of 2012 P.L. 112-55*). In accordance with this policy, requests for funds for the construction of rental or homeowner housing, single-family or multi-family are subject to a more rigorous review to determine market demand, quality of design and construction, and, financial soundness and capacity of developer. In order to recommend funds construction projects should be ready for development at a specified site, other sources of finance identified, plans or specifications drafted, and pre-construction activities in progress. Housing production/construction projects will be considered as funds are available; this is a change from the biennial application cycle.

Moreover, the City of Wilmington consulted with other public and private agencies to identify and prioritize community needs, and develop strategies and action plans. Through individual and group meetings, the representatives from the following agencies were consulted as part of planning process:

- Tri-County Interagency Council on Homelessness
- North Carolina Coalition on Homelessness
- Coastal Care formerly Southeastern Regional Mental Health Center
- Cape Fear Literacy Council
- Cape Fear Community College
- Wilmington Housing Authority
- The ARC of North Carolina
- LINC: Re-entry Roundtable Discussions
- Good Shepherd Ministries
- Wilmington Interfaith Hospitality Network
- First in Families of Southeastern North Carolina
- University of North Carolina Wilmington
- Coastal Horizons Center, Inc.
- Domestic Violence Shelter and Services, Inc.
- WAVE Transit
- Wilmington Housing Finance and Development, Inc.
- Wilmington Regional Association of Realtors
- City of Wilmington, Development Services Department, Planning Division
- City of Wilmington, Community Services Department, Parks and Recreation
- City of Wilmington Police Department
- City of Wilmington Fire Department
- AMEZ Community Development Corporation
- Cape Fear Housing Coalition
- Cape Fear Council on Aging
- New Hanover County Department on Aging
- New Hanover County Planning Department
- Legal Aide
- New Hanover County Department of Social Services
- New Hanover Regional Medical Center
- North Carolina Department of Health and Human Services, Division of Aging; Division of Facility Services; Division of Mental Health, Developmental Disabilities, and Substance Abuse Services
- North Carolina Department of Corrections
- North Carolina Employment Security Commission
- Phoenix Employment Ministry
- DREAMS
- Cape Fear Area United Way
- NC Community Development Association
- NC Housing Finance Agency

- Cape Fear Area Chamber of Commerce
- Kids Making It
- DREAMS
- First Fruit
- Wilmington Regional Associations of Realtors
- Community Boys & Girls Club
- Brigade Boys & Girls Club
- Food Bank of Central & Eastern NC
- American Red Cross
- The Carousel Center
- Cape Fear Housing Land Trust

3. During the next year the Community Development Division will continue to work to enhance coordination between public and private housing, health, and social services agencies by maintaining an active participation and consultation with public and private agencies to address community needs.

The need for affordable rental housing was identified as a high priority for the City in the Consolidated Plan. City Community Development resources will continue to foster the development and/or redevelopment of affordable rental housing. As well as promoting the development of rental housing, the City will continue to support organizations, such as Cape Fear Habitat for Humanity and Cape Fear Community Land Trust, which provide homeownership opportunities for very low and low income households. These agencies utilize construction and equity models that enable citizens to own a home for less than the Fair Market Rent. Additionally, the City will continue to provide financing for housing rehabilitation. Homeownership loans for eligible low to moderate income households will continue through the City's HOP program in partnership with area banks.

## **Citizen Participation**

1. Provide a summary of the citizen participation process.
2. Provide a summary of citizen comments or views on the plan.
3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

\*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.



## **Action Plan Citizen Participation response:**

### **1. Citizen Participation Process:**

Encouraging citizen participation and consulting with other public and private agencies are important parts of the planning process. The City used several methods to solicit citizen participation and to consult with other public and private entities, including public notices, public meetings, public hearings and other outreach efforts. A copy of the City's Citizen Participation Plan can be found on the City of Wilmington's website ([www.wilmingtonnc.gov](http://www.wilmingtonnc.gov)) or obtained upon request by contacting the Community Development Division.

As discussed previously, the City of Wilmington, New Hanover County and a regional consortium are all in the process of creating comprehensive plans for the future development of the their respective planning areas. Local government officials have worked collaboratively to coordinate planning efforts and share information. Each of these planning efforts have included an extensive public input component allowing citizen input from a diverse range of residents, on topics including community development issues of housing, public service, public facilities, low-moderate-income needs, slum and blight, economic development, transportation, and other relevant topics. Information obtained through these efforts was utilized in the development of the Annual Action Plan and will continue to inform community development goals and strategies. Please see the appendix for detail on City of Wilmington public input in the *Foundations Report* draft also found at <http://createwilmington.com/documents/>.

### **Public Meetings**

The City of Wilmington will hold a formal public hearing on April 21, 2015, to obtain comments on the draft of the FY2015-16 Annual Action Plan. The hearing will be held in Council Chambers at City Hall. Prior to the meeting a draft of the Plan will be e-mailed to interested parties on the City's "Outside Agency" database and will be available on the City's website and in the New Hanover County main library. The public hearing and the 30-day comment period will be advertised in the local newspaper at least 14 days in advance of the hearing, and on the City's cable channel, and through local housing and service providers. Comments received during the planning process and during the 30-day comment period will be summarized in the final draft.

### **2. Citizen Comments:**

Copies of public comments received are included in the attachments. Comments directed attention to corrections of grammar, spelling, or clarification of terms used. There were no comments to substance of content of the plan. All recommended changes/corrections/clarifications were made in the text of the draft Annual Action Plan.

3. Efforts to broaden public participation in the development of the consolidated plan: A survey, in conjunction with focus groups was used to broaden public participation in the development of the 2013-2017 Consolidated Plan.

4. Explanation of Comments not accepted:

All comments were accepted and incorporated into the final Annual Action Plan.

## **Institutional Structure**

1. Describe actions that will take place during the next year to develop institutional structure.

### **Plan Institutional Structure response:**

The City will continue to have formal and informal working relationships with the Wilmington Housing Authority, Community Housing Development Organizations (CHDOs), Cape Fear Habitat for Humanity, Leading Into New Communities (LINC), the Cape Fear Community Land Trust and other non-profit housing developers

Several multi-family projects are included in the FY2015-16 Annual Plan. Shipyard Village by Beacon Management, Inc. will provide 72 units of affordable rental for low income households. In addition to Shipyard Village, the plan also recommends funding the rehabilitation of a 40 unit affordable family project – Willow Pond- previously funded with LIHTC and City funds. All projects recommended for funding are contingent upon receipt of other financing. These projects, if funded, will enable the City of Wilmington to leverage its entitlement funds and increase and maintain the number of affordable rental units available for low-to-moderate income households.

The City will continue a close working relationship with nonprofit organizations involved in providing multi-family housing, emergency shelters, transitional housing for the homeless and domestic violence victims, and group homes for people with physical or mental disabilities, substance abuse problems or HIV/AIDS.

## **Monitoring**

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

### **Action Plan Monitoring Response:**

The Community Development Analyst- Compliance will manage the annual monitoring programmatic assessment of every housing and community development project funded by HOME and CDBG as required by law. Agencies will be provided on-going technical assistance. Agencies identified with concerns or findings will be required to participate in in-depth reviews, i.e., weekly, monthly and quarterly and technical assistance. Desk monitoring will also be conducted, where applicable, and all currently funded and affordability period eligible agencies are required to participate in a mandatory quarterly reporting tool. Pre-award conferences will continue to be held to finalize contracts and

review reporting compliance. Technical assistance, especially to new grant recipients, will be provided when deemed appropriate. All newly funded housing and development projects will be provided with technical assistance regarding federal regulations, i.e. environmental assessment process, tenant selection process, Davis Bacon, fair labor standards, fair housing, Section 3, Minority Business Enterprises, etc. as applicable by law. Additionally, Finance Staff assigned to the Community Development Division monitor compliance with all federal financial requirements pertaining to CDBG and HOME, such as those found in Office of Management and Budget Circulars and the Code of Federal Regulations Part 84 and 85. Finance Staff are also responsible for managing the loan portfolio for loans made to individual/households for homeownership (HOP) and owner-occupied housing rehabilitation.

## **Lead-based Paint**

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

### **Action Plan Lead-based Paint Response:**

All housing rehabilitation activities will include a lead-based paint (LBP) assessment, hazard control and abatement where necessary. All Community Development outside agencies activities, such as the the AMEZ HOUSING CDC, Cape Fear Regional CDC, Habitat for Humanity, and Wilmington Area Rebuilding Ministry housing rehabilitation projects, will be monitored for compliance with the Lead Rule.

## **Specific Objectives**

### **Action Plan Specific Objectives Response:**

<input checked="" type="checkbox"/>	<b>Objective Category: Decent Housing</b> Which includes:	<input checked="" type="checkbox"/>	<b>Objective Category: Suitable Living Environment</b> Which includes:	<input type="checkbox"/>	<b>Objective Category: Expanded Economic Opportunities</b> Which includes:
<input checked="" type="checkbox"/>	assisting homeless persons obtain affordable housing	<input checked="" type="checkbox"/>	improving the safety and livability of neighborhoods	<input type="checkbox"/>	job creation and retention
<input checked="" type="checkbox"/>	assisting persons at risk of becoming homeless	<input checked="" type="checkbox"/>	eliminating blighting influences and the deterioration of property and facilities	<input type="checkbox"/>	establishment, stabilization and expansion of small business (including micro-businesses)
<input checked="" type="checkbox"/>	retaining the affordable housing stock	<input checked="" type="checkbox"/>	increasing the access to quality public and private facilities	<input checked="" type="checkbox"/>	the provision of public services concerned with employment
<input checked="" type="checkbox"/>	increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability	<input checked="" type="checkbox"/>	reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods	<input type="checkbox"/>	the provision of jobs to low-income persons living in areas affected by those programs and activities under programs covered by the plan
<input type="checkbox"/>	increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence	<input type="checkbox"/>	restoring and preserving properties of special historic, architectural, or aesthetic value	<input checked="" type="checkbox"/>	availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
<input checked="" type="checkbox"/>	providing affordable housing that is accessible to job opportunities	<input type="checkbox"/>	conserving energy resources and use of renewable energy sources	<input type="checkbox"/>	access to capital and credit for development activities that promote the long-term economic social viability of the community

---

## HOUSING

---

### Specific Housing Objectives

\*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

## City of Wilmington

### ANNUAL ACTION PLAN FY2015-16

#### Affordable Housing Objectives and Strategies

HUD Objective		Objective:	Key One-Year Targets
Decent Housing	X	Increase and maintain the supply of safe, decent rental housing units available for low-income households, focusing on households earning 50% or less of the AMI.	Construct- 76 rental units; Rehab 47 rental units
Suitable Living Environment			
Create Economic Opportunity			
HUD Outcome		Strategies:	Resources to be used:
Availability/Accessibility	X	Shipyards Village 72 unit multifamily; Willow Pond 40 unit multifamily rehab; CFRCDC up to 7 single-family affordable rental units; AMEZ CDC up to 4 single-family affordable rental units	CDBG; HOME; Revolving Loan; LIHTC; Private funds
Affordability	X		
Sustainability	X		
HUD Objective		Objective:	Key One-Year Targets
Decent Housing	X	Increase opportunities for low income households (less than 80% AMI) to become homeowners through mortgage subsidy	6 households w/mortgage subsidy i.e. HOP, NCHFA, etc.
Suitable Living Environment			
Create Economic Opportunity			
HUD Outcome		Strategies:	Resources to be used:
Availability/Accessibility	X	Continue HOP partnership with local banks;	CDBG; HOME; Revolving Loan Fund; General Fund
Affordability	X		
HUD Objective		Objective:	Key One-Year Targets
Decent Housing	X	Increase opportunities for low income persons to become homeowners, focusing on very low-income and low income households	6 new construction/rehab units
Suitable Living Environment			
Create Economic Opportunity			
HUD Outcome		Strategies:	Resources to be used:
Availability/Accessibility	X	CFHFH infill rehabilitate or rebuild up to 6 units for homeownership	HOME; NSP; Private Funds
Affordability	X		
Sustainability	X		
HUD Objective		Objective:	Key One-Year Targets
Decent Housing	X	Preserve and improve existing affordable owner housing for low-income owners, focusing on elderly, disabled and other special needs populations	15 critical repairs; 5 major rehabs
Suitable Living Environment			
Create Economic Opportunity			
HUD Outcome		Strategies:	Resources to be used:
Availability/Accessibility	X	Continue City Rehabilitation Loan Program; CFHFH/WARM- NRI program: critical repairs up to 15 units; rehab/reconstruct up to 6; 5 major rehabilitations to owner-occupied homes	CDBG; HOME; Private Funds; Volunteer Labor
Affordability	X		
Sustainability	X		

## City of Wilmington

### ANNUAL ACTION PLAN FY2015-16

Affordable Housing Objectives and Strategies			
HUD Objective		Objective:	Key One-Year Targets
Decent Housing	X	Provide Emergency Shelter and Services to Homeless	1000 units of service
Suitable Living Environment			
Create Economic Opportunity			
HUD Outcome		Strategies:	Resources to be used:
Availability/Accessibility	X	Good Shepherd/WIHN; Domestic Violence Shelter & Services; Coastal Horizon Youth Shelter	CDBG; CoC; ESFP; Private Funds; General Funds
Affordability			
Sustainability			
HUD Objective		Objective:	Key One-Year Targets
Decent Housing	X	Provide Case Management and Services to Transition Homeless to Permanent Housing	200 units of service to transition homeless
Suitable Living Environment	X		
Create Economic Opportunity			
HUD Outcome		Strategies:	Resources to be used:
Availability/Accessibility	X	Good Shepherd/WIHN; Domestic Violence Shelter & Services; Coastal Horizon Youth Shelter; United Way 10 Year Plan; First Fruit; LINC; AMEZ/Mercy House	CDBG; HOME; CoC; ESFP; Private Funds; General Funds; US DOJ
Affordability			
Sustainability			
HUD Objective		Objective:	Key One-Year Targets
Decent Housing	X	Develop Transitional and Permanent Supportive Housing opportunities for homeless and special needs populations	1 unit
Suitable Living Environment	X		
Create Economic Opportunity			
HUD Outcome		Strategies:	Resources to be used:
Availability/Accessibility	X	Revise Rental Rehab Loan Program to make funds available for scattered site and small scale non-profit and affordable housing	HOME; NCHFA; Private Funds
Affordability	X		
Sustainability	X		
HUD Objective		Objective:	Key One-Year Targets
Decent Housing	X	Increase opportunities for successful homeownership and or prevent homelessness through housing counseling, financial literacy, program service	175 households receive counseling/education program service
Suitable Living Environment			
Create Economic Opportunity			
HUD Outcome		Strategies:	Resources to be used:
Availability/Accessibility		City of Wilmington Homebuyer Education & Counseling;	HOP fees; General Funds;
Affordability	X		
Sustainability			

1. The lack of affordable housing, low paying service jobs and high economic volatility make securing affordable housing increasingly difficult for citizens. Moreover, these conditions threaten the stability of neighborhoods. Through the City's Strategic Plan, Welcoming Neighborhoods and Public Spaces Focus Area and the Five-Year Consolidated Plan the following priorities and objectives have been established:

- Clean, safe, attractive, diverse and convenient neighborhoods, that include a mix of residential, commercial, community facilities and recreation, and open space;
- Support permanent supportive housing for chronically homeless, frail elderly, disabled, and other special needs populations;
- Affordable homeownership for low-income households;
- Affordable workforce housing, especially for households from 80 to 120 percent of median income;



- Increasing stock of affordable housing stock by investing in new construction and rehabilitation;
- Preserve stock of affordable housing; and
- Provide affordable rental housing for those living in poverty, especially families, elders and the disabled.

To ensure the maximum benefit and leverage from limited resources, including entitlement funds and NCHFA Tax Credits, community development staff recommends projects be considered for funding over two or more years. The Annual Action Plan for FY2013-14 adopted by City Council included projects identified for multi-year funding. The FY2015-16 Plan identifies projects for allocation of future entitlement funds contingent upon the availability of funds. In addition, the award of City funds is conditional upon the sub-recipient, grantee, developer, and/or contractor successfully securing financing and/or matching funds, and meeting all other requirements for funding from the City. The Annual Action Plan for FY2015-16 reflects the carryover of funds allocated for multi-year projects that are underway and near completion, along with the allocation of anticipated FY2015-16 entitlement funds.

## **AFFORDABLE HOUSING**

### **AFFORDABLE RENTAL HOUSING**

The following initiatives address this priority:

#### **Affordable Rental Housing:**

- Shipyard Village. Beacon Management Corporation submitted an application in FY14-15 requesting \$850,000 in City entitlement funds towards this \$12,157,378 multi-family rental project. The proposed project will construct 96 one, two, and three bedroom apartments at 2821 Carolina Beach Road. The project submitted for review for the AAP14.15 was unsuccessful in applying for LIHTC through the NCHFA. As a result the developer revised the project in accordance with the LIHTC 2015 application guidelines (QAP). The original project proposed to construct 96-units, the revised project plans for 72 units. The developer is requesting the same amount of funding from the City of Wilmington HOME funds - \$850,000. City CD staff members reviewed the revised project which proposes to construct 72 units for a project totaling \$9,484,921. City funding is contingent upon the project receiving other finances and completing all requirements for permitting and development. The project meets the requirements for HOME funding – a market analysis shows demand, the project is consistent with City plans; the site and building design incorporate energy efficiency, green and recreation space, quality design and construction materials; and the project is located near amenities. The developer has demonstrated experience and capacity to successfully complete the project. The project will provide affordable rental housing opportunities for working families and individuals. Rents are estimated to range from \$272 to \$730, excluding utilities, for units from 834 to 1368 square feet. This project will serve households earning 30 to 60 percent of area median income. The operating budget allows for repayment of a portion of City funds over 20 years, estimated to be

approximately \$148,576 or 17.5% of the total funds invested. Multi-year funding is recommended, conditional upon available HOME funds, with the project receiving \$273,948 in FY2014.15 HOME funds, and additional funding of \$226,573, FY2015.16 HOME and \$349,479, FY2016.17 HOME for a total of \$850,000. This project is a multi-year funded project with a carry-over from FY14-15.

- Dawson Street Lofts. Originally submitted in FY14-15 and recommended for \$200,000 funding conditional upon receipt of other financing needed to develop the project. The Wilmington Housing Authority/Housing and Economic Opportunities, Inc. has withdrawn this project for funding at this time.
- Willow Pond. Wilmington Housing Finance and Development (WHFD) is requested \$665,674 as a portion of financing for a \$2,348,420 substantial rehabilitation of the 40 unit Willow Pond Apartments, located at 3508 Frog Pond Place. Originally built in 1994, the complex consists of two and three bedroom apartments in six, two story buildings. The units range from 850 to 1000 square feet and currently rent for \$480 to \$525, excluding utilities, for 34 restricted units. Six units rent at market rate \$600 to \$650, excluding utilities. After the rehabilitation WHFD anticipates a \$25 per month increase in rent. The project has demonstrated market demand and the increased rents are competitive with comparable affordable and market rate developments. The project will remain affordable and is subject to a 20 year affordability period. The proposed rehabilitation will upgrade plumbing, HVAC, windows, doors, roof, and upgrades to interior and exterior finishes. The project specifications include quality materials and will improve energy efficiency. The construction will relocate current residents within the complex, rehabilitating one building at a time. The developer and management organization has recognized experience and capacity to successfully complete the project. The operating budget does not provide for repayment of City HOME funds; however, net cash-flow projections may permit limited repayment of a portion of City funds. Multi-year funding totaling \$665,674 is recommended, conditional upon available HOME funds, with the project receiving funds as follows: \$332,837 HOME FY2014-15 carry-over funds, and HOME funds from FY2015-16, \$168,920 and FY2016-17, \$168,917. This project is a multi-year funded project with a carry-over from FY14-15.
- Cape Fear Regional Community Development Corporation (CFRCDC) will continue a multi-year approach for the acquisition and rehabilitation of up to seven properties with the carry-over of \$222,774.47 HOME funds and \$52,995.40 in proceeds. CFRCDC will manage rental of these properties. Houses can also be sold to qualified homebuyers if identified prior to development of the house. Currently, CFRCDC is working on an affordable rental project - \$181,000 acquisition/rehabilitation of a unit on 19<sup>th</sup> Street.

- AMEZ Housing Community Development Corporation will continue housing development with the carry-over of \$173,302 HOME funds and \$250,551 in proceeds for the development of up to five units of rental housing. AMEZ HOUSING CDC has ownership of properties at 910 S. 5<sup>th</sup> Street, and 905, 909, 913 Grace Street. Development and management of affordable rental housing will address a high priority need within the city. That being noted, houses can also be sold if qualified homebuyers are identified prior to completion of construction of the house.

## **AFFORDABLE HOMEOWNERSHIP/ PERSERVE AFFORDABLE HOUSING STOCK**

This priority includes the following objectives:

- **Community Land Trust:** The City continues to support the Cape Fear Community Land Trust (CFCLT) formerly, the Cape Fear Housing Land Trust (CFHLT) with a recommended allocation of \$21,767 in FY2015-16 General Funds. These funds will support the CFCLT Place Making initiative in the SouthSide neighborhood. The agency continues to seek land for the development of affordable housing using the land trust model; therefore, future applications for acquisition and/or construction funding are anticipated. Since the Land Trust's inception the City has provided \$283,147 to the Land Trust for administrative cost and to support the formation, incorporation, and development of organizational capacity. In a prior year the City provided \$220,000 in HOME funds to the Land Trust, through Cape Fear Habitat for Humanity (CFHFH) as fiscal agent, for the acquisition of 2.178 acres of land for development of eight units – Gideon Point. The City also supported the Land Trust with conveyance of a house at 808 North Sixth Street and \$57,400 loan for the rehabilitation of the house. Currently, this house is a rental unit managed by the Land Trust. The Land Trust is successfully holding nine properties in trust and receiving rental income and ground lease fees.
- **Cape Fear Habitat for Humanity:** Using the Habitat model Cape Fear Habitat for Humanity (CFHFH) provides housing for families earning 30 to 60 percent of the area median income (AMI). CFHFH constructs about 12 houses per year and has no problem finding qualified homebuyers using Habitat underwriting and intensive case management. Often Habitat homebuyers pay less for the mortgage than they were paying for rent. Habitat will carry-over \$133,988 in prior year HOME funds to continue to acquire lots for in-fill reconstruction or houses for rehabilitation of up to six units of housing. Moreover, when feasible the City will provide City-owned foreclosed property to CFHFH. The City invested in the Cornerstone Cottages and Corbett Street projects to produce 36 units of affordable housing.
- **CHDO Proceeds:** HUD allows for the creation of Community Housing Development Organizations (CHDOs) to develop affordable housing for low to moderate income households within lower income communities. CHDO's are non-profit organizations with representation from low to moderate income individuals or communities serving on the board of directors. AMEZ HOUSING CDC and Cape Fear Regional

Community Development Corporation (CFRCDC) are currently the only certified CHDOs in the city. CHDO's may use sales proceeds from the development of housing for operating and future development. As of February 28, 2015, the City was holding \$303,546 in proceeds available for use by AMEZ HOUSING CDC and CFRCDC.

- **CHDO Set-aside:** HUD requires that at least 15 percent of HOME funds be set-aside for use by CHDOs. To date \$3,019,446 has been set-aside; this is more than the required cumulative set-aside of \$1,604,350 as of FY2014.15. HOME funds will be set-aside in the future as needed to meet the requirements and provide funding for CHDO projects.
- **Home Ownership Program (HOP):** The City will continue to administer the HOP program to provide zero interest, second mortgages for eligible households. This program uses CDBG, HOME, and General Funds. The program serves households earning up to 80 percent of area median income (AMI) with federal funds and up to 120 percent AMI with General Funds. In FY2015-16, \$154,000 in program income is anticipated for HOP. In addition, \$166,574 in FY2015-16, CDBG funds will be allocated to HOP. As of February 28, 2015, \$491,386 CDBG funds were available for HOP loans, along with \$3,207 in HOME funds and \$463,448 in Revolving Loan Balance. Some or all of these funds will be expended before the end of the FY. The funding available will support approximately twenty- six loans at an average amount of \$50,000.
- **Workforce Housing:** In FY2015-16, efforts continued to market the City's HOP program and encourage the purchase of affordable housing within the city limits by households earning between 80 and 120 percent of the Area Median Income. The success of the HOP workforce housing program has depleted the general funds available. Approximately \$372,180 in loan repayments is available in the revolving loan fund for workforce housing loans as of February 28, 2015. Once these funds are loaned it will take some time before the repayments accumulate for more loans. Without an infusion of general funds the HOP program will be limited in the number of workforce housing loans that can be provided, it is estimated that only eight workforce loans will be closed with the available funds.
- **Down Payment Assistance:** HOME funds and revolving loan funds may be used for down payment assistance in those instances where such assistance is needed to make housing affordable for low-to-moderate income households, especially those at 60 percent and below area median income. Rising insurance cost impact the mortgage payment and make housing unaffordable. An analysis is prepared to determine the amount of down payment assistance needed to make the mortgage affordable. The down payment assistance is provided as a forgivable loan with a lien on the property. In FY2015-16, \$20,788 of prior year HOME funds is recommended to carry-over for down payment assistance.
- **Homeownership Education and Counseling:** In conjunction with the HOP program and the Workforce Housing initiatives the City offers a six-hour homebuyers' workshop

provided each month, or on request, by the Community Development Housing staff. The Community Development Analyst assigned to housing loans is a HUD Certified Housing Counselor.

## PRESERVE AFFORDABLE HOUSING STOCK

The City will continue to utilize CDBG and HOME funds to make low-interest loans to rehabilitate sub-standard housing citywide, for low-income families, elders and people with disabilities.

- **Foreclosed Properties Disposition and Rehabilitation:** Prior year CDBG funds in the amount of \$23,588 will be carried forward to be used to board-up, re-key locks, and make minor repairs and clean-up City-owned foreclosed properties. The method for disposition of the properties is determined after taking into consideration the outstanding loan balance, financing and resale restrictions, and potential for resale, redevelopment and/or conveyance to non-profits with the goal to ensure continued availability as affordable housing. Unfortunately the City is experiencing an increase in foreclosure of properties in the City housing loan portfolio. In almost every case the foreclosure results from the death of the homeowner. In order to return these properties to affordable housing and maintain the stability of the neighborhoods the City is seeking homebuyers, and non-profit and for-profit developers to acquire these properties. Deed restrictions require the properties remain affordable housing.
- **Housing Rehabilitation Program:** Low or no interest loans are made available to low income homeowners in need of extensive housing rehabilitation. Loan payments are based on income, the ability to repay, and may be deferred. In the last fiscal year the guidelines for the Owner-Occupied Housing Rehabilitation Loan Program have been revised to make the underwriting criteria less subjective and improve performance. A copy of the approved revised underwriting guidelines is included in the appendix. While the need for this program exists as evidenced by the CHAS data which reports that for renter households with incomes greater than 30%- but less than 50% of AMI, 81.4 percent have a housing problem. The data is similar for lower income renters and homeowners. Residents in owner-occupied housing often do not have clear title to the property and owe back property taxes and other liens and judgments that make them ineligible for the City's Housing Rehabilitation Loan Program. For FY2015-16, \$185,000 in CDBG Program Income is projected for the Housing Rehabilitation Loan Program. As of February 28, 2015, \$404,487 in loan repayments and \$100,000 in General Funds is available for loans. In January a change in the loan program outreach was implemented. Instead of taking applications on a continuous basis, an application period from December –March 20<sup>th</sup>, 2015 was established for accepting applications. In conjunction with this owner-occupied households located within distressed census tracts were identified and approximately 5,000 postcards were mailed to those households informing them of the Owner-Occupied Housing Rehabilitation Loan Program. This change in program administration is intended to improve program efficiency in identifying eligible and viable loan projects and assigning work load. It

is anticipated that all funds available as of the date of the writing of this plan will be encumbered for loans processed in FY14-15.

- **Rental Rehabilitation:** The Five-Year Plan identifies the need for affordable rental housing for lower-income citizens, especially special populations, homeless and ex-offenders, as a high priority need. Moreover, the Consolidated Plan and TRI-HIC identified the need for Permanent Supportive Housing as a high priority. To help address this need the Rental Rehabilitation/Rental Incentive Loan program offers incentives to investors and non-profit developers to renovate, purchase/renovate, or develop new housing units for lower-income households. The intent of the program is to bring deteriorated or dilapidated housing units back into the rental housing stock; therefore all units will be vacant. The program also allows for reconstruction of rental units on in-fill lots. The program gives priority to the development of Permanent Supportive Housing. Borrowers will have access to up to \$100,000 in loans per unit. Funds may be used for acquisition, renovation hard costs, and for reasonable soft costs necessary to close the loan. The terms of the loan are contingent upon the priority need and operating pro-forma as described in the underwriting guidelines. The project must be maintained as affordable rental housing for lower-income tenants for 15 years, 20 years if new construction. Rents paid by tenants shall not exceed HOME Program Rents. As of February 28, 2015, \$66,683 in revolving loan funds are available for rental rehabilitation
  - Neighborhood Revitalization Initiative (NRI): In FY2012-13, Cape Fear Habitat For Humanity (CFHFH) and Wilmington Area Rebuilding Ministry (WARM) proposed a target neighborhood strategy in the Southside area. This NRI proposal will support WARM's efforts to make critical home repairs to up to 15 eligible homes. CFHFH will focus on the acquisition and rehabilitation or reconstruction of up to six homes in the area for sale to low-income homebuyers. Habitat will also make major home repairs to up to five owner occupied homes. The program has been modified to allow for projects city-wide with a priority on projects in the SouthSide. The project has experienced delays in implementation and as of February 28, 2015, \$66,241 has been expended; therefore, it is recommended that \$164,759 CDG funds carry-over to complete the project. After completion of the aforementioned projects and expenditure of the allocated funds the agency will be eligible to submit proposals for additional projects as City funds are available.
  - Grants for lead paint control, voluntary relocation, and demolition are also available, in limited amounts, to assist home owners and sustain decent, safe neighborhoods
2. Federal, State and local public and private sector resources that are reasonably expected to be available to be used to address identified needs for the period covered by the Action Plan:

- CDBG and HOME Entitlement funds \$ 1,321,333



• CDBG and HOME Program Income	\$ 613,700
• Carryover of CDBG and HOME Funds from prior years	\$ 2,847,294
• City General Funds and Revolving Loan Funds for housing and economic development	\$ 1,351,891
• HUD Continuum of Care	\$ 747,823
• Other Federal Funds (ESG, EFSG, DOJ, Dept Ed., HHS, NEA, VA , USDA, etc...)	\$ 2,040,139
• US LIHTC	\$ 5,623,537
• State Funds (NCHHS, NCHFA, GCC, Pub Instruction, etc....)	\$ 1,721,050
• Private funds (Foundations, Events, Business, Donations, etc..)	\$ 7,905,559
• New Hanover County Funds (DSS, NHCS, General Fund)	\$ 39,000
• City General Funds	\$ 526,381

## Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

### Action Plan Public Housing Strategy Response:

The Wilmington Housing Authority's (WHA) focus will include continued efforts to revitalize and upgrade its obsolete housing while adding to its overall inventory by constructing new units to better meet the ever-growing need for affordable housing in the city of Wilmington. Some of the current specifics include: the renovation of 77 units of existing public housing at Rankin Terrace, which is currently underway; 8 units of supportive housing in front of the Jervay Community in the Southside; plans to purchase smaller apartment complexes to help integrate affordable housing into the wider community with a smaller footprint; and, to help deconcentrate poverty out of our inner-city. In 2014, WHA completed the renovation of 32 public housing units at their Eastbrook Development off of Princess Place Drive near Creekwood on the Northside. In addition to WHA's more substantial new construction and renovation efforts, there will continue to be major upgrades to their housing stock in the areas of plumbing, electrical, HVAC, laundry facilities and landscaping.

Regarding our residents, WHA will continue to encourage and assist the Resident Organizations for our Public Housing sites to become more involved in management initiatives and to experience the pride of homeownership. In addition, WHA is working to

encourage Resident Organizations where none currently exist. WHA endeavors to empower resident leaders to become even more effective representatives of their communities.

Through various in-house programs such as Family Self-Sufficiency (FSS) and Resident Opportunities and Self-Sufficiency (ROSS), and alongside our participating service providers, WHA will provide resources and guidance that will assist residents to work toward self-sufficiency. WHA is taking advantage of resource centers on site to offer more programming for residents, particularly at Creekwood, Houston Moore, and Hillcrest.

Finally, The WHA Section 8 program will continue to pursue additional vouchers to assist more families. WHA has been successful in the pursuit of targeted population vouchers, such as the Veterans Administrative Supportive Housing (VASH) vouchers and Family Unification Program (FUP) vouchers.

## **Barriers to Affordable Housing**

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

### **Action Plan Barriers to Affordable Housing Response:**

- Availability of developable land is a major barrier to affordable housing. Subsidizing nonprofit housing developers to purchase property and build single-family, stand-alone homes has become increasingly expensive. The City will look more toward providing financial incentives for projects with multiple units. This could be accomplished through funding one facet of the project, such as acquisition, infrastructure or impact fees.
- HUD will no longer assist with financing, through Continuum of Care, for transitional housing. Without those resources to provide transitional housing the City will attempt to address the need for transitional housing with CDBG, HOME and General Fund resources. Notwithstanding the limited resources available, transitional housing continues to be a viable option for homeless individuals and families that do not have permanent supportive housing readily available. That said, the City will continue to advocate for support of such projects as the M.E. Roberts Memorial (transitional housing) Center, a re-entry program for ex-offenders.
- NIMBY (Not in My Backyard) attitudes when coupled with the limited availability of developable land makes affordable housing projects subject to opposition from neighboring property owners expressing concern over the perceived negative impact of affordable housing developments on property values. Concentrated poverty within certain census tracts and neighborhoods suggest the inequity in access to affordable housing throughout the city. The City's Homebuyer Opportunities Program (HOP) allows homebuyers to select a home in any neighborhood within the city limits.

- Increase in number of households in poverty, especially African American families, is a barrier to affordable housing as these households struggle to maintain decent housing within their budget. Development of affordable housing and housing subsidy are necessary to ensure access to decent housing for low-income households. Over 60% of Wilmington households with incomes 0-80% AMI experience housing cost burden.
- Increasing cost of housing over time compared to wages. Over the period from 2000 - 2009 median housing values increased by 71 percent in the city, greatly outpacing increases in median income over the same period at 26 percent.
- Increased demand for rental property drives up the market rate for rental property contributing to the housing cost-burden for low income renters.
- Approximately half of the housing units in Wilmington were constructed prior to 1979, thus requiring lead-paint remediation and abatement. The cost of lead-hazard control increases the cost of housing rehabilitation for low-to-moderate income homeowners.
- Finally, the elimination of the NC Low Income Tax Credit (LIHTC) reduced the resources available to support development of affordable rental housing for seniors and families. The City will continue to provide gap financing for projects applying for Federal LIHTC and other funding. Additionally, the HOP program provides second mortgages at no/low interest, along with down payment assistance when available to help low-to-moderate income and workforce income households purchase affordable housing, including foreclosed units.

## **HOME/ American Dream Down payment Initiative (ADDI)**

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
  - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.

- b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
  - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
  - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
  - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e) (2) or a federally designated Empowerment Zone or Enterprise Community.
  - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
- a. Describe the planned use of the ADDI funds.
  - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
  - c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

**Action Plan HOME/ADDI Response:**

The City of Wilmington does not qualify for ADDI funds.

The City of Wilmington is not currently refinancing debt secured by multifamily housing that is being rehabilitated with HOME funds.

**Subject: Recapture of Funds for HOME-Assisted Homeownership Housing**

In FY2012-13 HUD Field Office staff reviewed the City of Wilmington Recapture/Resale Policy in accordance with federal regulations. The field office has approved the following policy which was adopted on October 2, 2012, by City Council.

City of Wilmington  
Community Development

## Policy for

### Ensuring Affordability for Low-to-Moderate Income Homebuyers

#### I. Purpose

When HOME Investment Partnership program funds are used to assist homebuyers, the regulations require that the unit remain affordable regardless of any subsequent resale. The period of affordability is determined by a schedule set forth in 24 CFR 92.254.

Homeownership Assistance HOME amount per unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 - \$40,000	10
More than \$40,000	15

#### II. Background

The City of Wilmington (City) is a participating jurisdiction in and recipient of HOME Investment Partnership program funds to be used by the City to expand the supply of decent, safe, sanitary, and affordable housing available to low-income and very low-income residents.

The City has established the Recapture and Resale policies in accordance with HUD guidance provided in CPD Notice 12-003. These policies ensure that properties developed with HOME funds for homebuyers remain affordable to a reasonable range of low-income homebuyers, or that the HOME investment in affordable housing are recaptured upon sale of the property for use in other HOME eligible housing activities.

The City has elected to use “Recapture” as the primary method of ensuring affordability for low-to-moderate income homebuyers; however, “Resale” provisions will be used for HOME funds used for acquisition of land held in a Community Housing Land Trust. That said, with the exception of Community Housing Land Trust, all Community Development Housing Organizations, and sub-recipients receiving City HOME funds and other community development funds to provide affordable housing are required to use “Recapture” provisions to ensure affordability.

The City will use HOME funds to provide direct HOME subsidies to eligible Low-to-Moderate Income homebuyers through the City’s low interest Second Mortgage Purchase Program and through sub-recipients including, but not limited to, Community Housing Development Organizations (CHDO), and other affordable housing developers.

#### III. Definitions:

**Direct HOME subsidy** is the amount of HOME assistance, including any program income that enables the homebuyer to buy the unit. The direct subsidy includes HOME funds used for down payment, closing cost, interest subsidies, or other HOME assistance provided directly to the homebuyer

In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price. If HOME funds are used for the cost of developing the unit and the unit is sold below fair market value the difference between fair market value and the purchase price will be added to the HOME subsidy amount. In such cases, the direct HOME subsidy will be provided to the homebuyer as a forgivable subordinate mortgage lien held by the City.

**Purchase price** as described herein refers to the amount of the affordable mortgage to be repaid by the eligible low-income homebuyer. The difference between the purchase price and contract sales price or fair market value, whichever is less, will be the direct HOME subsidy to the homebuyer.

**Net proceeds** are the funds remaining from the sale of the property by the original homebuyer less the repayment of the outstanding balance on any superior mortgage and any closing cost.

**Low-income homebuyers** are individuals and households that meet the HUD income limits for HOME Investment Partnership Program as published annually. HOME funds are used for households at or below 80 percent of the HUD published area median income (AMI).

**Affordable housing** is defined by HUD as housing cost that does not exceed 30 percent of household gross income. Generally, for owner-occupied housing it may be characterized as housing that can be purchased for no more than 2.5 to 3 times the total annual household income.

#### IV. Recapture

The City will use restrictions in the promissory note and deed of trust to enforce the recapture provisions of the HOME program found at 24 CFR 92.254 (a)(5)(ii). In accordance with applicable recapture provisions the City requires the recapture of its HOME-funded homeownership housing assistance from net sales proceeds when the original homebuyer sells the property during the affordability period. Any net proceeds in excess of the original HOME subsidy will go the homeowner. The City will recapture 100 percent of the net proceeds up to the amount of the HOME subsidy. In the case where there are insufficient net proceeds available at sale to recapture the entire direct HOME subsidy provided to the homeowner, the City can only recapture what is available from net proceeds. The City will limit the amount to be recaptured to the net proceeds, as defined herein, available from the sale of the property.

#### V. Resale

The City will use Resale provisions as required when HOME funds are used to provide subsidy to the developer that will not result in a Direct HOME subsidy to the homebuyer. “Resale” provisions will be used for HOME funds used for acquisition of land held in a Community Housing Land Trust, which constitutes a developer subsidy. Under the Land Trust model the land acquired with HOME funds will be held in trust and not conveyed to the homebuyer. A long-term ground lease between the Land Trust and Homebuyer will establish long-term affordability of the property, and the distribution of value of improvements between the Land Trust and homebuyer upon sale of the housing unit. The ground lease ensures that the original homeowner receives a fair return on investment and that the property is sold at a price that is affordable to a reasonable range of low-income buyers. In addition, the City will utilize deed restrictions to ensure continued affordability, along with a deferred promissory note and deed of trust, with covenants and deed restrictions as enforcement mechanism.

The following “Resale” provisions apply for Community Housing Land Trust:

#### Sale of Improvements to Property held in Land Trust

Homebuyers purchasing homes in a Community Housing Land Trust purchase the improvements and lease the land, therefore these homebuyers are referred to as homebuyer/lessee or homeowner/lessee upon purchase of housing unit.

Improvements include all buildings, structures, fixtures, and other improvements purchased by the homebuyer/lessee or constructed or placed by the homeowner/lessee are the property of the homeowner/lessee.

The homeowner/lessee may transfer interest in the improvements only to the Community Housing Land Trust or another low-income homebuyer/lessee. Upon notice of homeowner/lessee intent to sell, the CHLT has the option to purchase the improvements. This option to purchase is intended to further the purpose of preserving the affordability of the improvements for succeeding low-income homebuyers.

The seller’s resale price shall be determined by the resale formula stipulated in their ground lease. The formula will allow the homeowner/lessee’s to sell their home for their original purchase price, plus 25 percent of the increase in market value of the entire property (land and improvements combined) as determined by appraisal at time of notice of intent to sell minus the initial appraised value at purchase. The appraisal shall meet Federal Housing Administration (FHA) standards.

The CHLT does not recapture the other 75 percent of the increase in market value, but rather this value “remains with the property”, thereby ensuring continued affordability for succeeding homebuyers. This formula allows the homeowner/lessee to receive a fair return on increase in value to the property while maintaining continued affordability for subsequent homebuyers. Appraisal is an accepted method for determining value of land and improvements. Appraisal is commonly used by lenders to determine property value in real estate transactions.

Example: A homebuyer/lessee purchases a home in a Community Housing Land Trust (CHLT) for a purchase price of \$80,000. The property is appraised at a market value of \$110,000. Five years later the homeowner/lessee notifies the CHLT of intent to sell. The improvements are appraised at \$130,000. The homeowner/lessee is entitled resell their home at a price of \$85,000.  $((\$80,000) + (.25*(\$130,000-110,000))$ .

### Resale or Transfer of Improvements

Upon purchase of improvements from the homeowner/lessee the CHLT will re-sell the improvements and lease the land to another low-income homebuyer at purchase price that is affordable to a reasonable range of low-income homebuyers. A reasonable range of low-income homebuyers consists of households earning between 60 and 80 percent of the Area Median Income. The City's original deed restrictions, which run with the land, will require the CHLT to always re-sell the home to buyers earning at or less than 80 percent of the Area Median Income.

The CHLT may provide additional subsidy in the form of down-payment assistance, and /or deferred subordinate mortgage to ensure affordability. The amount of subsidy will be determined by the difference between return on improvements and the fair market value as determined by appraisal at time of resale.

---

## **HOMELESS**

---

### **Specific Homeless Prevention Elements**

\*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.



2. Homelessness—in a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.
3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2017. Again, please identify barriers to achieving this.
4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

**Action Plan Homeless Prevention Response:**

1. Sources of Funds – identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction’s plan for the investment and use of funds directed toward homelessness.
2. Homelessness – in a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.
3. Chronic homelessness- The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness. Again, please identify barriers to achieving this.
4. Homelessness Prevention- the jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy – Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

**Specific Homeless Prevention Elements Response:**

1. Sources of Funds for Homelessness:

• HUD Continuum of Care Funds	\$	747,823
• Emergency Food and Shelter Grants	\$	103,807
• Emergency Shelter Grants (through the State)	\$	171,132
• City CDBG and HOME	\$	165,903
• Other Federal Funds (DOJ, HHS, etc...)	\$	703,127
• Other State Funds (VOCA, DHHS, etc....)	\$	1,142,696
• New Hanover County Funds (DSS, General Fund)	\$	94,000
• Local Private Funding (foundations, fees, donations, events, business revenues , etc)	\$	3,616,403
• City General Funds	\$	293,720

## 2. Homelessness:

In order to coordinate activities to meet the needs of individuals and families who are experiencing homelessness and apply for federal funds, community partners come together to form a Continuum of Care. The Cape Fear area (New Hanover, Brunswick, Pender) receives approximately \$747,823 in Continuum of Care (CoC) funds and \$171,132 in Emergency Shelter Grant funds to support homeless programs, including emergency shelter, transitional housing, permanent supportive housing, and short-term rental assistance programs. Grants to CoCs are administrated by the U. S. Department of Housing and Urban Development (HUD). One of the requirements for receiving CoC funding is collection and maintenance of data on homeless clients in a national database HMIS (Homeless Management Information System). In addition, an annual Point In Time survey is conducted to count sheltered and unsheltered homeless in the region.

Effective January 2015, the lead agency for the Cape Fear area CoC is the Lower Cape Fear Council of Governments (CFCOG). In this role CFCOG provides a staff position to coordinate the CoC application process and convene membership of the CoC through the Tri- HIC (tri-county Homeless Interagency Council) and coordinate with the HMIS Administrator to ensure accurate data collection, compilation and reporting. The CFCOG meets the expanded requirements of the HEARTH Act to ensure the CoC is compliant in administering federal funds received and HMIS requirements. The City of Wilmington is a member of the Tri-HIC along with New Hanover County DSS, area homeless shelters, WHA, affordable housing providers, United Way, NC Veterans Council, and others.

From 2006 to 2008, the City of Wilmington, New Hanover, Brunswick and Pender Counties worked together to develop the *10-Year Plan to End Chronic Homelessness and Reduce Homelessness in the Cape Fear Region*. The approved 10-Year Plan was implemented on May 20, 2008 under the direction of the United Way of the Cape Fear Area. The plan has focused on reducing homelessness through implementation of strategies related to prevention and engagement, services and support, permanent housing, and data collection and evaluation.

### **Background:**

Under the leadership of the City of Wilmington, New Hanover County and United Way, the Cape Fear area launched a *10 Year Plan to End Chronic Homelessness* in 2008. The primary objective was to facilitate large-scale community collaboration to assimilate best practices, make effective use of resources and avoid duplication of efforts – while significantly reducing homelessness.

Development of the Cape Fear 10 Year Plan was accomplished at the urging and in full cooperation with the Continuum. The federally-encouraged, local 10 Year Plan was officially endorsed by the Wilmington City Council, the New Hanover County Board of Commissioners and the Pender County Board of Commissioners. Administrative implementation responsibility for the *10 Year Plan to End Chronic Homelessness* was assumed by United Way in March 2008.

Between 2001 and 2008, 10 Year Plans were the favored federally-recommended process for addressing homelessness on both a statewide and local basis. However, federal recognition of 10 Year Plans as the preferred best-practice was withdrawn in 2009, with passage of the HEARTH Act.

### **10 Year Plan Success Story**

As the 10 Year Plan currently works its way through its 7<sup>th</sup> year of existence, much has been accomplished to reduce local homelessness. Since 2007, overall Point-in-Time Count documented homelessness has been reduced by more than 50%. Chronic homelessness in our three-county catchment area – involving long-term and disabled homeless people – has been reduced by an impressive 70%.

Several critical programs and a number of outside resources were brought to bear by the 10 Year Plan within the Cape Fear area to make this happen.

A \$1.3 million Homeless Prevention and Rapid Re-housing grant served more than 700 homeless and at-risk people in 220 households during the three years of the Great Recession (2009-2012).

Establishment of a dedicated caseworker program (SOAR) in 2010 to represent chronic homeless people in their applications for Social Security disability benefits and/or Supplemental Security Income disability payments and Medicaid has become the cornerstone project for ending chronic homelessness. SOAR – initially funded through a grant from the Blue Cross and Blue Shield of North Carolina Foundation - has successfully entitled more than 235 clients to mainstream resources and has driven to the community more than \$6 million in cash assistance that can be used for housing, utilities, food and clothing. As the direct result of SOAR's existence, the community will continue to receive more than \$2 million – in client-based income- on a projected annual basis. And SOAR is currently funded by New Hanover Regional Medical Center, SOAR's biggest institutional beneficiary of retroactive Medicaid reimbursements.

In addition, a volunteer, supportive services mentor program called Circles of Support has successfully stabilized 26 previously homeless people in newly-acquired housing. And a 10 Year Plan-led collaboration recently secured a grant from the Cape Fear Memorial Foundation to establish a Homeless Medical Respite Care program to allow homeless people to recuperate effectively and inexpensively while reducing costs to the health care community. With 10 Year Plan support, several new permanent supportive housing developments have come online in Wilmington and elsewhere in the Cape Fear area.

The 10 Year Plan's "Make A Change" donation meter program has been instrumental in discouraging panhandling in downtown Wilmington and has re-directed more than \$1,500 in donations to downtown Wilmington agencies that directly seek to break the cycle of homelessness.

### **Changing Federal Policies**

Following implementation of the local 10 Year Plan in 2008, Congress passed the HEARTH Act of 2009 and immediately afterwards the federal government – through the 19-agency US Interagency Council on Homelessness - created its first ever strategic plan to address homelessness called *Opening Doors*. Ironically, the HEARTH Act and *Opening Doors* marked the end of all federal support for the creation of new 10 Year Plans and the HEARTH Act created statutory changes that need to be addressed over several years by Continua of Care nationwide.

Included in that legislation are mandates that local Continua of Care create formal, structured governance entities to manage all aspects of the HUD grants for homelessness and to ensure effective community participation in the Homeless Management Information System (HMIS) data collection system and comprehensive evaluation of its derivative data.

Released in mid-2010, the federal strategic plan mandated the realignment of the timetables of all existing state and local 10 Year Plans to conformity with the specific *Opening Doors* goals and timetables – ending chronic homelessness and veterans homelessness by the end of 2015 and ending children's and family homelessness by 2020.

### **Current and future Continuum organizational structure: Local Progress towards HEARTH Act-compliance**

With the aforementioned changes, as of FY2014-15, the Continuum as organized and operated had no administrative support organization. It is merely an alliance of service providers led by volunteer leaders and managed by several committees. It is not a 501c (3) non-profit organization. It had no paid professional staff and no formal governance structure other than a set of bylaws. Yet it is responsible for funneling nearly \$1 million annually from HUD to homelessness providers in the three-county Cape Fear area, invested primarily within Wilmington and New Hanover County.

Since 2010, the 10 Year Plan's strategic director, along with the "Continuum's" elected chair, have assumed shared responsibility for facilitating an analysis of options and a

discussion about re-organization of the Continuum of Care's structure to bring it into compliance with the new governance provisions required by the HEARTH Act.

HEARTH Act compliance is necessary to assure New Hanover County, the City of Wilmington, and two surrounding counties continue to receive their fair share of federal funds allocated to combat homelessness, as well as possible bonus funding for compliance, innovation and high-performance.

Establishing a Continuum of Care administrator within a governmental entity is a recommended best practice by both HUD and nationally-recognized homelessness research and advocacy organizations. The North Carolina Coalition to End Homelessness (NCCEH) has assisted in the facilitation of Continuum of Care-governmental agency realignment within North Carolina and recommends both governmental entities and large homelessness amelioration foundations as best practices for establishing backbone support for Continua of Care.

In November 2014, following a number of meetings involving the Cape Fear Council of Governments (CFCOG) staff, City staff, United Way management, Continuum elected leadership and the 10 Year Plan's strategic director, a decision was made to create a permanent host administrative agency for the Continuum within the CFCOG. The CFCOG serves as an extension of City government, particularly in response to multi-jurisdictional initiatives similar to the Continuum. That decision was subsequently ratified by the full membership of the Tri-County Homelessness Interagency Council (Continuum) on January 6, 2015.

A CoC Administrator position description was created and subsequently filled on March 9, 2015. The CFCOG secured interim funding for the position from March 9 – June 30, 2015 through a cooperative agreement with the United Way and New Hanover County and through funding expected to be made available through United Way's current HUD ESG grant.

### **Getting to HEARTH Act-compliance: The critical role of the new COC Administrator**

The HEARTH Act recognizes that effective management responsibility for a Continuum of Care is no longer suited to an ad hoc, informal group of service-provider agencies whose members volunteer to take on stringent administrative responsibilities in support of mandated grant management, data-evaluation and administrative support activities. Recognizing this shift in federal policy takes little more than an analysis of the duties and responsibilities expected of a HEARTH Act-compliant Continuum of Care.

Under the HEARTH Act, the local Continuum of Care Administrator (COC Administrator) will have a recurring set of critical annual responsibilities to the City, New Hanover County, the State of North Carolina, to HUD and to the Continuum of Care executive

committee and general membership. Although not an all-inclusive list, some of the more important HEARTH Act responsibilities are outlined below:

- The COC Administrator will provide support to the Continuum of Care chair and executive committee and facilitate regular full continuum membership meetings while serving as the administrative principle point of contact for the continuum.
- In addition, continuum staff will manage the grant application process as the Collaborative Applicant for both the HUD Transitional Housing/Permanent Supportive Housing Notice of Funds Availability and the HUD Emergency Solutions Grant (ESG) application process, serving as the Fiscal Agent for the latter grant.
- The COC Administrator will also be responsible for registering the Continuum of Care in the HUD eSNAPS program, completing the annual Grant Inventory Worksheet, overseeing the grant application rating and ranking process and entering the final rankings into eSNAPS.
- The administrator will be responsible for the Annual Homelessness Assessment Report (AHAR) process and the Housing Inventory Chart (HIC) which will involve review of Homeless Management Information System (HMIS) data on occupancy, data completeness and accuracy.
- In addition, the administrator will coordinate the CoC's annual Point in Time (PIT) count, recruiting and training volunteers, coordinating the 24-hour count in late January, reconciling the data collected and submitting it on a timely and accurate basis to the North Carolina Coalition to End Homelessness.
- The COC Administrator will have responsibility for conducting the continuum's Annual Gaps Analysis, which involves reviewing housing inventory and Point in Time count numbers and determining placement rates for Transitional Housing, Permanent Housing and Permanent Supportive Housing.
- COC staff will also provide information on homelessness amelioration to Community Development staff for the City's Consolidated Plan and CAPER activities, participate in state and federal webinars and other appropriate training activities, represent the continuum on the Carolina Homeless Information Network (HMIS) governance monthly meetings and represent the continuum at the National Alliance to End Homeless (NAEH) annual conference in Washington, DC (July) and the North Carolina Affordable Housing Conference in Raleigh (October).
- The COC Administrator will also assure a local system of coordinated assessment remains operational, effective and viable throughout the Continuum of Care catchment area.

## **The Future of Funding: City of Wilmington funding for *10 Year Plan to End Chronic Homelessness Operations to Continuum of Care Continuum Operations***

Since 2008, operational funding for the 10 Year Plan has been provided by the City of Wilmington (\$50,000m General Funds annually); New Hanover County (\$25,000 annually) and United Way of the Cape Fear Area (approximately \$37,000 annually).

As part of the efforts to become HEARTH compliant and to ensure continued success of CoC supported organization, and homeless prevention and services the City of Wilmington will provide \$50,000 in General Funds to the CFCOG. These funds will replace the \$50,000 previously appropriated to support the 10 Year Plan. This funding diversion will be effective with FY 2015-16, which begins on July 1, 2015.

Since 2007 the 10 Year Plan has created a solid infrastructure for reducing the prevalence of chronic homelessness and veterans' homelessness throughout our area. Those programs are specifically the above-referenced SOAR caseworker project, Circles of Support, the Homeless Medical Respite Care Strategy Team plus the Homeless Veterans Strategy Team. United Way firmly believes each of these programs must be sustained in order to keep the chronic and veterans homelessness problem from again becoming an acute one in our area. Accordingly, United Way has committed to supporting them – as 10 Year Plan Legacy Programs- once the eventual implementation of a HEARTH Act-compliant Continuum of Care is effected in March 2015 through the 10 Year Plan's initially-projected operational lifespan (ending with FY2017-18), if necessary. In addition, United Way remains responsible for serving as the fiscal agent for the current HUD-funded ESG grant through December 31, 2015.

City of Wilmington Community Development Departmental staff will monitor and evaluate the transition from *10 Year Plan to End Chronic Homelessness* funding to the alternative City model of funding the implementation of a permanent HEARTH Act-complaint Continuum of Care Continuum.

Good Shepherd/WIHN: Working in collaboration, Good Shepherd Ministries and Wilmington Interfaith Hospitality Network (WIHN) are providing emergency shelter and transitioning the homeless to housing. The shared goal to return homeless shelter guest to health, housing, and stability is realized through an effective partnership. Good Shepherd provides emergency shelter, including day and night shelter, an on-site medical clinic, including mental health, and case management services. WIHN provides emergency shelter and case management services for placement in transitional and/or permanent housing. Together the agencies coordinate services to meet the needs of over 900 individuals annually.

First Fruit: Proving transitional housing to 12 homeless women and 2 families, First Fruit Wilmington Dream Center offers residents a two-year program focused on gaining stable employment and permanent housing. Residents receive case management services, mental health care, food service, transportation assistance, job placement assistance, educational assistance, and life skills training.

Domestic Violence Shelter/Services: Provides shelter and services to victims of domestic violence. In 2014, DVSS provided shelter to 147 families.

Leading Into New Communities (LINC): Providing transitional housing program specifically for the re-entry of homeless individuals returning to the community after incarceration. LINC provides supportive services for employment, education, family reunification, substance abuse, health and mental health. Currently, LINC provides 40 beds for ex-offenders.

#### 5. Discharge Coordination Policy:

According to the 10-Year Plan, every person being discharged from jail, prison, mental health care, or foster care will have a discharge plan that leads to stable housing. The Plan Manager will continue to provide support for Prevention and Engagement Strategy Team efforts to gather and evaluate data as necessary and to ensure the discharge planning process is implemented.

Meanwhile, LINC, with its re-entry program is working with the NC Department of Correction (DOC) on a Transition and Reentry Model for Prisons and Community Corrections. In September 2006, DOC created the Office of Transition Services (OTS).

## **Emergency Shelter Grants (ESG)**

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

#### **Action Plan ESG Response:**

The City of Wilmington does not receive Emergency Shelter Grants

---

**COMMUNITY DEVELOPMENT**

---



Community Development Objectives and Strategies			
<b>HUD Objective</b>		<b>Objective:</b>	<b>Key One-Year Targets</b>
Decent Housing		Preserve and maintain public facilities serving low-income, at-risk youth, elderly and special needs population in low-wealth neighborhoods	2 Public Facilities Construction Projects
Suitable Living Environment	X		
Create Economic Opportunity			
<b>HUD Outcome</b>		<b>Strategies:</b>	<b>Resources to be used:</b>
Availability/Accessibility	X	DREAMS Community Arts Center Phase II: Continue Domestic Violence Kitchen Rehab	CDBG
Affordability			
Sustainability			
<b>HUD Objective</b>		<b>Objective:</b>	<b>Key One-Year Targets</b>
Decent Housing		Promote workforce development through education, training, job placement and other linkages to job market	800 units of service provided
Suitable Living Environment			
Create Economic Opportunity	X		
<b>HUD Outcome</b>		<b>Strategies:</b>	<b>Resources to be used:</b>
Availability/Accessibility	X	Phoenix Employment Ministry; LINC New Workforce Program	CDBG; General Funds; US DOJ; Private Funds
Affordability			
Sustainability			
<b>HUD Objective</b>		<b>Objective:</b>	<b>Key One-Year Targets</b>
Decent Housing		Support quality youth programs for at-risk youth	3,500 youth served annually
Suitable Living Environment	X		
Create Economic Opportunity			
<b>HUD Outcome</b>		<b>Strategies:</b>	<b>Resources to be used:</b>
Availability/Accessibility	X	CBGC afterschool, summer; Afterschool, Arts Education; Tutoring: BBGC/CBGC; CIS ; WRAAP; DREAMS;KMI; BRC; Coastal Boxing;	General Fund; CDBG; Private Funds; Public Funds
Affordability			
Sustainability			
<b>HUD Objective</b>		<b>Objective:</b>	<b>Key One-Year Targets</b>
Decent Housing		Support programs that assist victims of crime and provide crime prevention and community safety education and outreach	3000 units of service annually
Suitable Living Environment	X		
Create Economic Opportunity			
<b>HUD Outcome</b>		<b>Strategies:</b>	<b>Resources to be used:</b>
Availability/Accessibility	X	Coastal Horizons-Rape Crisis Center/Crisis Line; Carousel Center-Services for victims of child abuse;	General Fund; Private Funds; Public Funds
Affordability			
Sustainability			
<b>HUD Objective</b>		<b>Objective:</b>	<b>Key One-Year Targets</b>
Decent Housing		Provide for food security & basic needs and public services for low-income households	10,000 units of service annually
Suitable Living Environment	X		
Create Economic Opportunity			
<b>HUD Outcome</b>		<b>Strategies:</b>	<b>Resources to be used:</b>
Availability/Accessibility	X	CF Literacy Center; Food Bank; American Red Cross; Elderhaus;	General Fund; Private Funds; Public Funds
Affordability			
Sustainability			

## Community Development

\*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.

2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

\*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

### **Action Plan Community Development Response:**

#### 1. Non-housing Community Development Needs to be Addressed in 2015-16:

##### a. Infrastructure and Public Facilities

- **DREAMS Community Arts Center:** A carry-over of FY2014-15 CDBG funds of \$150,000 is recommended for the final phase of the rehabilitation/adaptive reuse of the former City garage into the DREAMS Community Arts Center. These funds will be used for the rehabilitation of the final section of the building into a 4,500 square foot multi-purpose community gathering and performance space. The space will allow for hosting community events, DREAMS student performance showcases, and provide space for other nonprofits to host meetings and events in the NorthSide community.
- Carry-over funding from FY2011-12, \$42,265 is allocated to the **Domestic Violence Shelter** for improvements and repairs to the shelter kitchen.

##### b. Public Services

- The City will allocate approximately 15 percent of annual CDBG funding to four public service agencies: **Good Shepherd and Wilmington Interfaith Hospitality Network (WHIN)** (joint project), \$106,120; **First Fruit**, \$20,028; and **Domestic Violence Services (DVSS)**, \$29,900; and **LINC** \$9,855. This is a \$12,269, seven percent (7%) reduction in CDBG funds available. It is recommended that General Funds be appropriated to make up the balance to maintain the same level of funding as in the prior year.
- In addition, the City will fund, through the general fund, nonprofit agencies to provide public service to the community. See attached list of recommendations for general fund grants. Please see Attachment 1: Recommendations for General Fund Community Partner Grants.

c. Economic Development

As of February 28, 2015, \$192,719 remains in the Community Lending Program revolving loan program.

2. Specific long-term and short-term goals as described in 24 CFR 91.1: See the attached strategies and objectives table.

## Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

### Action Plan Antipoverty Strategy Response:

	2009			2013			% Change Below Poverty Level
	Total	# Below Poverty Level	% Below Poverty Level	Total	# Below Poverty Level	% Below Poverty Level	
Population for whom poverty status is determined	97,807	23,229	24%	104,912	24,291	23%	5%
Age:							
Under 18 years	19,228	5,963	31%	19,768	6,521	33%	9%
Related Children under 18 years	19,186	5,921	31%	19,714	6,478	33%	9%
18-64 years	65,678	16,285	25%	70,401	16,663	24%	2%
65 years and over	12,901	981	8%	14,743	1,107	8%	13%
Sex:							
Male	46,449	9,488	20%	50,388	10,858	22%	14%
Female	51,358	13,741	27%	54,524	13,433	25%	-2%
Race:							
White	71,229	11,860	17%	78,628	14,081	18%	19%
Black or African American	22,966	10,146	44%	21,049	7,979	38%	-21%
Data Source: 2009 & 2013 US. Census, American Community Survey							

Within the scope of this Five-Year Plan, the most effective ways to fight poverty will be to:

- Promote economic development, especially workforce readiness, including basic adult literacy, for those populations experiencing the greatest need.
- Advocate for living wages to eliminate the mismatch between wages and cost of living.
- Address barriers to employment such as poor credit, criminal record, and lack of childcare or transportation.

- Link affordable housing locations to access to transportation and employment centers.
- Make affordable housing options equitably available to low income households.
- Provide a safety net to ensure families' basic needs are met, including food security and safe, decent shelter.
- Ensure that low-income youth have access to quality after-school and summer programs to receive tutoring and other support in a healthy and safe environment.

---

## **NON-HOMELESS SPECIAL NEEDS HOUSING**

---

### **Non-homeless Special Needs (91.220 (c) and (e))**

\*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

#### **Action Plan Specific Objectives Response:**

The city will continue to encourage the provision of supportive services through organizations such as the New Hanover County Department of Social Services, the Health Department, Coastal Carolina HIV Care Consortium, CoastalCare MCO for Mental Health/Developmental Disabilities/Substance Abuse, the Arc of North Carolina, the Tri-County Homeless Interagency Council, and the Mayor's Committee on People with Disabilities.

Other agencies that will receive CDBG, HOME or General Funds in 2015-16 to serve special populations include Cape Fear Literacy Council, Carousel Center, Child Advocacy Parenting Place, Coastal Horizons, Domestic Violence Services, DREAMS, Elderhaus, Good Shepherd, Housing and Economic Opportunities, Kids Making It, LINC, Ability Garden, and Wilmington Interfaith Hospitality Network.

### **Housing Opportunities for People with AIDS**

\*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.

2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.
3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.
4. Report on annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.
6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.
7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.
9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

**Action Plan HOPWA Response:**

The City of Wilmington does not receive HOPWA funds.

**Specific HOPWA Objectives**

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

**Specific HOPWA Objectives response:**

The City of Wilmington does not receive HOPWA funds.

---

**Other Narrative**

---

Include any Action Plan information that was not covered by a narrative in any other section.

**ATTACHMENT A**

**CDBG & HOME  
BUDGET SUMMARY**

<b>SUMMARY OF CDBG PROJECTED REVENUES 2015-16 PROGRAM YEAR</b>	
	<b>CDBG</b>
<b>REVENUE SOURCE</b>	
CDBG Entitlement	\$ 881,896
CDBG Projected Program Income	\$ 4,700
Revolving Loan Fund Repayments (Not Appropriated)	\$ 339,000
Economic Development Loan Program (Not Appropriated)	\$ 20,000
<b>TOTAL CDBG REVENUES APPROPRIATED</b>	<b>\$ 886,596</b>
<b>TOTAL CDBG REVENUES NOT APPROPRIATED</b>	<b>\$ 359,000</b>
<b>TOTAL ALL REVENUES</b>	<b>\$ 1,245,596</b>
<b>SUMMARY OF CDBG PROJECTED EXPENDITURES 2015-16 PROGRAM YEAR</b>	
<b>EXPENDITURES</b>	
Planning & Administration	\$ 249,119
<b>Total</b>	<b>\$ 249,119</b>
<b>Housing</b>	
Housing Delivery Costs-Rehab Adm	\$ 205,000
Housing Rehab Revolving Loan (Not Appropriated)	\$ 185,000
HOP Revolving Loan (Not Appropriated)	\$ 154,000
HOP	\$ 166,574
Housing Projects Undesignated To Be Determined	\$ 100,000
<b>Total</b>	<b>\$ 810,574</b>
<b>Public Services *</b>	
Good Shepherd/WHIN	\$ 106,120
First Fruit	\$ 20,028
Domestic Violence	\$ 29,900
LINC	\$ 9,855
<b>Total</b>	<b>\$ 165,903</b>
<b>Economic Development</b>	
Economic Development Loan Program (Not Appropriated)	\$ 20,000
<b>Total</b>	<b>\$ 20,000</b>
<b>TOTAL CDBG EXPENDITURES APPROPRIATED</b>	<b>\$ 886,596</b>
<b>TOTAL CDBG EXPENDITURES NOT APPROPRIATED</b>	<b>\$ 359,000</b>
<b>TOTAL CDBG EXPENDITURES</b>	<b>\$ 1,245,596</b>
General Fund \$ needed to make-up due to decrease CDBG \$12,269 or 7% cut	



<b>SUMMARY OF HOME PROJECTED REVENUES 2015-16 PROGRAM YEAR</b>	
<b>REVENUE SOURCE</b>	
HOME Entitlement	\$ 439,437
HOME Project Program Income/HOME Loan Repayments	\$ 250,000
<b>TOTAL HOME REVENUES APPROPRIATED</b>	<b>\$ 689,437</b>
<b>SUMMARY OF HOME EXPENDITURES REVENUES 2015-16 PROGRAM YEAR</b>	
<b>EXPENDITURES</b>	
Planning & Administration	\$ 68,944
<b>Total</b>	<b>\$ 68,944</b>
<b>Housing</b>	
WHFD Willow Pond Rehabilitation (\$665,674: FY14.15 \$327,837; FY16.17 \$168,917)	\$ 168,920
Beacon Mgt - Shipyard Village (\$850,000:FY14.15 \$273,948; FY16.17 \$349,479)	\$ 226,573
Housing Projects & Housing Loan Programs TBD	\$ 225,000
<b>Total</b>	<b>\$ 620,493</b>
<b>TOTAL HOME EXPENTIURES APPROPRIATED</b>	<b>\$ 689,437</b>

Carry-Over CDBG Prior Year Funds

	2014-15 CDBG Funds Appropriated 7/1/14	CDBG Funds Prior Years	CDBG Funds Total Expenditures FY 2014/15	Carry-Over Reprogrammed for FY15/16	As of 2/28/15 CDBG Funds Carry-Over to FY15/16
<b>HOUSING</b>					
Project Delivery Costs	\$ 205,000.00	\$ -	\$ 105,354.50		\$ 99,645.50
HOP	\$ 359,445.00	\$ 131,940.98	\$ -		\$ 491,385.98
Limited Assistance Grants	\$ -	\$ 7,075.66	\$ -		\$ 7,075.66
Dawson St Lofts-WHA/HEO	\$ 100,000.00	\$ -	\$ -	\$ (100,000.00)	\$ -
Reprogram Dawson St. to Undesignated				\$ 100,000.00	\$ 100,000.00
Housing Relocation	\$ -	\$ 8,943.26	\$ -		\$ 8,943.26
Housing Demolition	\$ -	\$ 12,253.00	\$ -		\$ 12,253.00
Housing Disposition	\$ -	\$ 23,638.40	\$ 50.00		\$ 23,588.40
Joint Project - Habitat/WARM	\$ -	\$ 231,000.00	\$ 66,241.41		\$ 164,758.59
<b>SUBTOTAL</b>	\$ 664,445.00	\$ 414,851.30	\$ 171,645.91	\$ -	\$ 907,650.39
<b>PUBLIC IMPROVEMENTS</b>					
Voluntary Demolition & Lot Clear	\$ -	\$ 20,431.35	\$ 2,242.00		\$ 18,189.35
Public Facilities - Improvements	\$ -	\$ 95,086.50	\$ 59,806.30		\$ 35,280.20
Public Facilities-Brigade B&G Club	\$ -	\$ 3,129.29	\$ -		\$ 3,129.29
Public Facilities-Domestic Violence	\$ -	\$ 42,264.65	\$ -		\$ 42,264.65
Public Facilities-Dreams	\$ 150,000.00	\$ -	\$ -		\$ 150,000.00
<b>SUBTOTAL</b>	\$ 150,000.00	\$ 160,911.79	\$ 62,048.30	\$ -	\$ 248,863.49
<b>PUBLIC SERVICES</b>					
Coastal Horizons	\$ -	\$ 1,232.67	\$ -		\$ 1,232.67
Domestic Violence	\$ 32,151.00	\$ -	\$ -		\$ 32,151.00
First Fruit Ministries	\$ 21,535.00	\$ -	\$ -		\$ 21,535.00
Joint Project- Good Shep. & WIN	\$ 114,107.00	\$ 7,000.53	\$ 20,074.55		\$ 101,032.98
LINC	\$ 10,597.00	\$ -	\$ 10,597.00		\$ -
<b>SUBTOTAL</b>	\$ 178,390.00	\$ 8,233.20	\$ 30,671.55	\$ -	\$ 155,951.65
<b>ADMINISTRATION &amp; PLANNING</b>					
Administration	\$ 210,709.00	\$ 2,000.00	\$ 102,500.00		\$ 110,209.00
<b>SUBTOTAL</b>	\$ 210,709.00	\$ 2,000.00	\$ 102,500.00	\$ -	\$ 110,209.00
Reprogrammable	\$ -	\$ 851.93	\$ -		\$ 851.93
<b>Grand Total</b>	\$ 1,203,544.00	\$ 586,848.22	\$ 366,865.76	\$ -	\$ 1,423,526.46

### Carry-Over HOME Prior Year Funds

	2014-15 HOME Funds Appropriated 7/1/14	HOME Funds Prior Years	HOME Funds Total Expenditures FY 2014/15	Carry-Over Reprogrammed for FY15/16	As of 2/28/15 HOME Funds Carry-Over to FY15/16
<b>HOUSING</b>					
HOP	\$ -	\$ 3,207.25	\$ -		\$ 3,207.25
Habitat For Humanity Acquisition	\$ -	\$ 153,987.94	\$ 20,000.00		\$ 133,987.94
Housing Relocation	\$ -	\$ 3,761.10	\$ -		\$ 3,761.10
Beacon Management/ShipyardVillage	\$ 273,948.00	\$ -	\$ -		\$ 273,948.00
CASA - Lockwood Village	\$ -	\$ 650,000.00	\$ 401,606.00		\$ 248,394.00
CHDO - AME Zion	\$ -	\$ 173,302.44	\$ -		\$ 173,302.44
CHDO - CDC	\$ -	\$ 293,150.00	\$ 123,370.93		\$ 169,779.07
Downpayment Assistance	\$ -	\$ 75,688.00	\$ 54,900.00		\$ 20,788.00
Willow Pond Rehab- WHFD	\$ 327,837.00	\$ -	\$ -		\$ 327,837.00
<b>SUBTOTAL</b>	\$ 601,785.00	\$ 1,353,096.73	\$ 599,876.93	\$ -	\$ 1,355,004.80
<b>ADMINISTRATION &amp; PLANNING</b>					
Administration - Other	\$ -	\$ 1,528.00	\$ -		\$ 1,528.00
Administration	\$ 66,865.00	\$ -	\$ -		\$ 66,865.00
<b>SUBTOTAL</b>	\$ 66,865.00	\$ 1,528.00	\$ -	\$ -	\$ 68,393.00
Reprogramable	\$ -	\$ 369.86	\$ -		\$ 369.86
<b>Grand Total</b>	\$ 668,650.00	\$ 1,354,994.59	\$ 599,876.93	\$ -	\$ 1,423,767.66

### CHDO Reserves and Proceeds

	As of 2/28/15 HOME Funds Available from Priors Years	Appropriated HOME Funds Total Expenditures FY2014/15	Available CHDO Proceeds	As of 2/28/15 CHDO Proceeds Total Expenditures FY2014/15	Total Funds Available FY2015	As of 2/28/15 Total Expenditures FY2014/15	Current Funds Available	Available CHDO Proceeds Balance @ 2/28/15
<b>HOUSING</b>								
CHDO Undesignated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CHDO - AME Zion	\$ 173,302.44	\$ -	\$ 250,551.01	\$ -	\$ 423,853.45	\$ -	\$ 423,853.45	\$ 250,551.01
CHDO - CDC	\$ 293,150.00	\$ 123,370.93	\$ 55,076.95	\$ 2,081.55	\$ 348,226.95	\$ 125,452.48	\$ 222,774.47	\$ 52,995.40

## Summary of General Funds, Revolving Funds, and Other Funds

	Other Grants General Funds Revolving Loan Funds Other Funds Available	As of 2/28/15 General Funds Revolving Loan Funds Other Funds Available Total Expenditures FY2014/15	Private Funds Available & Expenditures Provided by Banks	Total Funds Available FY2015	As of 2/28/15 Total Expenditures FY2014/15	Current Funds Available	Available Revolving Cash Balance @ 2/28/15
<b>HOUSING</b>							
Foreclosure/Back Taxes & Other Costs	\$ 50,330.57	\$ 804.58	\$ -	\$ 50,330.57	\$ 804.58	\$ 49,525.99	\$ -
Housing Rehabilitation	\$ 504,487.20	\$ -	\$ -	\$ 504,487.20	\$ -	\$ 504,487.20	\$ 404,487.20
HOP	\$ 463,447.69	\$ 77,150.00	\$ 60,000.00	\$ 523,447.69	\$ 137,150.00	\$ 386,297.69	\$ 463,447.69
Homeownership Services	\$ 49,834.58	\$ 12,182.28	\$ -	\$ 49,834.58	\$ 12,182.28	\$ 37,652.30	\$ -
Loan Supplements/back taxes	\$ 41,015.00	\$ -	\$ -	\$ 41,015.00	\$ -	\$ 41,015.00	\$ -
Lead-Based Paint Grants	\$ 26,258.00	\$ -	\$ -	\$ 26,258.00	\$ -	\$ 26,258.00	\$ -
Rental Rehab	\$ 66,838.41	\$ -	\$ -	\$ 66,838.41	\$ -	\$ 66,838.41	\$ 66,838.41
Cape Fear Housing Land Trust	\$ 21,767.00	\$ -	\$ -	\$ 21,767.00	\$ -	\$ 21,767.00	\$ -
CHDO - AME Zion	\$ 25,330.00	\$ -	\$ -	\$ 25,330.00	\$ -	\$ 25,330.00	\$ -
<b>SUBTOTAL</b>	<b>\$ 1,249,308.45</b>	<b>\$ 90,136.86</b>	<b>\$ 60,000.00</b>	<b>\$ 1,309,308.45</b>	<b>\$ 150,136.86</b>	<b>\$ 1,159,171.59</b>	<b>\$ 934,773.30</b>
<b>ECONOMIC DEVELOPMENT</b>							
Community Lending Program	\$ 193,119.13	\$ 400.00	\$ -	\$ 193,119.13	\$ 400.00	\$ 192,719.13	\$ 192,719.13
<b>SUBTOTAL</b>	<b>\$ 193,119.13</b>	<b>\$ 400.00</b>	<b>\$ -</b>	<b>\$ 193,119.13</b>	<b>\$ 400.00</b>	<b>\$ 192,719.13</b>	<b>\$ 192,719.13</b>
<b>PUBLIC SERVICES</b>							
American Red Cross	\$ 10,000.00	\$ 8,318.75	\$ -	\$ 10,000.00	\$ 8,318.75	\$ 1,681.25	\$ -
Brigade Boys & Girls Club	\$ 70,819.00	\$ 39,144.52	\$ -	\$ 70,819.00	\$ 39,144.52	\$ 31,674.48	\$ -
Cape Fear Literacy Council	\$ 13,581.00	\$ 13,137.29	\$ -	\$ 13,581.00	\$ 13,137.29	\$ 443.71	\$ -
Coastal Horizons	\$ 97,030.00	\$ 24,812.30	\$ -	\$ 97,030.00	\$ 24,812.30	\$ 72,217.70	\$ -
Community Boys & Girls Club	\$ 20,000.00	\$ 11,911.02	\$ -	\$ 20,000.00	\$ 11,911.02	\$ 8,088.98	\$ -
Communities in Schools CF	\$ 19,808.00	\$ 11,154.95	\$ -	\$ 19,808.00	\$ 11,154.95	\$ 8,653.05	\$ -
Dreams of Wilmington	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00	\$ -	\$ 20,000.00	\$ -
Elderhaus	\$ 19,231.00	\$ 9,674.45	\$ -	\$ 19,231.00	\$ 9,674.45	\$ 9,556.55	\$ -
Food Bank	\$ 14,853.00	\$ 13,973.00	\$ -	\$ 14,853.00	\$ 13,973.00	\$ 880.00	\$ -
Kids Making It	\$ 30,288.00	\$ -	\$ -	\$ 30,288.00	\$ -	\$ 30,288.00	\$ -
LINC	\$ 38,541.00	\$ 33,397.10	\$ -	\$ 38,541.00	\$ 33,397.10	\$ 5,143.90	\$ -
Phoenix Employment Agency	\$ 15,000.00	\$ 7,500.00	\$ -	\$ 15,000.00	\$ 7,500.00	\$ 7,500.00	\$ -
United Way	\$ 30,000.00	\$ 15,000.00	\$ -	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00	\$ -
WIL Residential Adolescnt	\$ 22,844.00	\$ 10,695.00	\$ -	\$ 22,844.00	\$ 10,695.00	\$ 12,149.00	\$ -
Wilmington Coastal Boxing	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -
Ability Garden/Arboretum	\$ 6,500.00	\$ 3,250.00	\$ -	\$ 6,500.00	\$ 3,250.00	\$ 3,250.00	\$ -
Aging In Place Downtown	\$ 8,998.00	\$ -	\$ -	\$ 8,998.00	\$ -	\$ 8,998.00	\$ -
Second Chance Reentry Grant	\$ 600,000.00	\$ -	\$ -	\$ 600,000.00	\$ -	\$ 600,000.00	\$ -
<b>SUBTOTAL</b>	<b>\$ 1,047,493.00</b>	<b>\$ 201,968.38</b>	<b>\$ -</b>	<b>\$ 1,047,493.00</b>	<b>\$ 201,968.38</b>	<b>\$ 845,524.62</b>	<b>\$ -</b>
<b>ADMINISTRATION &amp; PLANNING</b>							
Administration - Other	\$ 3,827.68	\$ 3,526.63	\$ -	\$ 3,827.68	\$ 3,526.63	\$ 301.05	\$ -
Administration	\$ 275,723.00	\$ 141,580.53	\$ -	\$ 275,723.00	\$ 141,580.53	\$ 134,142.47	\$ -
<b>SUBTOTAL</b>	<b>\$ 279,550.68</b>	<b>\$ 145,107.16</b>	<b>\$ -</b>	<b>\$ 279,550.68</b>	<b>\$ 145,107.16</b>	<b>\$ 134,443.52</b>	<b>\$ -</b>
<b>Grand Total</b>	<b>\$ 2,769,471.26</b>	<b>\$ 437,612.40</b>	<b>\$ 60,000.00</b>	<b>\$ 2,829,471.26</b>	<b>\$ 497,612.40</b>	<b>\$ 2,331,858.86</b>	<b>\$ 1,127,492.43</b>

This page left intentionally blank

## **ATTACHEMENTS**

Attachment 1:  
Recommendations for General Fund Grants  
(Public Service Recommendations for funding FY2015.16)

Attachment 2: Affirmative Marketing Certifications

Attachment 3: City of Wilmington MBE-WBE Policy

Attachment 4: City of Wilmington Fair Housing Plan/ TBD

Attachment 5: Non-State Certifications

Attachment 6: Foundations Report (draft)

Attachment 7: City of Wilmington Housing Loan Program Guidelines

**Attachment 1: RECOMMENDATIONS FOR GENERAL FUND GRANTS**

COMMUNITY DEVELOPMENT PUBLIC SERVICES RECOMMENDATIONS				
CDBG Public Services Cap		\$	165,903	
General Fund ( amount allocated in FY14/15)		\$	450,000	
General Fund - United Way Initiatives		\$	70,000	
<b>Total Funds Available</b>		<b>\$</b>	<b>685,903</b>	
AGENCY	General Funds	General Funds	CDBG	Total Funds
Brigade/Community Boys & Girls Club	\$ 44,276			\$ 44,276
Good Shepherd Center/WHIN		\$ 7,987	\$ 106,120	\$ 114,107
Community in Schools of the Cape Fear	\$ 19,808			\$ 19,808
Dreams of Wilmington	\$ 20,000			\$ 20,000
Brigade Boys & Girls Club	\$ 26,543			\$ 26,543
Kids Making It	\$ 30,288			\$ 30,288
Coastal Horizons Center Rape Crisis/Carousel Center	\$ 26,180			\$ 26,180
Ability Garden	\$ 6,500			\$ 6,500
Coastal Horizons Open House Youth Shelter	\$ 40,000			\$ 40,000
AMEZ/Mercy House	\$ 25,330			\$ 25,330
Community Boys & Girls Club	\$ 20,000			\$ 20,000
LINC	\$ 36,972	\$ 742	\$ 9,855	\$ 47,569
Phoenix Employment Ministry	\$ 15,000			\$ 15,000
WRAAP	\$ 22,844			\$ 22,844
Cape Fear Literacy Council	\$ 13,581			\$ 13,581
First Fruit		\$ 1,507	\$ 20,028	\$ 21,535
Domestic Violence Shelter and Services		\$ 2,251	\$ 29,900	\$ 32,151
Cape Fear Community Land Trust	\$ 21,767			\$ 21,767
American Red Cross	\$ 10,000			\$ 10,000
Elderhaus	\$ 19,231			\$ 19,231
Food Bank of CENC	\$ 14,853			\$ 14,853
Wilmington Coastal Boxing	\$ 10,000			\$ 10,000
Historic Wilmington Foundation	\$ 11,723			\$ 11,723
Aging in Place Downtown	\$ 8,998			\$ 8,998
United Way/Blue Ribbon Commission	\$ 20,000			\$ 20,000
Cape Fear Council of Gov (formerly UW 10 Yr Plan)	\$ 50,000			\$ 50,000
<b>TOTAL</b>	<b>\$ 513,894</b>	<b>\$ 12,487</b>	<b>\$ 165,903</b>	<b>\$ 692,284</b>
Additional General Funds Needed to cover shortfall				-6381

## Attachment 2: Affirmative Marketing Policy

June 22, 2012  
Affirmative Marketing Procedures  
Community Development Programmatic Response

The following are the written procedures to ensure compliance with the Code of Federal Regulation Affirmative Marketing mandates.

- Community Development and Housing Planner facilitates a prefunding workshop with includes the presentation by staff of HOME and Fair Housing regulatory requirements including but not limited to fair housing, disclosures, and tenant selection plans. A question and answer session is included.
- Community Development Staff conduct site assessments and determine potential needs for developments prior to funding approvals.
- The Community Development Compliance Specialist under supervision of the City of Attorney's office drafts funding agreements to include compliance with assurances for the development of housing under the HOME Partnership Grant funding provisions. The compliance with assurances clauses include the following:

Developer shall comply with the Federal Requirements for the HOME program as set forth in 24 CFR Part 92, Subpart H. A of the regulations and specifically references *Affirmative Marketing; Minority Outreach Program* and 92.351 is included and attached to the agreement incorporated into an Exhibit along with other requirements.

- Pre contract workshops are facilitated by the Community Development Compliance Specialist and each representative is provided with a copy of the US Dept. of HUD Compliance in HOME Rental Projects: A Guide for Property Owners. The requirements are reviewed at the workshops and technical assistance is provided throughout the development including meetings with property managers and staff, if required or requested.
- Technical assistance is provided to sub recipients, contractors, and/or developers and their representatives on the requirement and development of tenant selection policies, including the maintenance, retention and procedures for waiting lists. Agencies maintain control of their waiting lists and are interviewed by the Community Development Compliance Specialist to determine that the selection of eligible tenants is on a first come first serve basis and the tenant listing is reviewed for comparison at year end or monitoring assessment visits.
- The Community Development Compliance Specialist reviews the leases prior to project closeout to determine that the fair housing logos and language are



included, houses rules if an evitable offense are attached as an exhibit, and that there are no violations of fair housing and equal access to the properties, and that no applicable federal, State, and local regulations are being violated. Agencies are referred to fair housing and if required to attend copies of the certificates are submitted to the City of Wilmington for verification. The City of Wilmington does not write leases, but directs to the proper areas for assistance including referring to the agencies legal counsel, including the distribution of the NC Bar Association Landlord and Tenant Rights Materials.

- Community Development staff attend the housing coalition, permanent supportive housing, and various other meetings where special housing referrals are managed to our agencies.

## Attachment 3: City of Wilmington MBE-WBE Plan

### MBE/WBE Outreach Efforts

The City of Wilmington has a comprehensive plan to address and enhance minority and women owned business enterprises. Below are the strategic steps as outlined in the plan:

- Work with minority-focused and small business groups that support MWBE and small business inclusion in the solicitation of bids. These groups include the Community Development Corporation (CDC), Small Business Technology Development Center (SBTDC) at the University of North Carolina at Wilmington, the Black Chamber of Commerce, the Hispanic Chamber of Commerce, the Community Action Group, Partners for Economic Inclusion, Greater Wilmington Chamber of Commerce, Wilmington Small Business Network, and others as they become available and known to the City.
- Link web sites where possible so those MWBE firms can gain broad access to bidding information, business development resources, and training opportunities.
- Place more emphasis on the importance of soliciting certified MWBE firms and small businesses for subcontracting opportunities at pre-bid conferences and in the bid documents. Examine specifications to identify special subcontracting opportunities and strongly encourage prime contractors to solicit bids for subcontracts from MWBE firms.
- Provide detailed information to majority contractors concerning the City's MWBE Policy and Procurement Policy and provide information on N.C.G.S. 143-129 by holding meetings with the contractors.
- Assess the effectiveness of the MWBE Program and identify opportunities to enhance it by evaluating MWBE participation and compliance and reviewing the "good faith efforts" provided in bid packages. Feedback will be given to bidders regarding their "good faith efforts" submitted in the bid packages.
- Identify subcontracting opportunities unique to each construction contract and project and concentrate heavily on targeting certified MWBE firms and small businesses that have expressed an interest in City of Wilmington projects. Identify these opportunities and contact interested businesses no later than 10 days prior to the bid opening and provide a list of prime contractors who are pre-qualified to bid on the project.
- Build new business relationships through networking and continue networking with other North Carolina cities and counties to find out how their Outreach Program and MWBE program is working and sharing "best practices" and ideas to improve the program.
- Participate in educational opportunities throughout the community through seminars and training sessions, to share the City's MWBE Program with interested businesses and organizations.
- Be visible through participation in trade shows and business organizations of interest to MWBE firms, majority contractors and small businesses, and provide information to the general public about the MWBE Program, and continue outreach efforts to the business community.

- Enhance the City's web page by better defining the MWBE policy, listing good faith efforts, and creating links to MWBE resources, and creating awareness of specific subcontracting opportunities.
- Make available to minority-focused agencies, a list of subcontracting opportunities when they are identified, no later than 10 days prior to the bid opening, and a list of prime bidders that subcontractors may wish to contact for subcontracting consideration.
- Review the feasibility of using a reciprocal certification program with other municipalities to "grow" our list of MWBE certified vendors because many of our contractors are from out of town.
- Purchasing staff will interview subcontractors during routine visits to construction sites to determine contractor compliance.
- Establish a database specifically for MWBE firms and majority contractors to ensure that those firms wishing to do business with the City have access to up to date information.
- Help build relationships between minority and majority contractors.
- Advertise in minority-focused media, upcoming bid opportunities.
- Work with Architects and Engineers to make subcontracting opportunities more noticeable and more easily understood by potential contractors and subcontractors.

## Attachment 4: Fair Housing Plan

### City of Wilmington Fair Housing Plan

As part of the Consolidated Plan grantees are required to certify that they will Affirmatively Further Fair Housing (AFFH). Compliance with this certification requires the city to conduct an analysis of impediments to fair housing choice within the jurisdiction. Furthermore, the city is required to identify and implement appropriate actions to address or eliminate identified impediments, and to maintain records of actions to document AFFH. Towards that end, City Council adopted an *Analysis of Impediments to Fair Housing Choice in the City of Wilmington and New Hanover County* and a related *Fair Housing Plan for the City of Wilmington* on June 15, 2010.

In FY 2009-10, the City completed an update to the Analysis of Impediments to Fair Housing. A new Analysis of Impediments to Fair Housing Choice will be completed in FY2015-16 for inclusion in the FY2016-17 Annual Action Plan and for use in preparing the next Five-Year Consolidated Plan for FY2017-18 through FY2022-23, or as otherwise directed by HUD.

### Impediments

The Analysis of Impediments identified the following Impediments to Fair Housing Choice in the City of Wilmington:

A. Lack of affordable housing, specifically for disabled and low-income populations  
Service providers report that demand exceeds the supply of accessible, subsidized units for disabled individuals. The lack of affordable rental housing, especially for elderly, disabled and other special populations is well documented, by the Consolidated Plan, and practitioners.

B. Lack of fair housing enforcement by a local agency or department  
Currently, the City of Wilmington and New Hanover County do not have a fair housing department or agency to receive complaints, or promote education and outreach. Lack of effective enforcement is a potential barrier to fair housing in the City and County. Without a local presence and efforts of a local fair housing agency it is more difficult to raise awareness of the law and rights granted under the law. Many who are aware of their rights may not be aware of how or where to file a complaint. This lack of a central location for filing complaints and obtaining information about fair housing may constitute a barrier to fair housing. Additionally, a lack of education by both citizens and housing professionals may lead to discrimination or a violation of fair housing laws.

C. Disparity and inequality in lending  
Analysis of 2008 HMDA data reveals a disparity in the loan origination patterns and denial rates of minorities and non-minorities in the Wilmington MSA. Despite similar income levels, minorities have a higher rate of denial than non-minorities. The data however is limited in scope and further investigation would be necessary to determine if discrimination

is present. Note that the perception of lending bias, or undue burdens on minorities seeking home loans could be a barrier to fair housing.

#### Actions to Address Impediments

##### A. Lack of affordable housing, specifically for disabled and low-income populations

Action: Provide CDBG & HOME Funds to Support Affordable Housing  
The Annual Action Plan for expenditure of Community Development Block Grant and HOME Investment Partnership funds identifies initiatives for affordable housing development for low and moderate income, including disabled, residents.

##### FY2015-16 Action:

- Cape Fear Habitat for Humanity (CFHFH): Carryover funds for acquisition and development of six affordable housing units for household with earnings at 30 to 60 percent of the area median income (AMI).
- Cape Fear Regional CDC: Carryover HOME funds for the acquisition and redevelopment of no less than five vacant foreclosed properties for sale to households at or below 80 percent AMI.
- AMEZ Housing CDC: Carryover HOME CHDO proceeds for development of up to four affordable rental units for low to moderate income households
- Rental Rehabilitation Loan Program to fund investor and nonprofit development of single unit and small scale rental housing for low income, especially special populations.
- Shipyard Village: Provide HOME funds for construction of 72 units multi-family housing for low-income households.
- Willow Pond: Provide HOME funds for major rehabilitation of 40 units of multi-family housing for low-income households.

##### Action:

Seek Additional Funds for Development of Affordable Housing. City Community Development staff will continue to seek to leverage resources to increase the funds available for the development of affordable housing within the city, such as projects utilizing Low Income Housing Tax Credits (LIHTC).

##### FY2015-16 Action:

CDBG and HOME funds are allocated to projects that leverage other funds in order to maximize the low-to-moderate income benefit; the following sources have been leveraged for projects that will be started and/or completed in FY2015-16:

- North Carolina Housing Finance Agency/Low Income Housing Tax Credits
- Private Lenders
- Habitat for Humanity
- CICCAR

- FHA
- Public Housing Capital Funds/Replacement Funds

B. Lack of fair housing enforcement by a local agency or department

Action: Outreach and Education

The City will maintain a prominent webpage providing information about Fair Housing Law and explaining what constitutes discrimination. In addition, brochures and flyers will be developed to provide information on the Fair Housing Act. Two community development staff members will serve as points of contact to ensure the materials are up to date and accurate, and to actively disseminate brochures and flyers throughout the community, especially to the disabled, elderly and minority citizens.

The City will continue to offer home buying classes, which include information on credit, budget and fair housing laws. Further, the City supports nonprofit home buyer counseling and education offered through AMEZ Housing Development Association. Also, the City Housing Financial Counselor is HUD certified.

FY2015-16 Action:

- Continue to maintain Fair Housing Website,
- Continue to produce and distribute brochures, flyers and other material throughout the community and at community events,
- Continue monthly homebuyer education classes and realtor education classes,
- Sponsor, in partnership with New Hanover County and Cape Fear Housing Coalition, NC Justice Center Fair Housing Workshop for community-based organizations and other stakeholders,
- Maintain HUD certification for City Housing Financial Counselors,
- Continue to monitor affordability period to ensure compliance.

Action: Referral

Included in the outreach and education materials and webpage will be links and specific instructions on how to file a complaint with the state and federal agencies responsible for processing complaints. Additionally, the community development staff points of contact will be available to assist in making referrals to the appropriate enforcement agencies.

FY2015-16 Action:

- Continue to act as point of contact for referrals to HUD and NC Human Relations Commission.

C. Disparity and inequality in lending

Action: Continue Bank Partners in the HOP Program

Area banks partner with the City to provide financing to low and moderate home buyers through the City's Home Opportunities Program (HOP). The City will continue to encourage area banks and realtors to participate in affordable housing initiatives offered by the City and other organizations.

FY2015-16 Action:

- HOP Partner Banks: BB&T, First Citizens
- Seek additional partner banks for HOP Program

Action: Continue AFFH in all City Support Housing Programs

City housing loan and grant program guidelines require the City, its grantees and/or borrowers to actively engage in affirmatively furthering fair housing, including displaying the equal housing opportunity logo.

FY2015-16 Action:

- Continue AFFH in all City Supported Housing Programs.









This page left intentionally blank



# CPMP Non-State Grantee Certifications

Many elements of this document may be completed electronically, however a signature must be manually applied and the document must be submitted in paper form to the Field Office.



## NON-STATE GOVERNMENT CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

**Affirmatively Further Fair Housing** -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

**Anti-displacement and Relocation Plan** -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

**Drug Free Workplace** -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about --
  - a. The dangers of drug abuse in the workplace;
  - b. The grantee's policy of maintaining a drug-free workplace;
  - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
  - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will --
  - a. Abide by the terms of the statement; and
  - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted –
  - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

**Anti-Lobbying** -- To the best of the jurisdiction's knowledge and belief:

8. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
9. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
10. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of Jurisdiction** -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan** -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

**Section 3** -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.



4-29-15

Signature/Authorized Official

Date

Sterling B. Cheatham

Name

City Manager

Title

PO Box 1810

Address

Wilmington, NC 28401

City/State/Zip

910-341-7810

Telephone Number



This certification does not apply.  
 This certification is applicable.

### Specific CDBG Certifications

The Entitlement Community certifies that:

**Citizen Participation** -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

**Community Development Plan** -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

**Following a Plan** -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

**Use of Funds** -- It has complied with the following criteria:

11. **Maximum Feasible Priority** - With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
12. **Overall Benefit** - The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2013, 2014, 2015, (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
13. **Special Assessments** - It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

**Excessive Force** -- It has adopted and is enforcing:

14. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
15. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

**Compliance With Anti-discrimination laws** -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

**Lead-Based Paint** -- Its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K and R, of title 24;

**Compliance with Laws** -- It will comply with applicable laws.



Signature/Authorized Official

4-29-15

Date

Sterling B. Cheatham

Name

City Manager

Title

PO Box 1810

Address

Wilmington, NC 28401

City/State/Zip

910-341-7810

Telephone Number



This certification does not apply.  
 This certification is applicable.

**OPTIONAL CERTIFICATION  
CDBG**

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities, which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

---

Signature/Authorized Official

Date

Sterling B. Cheatham

Name

City Manager

Title

PO Box 1810

Address

Wilmington, NC 28401

City/State/Zip

910-341-7810

Telephone Number

This certification does not apply.  
 This certification is applicable.

### Specific HOME Certifications

The HOME participating jurisdiction certifies that:

**Tenant Based Rental Assistance** -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

**Eligible Activities and Costs** -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

**Appropriate Financial Assistance** -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

---

Signature/Authorized Official

Date

Sterling B. Cheatham

Name

City Manager

Title

PO Box 1810

Address

Wilmington, NC 28401

City/State/Zip

910-341-7810

Telephone Number

This certification does not apply.  
 This certification is applicable.

### HOPWA Certifications

The HOPWA grantee certifies that:

**Activities** -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

**Building** -- Any building or structure assisted under that program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

---

Signature/Authorized Official

Date

Name

Title

Address

City/State/Zip

Telephone Number

This certification does not apply.  
 This certification is applicable.

### ESG Certifications

I, \_\_\_\_\_, Chief Executive Officer of City of Wilmington certify that the local government will ensure the provision of the matching supplemental funds required by the regulation at 24 *CFR* 576.51. I have attached to this certification a description of the sources and amounts of such supplemental funds.

I further certify that the local government will comply with:

1. The requirements of 24 *CFR* 576.53 concerning the continued use of buildings for which Emergency Shelter Grants are used for rehabilitation or conversion of buildings for use as emergency shelters for the homeless; or when funds are used solely for operating costs or essential services.
2. The building standards requirement of 24 *CFR* 576.55.
3. The requirements of 24 *CFR* 576.56, concerning assurances on services and other assistance to the homeless.
4. The requirements of 24 *CFR* 576.57, other appropriate provisions of 24 *CFR* Part 576, and other applicable federal laws concerning nondiscrimination and equal opportunity.
5. The requirements of 24 *CFR* 576.59(b) concerning the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
6. The requirement of 24 *CFR* 576.59 concerning minimizing the displacement of persons as a result of a project assisted with these funds.
7. The requirements of 24 *CFR* Part 24 concerning the Drug Free Workplace Act of 1988.
8. The requirements of 24 *CFR* 576.56(a) and 576.65(b) that grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted with ESG funds and that the address or location of any family violence shelter project will not be made public, except with written authorization of the person or persons responsible for the operation of such shelter.
9. The requirement that recipients involve themselves, to the maximum extent practicable and where appropriate, homeless individuals and families in policymaking, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of these facilities as provided by 24 *CFR* 76.56.
10. The requirements of 24 *CFR* 576.57(e) dealing with the provisions of, and regulations and procedures applicable with respect to the environmental review responsibilities under the National Environmental Policy Act of 1969 and related

authorities as specified in 24 *CFR* Part 58.

11. The requirements of 24 *CFR* 576.21(a)(4) providing that the funding of homeless prevention activities for families that have received eviction notices or notices of termination of utility services will meet the requirements that: (A) the inability of the family to make the required payments must be the result of a sudden reduction in income; (B) the assistance must be necessary to avoid eviction of the family or termination of the services to the family; (C) there must be a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and (D) the assistance must not supplant funding for preexisting homeless prevention activities from any other source.
12. The new requirement of the McKinney-Vento Act (42 *USC* 11362) to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons. I further understand that state and local governments are primarily responsible for the care of these individuals, and that ESG funds are not to be used to assist such persons in place of state and local resources.
13. HUD's standards for participation in a local Homeless Management Information System (HMIS) and the collection and reporting of client-level information.

I further certify that the submission of a completed and approved Consolidated Plan with its certifications, which act as the application for an Emergency Shelter Grant, is authorized under state and/or local law, and that the local government possesses legal authority to carry out grant activities in accordance with the applicable laws and regulations of the U. S. Department of Housing and Urban Development.

---

Signature/Authorized Official

Date

Name

Title

Address

City/State/Zip

Telephone Number



**APPENDIX TO CERTIFICATIONS**

Instructions Concerning Lobbying and Drug-Free Workplace Requirements

**Lobbying Certification**

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**Drug-Free Workplace Certification**

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant: Place of Performance (Street address, city, county, state, zip code) Check if there are workplaces on file that are not identified here. The certification with regard to the drug-free workplace is required by 24 CFR part 21.

Place Name	Street	City	County	State	Zip
Administration Building	305 Chestnut St.	Wilmington	NHC	NC	28401
Town Hall	102 N.Third Street	Wilmington	NHC	NC	28401

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules: "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15); "Conviction" means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes; "Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance; "Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including:

- a. All "direct charge" employees;
- b. all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and
- c. temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Note that by signing these certifications, certain documents must be completed, in use, and on file for verification. These documents include:

- 1. Analysis of Impediments to Fair Housing
- 2. Citizen Participation Plan
- 3. Anti-displacement and Relocation Plan



Signature/Authorized Official

4-29-15

Date

Sterling B. Cheatham

Name

City Manager

Title

PO Box 1810

Address

Wilmington, NC 28401

City/State/Zip

910-341-7810

Telephone Number



# CREATE WILMINGTON COMPREHENSIVE PLAN

# Foundations Report

Growth Factors Report

**Foundations Report**

Policies

Growth Strategies Maps

Executive Summary

**DRAFT**  
**3/17/15**



Welcome to the future of Wilmington.



## How to Use the Comprehensive Plan Box Set

### Five Components of the Box Set

1

#### Growth Factors Report

Maps, graphs, and charts that support the policies and growth strategies. Provided are maps of existing conditions and various factors related to Wilmington's growth.

2

#### Foundations Report

A summary of public input collected throughout the process and results from each tool, including the Neighborhood Planning Areas, Connect Wilmington, and Alternative Future Visions.

3

#### Policies

Comprehensive policies address the themes/issues; policies are based on public input, best practices, the growth factors report, interlocal agency coordination and scenario planning results.

4

#### Growth Strategies Maps

These maps illustrate desired areas for future growth, infill, and redevelopment based on public input and planning analysis. They are designed to work in conjunction with the policies.

5

#### Executive Summary

An "at a glance" reference for the entire box set.

### Find Your Way Around

#### Three Types of Cross-References



#### Box Set Cross-Reference

This symbol is used to point you to a different box set component, as described above.



#### Document Cross-Reference

This symbol is used to point you to a different part of the document you are currently reading.



#### External Resource

This symbol is used to point you to an external resource, such as a plan, report, or study not contained in the box set.

#### How it Works

The color of the symbol indicates the type of reference.

The name of the reference is provided here.



Cross-Reference Type  
Reference

This is the location within the document or box set or the name of the external resource.

# Wilmington Comprehensive Plan Themes

The *Create Wilmington Comprehensive Plan* is developed around seven key themes for shaping Wilmington's future:



## Creating a Place for Everyone

Wilmingtonians want a diverse and inclusive community, full of family-friendly, vibrant, and creative environments. Citizens want a welcoming community that includes arts and culture, activities for youth, families, and seniors, and high-quality housing that is available to everyone.

### Topics Covered:

- Affordable housing
- Arts and cultural resources
- Youth activities
- Seniors
- Family amenities
- Accessibility
- Parks and recreation
- Crime and safety
- Cultural diversity
- Job creation
- Education



## Getting Around

Diverse modes of transportation are needed for an inclusive, connected community. Regional partnerships can link greenways and other amenities. Options for pedestrian and bicycle transportation, along with other modes of transportation, should be explored as valid alternatives to automobile transportation, as well as other options for local and regional mass transit.

### Topics Covered:

- Interconnectivity
- Sidewalks
- Greenways
- Alternative transportation modes
- Mass transit
- Traffic
- Regional cooperation
- Driver behavior
- Connecting land use and transportation



## Regional Collaboration

Wilmington does not and cannot exist in a bubble. Collaboration with other local governments, including New Hanover County and surrounding towns and counties, is critical to Wilmington's and the region's success. Cooperative relationships with the University of North Carolina at Wilmington and Cape Fear Community College, as well as the public school system, state ports, and utility providers will help us all flourish.

### Topics Covered:

- Leadership/excellence in government
- Town and gown relationships
- Balancing needs and resources
- Common goals and collaborative policies



## Changing Places, Revitalized Spaces

Development of vast open land is no longer an option in Wilmington; our future will include a significant level of infill and redevelopment. Envisioning suitable infill and redevelopment and optimizing existing development will be critical to our community's well-being, not only downtown, but within neighborhoods across the city. Balancing the need for open space and a well-designed built environment will be key to future development.

### Topics Covered:

- Infill
- Redevelopment
- Densification
- Neighborhoods
- Historic preservation
- Sustainability
- Placemaking



## Unique Places, Captivating Spaces

The built environment encompasses places and spaces created or modified by people, including buildings, parks, land use patterns, and transportation systems. Since the built environment has profound consequences for individual and community well-being, all elements of our built environment should enhance the character of our community, being not only functional, but aesthetically appropriate, enriching the lives of visitors and residents alike.

### Topics Covered:

- Aesthetics
- Site design
- Architecture and building design
- Code and technical standards
- Greenspace
- Infill
- Redevelopment
- Connecting land use and transportation
- Placemaking



## Nurturing our Community

Environmental sustainability is at the core of where we want to go in the future. Our natural resources are a major factor in attracting residents and visitors to the area; balancing retention of their accessibility and protection of these resources will be a challenge. How we manage our interaction with the natural habitat, from parks, water, and open spaces, to locally-grown agriculture, to protecting water quality to solid waste disposal will be critical to Wilmington's future success.

### Topics Covered:

- Natural resources
- Tourism
- Balancing built and natural environments
- Greenspace/open space
- Parks and recreation
- Access to local food
- Water quality
- Climate change



## Opportunity and Prosperity

Fostering opportunities for economic growth and development that enhance the concepts of each of the other themes is critical to our future prosperity. Creating jobs, building a strong workforce, facilitating commerce, and promoting business vitality are necessary to the success of a healthy, well-balanced community.

### Topics Covered:

- Economic development
- Jobs
- Technology
- Health care
- Placemaking
- Code and technical standards
- Leadership and excellence in government
- Regional cooperation
- Common goals
- Leveraging resources
- Public-private collaboration

# CREATE WILMINGTON COMPREHENSIVE PLAN

## Foundations Report

This report is produced as a part of the overall comprehensive plan development process and is meant to highlight factors that formed the foundation of the policies and maps spelled out in the plan. A major component of this process is the input of the Wilmington community, but several other factors also helped shape the plan's policy components, including best practices, growth factors and trends, and projected demographic changes. This chapter serves as a guide to the community input received from residents, students, professionals, and organizations throughout the listening phase of the comprehensive plan. In addition

to providing a map through the public input process, this document is also intended to help enhance and continue the discussion of planning issues in Wilmington by sharing the viewpoints collected.

This report is composed of three parts: a summary of the community input collected, a detailed analysis of the 12 Neighborhood Planning Areas, and an outline of the city's legacy planning documents.

### Table of Contents

<b>1</b>	<b>What We Heard</b>
1.1	What We Heard by Planning Themes
1.2	Neighborhood Area Engagement
1.3	Business & Community Leaders Roundtables
1.4	Planning on Tap
1.5	Student & Youth Outreach
1.6	Issues Surveys
1.7	Man on the Street
1.8	Meeting in a Box
1.9	Connect Wilmington & Social Media
1.10	Other Small Group Meetings & Engagement Tools
<b>2</b>	<b>Alternative Future Visions</b>
2.1	Current Trends
2.2	Creating Live-Work Places
2.3	Transit-oriented Development
2.4	Urban Centers & Neighborhood Nodes
2.5	Community Corridors
2.6	Neighborhood Transitions
<b>3</b>	<b>Policy Audit &amp; Legacy Planning Documents</b>
3.1	Regional Plans
3.2	Small-area & Corridor Plans
3.3	Future Land Use Plan
3.4	Function-related Plans
3.5	Master Plans

### Comprehensive Plan Steering Committee

The steering committee was supported by staff from the City of Wilmington Planning, Development, and Transportation department, with assistance from every department within the city.

The Wilmington City Council appointed a 15-member citizen steering committee to assist in the public input process, provide guidance and leadership, and to represent the voice of the citizens in the overall process.

The members of the steering committee are:

- Robert Rosenberg, Chair
- Elizabeth Hines
- Randy Reeves
- Howard Capps, Vice-chair
- J. Clark Hipp
- Jennifer Rigby
- Carlos Braxton
- Paul Lawler
- Frank Smith
- Kemp Burdette
- Bonnie Nelson
- Kevin Smith
- Deb Hays
- Linda Pearce
- Tom Pollard

### Building on Foundations (About This Report)

Wilmington is a historic and dynamic coastal city. Wilmington has many treasured neighborhoods, an extensive historic district, a vibrant downtown, thriving commercial centers, a growing population. Wilmington is also nearly built out, so there are special challenges when it comes to accommodating new growth, redevelopment, and infill.

The community has shaped the vision for the future of Wilmington: residents aspire to be a safe community that is inclusive and affordable, maintains its unique character, fosters a healthy economy and healthy citizens, and remains an attractive place to live, work, and play.

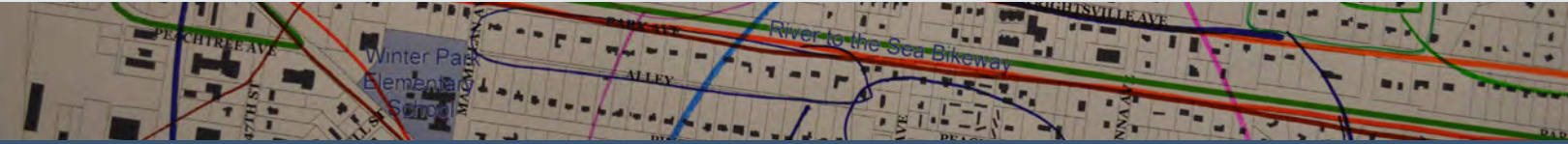
Rapid growth, coupled with outdated growth policies and development regulations present both challenges and opportunities. In 2013, the city began the process of establishing a vision of what kind of city residents want to have 20 to 25 years from now. This multi-year process was to lead to not only the creation and adoption of a city-wide comprehensive plan, but also a total reconsideration of the city's growth management system. Foremost among these following activities will be the replacement of the city's antiquated land development code.

The *Create Wilmington Comprehensive Plan* lays out a path toward achieving the vision of a thriving, healthy city that responds to the pressures and demands that come with being a modern, dynamic city. The *Create Wilmington* process kicked off with a

city-wide meeting, as the plan is rooted in listening and understanding issues that impact citizens' everyday lives. This meeting set the tone for future conversations, where participants worked to identify what is working well, where there is room for improvement, and what their big dreams for Wilmington are. This process was grounded in the idea of meeting people where they are – not only in terms of how they like to participate, be it in person, online, or traditional public meetings – but also in terms of understanding what people value about their community. The process was also a two-way street, in that meetings were also intended to show citizens how comprehensive planning can benefit them, their neighborhoods, and future generations of Wilmingtonians.

*Create Wilmington* is a multi-year process that includes the development of the comprehensive plan followed by the re-envisioning of the city's land development code. This report, therefore, is not the end of the public input process. Rather, it is a report on the input collected that has helped shape the comprehensive plan's policies and growth strategies, a transparent look at the guiding voice of the community. More conversations will follow, and citizens will again be called on to participate in the conversation, both through the land development code rewrite and the supplemental neighborhood and small-area plans that will follow.





“Someone’s sitting in the shade today because someone planted a tree a long time ago.”

— Warren Buffett

# 1

## What We Heard

- 1.1 What We Heard by Planning Themes
- 1.2 Neighborhood Area Engagement
- 1.3 Business & Community Leaders Roundtables
- 1.4 Planning on Tap
- 1.5 Student & Youth Outreach
- 1.6 Issues Surveys
- 1.7 Man on the Street
- 1.8 Meeting in a Box
- 1.9 Connect Wilmington & Social Media
- 1.10 Other Small Group Meetings & Engagement Tools



# Introduction

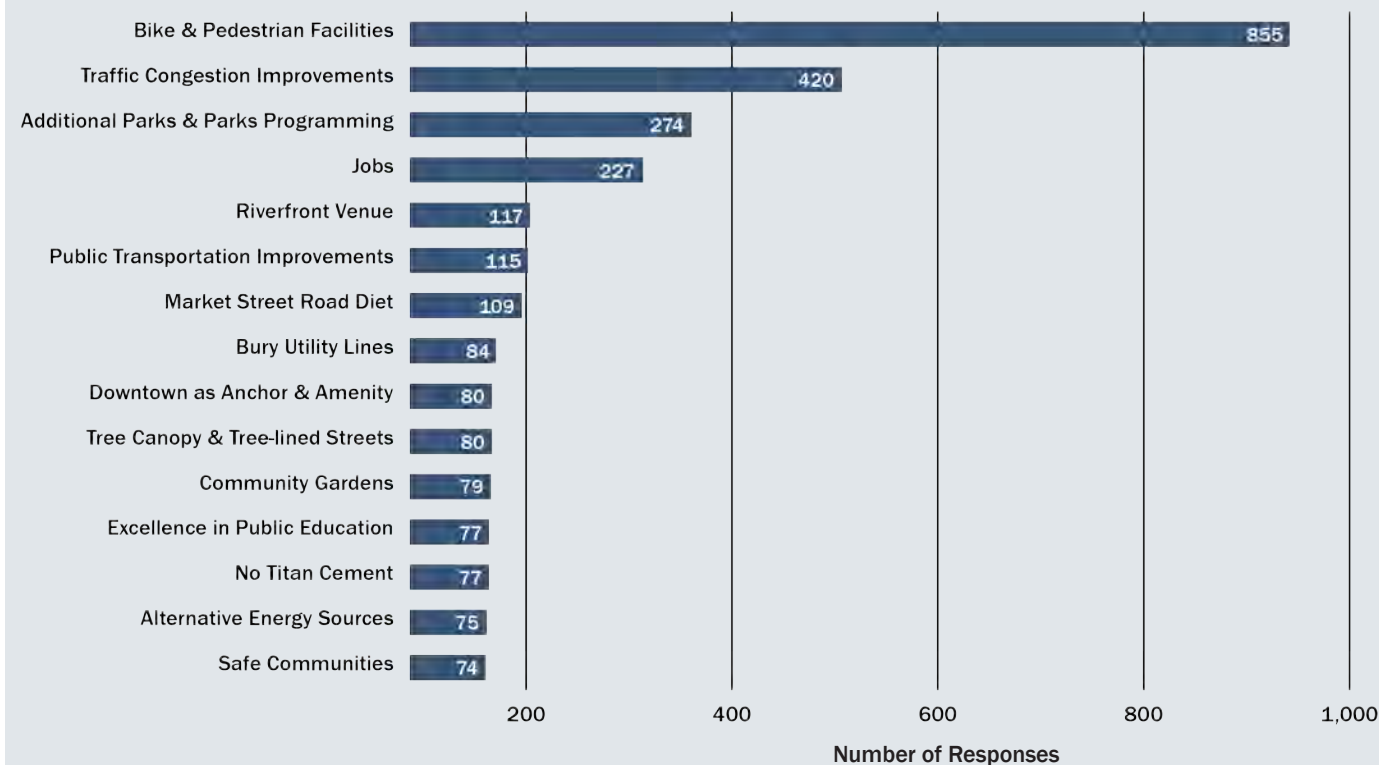
The Create Wilmington process began in earnest with a city-wide meeting at City Hall on May 14, 2013. This meeting kicked off a year-long public input process. Throughout the public input process, various input tools were utilized to determine what citizens like best about Wilmington and what their desired future for Wilmington might be.

To broaden the discussion, the public input process included several meeting series. The first series was with Wilmington’s business leaders; the second was with Wilmington’s neighborhoods. A number of “man on the street” surveys were conducted across the city, a “meeting in a box” tool was developed for existing groups and organizations, “Planning on Tap” meetings were held in local gathering places, and online surveys were available throughout the process. Input was also collected from school children at representative public school sites, on-campus meetings at the University of North Carolina at Wilmington and Cape Fear Community College, as well as an on-site meeting in the Hillcrest community. The Create Wilmington team also expanded public input through Connect Wilmington,

an online survey and forum tool. In addition to the public input collection process, there were several other outreach and engagement opportunities, including social media, a Lunch and Learn series, and an educational poster series.

Other channels for communication were established through social media, including the sharing of case studies, articles, and research. In addition to traditional media outlets, the team also used social media, and email listserv, signs in neighborhoods, and the city’s newsletter to encourage engagement. The Create Wilmington team compiled thousands of individual comments from more than 1,000 citizens. In this report, you will find details about the listening process. All of the comments received were sorted and analyzed using a keyword approach. This method helped to reveal patterns, which then led to major issues and themes. The key themes follow this introduction. The key themes in turn, helped create the six “Alternative Future Visions” that were presented for feedback and which will help shape the Growth Strategies Maps.

## Comprehensive Plan Top 15 Priorities



# Public Input

## 1.1 What We Heard by Planning Themes



### Creating a Place for Everyone

- Additional parks and parks programming
- Additional family activities downtown
- Additional public water access
- Riverwalk is a great asset
- Keep green spaces and add additional
- Reduced crime, increased safety
- Make/keep downtown a destination for locals and tourists
- Increase transportation options for all people, regardless of age or ability







## Getting Around

- More sidewalks and bike lanes
- Safe and equitable mobility for all ages and abilities
- Decreased traffic congestion
- Specific intersection improvements
- Roundabouts at major intersections
- Improvements to public transit
- Restore streetcar line from downtown to Wrightsville Beach
- Passenger rail service
- Better connections between land use and transportation
- Market Street road diet



## Opportunity and Prosperity

- Bring additional jobs to Wilmington
- Attract higher-paying jobs
- Clean jobs/industries are preferred
- Retain young people, more jobs for recent college graduates
- No Titan Cement
- Technical jobs are desirable

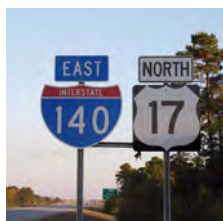






## Regional Collaboration

- Improvements to public schools
- Regional transportation improvements – rail, air, and highway
- Shared vision for the future



## Changing Places, Revitalized Spaces

- Redevelop northern downtown
- Denser development patterns to improve transit options
- Make downtown safer
- Invest in place to spur economic development
- Protect neighborhoods
- Redevelopment of underutilized buildings, especially along major road corridors

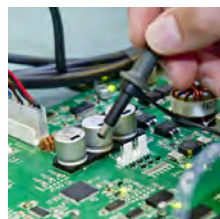
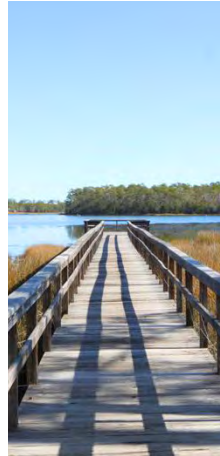






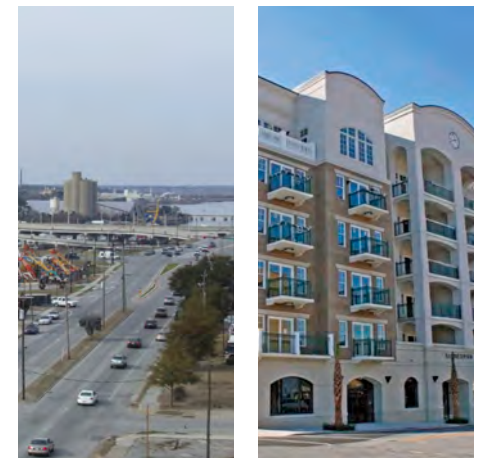
## Nurturing Our Community

- Clean air and water
- Clean up creeks and waterways
- Clean jobs/clean tech preferred
- Maximize use of alternative energy sources
- Reduce flooding
- Protect and enhance tree canopy



## Unique Places, Captivating Space

- Bury utility lines
- Increase density in certain locations
- Protect neighborhood character
- Enhance gateways
- Protect historic charm and character
- Manage nightlife
- A large event venue





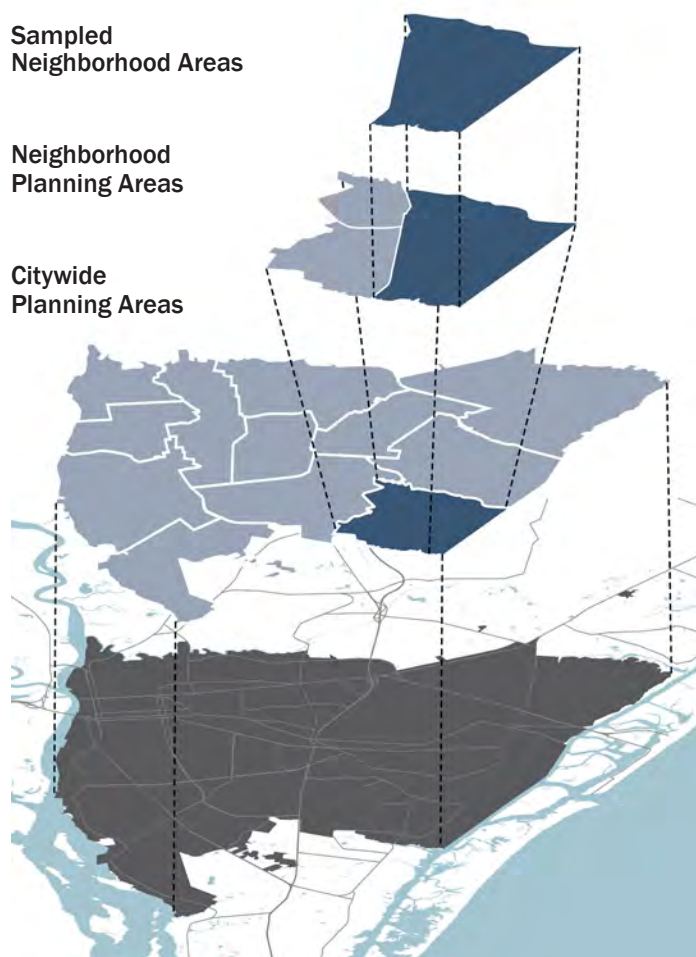
## 1.2 Neighborhood Area Engagement

From October 2013 through April 2014, a dozen Neighborhood Planning Area meetings were held across the city. Over 600 citizens participated in these meetings, which provided an opportunity to learn about the comprehensive plan process and to provide input on likes and dislikes about neighborhoods and the city in general. At each meeting, citizens were first presented with information about the history, growth, and development of their neighborhood. Each group was then asked to consider what they liked best about the area (Keep it!), what they considered to be the area's biggest issues (Change it!), and what their big ideas for the area were (Dream it!). Groups were presented with maps for each of the primary topics, Keep it!, Change it!, and Dream it! Participants worked with the maps and discussed the questions in small groups.

Sampled  
Neighborhood Areas

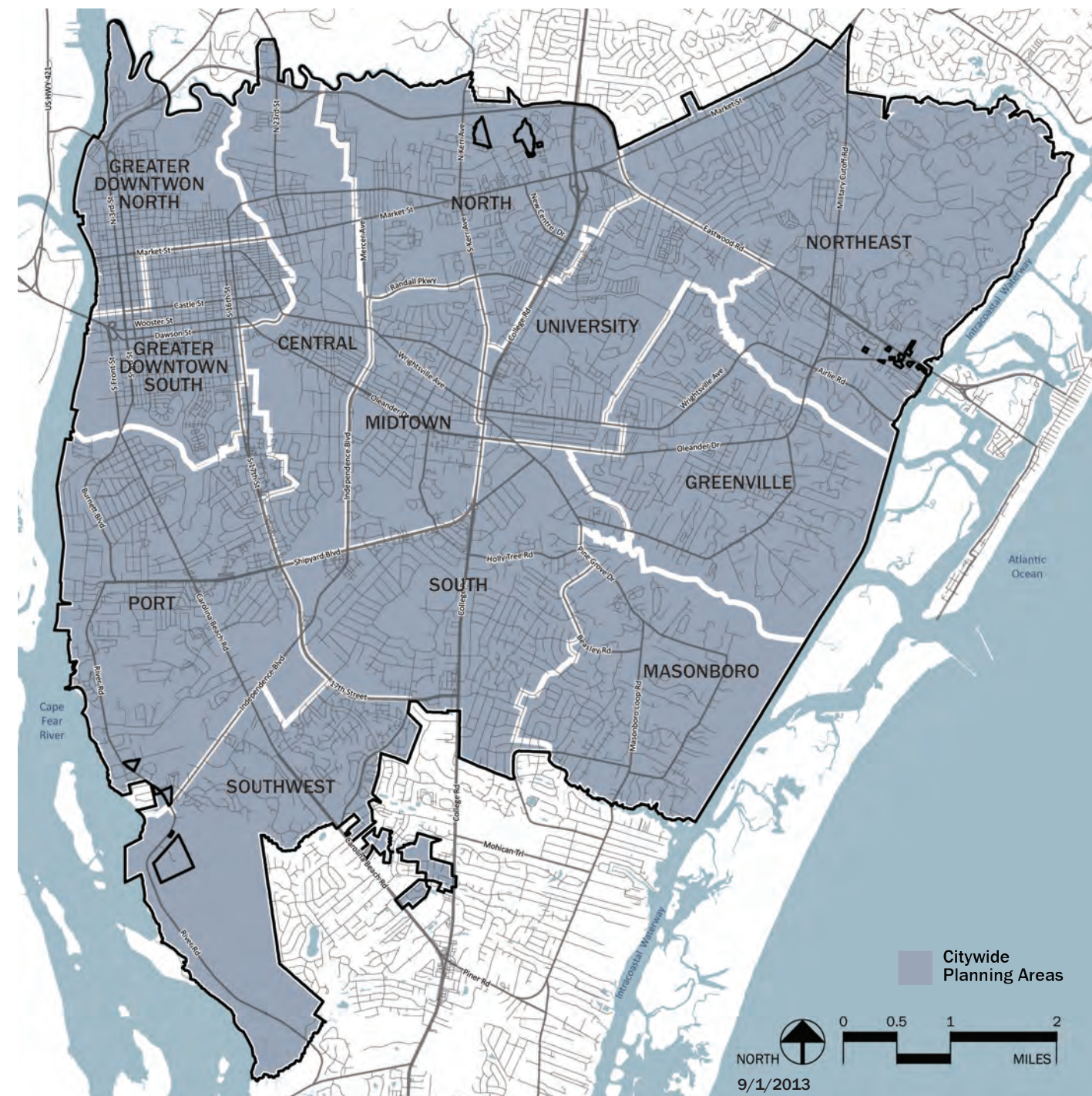
Neighborhood  
Planning Areas

Citywide  
Planning Areas



### Top 20 Priorities from the Neighborhood Planning Area Meetings


1. More crosswalks, sidewalks, bike lanes, and bike paths are desired
2. More natural areas, trails, trees, and open spaces are desired
3. Residential character and family atmosphere should be protected
4. More parks and recreation opportunities are needed
5. Greater traffic calming within neighborhoods
6. Reduce crime, code violations, and littering
7. Increase safety with lighting, signage, and additional police patrols
8. Improve traffic flow on major corridors
9. Greater access to groceries
10. Neighborhood schools are valued
11. Streetscape improvements are needed
12. Roadway and intersection improvements are desired
13. More neighborhood retail businesses and mixed use
14. Improved stormwater drainage
15. More public access to water
16. Keep pace with infrastructure improvements and place utilities underground
17. Enhance cultural resources and diversity
18. Entertainment venue is needed
19. Greater access to healthcare and services
20. More community events and activities



To facilitate public input, the city was divided into 12 planning areas, based on similar geographies and development patterns and using major roadways and natural features as boundaries. Within each planning area there are collections of smaller neighborhood areas. Neighborhood areas can be a collection of subdivisions or developments and many include both residential and commercial uses.



At each meeting, citizens were presented with information about the history, growth, and development of their neighborhood and then asked to participate in small group discussions.

 **Additional Information**  
Neighborhood Planning Area Data Sheets

**Getting Involved**

Participants at these meetings were asked to engage one another in a three-part mapping and ideas exercise. The results were read back for everyone to hear what their neighbors were saying.



**Top 5 Responses**

The following is a summary of the most frequently identified responses for each of the primary topics discussed.

**KEEP IT**

1. Parks, natural areas, trails, trees, and open spaces
2. Neighborhood character and family atmosphere
3. Bicycle and pedestrian facilities
4. Recreation opportunities
5. Neighborhood schools/access to groceries, shopping, dining, and entertainment (tied)

**CHANGE IT**

1. More crosswalks, sidewalks, bike lanes, and bike paths
2. More traffic calming within neighborhoods
3. Increase safety via improved lighting, signage, and additional police patrols
4. Reduce crime, code violations, and littering
5. Improve stormwater drainage

**DREAM IT**

1. More sidewalks, crosswalks, pedestrian bridges, bike lanes, and trails
2. More parks and recreation opportunities
3. More traffic calming within neighborhoods
4. Increased public access to water
5. Streetscape improvements

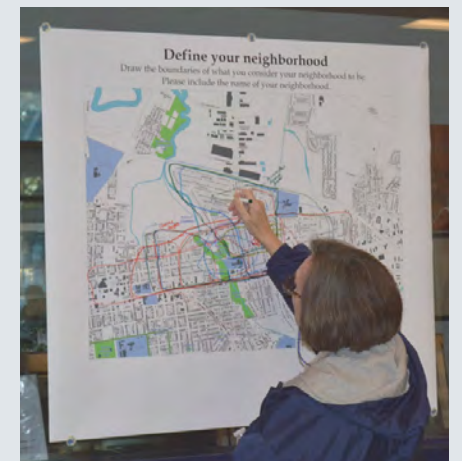


**Exercise Results**  
There was an overwhelming call for more pedestrian and bicycle facilities, parks and recreation, and good neighborhood design.

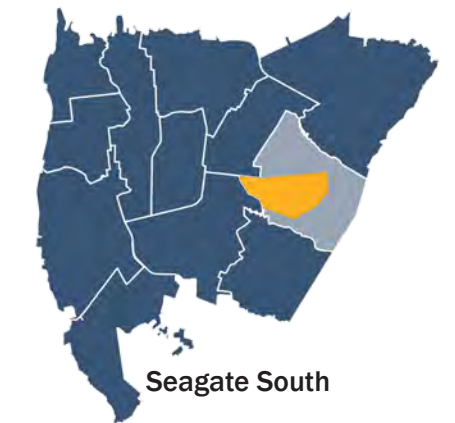
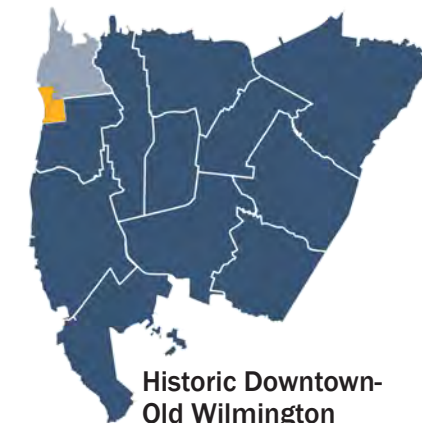
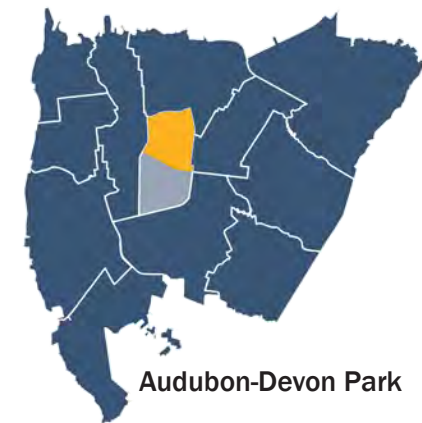
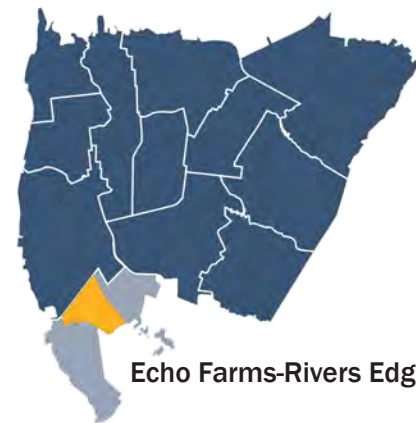
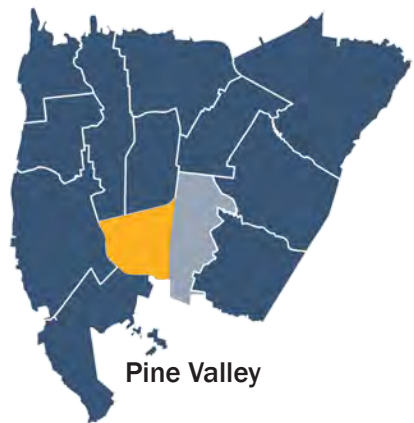
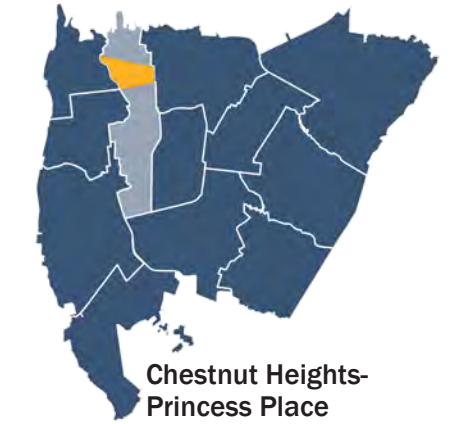
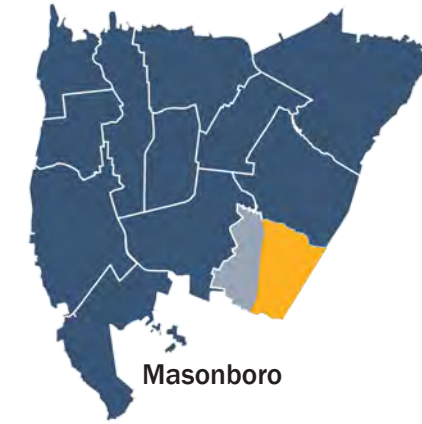
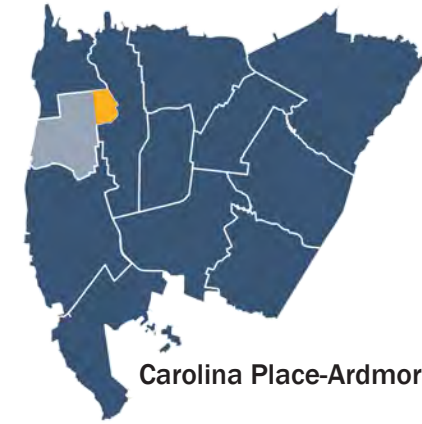
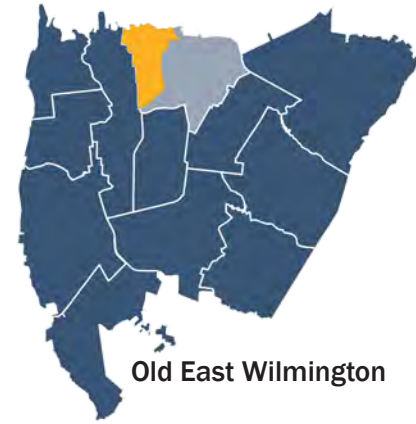
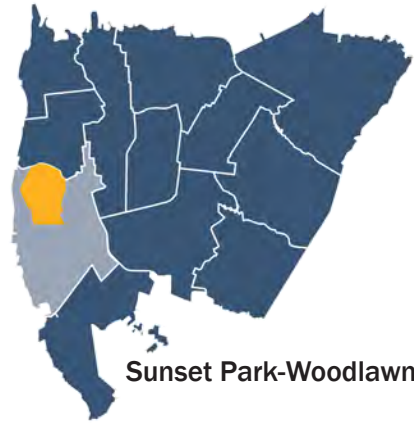
**Mapping Neighborhood Boundaries**

Participants were asked to draw the boundaries of what they consider to be their neighborhood. The results of this exercise will help determine how to structure future small area planning efforts.

 **Growth Factors Report**  
2.2







**Sample Areas**  
Meetings were held in neighborhoods, one from each of the 12 city-wide planning areas.

Sample Area Citywide Planning Area

Sample Area Citywide Planning Area



## 1.3 Business & Community Leaders Roundtables

During January, February, and March 2014, the Create Wilmington team met with CEOs, business, and community leaders to gather their feedback on their vision for the future of Wilmington. These community leaders are currently making decisions that are shaping Wilmington today. They were polled as to their ideas about factors that influence the growth and development of the city, and what needs our business community will be facing in the future. Participants were asked to discuss several questions centered around the Growth Factors Report, which helped to initiate the conversation.

### Roundtable Discussion Questions

- As a business and community leader, what is your vision for the future of Wilmington?
- What key elements keep your business here?
- What barriers do you see to expanding your business here or for a new business opening here?
- What are some things the city should do to help spur economic growth?
- What are the major barriers to economic growth in Wilmington?
- What policies directly impact innovation, business development, and results for your business?
- As an employer, what elements do you look for in a place in terms of attracting and retaining employees?

The themes that emerged from these discussions include regional collaboration, opportunities that come with growth, shared vision for the future, clarity and certainty in development regulations, and quality of life and cost of living. These leaders identified several strengths of Wilmington, including location and climate, quality of life, great potential for growth and opportunity, and a willing and able workforce. Opportunities they identified included having a clean slate in terms of marketing Wilmington, sufficient water and sewer infrastructure to accommodate growth, redevelopment opportunities, and a strong opportunity to grow businesses and the Wilmington “brand.”

Our business and community leaders also identified several weaknesses on which Wilmington can improve, including limited job opportunities, lack of integrated neighborhoods (housing types, price-points, and diversity of population), concentration of public housing, disparities in the K-12 schools, high costs of living, and a lack of coordination around economic and community development. Threats, challenges, and other factors the city needs to consider included the need to develop an agreed-upon regional vision with a common path forward, the issue of overcoming trade area demographics that are skewed by the Cape Fear River and the Atlantic Ocean, and the need to revise our development regulations, especially now that most opportunities involve redevelopment rather than development of large tracts of vacant land.



## 1.4 Planning on Tap

The week of March 17th, 2014, the Create Wilmington team set out to meet people in the places where they were already most likely to gather, including bars, restaurants, and cafes across the city. Each meeting was hosted by a pair of Steering Committee members, and focused on one of the seven plan themes. Informal discussion about the selected theme was facilitated, with notes recorded by the hosts. Results from the Planning on Tap discussions were sorted and ranked by keyword; several ideas rose to the top as shown at the right.

### Planning on Tap Ideas

1. Bike and pedestrian improvements – more bike lanes and sidewalks, improve existing sidewalks and Cross-city Trail
2. Reinvestment in and redevelopment of neighborhoods and commercial centers
3. Improvements to development regulations/codes needed

## 1.5 Student and Youth Outreach

### Middle School Students

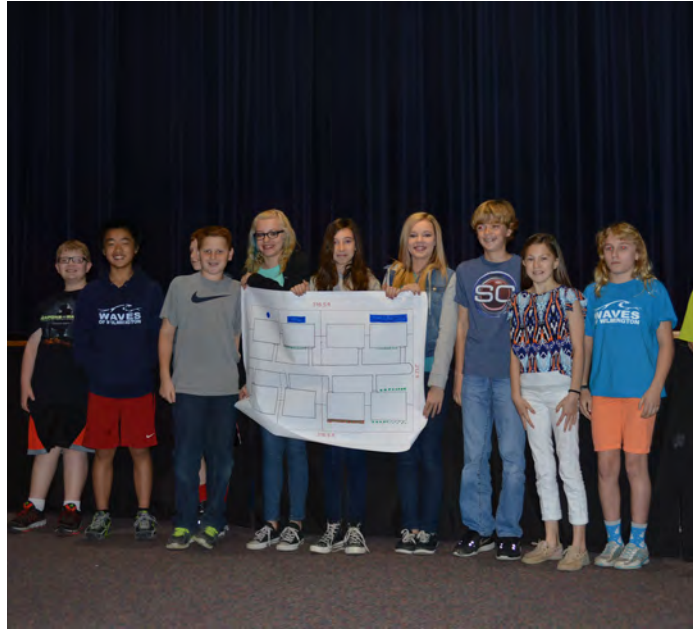
This is a legacy plan and its outcomes will most likely be experienced by the future citizens of Wilmington. The Create Wilmington team visited students in their classrooms to collect their feedback on what makes a good city, as these are the citizens that will be most impacted by the planning we do today, for better or worse. Initially, two classrooms of 6th graders at Roland Grise Middle School were approached for their input. Students were given a brief introduction to planning in general, and then asked about what they think makes a good city, what they like about Wilmington, and what would make Wilmington even better. Because these young citizens are most likely to hold the jobs of the future they were also asked what their ideal job would be and whether they thought they would live in Wilmington or somewhere else.

To make the purpose of the comprehensive plan more real, the Create Wilmington team also left the two classes with a few assignments. They were divided into groups and asked to complete one of three projects: design a park, develop an infill lot, or prioritize the locations of new crosswalks.

Notably, most of the students said that they did not think they would be living in Wilmington 25 years from now. Reasons given for not living in Wilmington in the future included wanting to live in a bigger city, looking for a different geography (mountains or cooler temperatures), a desire to see the world, and a wish to live in a place with professional sports teams. Only two students said they thought they would be living in Wilmington 25 years from now. Reasons for wanting to remain in Wilmington included staying near the beach and staying near family. Among those students who said they thought they might return to Wilmington in the future, the top reasons given included coming back to Wilmington for retirement or having a beach vacation home here.

## Priorities of 6th Grade Citizens

1. Lots of things to do, entertainment, and recreation opportunities make a city a good place to live
2. Lots of housing choices make a city a good place to live
3. More sidewalks and safer places to ride bikes would make Wilmington even better
4. The many festivals and events around town make Wilmington a good place to live
5. Future careers include: engineer, health care and research, professional athlete, and lawyer



## High School Students

The Create Wilmington team talked with students at Hoggard High School as representative of the teenage demographic. Students were asked what they like about Wilmington, what would make Wilmington better, and what they saw in their futures in terms of where they would be living and what kinds of jobs they would have. Things they would like to see in Wilmington include more entertainment, amusement, and dining options; more sidewalks and safer biking options; better schools; and a better music scene. Things that they like best about Wilmington are being close to the beach, downtown, and recreation opportunities. Many of the students, both at the middle school and high school, viewed Wilmington as a good place to grow up and raise a family; however, most of the students indicated that they did not think they would be living in Wilmington 25 years from now. Many students believe they would not be able to find their ideal job in Wilmington, but many also wanted to live a bigger city and/or explore the world, or they wanted to live somewhere with a different climate or geography. Their future careers include doctors, scientists and researchers, engineers, and policy making.

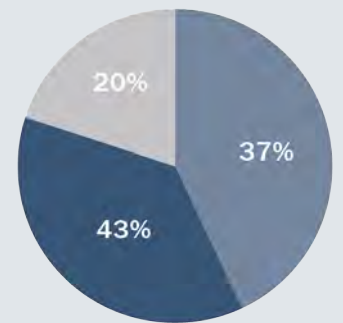
## College Survey Results

Why did you choose the neighborhood you live in? (Top 5)

1. Affordable
2. Location - Close to work/school/beach
3. Safe/Low Crime
4. School District
5. Close to Family

Do you plan on staying in Wilmington after you graduate?

- Yes
- No
- Undecided

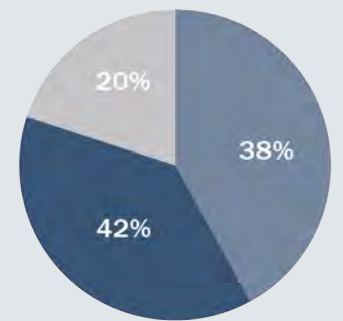


What type of job are you looking for? (Top 5)

1. Medical/Dental Field
2. Teaching
3. Arts & Entertainment
4. Science/Research/Lab
5. Law Enforcement

Do you think you can find your ideal job in Wilmington?

- Yes
- No
- Undecided



What did you move to Wilmington? (Top 5)

1. Native
2. School
3. Beach
4. Job
5. Family



### Design A Park

Students were given a vacant site, a budget, and a list of park amenities and were asked to design a park. They were asked to stay within budget, explain how people would access the park, and determine what amenities would be included and why. Students designed a park that offered the greatest variety of activities for local residents.



### Develop an Infill Lot

Students were asked to create a residential site plan on an empty infill lot. To assist the students, some constraints of the city's Land Development Code such as minimum lot area and dimensions, setbacks, driveways, and sidewalks were explained. Students created a residential site plan that included housing types for different income levels.



### Prioritize Crosswalk Locations

Students were asked to prioritize locations in the vicinity of their school where signalized crosswalks are lacking. Students were given a map of the city, a budget, construction costs, and time constraints. They were then asked to identify locations, stay within the budget, and complete the project on time. Students identified locations for new signalized crosswalks that offered the greatest access to their school and local parks.

## College Students

Although meetings were held on campus at both Cape Fear Community College and University of North Carolina – Wilmington, attendance was light at both meetings. To reach more students, an online survey was created. This survey focused on why students chose to come to Wilmington, whether they thought they would stay in Wilmington upon finishing school, and what sorts of jobs and careers they are looking for. Results of the on-line survey are shown to the right.




# 1.6 Issues Surveys

## Aging in Place

A survey on aging in place revealed that many citizens want to be able to age in their current home or at least in their current neighborhood. Obstacles cited to aging in place primarily included transportation and access limitations. Survey respondents indicated a preference for investments by the city in mobility and transportation, affordable housing, and alternative housing options to help enable citizens to age in place. More than 65% of survey takers rated Wilmington's current public transportation system as below average or poor and more than 53% indicated that mobility options from their current home are poor. More than 57% said they are retired or would like to retire in Wilmington, while 22% said they were unsure where they would retire. Reasons for being unsure about retiring in Wilmington include having many years until retirement, the cost of housing in Wilmington, and questions about mobility and ability to meet their needs upon retirement in Wilmington.

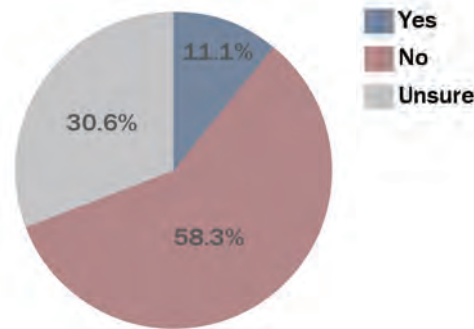
### What is Aging in Place?

"Aging in place" refers to the ability of a person to live in their residence, for as long as they are able, as they age. To age in place, people need to consider how their home is setup (e.g., stairs, hand rails, wide doorways), how they will access their daily needs (e.g. distance from groceries and shopping), and healthcare (e.g. distance and mobility to doctors' offices, public transit access).

 **Additional Information**  
The Maturing of America

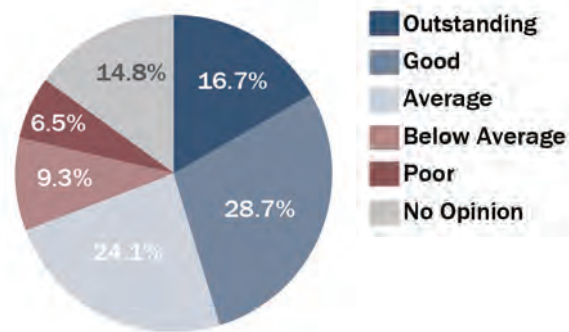
## Aging in Wilmington

Do you believe that Wilmington is adequately preparing for an aging population?



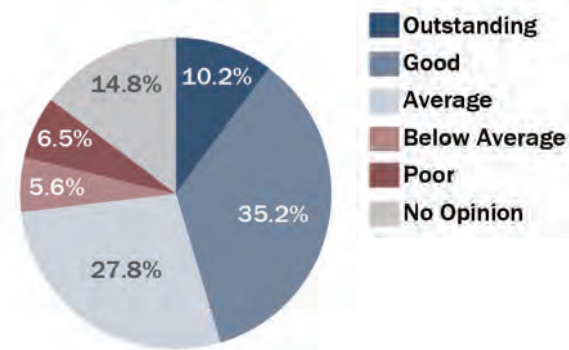
## Quality of Healthcare

How do you rate quality of healthcare for seniors in Wilmington?



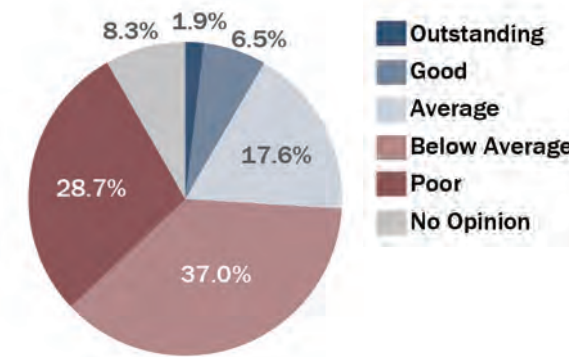
## Access to Healthcare

How do you rate access to healthcare for seniors in Wilmington?



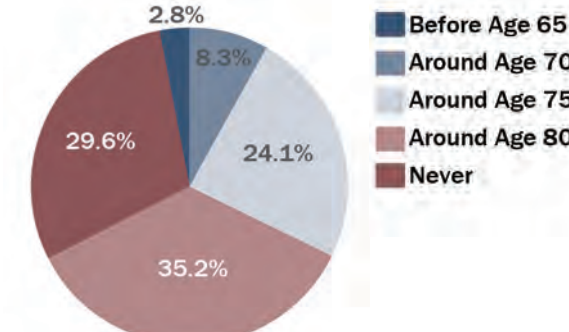
## Public Transportation

How do you rate public transportation options within the city?



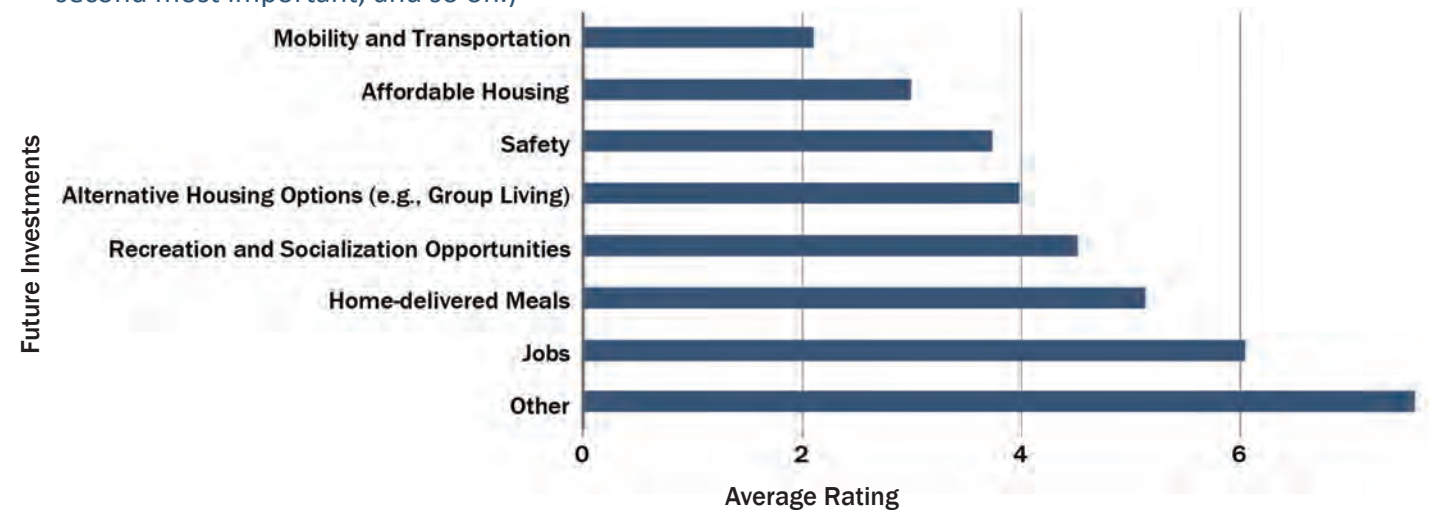
## Driving

At what age do you believe you will quit driving your own car?



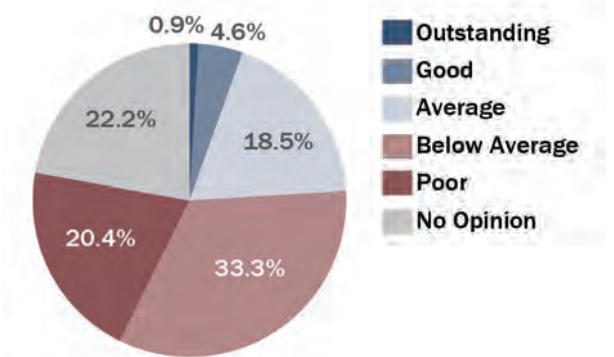
## Future Investments

Which areas are the most critical for investment by the City of Wilmington in relation to an aging population? ("1" being the most important, "2" being the second most important, and so on.)



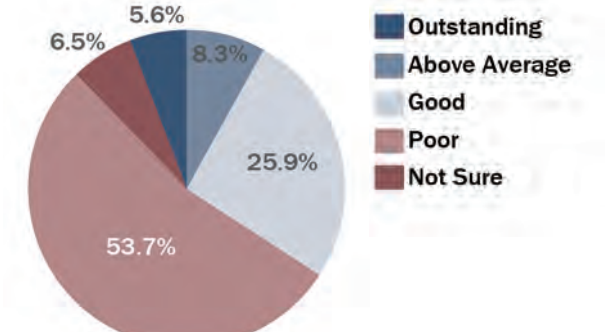
## Employment

How do you rate job options for seniors in Wilmington?



## Mobility

How do you rate your current mobility options from your home?



1

2

3

1

2

3

DRAFT 3/17/15


DRAFT 3/17/15


## Investing in Place

The American Planning Association conducted a survey in March 2014 regarding “investing in place” as a mechanism for economic development. The Create Wilmington team recreated the survey in the fall of 2014 to capture the opinions of Wilmingtonians regarding investing in place. This survey revealed that many Wilmingtonians believe that investing in schools, transportation choices, and walkable areas is a better way to grow the economy than traditional approach of recruiting companies. Most respondents would prefer to live in a walkable community, either urban or suburban, rather than in a neighborhood where they are dependent on a car to get around. A majority of respondents (60%) want to be able to stay in their homes as they age, and over half do not feel Wilmington is doing enough to allow residents to age in place. More than 60% of respondents said that having extra space in their home where someone could live with them is at least somewhat important in choosing where to live.

### Place Trends

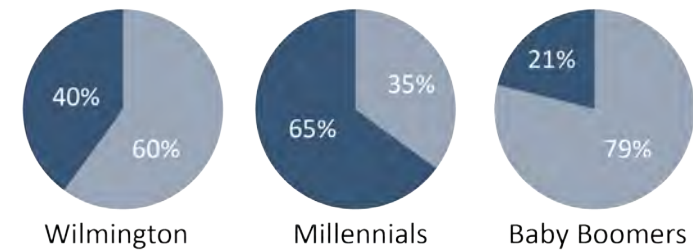
The preferences of Wilmington residents are similar to trends seen across the nation. Wilmington residents want to live in walkable communities, want more transportation options, and want to stay in their homes as they age.

 **Additional Information**  
Investing in Place (Wilmington)

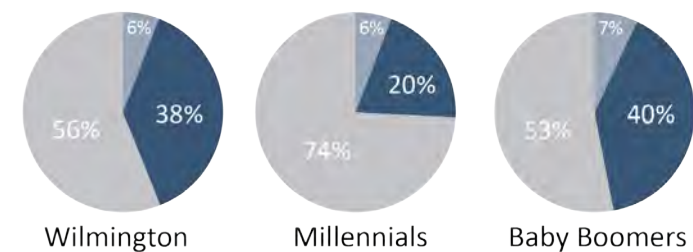
 **Additional Information**  
Investing in Place (American Planning Association)

### Getting Older

How important is it to you to stay in your current home as you get older?

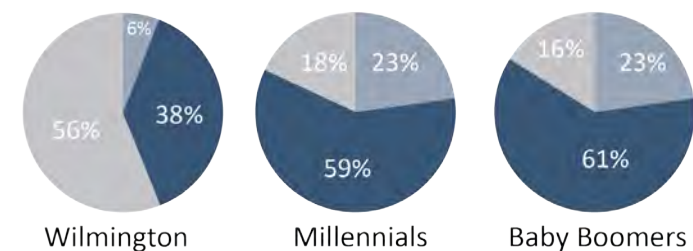


Do you believe Wilmington is doing enough to help people who want to stay in their own homes as they get older?



### Transportation Options

Do you believe that there are enough non-car transportation options available in Wilmington?



**60%** OF RESPONDENTS HAVE LOST CONFIDENCE IN THE NATIONAL ECONOMY WITH 70% OF MILLENNIALS AND 57% OF BOOMERS BELIEVING THE ECONOMY IS “FUNDAMENTALLY FLAWED.”

**50% of Millennials and 59% of Boomers** said the U.S. economy will stay the same or get worse over the next five years.

**NEARLY 70%** of Millennials, Baby Boomers, and Gen Xers surveyed see too few current personal economic opportunities. During the next five years, however, 59% of Millennials are **optimistic about personal finances** and 30% of Baby Boomers **expect their local economy to improve**.

**2/3** of all respondents and **67% OF MILLENNIALS** believe investing in schools, transportation choices, and walkable areas is a **BETTER WAY TO GROW THE ECONOMY** than traditional approaches of recruiting companies.

**35% of Millennials and 30% overall** are at least somewhat likely to move in the next five years.

**82%** OF MILLENNIALS | **81%** ACTIVE BOOMERS **WOULD PREFER TO LIVE SOMEDAY IN A WALKABLE COMMUNITY, WHETHER AN URBAN OR SUBURBAN LOCATION.**

**Only 18% of Millennials and 19% of Baby Boomers** would prefer living, if they can afford it, in a suburb, an area that requires driving to most places.



## Decline of the Traditional Suburb

Where do you live now and where do you want to live someday if you can afford it?

### A suburb where most people drive to most places:

	Wilmington	Millennials	Boomers
Now	56%	44%	56%
Someday	23%	18%	19%
Change	-33%	-26%	-37%

### A suburb with walkable amenities:

	Wilmington	Millennials	Boomers
Now	27%	29%	27%
Someday	44%	38%	50%
Change	+17%	+9%	+23%

### An urban area with walkable amenities and access to transit:

	Wilmington	Millennials	Boomers
Now	17%	27%	17%
Someday	33%	44%	31%
Change	+16%	+17%	+14%

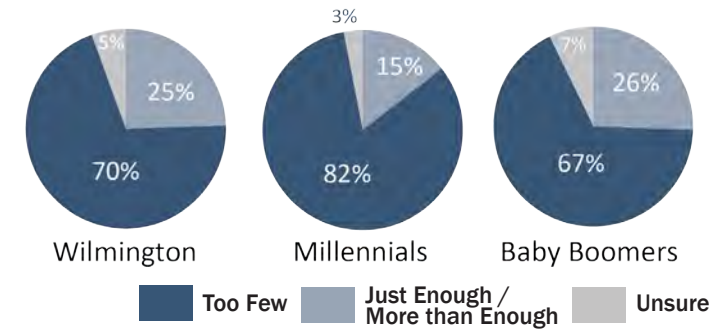
These results indicate that Millennials, Boomers, and city residents overall want to live in more walkable urban places in the future.

 **Growth Factors Report**  
8.0

 **Box Set Cross-Reference**  
Growth Strategies Maps

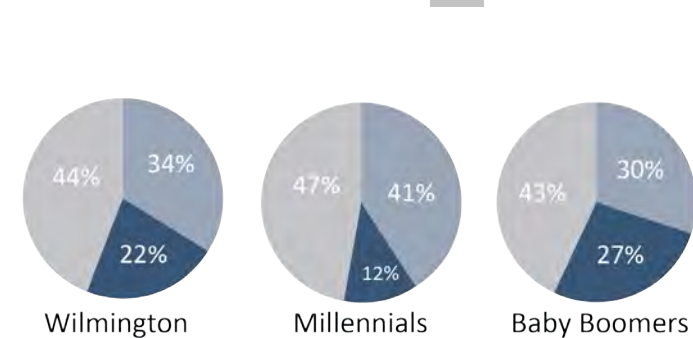
## Economic Opportunity

When it comes to economic opportunities and financial security for you personally, would you say the local economy offers more than enough, just enough, or too few opportunities?



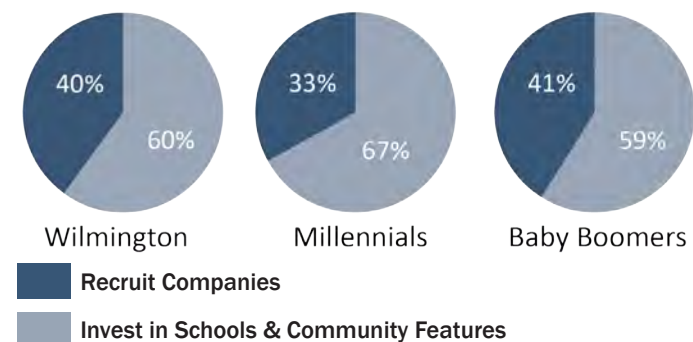
## Local Economic Recovery

In the next five years, do you expect the local economy to get better, get worse, or stay the same?



## Growing the Local Economy

Some feel the best way to grow the local economy is to recruit companies to the area. Others feel the best way is to invest in community features, such as local schools, transportation choices, walkable areas, and making the area as attractive as possible. Which is closer to your belief?



Approximately 62% of respondents cite living expenses as important in choosing where to live.



WHEN ASKED ABOUT THE ONE OVERRIDING FACTOR IN CHOOSING WHERE TO LIVE, RESPONDENTS OVERALL CITED

**QUALITY OF LIFE FEATURES** ahead of local economic health and job prospects.

Majorities of both Millennials **59%** and Baby Boomers **61%** said there are not enough transportation alternatives where they live.

**37 PERCENT** of respondents say diversity in people and generations is an important component of a successful community.

## High-priority Community Preferences: Metro Features (Local)

Which of the following community features are most important to you? (Rank in order of importance with 1 being the most important) (Rank order below indicates results of survey)

- |  |   |
|--|---|
| 1. Major professional or college sports teams                | 6. Access to clean energy, renewables, and energy conservation    |
| 2. Affordable and convenient transportation choices          | 7. Mix of housing choices   |
| 3. High-speed Internet access                                | 8. Great school system (K-12, colleges, and continuing education) |
| 4. Vibrant centers of entertainment and culture              | 9. Safe streets   |
| 5. Sidewalks, bike lanes, hiking trails, and fitness choices |   |



## 1.7 Man on the Street

As part of the Create Wilmington team's effort to reach people who may not participate in traditional public meetings, several short surveys were created, and the team took to the streets to find people where they were already gathering to collect their input.



The first survey asked people what they liked best about Wilmington, what they liked least about Wilmington, and what would make Wilmington even better. The three most common responses to what people like best about Wilmington were the beach, downtown, and the weather. The three most common responses to what people like least about Wilmington were traffic, crime, and lack of public restrooms (downtown). The three most common responses to what would make Wilmington even better were biking and walking facilities, a professional sports team, and an amusement or theme park.



The second survey asked people to identify the best thing about their neighborhood and their big idea for their neighborhood. The most common things people like best about their neighborhoods are location, the feeling and character of their neighborhood, and neighborhood activities. Top "big ideas" include making neighborhoods safer for walking and biking, more recreation opportunities and slower speeds/less traffic through neighborhoods.



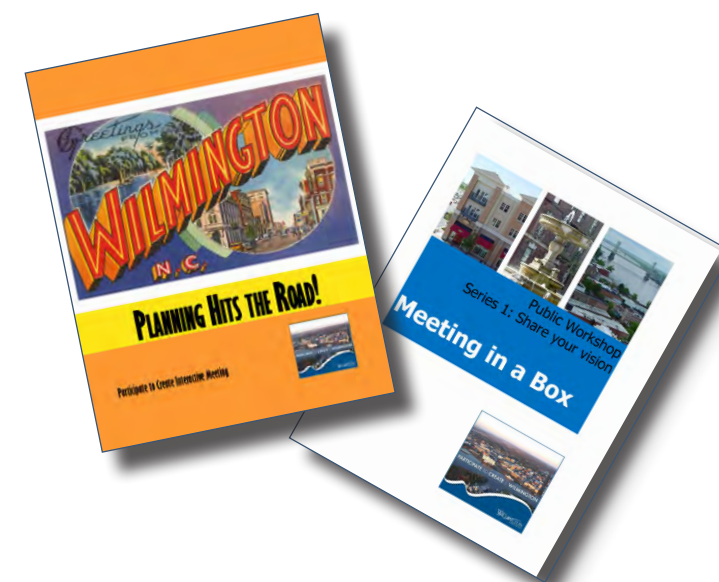
The final survey asked participants about their favorite things to do in Wilmington, what their family's favorite things to do together are, and what family activities/facilities could be added to make Wilmington even better. Favorite activities include outdoor recreation, including swimming, boating, fishing, and tennis, followed closely by enjoying the city's parks, the area beaches, and downtown. The top family activities in Wilmington identified were again, outdoor recreation, the beaches and parks, biking, and exploring downtown. The most common elements that would make Wilmington even better include more bicycle infrastructure, activities for kids and teens, additional parks and parks programming, and additional pools (including an indoor pool) and splash pads.

## 1.8 Meeting in a Box

The Create Wilmington team recognized that not all people feel comfortable participating in the traditional public meeting format or are able to attend. To this end, a "meeting in a box" was created. This box contained all of the materials necessary for a citizen to hold an input meeting with an already-existing group. The outline for conducting a meeting could also be downloaded from [www.createwilmington.com](http://www.createwilmington.com), and results could be mailed to or dropped off at the city planning office, or entered online via Survey Monkey. An estimated 25 citizens participated in the meeting in a box process.

Two editions of meeting in a box were available during the plan development process. The first in the series asked participants to consider several questions. Following the group discussion, participants were asked to identify the three items of greatest importance to the group. The second edition of meeting in a box included questions related to a desired vision for the future of Wilmington.

This tool revealed that people value downtown Wilmington, coastal resources, and outdoor recreation. Seen as challenges were the education system, insufficient regional collaboration, and aging infrastructure. Ideas for Wilmington's future included transportation improvements, including an additional river crossing, better options for seniors (walking, biking), reduced traffic congestion, more technology jobs, expansions to the port, and better collaboration between the city and the county.





## 1.9 Connect Wilmington & Social Media

The Create Wilmington team utilized an online public input forum called Connect Wilmington to collect input on a variety of topics. The team posted several questions and asked the community to weigh-in. To participate, citizens had to register with Connect Wilmington, and could then offer their feedback and comment on and “like” the input of others. Participants could also add photos of places they like and suggest ideas of their own.

When asked to describe their vision for the future of Wilmington, participants described a future Wilmington that is clean and has high-quality development, is bicycle and pedestrian friendly, that celebrates and protects natural resources, has a vibrant downtown, and has rail service to Raleigh. When asked to share photos of their favorite places in Wilmington, the Cape Fear River and Memorial Bridge, the Riverwalk, and other downtown features, Greenfield Lake Park and Gardens, water-based recreation, and mixed-use developments in various parts of town were contributed. When asked for solutions to traffic congestion, participants suggested denser development in certain locations, roundabouts to keep traffic flowing, and the extension of Independence Boulevard to Martin Luther King, Jr. Parkway. Ideas for protecting Wilmington’s natural resources included denser development, the addition of scenic byways, and the concept of treating Wilmington’s natural resources as cultural and economic resources.

Throughout the process, 784 people participated via Connect Wilmington and more than 27,770 people viewed the site.



### Key Input

- Add pedestrian bridges over major roadways, including College and Carolina Beach roads.
- Support and implement community gardens
- Clean tech jobs, clean jobs, and technology jobs should be encouraged in Wilmington
- Keep film jobs in Wilmington
- Traffic signals should be better coordinated
- Aesthetic improvements and redevelopment along major corridors are needed
- Reduce parking requirements to help encourage better development patterns
- Allow garage apartments to supplement the housing supply

The team posted several questions, including:

- What is your vision for the future of Wilmington?
- What is one thing that you would like to see happen to make Wilmington better?
- What is something you would like to change about your neighborhood?
- What types of jobs do we need in Wilmington?
- What are your ideas for solving the traffic congestion problems in Wilmington?
- Where are your favorite places to walk in Wilmington?
- What can we do to protect Wilmington’s environment and natural resources?
- What parts of town would you like to see redeveloped?
- What can we do to improve workforce housing in Wilmington?

## 1.10 Other Small Group Meetings & Engagement Tools



### Hillcrest Community

The Create Wilmington team visited the Hillcrest Community and asked residents to share their ideas for the future of their community and what would make Wilmington a better place to live. Residents want the transit system to be improved to make getting their daily needs easier, they wanted more access to parks and recreational opportunities, and more training for jobs.



### Lunch & Learn and other tools

Beyond collecting input, the team set out to share information about planning best practices, the current conditions in Wilmington, and other relevant topics of interest. To this end, a series of “lunch and learn” seminars were held, information went out in the city’s general newsletter, and the Create Wilmington team utilized social media tools to share information.





## 2 Alternative Future Visions (Scenario Planning)

- 2.1 Current Trends
- 2.2 Creating Live-Work Places
- 2.3 Transit-oriented Development
- 2.4 Urban Centers & Neighborhood Nodes
- 2.5 Community Corridors
- 2.6 Neighborhood Transitions



“If you don't know where you are going, you'll end up someplace else.”  
— Yogi Berra



# Introduction

Following the Neighborhood Planning Area meetings, citizen input was consolidated and several “alternative future visions” were created to illustrate how Wilmington might grow and change over the next 25 years. At a public launch, citizens were invited to review and weigh-in on these visions. Participants were asked to identify trends from each of the six visions that they were in favor of with a green dot and those that they were not in favor of with a red dot. Following the meeting, the alternative future visions were posted on Connect Wilmington so that citizens could continue to review and evaluate them. The citizen-prioritized trends were incorporated into the Growth Strategies Maps.



● Thumbs Up  
● Thumbs Down

# Alternative Future Visions

A series of alternative future visions (scenarios) were developed to identify ways in which the city could grow and redevelop in the future. Each vision represents a potential scenario for future growth and is built around a series of ideas and strategies on how and where to grow. These alternative future visions were not mutually exclusive; participants were asked to identify the ideas and strategies from each alternative that were most important to them and which they believed may be appropriate.

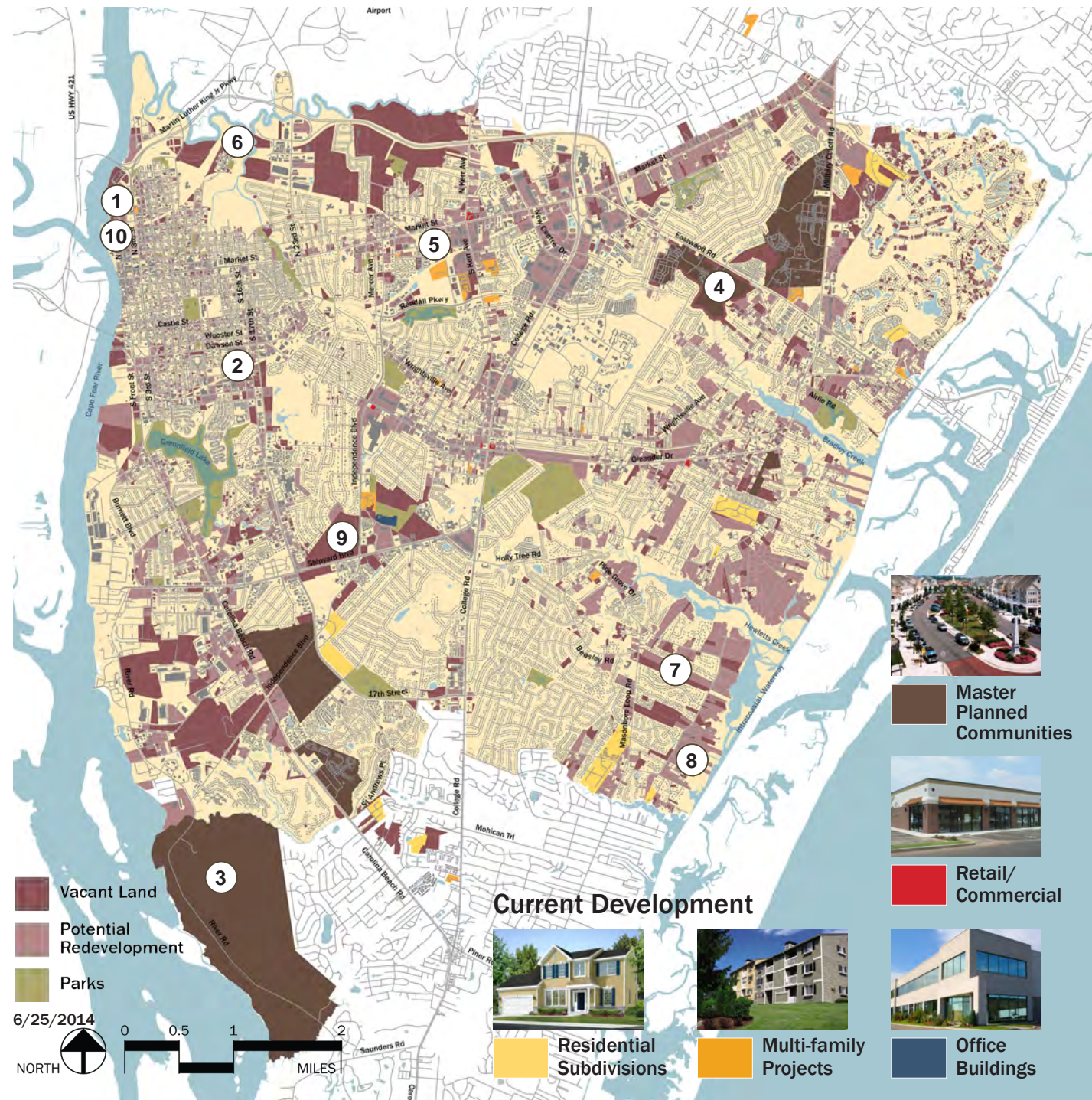


- 1 Current Trends**  
This scenario, originally presented as “Business as Usual,” focused on the continuation of current development trends. Under this scenario no major changes would be made to development patterns and trends.
- 2 Urban Centers & Neighborhood Nodes**  
This scenario focuses on creating and expanding mixed-use centers in already urbanized areas and strengthening existing and planned mixed-use developments.
- 3 Creating Live-Work Places**  
This scenario focuses on connecting housing to jobs by creating and expanding residential communities around existing employment centers and creating new employment centers and mixed-use communities.
- 4 Community Corridors & Main Streets**  
This scenario focuses on improving the form, function, and aesthetics of roadways and improving connections to adjacent neighborhoods.
- 5 Transit-oriented Development**  
This scenario focuses on creating a safe, clean, and reliable transit system and concentrating density around transit stop locations.
- 6 Neighborhood Transitions**  
This scenario focuses on protecting the character of the city’s unique neighborhoods and identifying appropriate transitions for neighborhoods already experiencing change.





## 2.1 Current Trends\*



### Major Themes

Create and develop master-planned projects on remaining large vacant tracts of land.

Develop and redevelop individual vacant or underutilized properties.

Develop vacant and underutilized single-family-zoned sites at 2-3 units per acre.

Develop multi-family projects on vacant or underutilized land around the university and along major road corridors.

\* Originally presented as "Business as Usual."

## Top 10 Trends Prioritized by the Community

The following are the trends from the "Current Trends" scenario that received the most positive feedback, from both the public launch and comments received online. Trends are ranked in order of priority given. Numbers correspond with map locations on previous page.

1



Develop more office buildings and hotels in downtown.

2



Redevelop Hillcrest public housing similar to Taylor Homes in the Northside.

3

Complete the River Lights master-planned community.



4

Complete the Autumn Hall mixed-use development plan.



- |  |  |                                    |                      |
|--|--|------------------------------------|----------------------|
| 1. Residential                         | 6. Carolina Bay Continuing Care Retirement Community | <b>Parks and Amenities</b>         | E. Shell Bridge Park |
| 2. Dungannon Village                   | 7. Headwaters Apartments                             | A. Chapel Park                     | F. Conservation Area |
| 3. Medical Office Park                 | 8. Future Retail/Commercial                          | B. Arbor Park                      | G. Creek Club        |
| 4. New Hanover Regional Medical Center | 9. Future Residential                                | C. Edisto Park                     | H. Bradley Creek     |
| 5. Carolina Bay Mansion Flats          |  | D. Pool/Outdoor Kitchen/Booze Ball | I. Multi-Use Trail   |
|  |  |                                    | J. 8-acre Lake       |

5



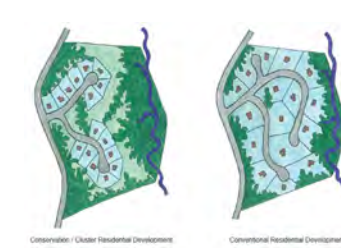
Develop large vacant and underutilized tracts as stand-alone multi-family projects.

6



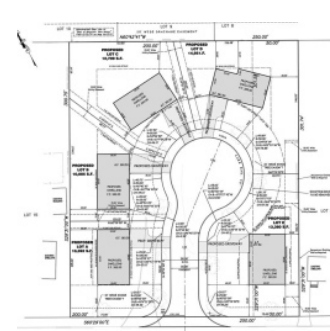
Complete the development of the Love Grove neighborhood.

7



Develop cluster subdivisions on remaining large vacant or underutilized tracts of land in residentially-zoned areas.

8



Subdivide individual large single-family parcels for single-family development.

9



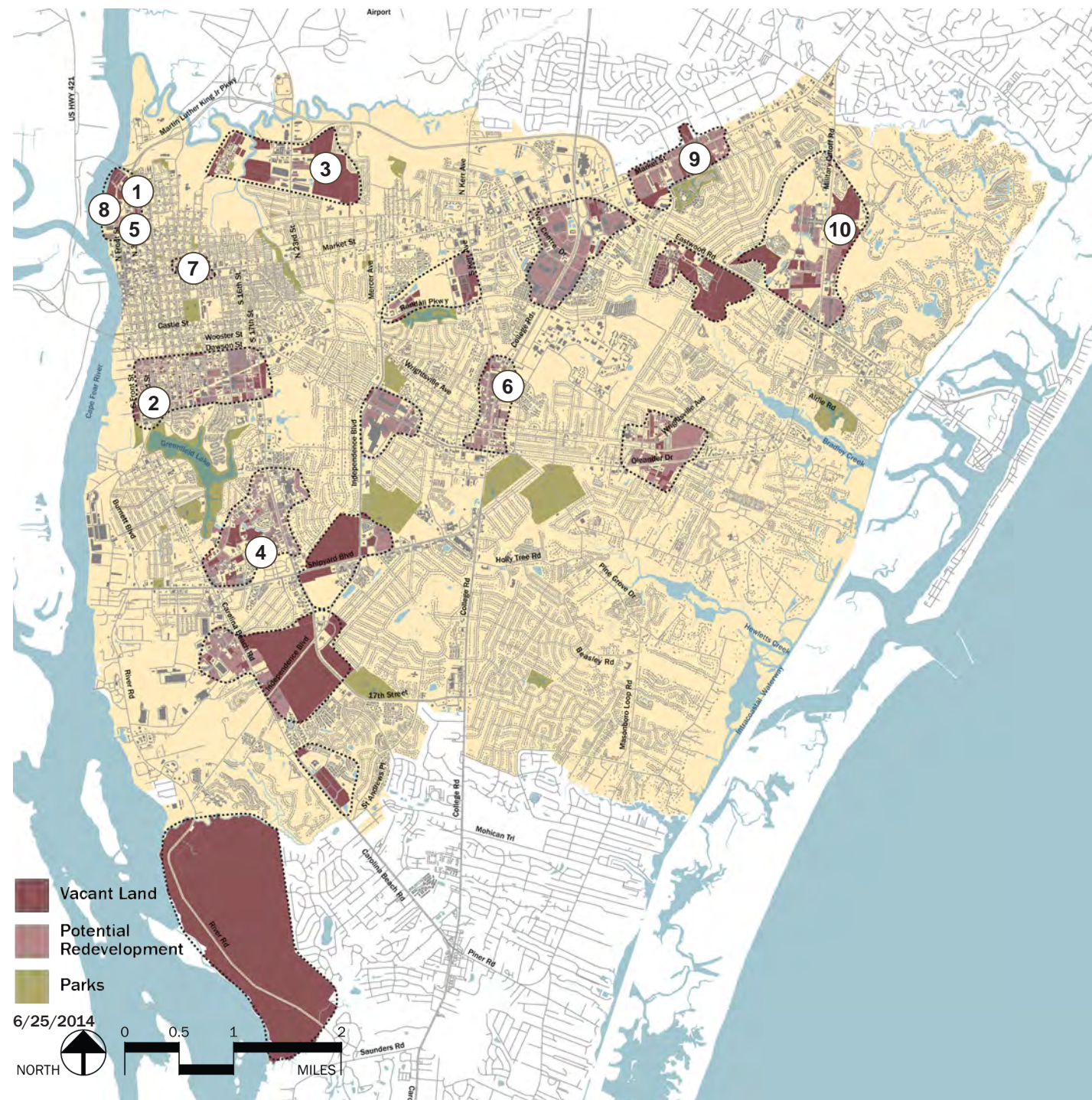
Create master-planned communities on remaining large tracts of land.

10

Create an elevated park/viewing area above the Hilton's southern parking lot that connects with second floor entrance of hotel.



## 2.2 Creating Live-Work Places



### Major Themes

- Create new and enhance existing employment centers.
- Connect people with jobs and reduce commute times.
- Focus on sidewalks, bikeways, and trails.
- Create efficient road connections as new development occurs.
- Introduce a mix of housing types to provide affordable options.

## Top 10 Trends Prioritized by the Community

The following are the trends from the “Creating Live-Work Places” scenario that received the most positive feedback, from both the public launch and comments received online. Trends are ranked in order of priority given. Numbers correspond with map locations on previous page.

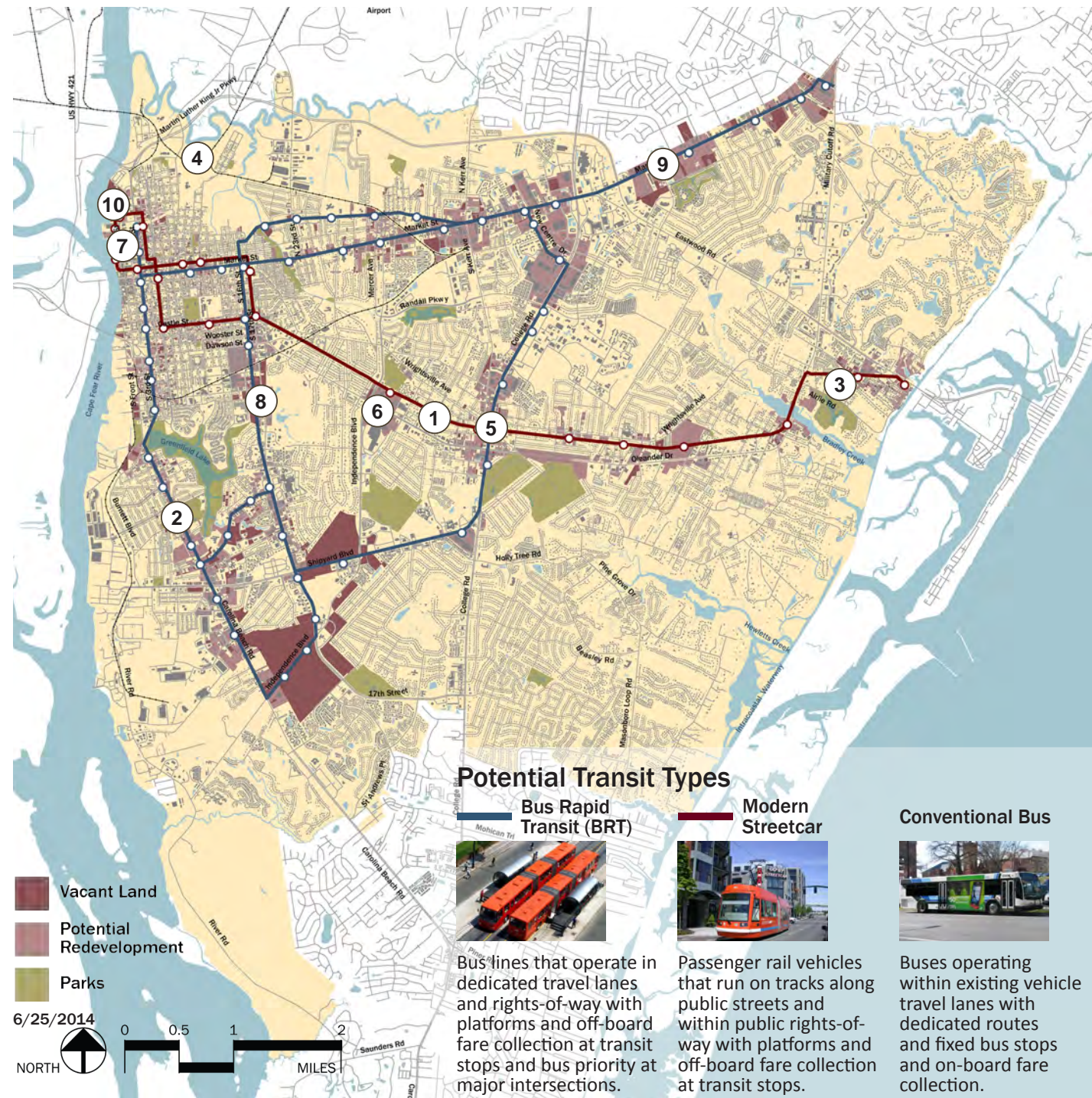
- Foster the development of arts-based entrepreneurship in the Brooklyn Arts District and in the area surrounding the former Coca-Cola bottling facility. Encourage live-work building types and affordable studio spaces.
- Encourage more creative, technology-based and light manufacturing start-ups in the Southside industrial area.
- Develop the area adjacent to the North 23rd Street employment corridor in a well-connected and coordinated way so that residential areas are within a short drive or bike ride to employment. Create a film-based mixed-use district.
- Develop medium-density housing around New Hanover Regional Medical Center; ensure walkability.
- Provide housing for Cape Fear Community College students within walking distance to campus.
- Use the K-mart parking lot, the UNCW Center for Innovation and Entrepreneurship, and nearby vacant land to create a mixed-use academic village, giving UNCW an urban center.
- Encourage redevelopment of the former Coca-Cola bottling facility as an employment incubator, with special emphasis on job training for nearby residents.
- Build more offices and employment uses in the Northern Riverfront.
- Develop housing, retail and good sidewalks along Market Street; make connections to employment area.
- Connect streets to create a walkable urban grid structure. Connect offices with housing and retail.

DRAFT 3/17/15

DRAFT 3/17/15



## 2.3 Transit-oriented Development



### Major Themes

- Reduce traffic congestion by creating a safe, clean, and reliable public transit system.
- Reestablish the historic streetcar line from downtown to the beach.
- Make transit stop locations safe and inviting places.
- Focus density around transit stop locations.
- Make our public transit system a source of pride for the community.

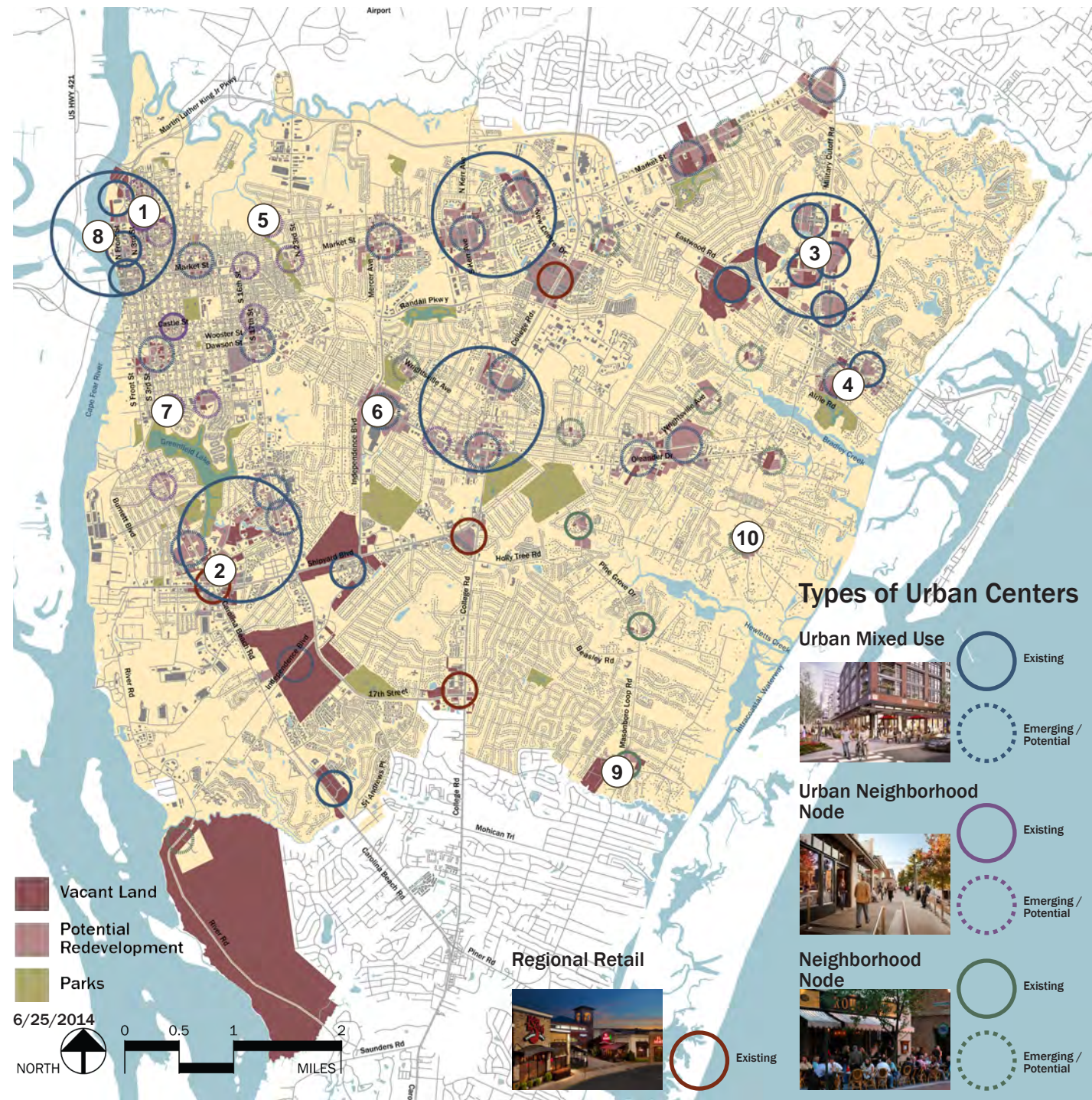
## Top 10 Trends Prioritized by the Community

The following are the trends from the “Transit-oriented Development” scenario that received the most positive feedback, from both the public launch and comments received online. Trends are ranked in order of priority given. Numbers correspond with map locations on previous page.

- Bring back the historic streetcar line from Downtown to Wrightsville Beach. Run alongside River to the Sea Bikeway and existing public right-of-way.
- Provide comfortable places to wait for transit with protection from the weather.
- Redevelop the Galleria with a mix of housing, employment and retail. Create a welcoming public space at the transit stop.
- Utilize existing rail rights-of-way to establish a light rail system that connects major destinations across the city.  
- Citizen Idea
- Pedestrian bridges in high-density/high-traffic locations.  
- Citizen Idea
- Upgrade Hanover Center and Independence Mall to accommodate transit. Add housing and a sidewalk network.
- Use electric-powered buses in the downtown core.  
- Citizen Idea
- Create safe, walkable urban places close to transit stops.
- Dedicate automobile lane to high-speed buses on Market Street and reduce travel lanes in each direction.
- Create a series of high-to-medium density transit nodes downtown with tall mixed-use buildings in the North Riverfront.



## 2.4 Urban Centers & Neighborhood Nodes



### Major Themes

Concentrate investment, vertical orientation of buildings, and densities around focal points.

Focus on walking and biking infrastructure.








Create active retail environments.

Increase access to goods and services to adjacent neighborhoods.

Promote infill of large surface parking lots.

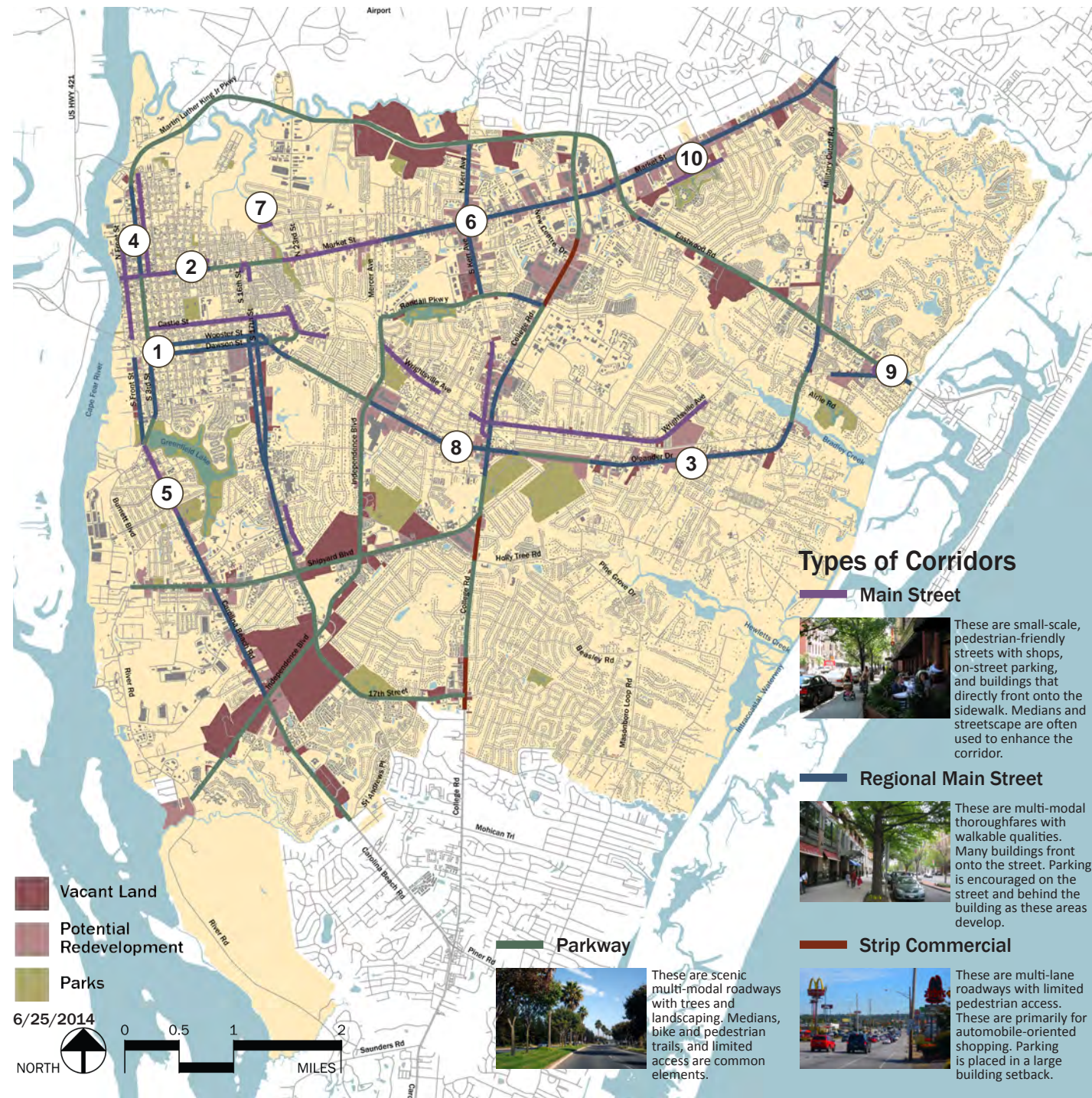
## Top 10 Trends Prioritized by the Community

The following are the trends from the “Urban Centers & Neighborhood Nodes” scenario that received the most positive feedback, from both the public launch and comments received online. Trends are ranked in order of priority given. Numbers correspond with map locations on previous page.

<p><b>1</b></p>  <p>Develop true vertical mixed-use buildings with ground floor retail.</p>	<p><b>2</b></p>  <p>Develop a high-density, walkable, mixed-use district surrounding New Hanover Regional Medical Center</p>	<p><b>3</b></p>  <p>Build on the momentum of existing town centers. Focus on making better connections and infill development.</p>
<p><b>4</b></p>  <p>Redevelop the Galleria as a pedestrian-focused, mixed-use development with restaurants, retail, and various types of housing.</p>	<p><b>5</b></p>  <p>Create small urban centers with services for nearby residents.</p>	<p><b>6</b></p>  <p>Fill the surface parking lots of Independence Mall with buildings.</p>
<p><b>7</b></p>  <p>Develop a center with industrial aesthetics; mix new and old buildings.</p>	<p><b>8</b></p>  <p>Foster a collection of urban centers, places, and neighborhoods in the downtown core with their own identities and primary functions. Update the downtown master plan and create small area plans for each downtown center.</p>	<p><b>9</b></p>  <p>Focus new development around existing neighborhood nodes; prioritize sidewalk connections.</p>
<p><b>10</b></p>  <p>Create small-scale neighborhood nodes on Greenville Loop Road to provide daily needs to surrounding neighborhoods.</p>		



## 2.5 Community Corridors



### Major Themes

- Create corridors that are unique public spaces.
- Focus development along roadways, not in adjacent neighborhoods.
- Improve safety and function by controlling driveways and street intersections.
- Provide sidewalks, bikeways, and trails to adjacent neighborhoods.
- Continue dependency on automobile travel with some improved bus service.

## Top 10 Trends Prioritized by the Community

The following are the trends from the “Community Corridors” scenario that received the most positive feedback, from both the public launch and comments received online. Trends are ranked in order of priority given. Numbers correspond with map locations on previous page.

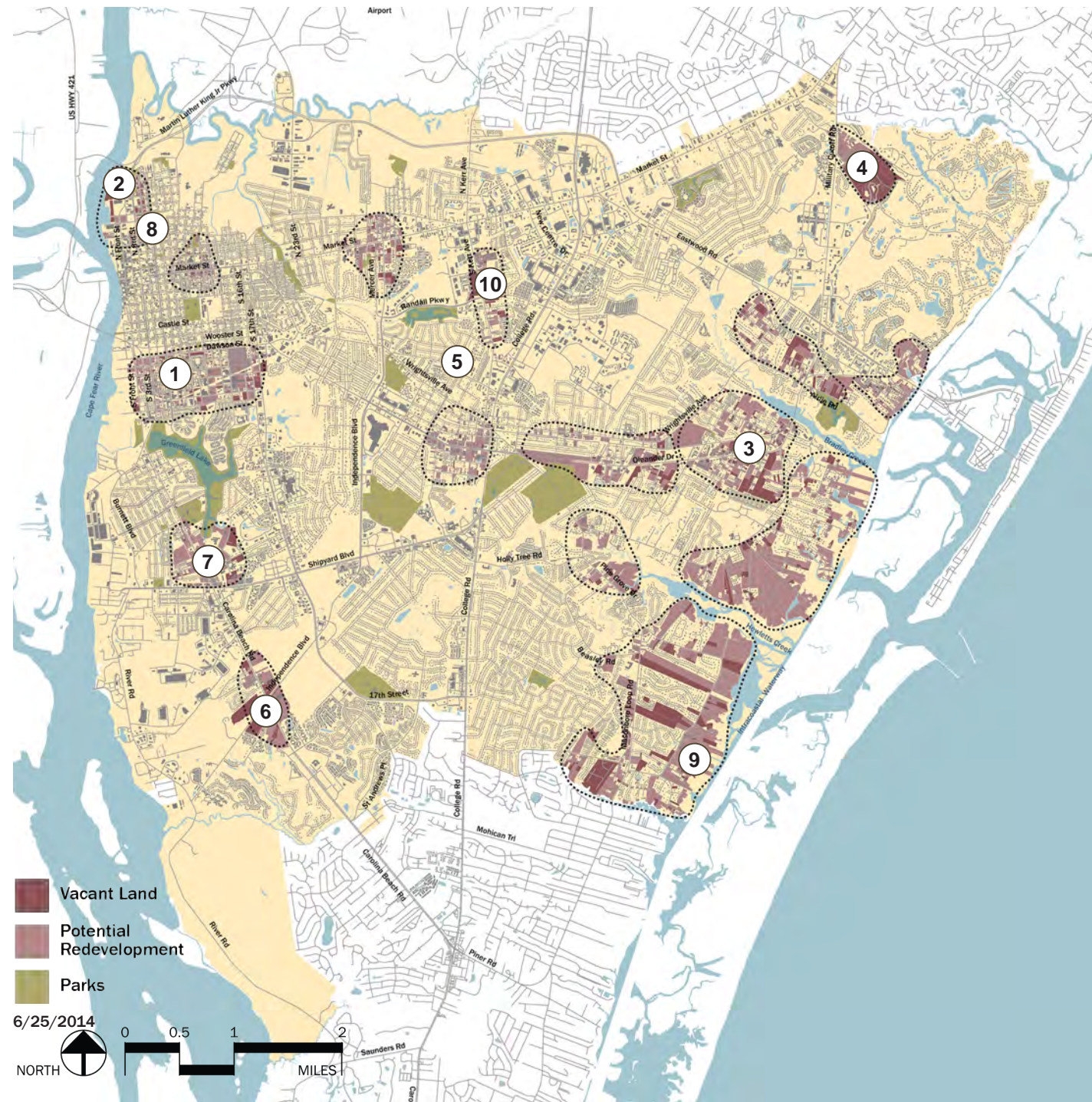
- Encourage mixed-use development at the gateways of Dawson/Wooster at 3rd Street and at 17th Street.
- Redevelop areas along Market and Princess streets between 8th and 12th streets.
- Redevelop vacant shopping centers and strip malls along Oleander Drive between Hawthorne Drive and Greenville Loop Road.
- Create vertical mixed-use corridors in the heart of downtown.
- Revitalize the commercial area along Carolina Beach Road at Sunset Park as a neighborhood-scale main street. Introduce new development with ground-floor retail, restore older storefront buildings, and enhance the streetscape.
- Implement the recommendations of the Market Street Corridor Study.
- Revitalize the small commercial area at Princess Place Drive and 21st Street as a neighborhood-scale main street. Introduce new development with ground-floor retail, restore older storefront buildings, and enhance the streetscape.
- Infill setback areas along portions of Oleander Drive and College Road near their intersection.
- Redevelop Pavilion Place as a pedestrian-focused main street, connecting new uses at Lumina Commons and Wrightsville Avenue.
- Develop a mixed-use town center on Market Street, east of Cardinal Drive, similar to Mayfaire and Autumn Hall.

DRAFT 3/17/15

DRAFT 3/17/15



## 2.6 Neighborhood Transitions



### Major Themes

Combine underutilized lots to create connected, coordinated developments.

Focus on accessory housing.

Create softened transitions between commercial and residential areas.

Introduce a variety of housing types.

Establish neighborhood conservation districts with guidelines for infill and redevelopment.

## Top 10 Trends Prioritized by the Community

The following are the trends from the “Neighborhood Transitions” scenario that received the most positive feedback, from both the public launch and comments received online. Trends are ranked in order of priority given. Numbers correspond with map locations on previous page.

1



Identify and create incentives for the conversion of old industrial buildings to new employment and housing uses.

2



Create a coordinated master plan for the northern riverfront area that considers transitions to Brooklyn Arts District and Cape Fear Community College.

3



Establish the architectural character of transitioning neighborhoods and use design guidelines to ensure compatibility.

4



Develop and redevelop with multi-family housing (areas north of Old MacCumber Station Road). Establish bike and pedestrian connections to surrounding area.

5



Accessory Dwelling Unit (Backyard Cottage)

Allow for additional housing types such as backyard cottages, courtyard cottages, and townhomes within established residential areas throughout the city.



Courtyard Cottages



Townhomes

6



Develop and redevelop parcels with single-family homes and connect housing to employment.

7

Redevelop the Starway Flea Market. Create roadway connections from Carolina Beach Road to adjacent neighborhoods. Make a smooth transition from high to low densities.

8



Address development in the transition area between downtown and the surrounding neighborhoods.

9



Combine lots to create a sensible block structure as opposed to disconnected street segments. Create walkable waterfront villages.

10



Develop and redevelop with higher-density residential along South Kerr Avenue, north and south of Randall Parkway. Identify appropriate housing types.





# 3

## Policy Audit & Legacy Planning Documents

- 3.1 Regional Plans
- 3.2 Small-area & Corridor Plans
- 3.3 Future Land Use Plan
- 3.4 Function-related Plans
- 3.5 Master Plans

“A goal without a plan is just a wish.”

— Antoine de Saint-Exupery





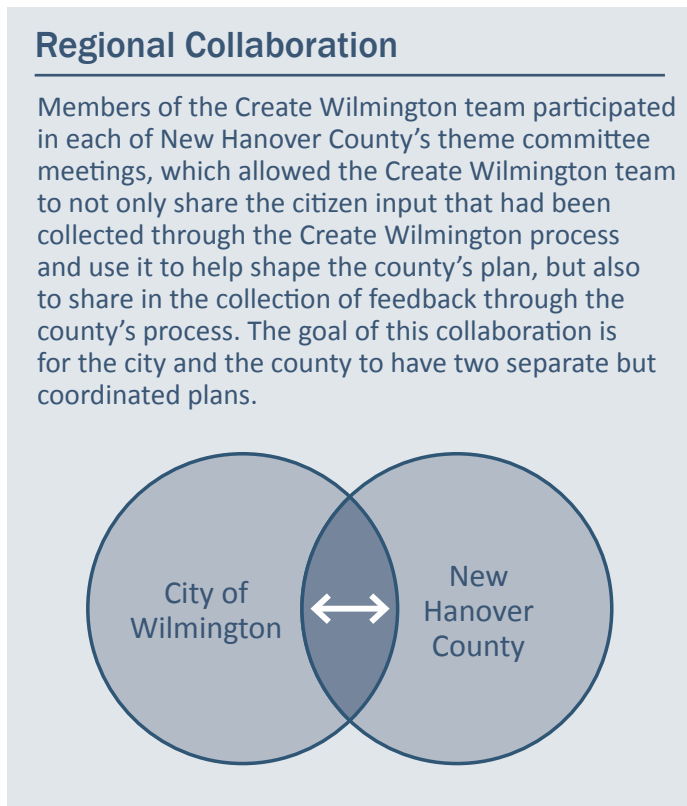
# Policy Audit & Legacy Planning Documents

To understand where the planning process began, it was necessary to first understand what planning efforts had already taken place. The city's first comprehensive plan was adopted in 1945, and a lot has changed since then; it is critical to understand how, why, and where Wilmington has changed and developed over the past 70 years since that first plan was prepared. Plans are typically based on wide-ranging public input, so understanding these older plans and recognizing the public input that went into the development of these plans is an important part of the Create Wilmington process.

To chart the path forward, a comprehensive review of all past planning documents was conducted. This "policy audit" compared previous plans, identified gaps and overlaps, and areas where additional planning and implementation has not been previously addressed. Hundreds of policies were consolidated into a single spreadsheet, and this information was used to inform the policies and maps found within the comprehensive plan.

The policy audit included the plans considered to be currently active, that is, plans that have been adopted by the City Council, which have not been updated or replaced by a newer plan, or that are in regular use by a department within the city. Included are the individual departmental work plans, neighborhood and small-area plans, city-wide plans, and the City Council's *Strategic Plan*. Several of these plans are referenced within the comprehensive plan, and the policy recommendations in these planning documents will continue to be implemented.

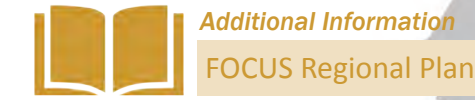
*Choices: The City of Wilmington Future Land Use Plan 2004-2025*, the most recent long-range planning document adopted by the city, will be replaced by the Create Wilmington Comprehensive Plan.



## 3.1 Regional Plans

### FOCUS Regional Growth Plan

A regional plan for sustainable growth for Brunswick, New Hanover, and Pender counties.



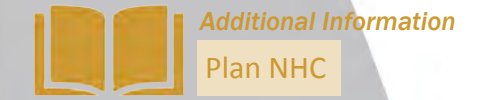
### Wilmington Metropolitan Planning Organization (WMPO) Long-Range Transportation Plan

A plan used by federal, state, and local governments that will guide transportation projects in the region for the next 25 years.



### New Hanover County Comprehensive Plan

A plan for how the unincorporated parts of the county should grow over the next 25 years.



### Cape Fear Public Utility Authority

The CFPUA participated in both the city and county comprehensive planning initiatives. Following the adoption of these plans the authority will begin the process of updating their system-wide master plan for water and wastewater services.

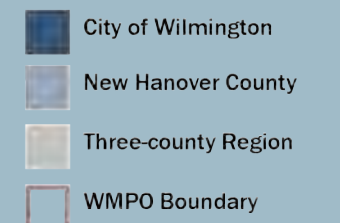
### City of Wilmington Comprehensive Plan

A citywide plan that will guide growth and redevelopment over the next 25 years.

### City of Wilmington & Others Corridor and Small Area Plans

Geographically-specific plans for future growth and development on the neighborhood/small-area scale and along major transportation corridors.

Wilmington has had the unique opportunity to develop the Create Wilmington Comprehensive plan concurrently with several other regional planning initiatives. The opportunity has allowed the Create Wilmington team to share information and collaborate across planning and jurisdictional boundaries.





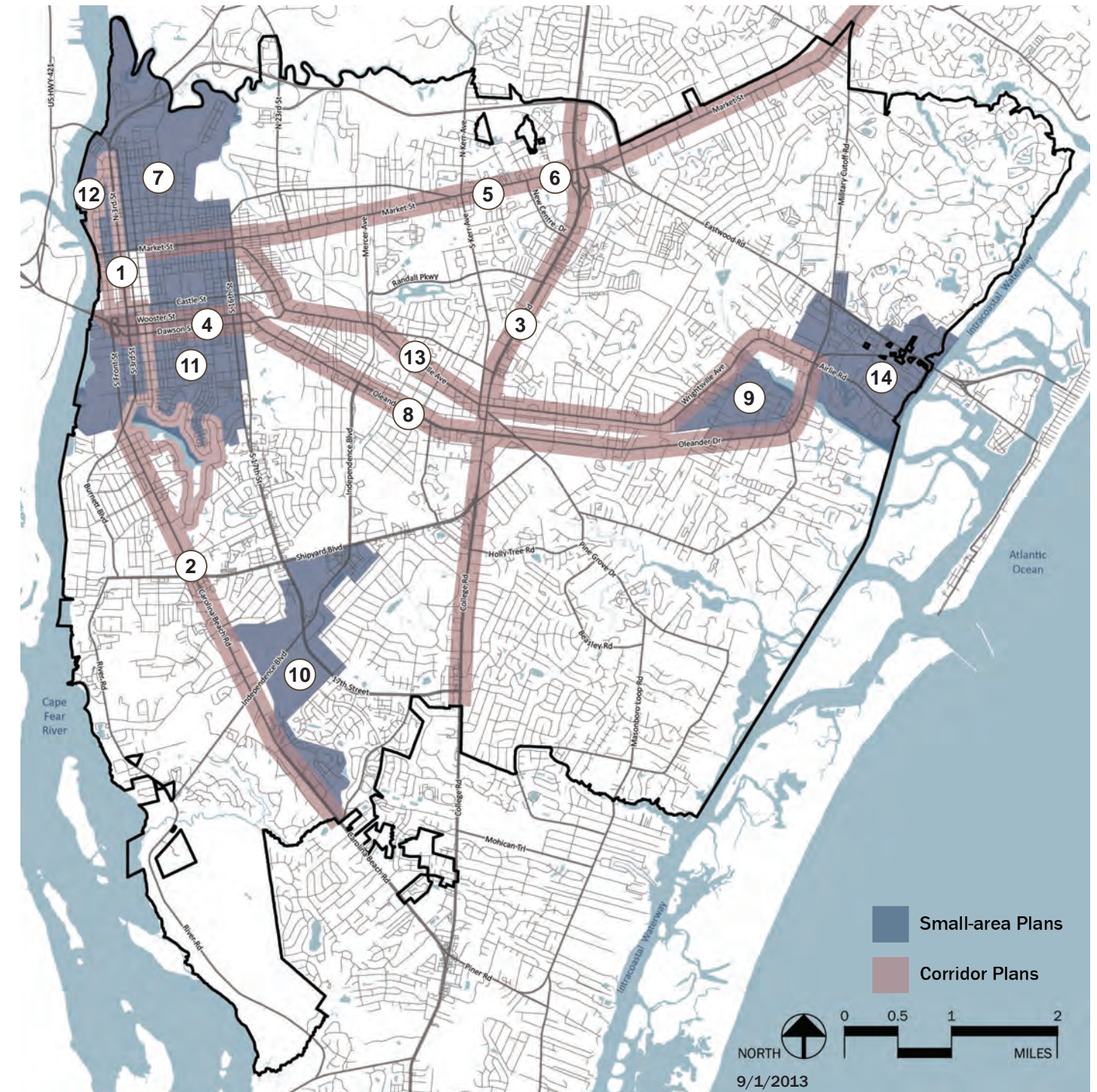
### 3.2 Small-area & Corridor Plans

There are a number of neighborhood, small-area, and corridor plans that address a small geographic area of the city or a specific roadway. Each of these plans are currently being implemented and will continue to supplement the city's comprehensive planning efforts. Neighborhood plans, as the name implies, are plans crafted by and for a specific neighborhood that speak to the unique characteristics and desires of that neighborhood. Small-area plans address an area of town that has a larger geographic boundary than a neighborhood plan and may include a collection of neighborhoods with similar characteristics. Corridor plans are developed for individual road corridors that address the unique characteristics of the road itself and the development along it.

 **Additional Information**  
[www.wilmingtonnc.gov](http://www.wilmingtonnc.gov)

#### Active Neighborhood, Small-area, & Corridor Plans

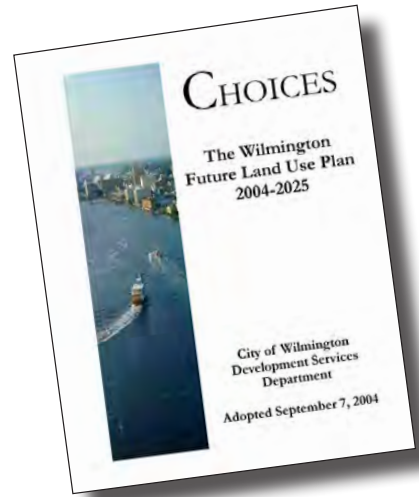
1. Cape Fear Historic Byway Management Plan (2008)
2. Carolina Beach Road Corridor Plan (2004)
3. College Road Corridor Plan (2004)
4. Dawson-Wooster Corridor Plan (2007)
5. Market Street Corridor Study (2011)
6. Northside Community Plan (2003)
7. Oleander Drive Corridor Plan (2004)
8. Seagate Neighborhood Plan (2007)
9. South 17th Street Land Use Plan (1996)
10. Southside Small-area Plan (2009)
11. Wilmington Vision 2020: A Waterfront Downtown Plan (1997, 2004)
12. Wrightsville Avenue 2030: Land Use & Transportation Plan (2010)
13. Wrightsville Sound Small-area Plan (2011)



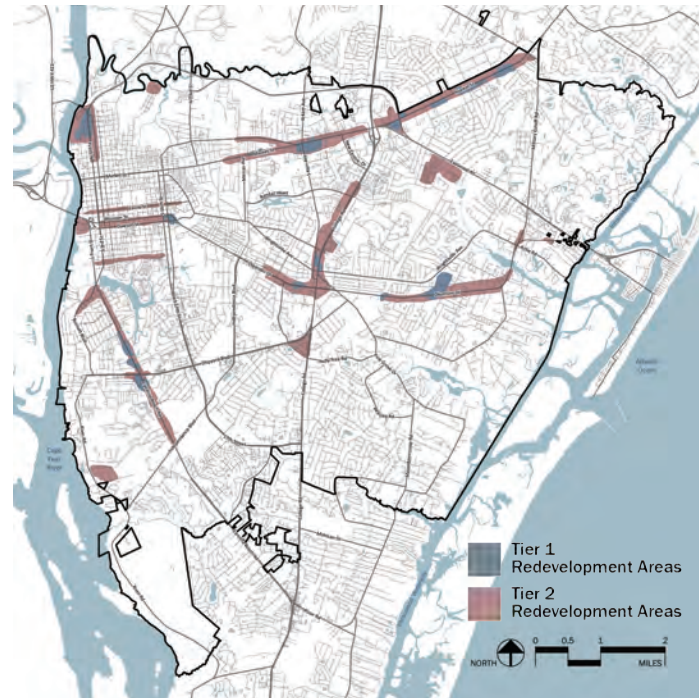
This map depicts the areas of the city for which a small area, neighborhood, or corridor plan has been adopted.



### 3.3 Future Land Use Plan

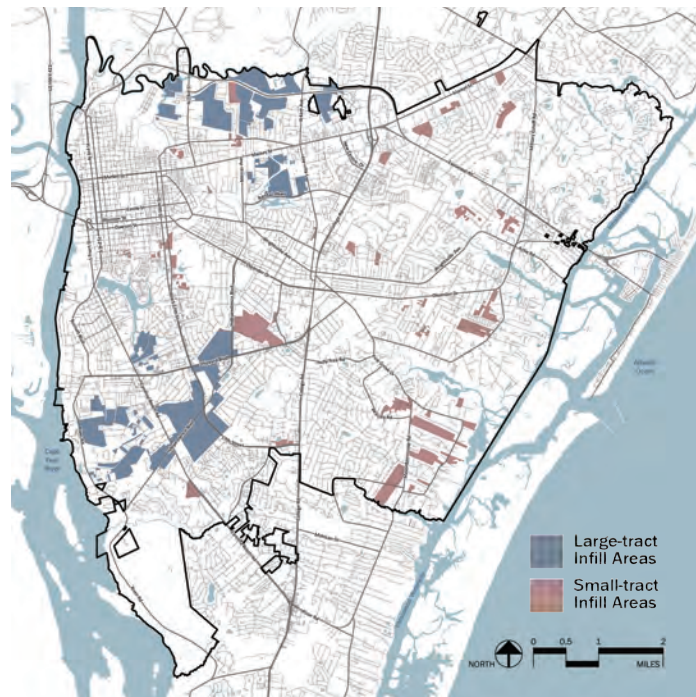


*Choices: The City of Wilmington Future Land Use Plan 2004-2025* was adopted by City Council in 2004 and was created to guide the physical development of the city over a 20-year period. The plan is based on three primary development trends that are expected to occur during the plan's horizon: infill development, redevelopment, and transitioning residential areas. The plan does not cover the entire city, but rather focuses only on particular areas and parcels of land.



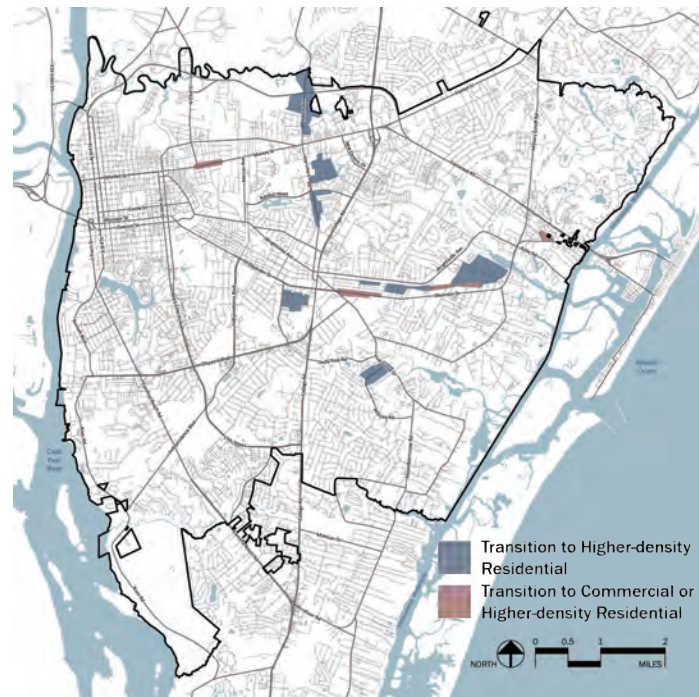
#### Redevelopment Areas

The plan identifies two tiers of redevelopment. Tier 1 areas have the greatest need for quality redevelopment and Tier 2 areas represent commercial areas in decline.



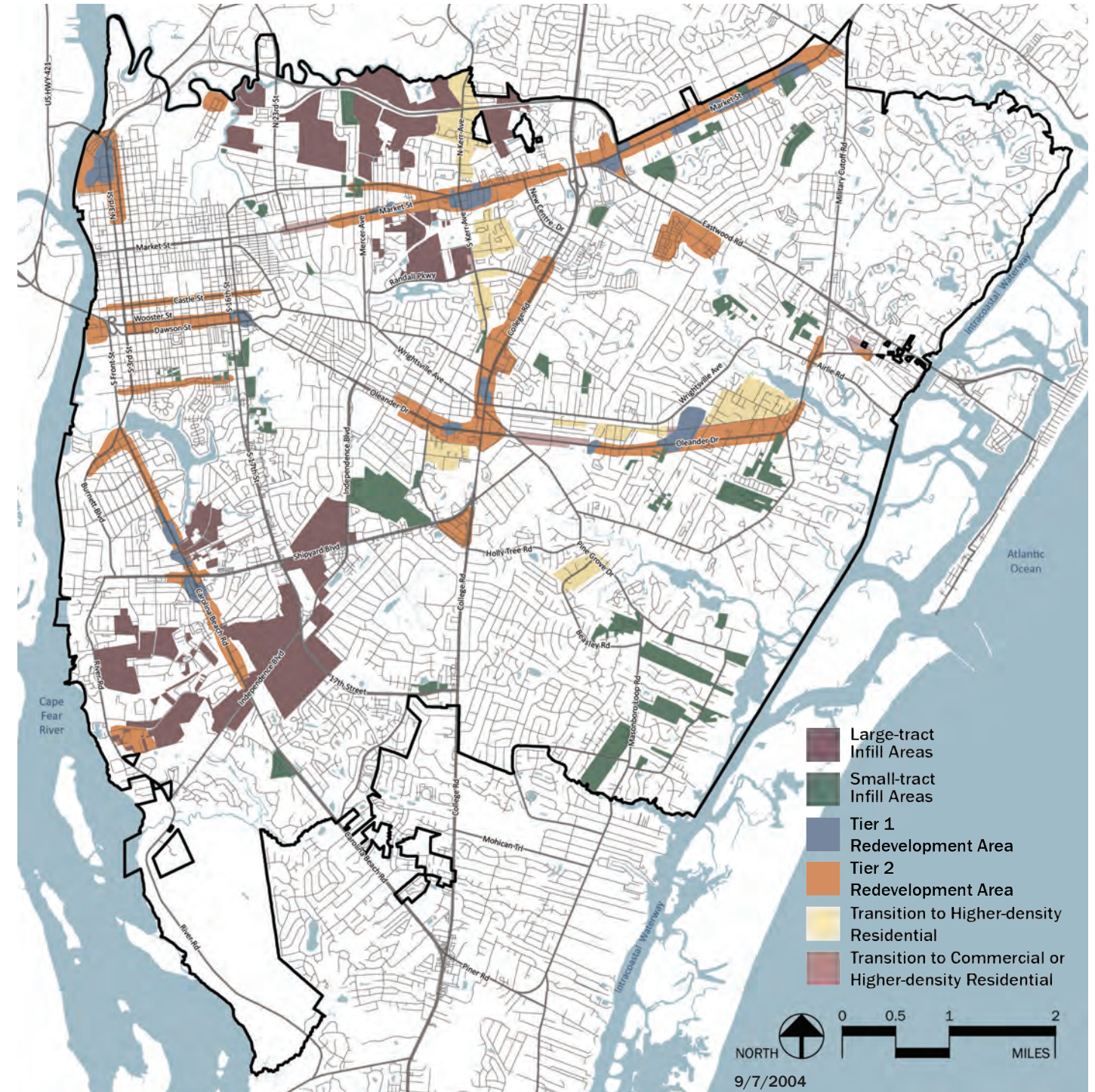
#### Infill Areas

The plan identifies both large- and small-tract infill areas. Large-tract areas range from 90 to 600 acres in aggregate size while small-tract areas are less than 40 acres.



#### Transition Areas

The plan identifies two land use transitions, areas transitioning to higher-density residential uses and areas transitioning from residential to commercial or higher-density residential uses.



This is the composite *Future Land Use Map*. The map includes each of the three major components of the *Future Land Use Plan*: Large- and small-tract infill areas, tier 1 and tier 2 redevelopment areas, and areas that are transitioning to higher-density residential and/or commercial uses. Note that the geometries of the infill areas identified employ a parcel specific level of detail. The **Create Wilmington Comprehensive Plan** is not parcel-specific, thereby avoiding the issue of attempting to predict, with certainty, the use of these land parcels.

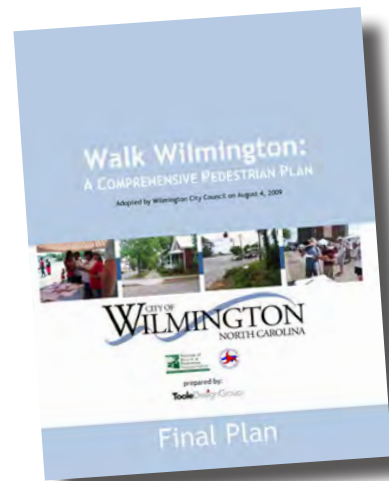


### 3.4 Function-related Plans

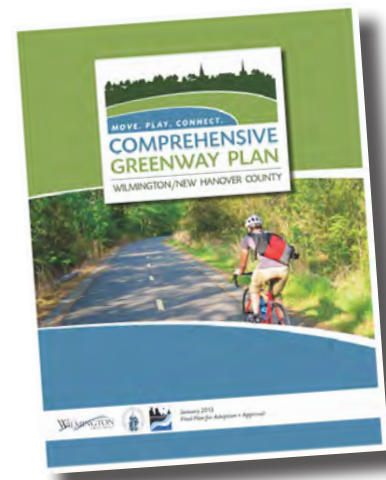
Some plans are developed for a special purpose. These plans typically do not apply to a specific geography, but rather are city- and/or county-wide plans developed around functional infrastructure.



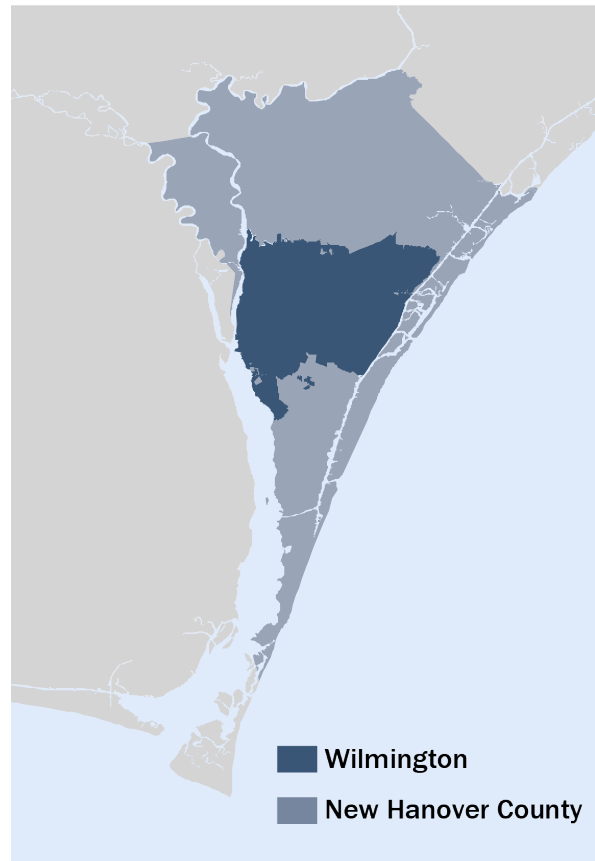
**Parks, Recreation, & Open Space Master Plan**  
This plan provides a blueprint and plan of action to guide the future growth and development of the city's parks and recreation system.



**Walk Wilmington**  
This is a comprehensive pedestrian plan that coordinates the effort to develop a safe, accessible, and comfortable pedestrian system throughout the City of Wilmington.

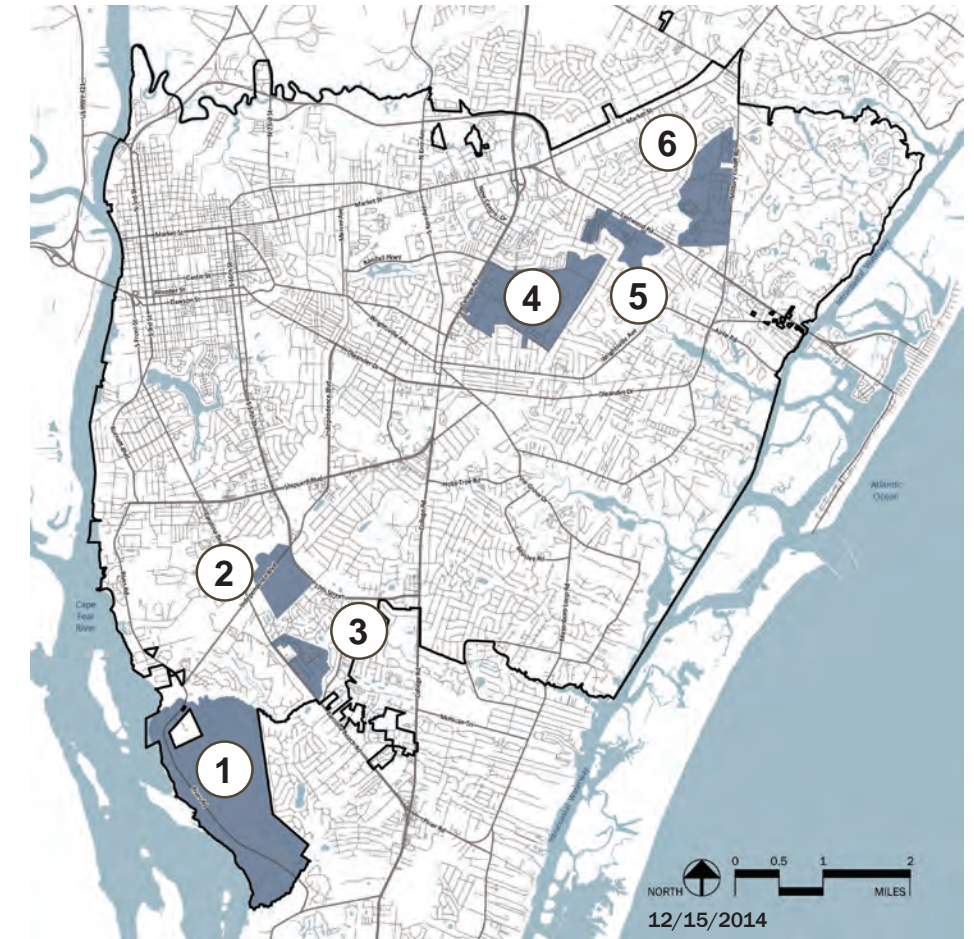


**Comprehensive Greenway Plan**  
This plan provides a framework for local governments and private partners to successfully establish a comprehensive network of greenways throughout Wilmington and New Hanover County.



### 3.5 Master Plans

There are several master-planned sites located across the city that will have a significant impact on how the city will grow over the next 20 to 30 years. The buildout of these sites will require the city to carefully consider what improvements will be needed to accommodate the additional growth in these areas.



#### Master-planned Sites

1. Riverlights
2. Barclay West
3. Fairfield Park
4. UNCW Campus
5. Autumn Hall
6. Mayfaire

#### Master Plan Profile: Autumn Hall

Autumn Hall is a master planned community located on Eastwood Road, on the site of the former Duck Haven Golf Course. When built out, the 200-acre site will include a mix of both single- and multi-family residential units, a retirement community and continuing care center, offices, and retail and commercial areas.



- |  |  |                                    |                      |
|--|--|------------------------------------|----------------------|
| 1. Residential                         | 6. Carolina Bay Continuing Care Retirement Community | <b>Parks and Amenities</b>         | E. Shell Bridge Park |
| 2. Dungannon Village                   | 7. Headwaters Apartments                             | A. Chapel Park                     | F. Conservation Area |
| 3. Medical Office Park                 | 8. Future Retail/Commercial                          | B. Arbor Park                      | G. Creek Club        |
| 4. New Hanover Regional Medical Center | 9. Future Residential                                | C. Edisto Park                     | H. Bradley Creek     |
| 5. Carolina Bay Mansion Flats          |  | D. Pool/Outdoor Kitchen/Bocce Ball | I. Multi-Use Trail   |
|  |  |                                    | J. 8-acre Lake       |

**This is the end of the Foundations Report. Please refer to other components of the Comprehensive Plan for more information and decision-making guidance.**

**Growth Factors Report**

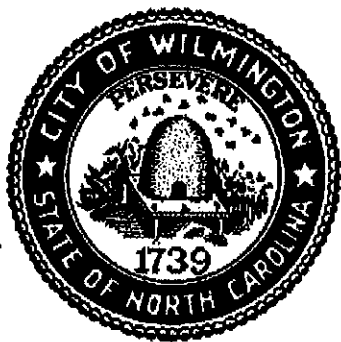
**Foundations Report**

**Policies**

**Growth Strategies Maps**

**Executive Summary**





# CITY of WILMINGTON

## North Carolina

P.O. BOX 1810  
28402

OFFICE OF THE CITY MANAGER  
(910) 341-7810  
FAX (910) 341-5839  
TDD (910) 341-7873

10/21/2014

City Council  
City Hall  
Wilmington, North Carolina 28401

Dear Mayor and Councilmembers:

In December, 2012, a Home Ownership Pool (HOP) Agreement of Commitment was signed by the three banks, i.e., First Citizens, Branch Banking & Trust, and the Newbridge Bank, that partner with the City in its Home Ownership Pool Program. A recent review by the City Attorney's Office revealed that the 2012 agreement had not been adopted by the City Council nor executed by the City. Additionally, the City Attorney's Office, in consultation with the City Council's Appointment's Committee, has recommended amendments to the HOP Agreement. The amended HOP Agreement is attached along with a sheet containing an explanation of the amendments. The recommended term of the agreement is three years, the standard term used by the City in the past. The HOP Program helps lower and moderate income households to purchase homes within the City of Wilmington by providing loans with blended interest rates lower than the market rate.

In addition to the HOP Agreement, the HOP Underwriting Guidelines, as proposed for amendment, are included in this packet. The proposed HOP Underwriting Guidelines are Exhibit "A" of the agreement and would be adopted as referenced in the agreement. The purpose of the underwriting guidelines is to set forth the qualifications and procedures for a HOP Loan. These guidelines are necessary for our partner banks to be in compliance with Quality Mortgage (QM) banking regulations. The changes are delineated in an attached sheet.

The resolution authorizes the execution of a cooperative agreement between the City of Wilmington and the two (2) banks of First Citizens and Branch Banking & Trust, respectively, i.e., for the commitment of funding for the Home Ownership Pool Program. The Newbridge Bank has opted not to participate in the HOP Program. Funding for this cooperative agreement is based on the City of Wilmington's Annual Action Plan for 2014-2015 and is consistent with the City of Wilmington's priority for affordable homeownership.

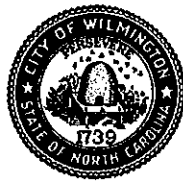
The attached resolution is aligned with the City Council's Focus Areas of Civic Partnerships and Sustainability and Adaptability. The consequence of adopting the resolution ensures the continuation of the City's HOP Program. Not adopting the resolution would result in the loss of an avenue for homeownership by low to moderate income residents of Wilmington.

Passage of the attached Resolution is recommended.

Respectfully submitted,

Sterling B. Cheatham,  
City Manager

# Resolution



City Council  
City of Wilmington  
North Carolina

**Introduced By:** Sterling B. Cheatham, City Manager

**Date:** 10/21/2014

## **Resolution Approving The HOME Ownership Pool (HOP) Agreement of Commitment 2014**

### **LEGISLATIVE INTENT/PURPOSE:**

The Home Ownership Pool (HOP) Program is a cooperative effort between the City of Wilmington and two (2) area banks allowing lower and moderate income households to purchase homes within the City by providing loans with blended interest rates lower than the market rate. First mortgage loans provided by the participating banks are at the market rate, with the City of Wilmington providing no-interest second mortgage loans.

The City of Wilmington Annual Action Plan for Fiscal Year 2014 - 2015 includes \$1,072,413 (entitlement and revolving fund program income) to continue the Home Ownership Pool Program for the three-year term of the Agreement. Additional Funding is anticipated for the Annual Action Plans for fiscal years, 2015-2016, and 2016-2017 subject to availability of funds.

### **THEREFORE, BE IT RESOLVED:**

THAT, the City Council approves the Home Ownership Pool Agreement of Commitment and Exhibit "A", Underwriting Guidelines, for the period beginning July 1, 2014 and ending June 30, 2017.

Adopted at a \_\_\_\_\_ meeting  
on \_\_\_\_\_ 2014

\_\_\_\_\_  
Bill Saffo, Mayor

ATTEST:

\_\_\_\_\_  
Penelope Spicer-Sidbury, City Clerk

## Summary of Amendments in HOP Agreement 2014

- New Article II, Immunity Not Waived, paragraph denoting the City's non-waiver of its sovereign immunity – formerly this paragraph was found under former Article II, Covenants of Participants - Covenants of Participants is now Article III of the agreement, subsequent articles renumbered accordingly (both changes found on page 3)
- Under Article III, Section B., Subsection 2., Subsection a., Subsection ii., the two (2) non-banking members of the HRC shall be appointed by the City Manager in consultation with the Chair of the LRC. The members selected for the HRC shall not consist of City employees. *Previously these members were appointed solely by the City Manager and were city employees.* (change found on page 6)
- Under Article III, Section B., Subsection 3., Subsection b., Subsection ii., the two (2) non-banking members of the Procedure and Rules Committee (PRC) shall be appointed by the City Manager in consultation with the Chair of the LRC. The members selected for the PRC shall not consist of City employees. *The PRC is responsible for monitoring the implementation of the HOP based on the underwriting guidelines. Previously, these members were appointed solely by the City Manager and were city employees.* (change found on page 7)
- Former HOP Agreements contained sections establishing the designation of alternate members for both the HRC and PRC; these sections have been deleted in the new HOP Agreement

THE HOME OWNERSHIP POOL  
OF  
WILMINGTON, NORTH CAROLINA

AGREEMENT OF COMMITMENT

Dated the: \_\_\_\_\_ of October, 2014

among

**THE CITY OF WILMINGTON**

and

**BRANCH BANKING AND TRUST  
FIRST CITIZENS BANK**

## **TABLE OF CONTENTS**

**ARTICLE I: DURATION**

**ARTICLE II: IMMUNITY NOT WAIVED**

**ARTICLE III: COVENANTS OF PARTICIPANTS**

**ARTICLE IV: MERGERS, ACQUISITIONS, AND CLOSINGS**

**ARTICLE V: AREA OF SERVICE**

**ARTICLE VI: ELIGIBLE PROPERTY FOR FUNDING**

**ARTICLE VII: REFINANCE OF EXISTING LOANS**

**ARTICLE VIII: QUALIFICATIONS OF BORROWER**

**ARTICLE IX: THE RECAPTURE EVENT**

**ARTICLE X: BORROWER DEFAULT**

**ARTICLE XI: SUCCESSORS AND ASSIGNS**

**ARTICLE XII: SUPPLEMENTAL AGREEMENTS**

**ARTICLE XIII: ENFORCEABILITY OF AGREEMENT**

**ARTICLE XIV: EXECUTION OF COUNTERPARTS**

**ARTICLE XV: ENTIRE AGREEMENT**

**ARTICLE XVI: APPLICABLE LAW**

## **APPENDIX**

**EXHIBIT A: HOME OWNERSHIP POOL UNDERWRITING GUIDELINES**



**THIS AGREEMENT OF COMMITMENT** (“Agreement”), dated the \_\_\_ day of August, 2014 is made and entered into by and among the **City of Wilmington**, a municipal corporation located in New Hanover County, North Carolina (“City”), and **Branch Banking and Trust Co.; and First Citizens Bank** all financial institutions with principal or branch offices in Wilmington, New Hanover County, North Carolina (“Banks”).

**WITNESSETH:**

WHEREAS, the Home Ownership Pool of Wilmington, North Carolina (“HOP”) embodies the collective commitment and effort of the above named parties:

- A. To provide designated City neighborhood revitalization through the purchase or rehabilitation of single family, owner occupied properties for applicants who may not otherwise qualify for mortgage loans;
- B. To facilitate development, rehabilitation, and financing of adequate housing for low to moderate income families in the City of Wilmington;
- C. To make mortgage financing available for low to moderate income families through a joint effort of public and private funding; and
- D. To provide for more affordable and well-maintained housing for the residents of the City of Wilmington.

WHEREAS, the City of Wilmington is the site for the implementation of HOP;

WHEREAS, the above named Banks constitute a consortium of New Hanover County financial institutions formed to provide a pool of mortgage loan funds with which to implement mortgage loans made through HOP;

WHEREAS, the parties hereto, having mutual confidence in each other and for and in consideration of these presents, do hereby covenant and agree with one another as to the terms and conditions of the said Home Ownership Pool of Wilmington, North Carolina, as hereinafter set forth:

**ARTICLE I**

**DURATION**

The agreements and covenants as hereinafter set forth in this Agreement shall commence on the date of execution of this agreement by all parties hereto and extend for three (3) years from that date. This commitment will terminate at the end of the three (3) year period unless extended under Article XII of this Agreement.

## ARTICLE II

### IMMUNITY NOT WAIVED

The City's participation in this Agreement is governmental in nature, for the benefit of the public, and is not to be for private profit or gain; that any amounts charged by the City in connection with loans hereunder are intended to reflect as closely as possible the City's actual costs under the program. The City does not intend to waive its sovereign immunity by reason of this Agreement and; that nothing herein shall be construed as a delegation of the City's legislative authority or as a delegation of the City's legislative and governmental authority of the City.

## ARTICLE III

### COVENANTS OF PARTICIPANTS

In consideration of the respective representations and agreements hereinafter contained, the parties hereto covenant as follows:

- A. COVENANTS OF "THE CITY OF WILMINGTON". Subject to the understanding of all parties to this Agreement, the City of Wilmington covenants and agrees:
1. To provide one million three hundred thousand dollars and no/100s (\$1,300,000.00) of permanent second mortgage funds for HOP as requested over a three (3) year period, subject to availability of funds;
  2. To accept zero percent interest rate in order to help buyers qualify for loans;
  3. To amortize loans up to thirty (30) years;
  4. To provide second mortgage loans for up to forty (40) percent (as referenced in the attached Underwriting Guidelines), of the acquisition cost of subject residential property or the appraised value of the subject residential property, whichever is less;
  5. To employ at salary a Housing Counselor whose primary responsibilities will be implementation of the HOP Program and any related activities. This Housing Counselor will act under the supervision of the Community Development Manager of the City of Wilmington;
  6. To provide a legal systematic application process whereby borrowers can apply for loans under HOP;
  7. To coordinate funding of all loans with the individual financial institutions;

8. To serve as a clearinghouse for information on HOP and related city programs designed to improve housing;
9. To provide current information to all parties to this Agreement on a regular basis regarding the progress of HOP, by preparing and distributing minutes of the PRC as set forth herein and in any other manner deemed necessary;
10. To support and complement HOP's purposes as previously set forth by providing municipal improvements, as determined to be practicable in the sole discretion of the City and subject to City Council approval, in the Area of Service designated in Article IV of this Agreement. "Municipal improvements" include but are not limited to: water and sewer improvements, lights, greenery, recreational facilities, and sidewalks; and
11. To provide any other necessary staffing or overhead for the administration of HOP, determined to be practicable in the sole discretion of the City.

**B. COVENANTS OF "THE BANKS".** The Banks collectively and individually covenant and agree:

1. To participate in the funding of any HOP loan when selected to fund such loan by the HRC by the procedure of random selection outlined in the Underwriting Guidelines. By this article, each selected Bank, without reservation, covenants and agrees to fully abide by any request or decision of the HRC necessary to the implementation of the program, including but not limited to:
  - a. Providing individually as requested up to five hundred thousand dollars and no/100s (\$500,000.00) of permanent mortgage funds over a three (3) year period. If the loan proposed by the HRC shall cause the selected bank to exceed the five hundred thousand dollars and no/100s (\$500,000.00) commitment, the HRC shall select alternate banks to make the loan commitment until a Bank is selected which has not yet exceeded the five hundred thousand dollars and no/100s (\$500,000.00) commitment. Any Bank may choose to fund a loan when selected, even if the loan causes that bank to exceed their commitment.
  - b. Providing fixed interest rate loans as specified in the Underwriting Guidelines attached as Exhibit A, and incorporated herein by reference, for up to thirty (30) years. The interest rate shall be based on the Freddie Mac weekly Primary Mortgage Market Survey of 30-year FRM rates rounded up to the nearest  $\frac{1}{8}$  percent.



- c. Providing loans in accordance with the Underwriting Guidelines attached as Exhibit A, and incorporated herein by reference.
- d. Providing a sixty (60) day commitment period for interest rates as determined in subparagraph B(1)(a) of this Article in advance of loan closing.
- e. Subject to subparagraph B(1)(a) of this Article, providing first mortgage loans and being responsible for the on-going servicing of the loans, on an individual financial institution basis as approved by the HOP Loan Review Committee.

2. To establish a HOP Review Committee (HRC)

- a. Responsibilities. The HRC will be responsible for underwriting and approving all loans funded by HOP according to the Underwriting Guidelines.
- b. Composition. The HRC shall be composed of four (4) members which shall be appointed as follows:
  - i. Each of the two (2) participating banks shall appoint a representative to serve on the HRC.
  - ii. Two (2) members from the City of Wilmington's official Loan Review Committee – Neighborhood Conservation Program (LRC), which shall act as a committee of the LRC shall be appointed by the City Manager in consultation with the Chair of the LRC. The members selected for the HRC shall not consist of City employees.
- c. Term of Service. To provide for varied representation while maintaining continuity of administration of the HRC, the term of service is established as follows:
  - i. Length. One (1) year from the date effective date of this agreement.
  - ii. Limitations. In no event may any individual lending institution be represented on the HRC by more than one (1) committee member at a given time.
  - iii. Duration. Committee membership shall be provided for in this fashion for the life of HOP.

- d. Disability or Resignation. If by reason of disability or resignation any committee member is unable to complete his term of service, that member shall notify the City Manager and be replaced as described in subparagraph B(2)(b) of this Article.
  - e. Meetings. HRC shall meet as necessary. Time and location of each meeting shall be established by the membership of the committee. A record of the decisions of the HRC will be available to members upon request.
3. To establish a Procedures and Review Committee (PRC)
- a. Responsibilities. The PRC will be responsible for monitoring the implementation of HOP based on the guidelines established herein. The PRC shall be available as necessary to meet with the City Community Development Manager or the City Manager to discuss procedural or processing problems that affect the implementation of HOP. This committee shall review any areas of concern or issues important to the CITY OF WILMINGTON or the BANKS under this agreement. If the issue cannot be resolved without amending this Agreement of Commitment and the PRC believes the issue is applicable to all parties, then the PRC will call a meeting of all parties to this Agreement for the purpose of resolving the issue.
  - b. Composition. The PRC shall be composed of four (4) members as follows:
    - i. Each of the two (2) participating banks shall appoint a representative to serve on the HRC.
    - ii. Two (2) members shall be appointed by the City Manager in consultation with the Chair of the LRC. The members selected for the HRC shall not consist of City employees.
  - c. Term of Service. To provide for varied representation while maintaining continuity of administration of the PRC, the term of service is established as follows:
    - i. Length. One (1) year from the date effective date of this Agreement.
    - ii. Limitations. In no event may any individual bank be represented on the PRC by more than one (1) committee member at any given time.

- iii. Duration. Committee membership shall be provided for in this fashion for the life of HOP.
- d. Disability or Resignation. If by reason of disability or resignation any committee member is unable to complete his term of service, that member shall notify the City Manager and be replaced as described in subparagraph B(3)(b) of this Article.
- e. Meetings. The PRC shall meet on an as needed basis. The time and location of the meeting will be established by the membership of the committee.
- f. Officers. The Vice Chairman will automatically become the Chairman the following year. The PRC shall at its first meeting select from its membership a new Vice Chairman and Secretary of the PRC. The Secretary shall keep minutes of every meeting of the PRC and distribute the same to all parties of this Agreement.

#### **ARTICLE IV**

##### **MERGERS, ACQUISITIONS, AND CLOSINGS**

If there is a merger of any participating bank, the newly formed bank will honor the commitments of the previous banks. If there is an acquisition, then the acquiring bank will honor the old bank's commitment. If a bank goes out of business, then the remaining participating banks will fund the commitment of the former bank.

#### **ARTICLE V**

##### **AREA OF SERVICE**

HOP funds will be available within the corporate limits of the City of Wilmington to applicants with household incomes not exceeding 120% of the median for the Wilmington Metropolitan Statistical Area.

#### **ARTICLE VI**

##### **ELIGIBLE PROPERTY FOR FUNDING**

Qualifying properties must be one (1) unit attached or detached residences. Loans through this program will include loans for the purchase of newly constructed residential property, the purchase of existing residential property meeting minimum housing code standards, and the purchase and renovation of substandard housing.



## ARTICLE VII

### REFINANCE OF EXISTING LOANS

Consideration will be given to refinance of an existing HOP loan for the following reasons: significant repair, the structural integrity is being compromised, or a lower rate in cases where extreme hardship exists such as illness, death, divorce, or loss of job, that may cause the mortgagor to default on the loan.

## ARTICLE VIII

### QUALIFICATIONS OF BORROWER

The following guidelines will be used to determine whether a borrower is eligible for a mortgage loan through HOP:

- A. Household income of the borrower(s) must not exceed 120% of the Area Median Income adjusted for family size in the Wilmington Metropolitan Statistical Area to qualify for this program as defined in Article IV of this agreement. "Area Median Income" shall be determined in accordance with the guidelines prepared by HUD from time to time for the City of Wilmington as an entitlement city.
- B. Borrower must occupy the house as his or her principal residence for a period of ten (10) years when the City of Wilmington loan amount does not exceed \$40,000.00 as set forth in Article VIII. When the City of Wilmington loan exceeds \$40,000.00, the Borrower must occupy the house as his or her principal residence for a period of fifteen (15) years, as set forth in Article VIII.
- C. Borrower must contribute a minimum of five hundred dollars (\$500.00) of their own funds towards the purchase of a house. The total amount borrowed may not exceed the North Carolina Housing Finance Agency's limit for the single family bond program as amended from time to time.
- D. Borrower must meet all underwriting requirements set forth in the HOP Underwriting Guidelines attached as Exhibit A and incorporated herein by reference.

## ARTICLE IX

### THE RECAPTURE EVENT

- A. For borrower(s) receiving a City of Wilmington loan of \$40,000.00 or less:
  1. Borrower must agree that the Premises shall be occupied by him as his residence for a period beginning on the date Borrower takes physical possession of the Premises and commences actual occupancy thereof, but

in any event, not later than thirty (30) days from the date of execution of the Security Instrument, and continuing for ten (10) years from the beginning date. In the event the Borrower fails to maintain his residence on the Premises for the specified period, the interest rate on the City's Note shall be increased effective on the date of the Note to a rate equal to the interest rate on that Note secured by the participating bank. The Additional Interest accruing through the date of sale or transfer of the Premises or the date of the Borrower's cessation of occupancy (the "Recapture Event") shall be due and payable to the City as a lump sum payment on the date of the Recapture Event.

2. The payment of such Additional Interest to the City shall be subordinate to the payment of the note secured by the first mortgage, deed of trust or security instrument on the Premises.

B. For borrower(s) receiving a City of Wilmington loan greater than \$40,000.00:

1. Borrower must agree that the Premises shall be occupied by him as his residence for a period beginning on the date Borrower takes physical possession of the Premises and commences actual occupancy thereof, but in any event, not later than thirty (30) days from the date of execution of the Security Instrument, and continuing for fifteen (15) years from the beginning date. In the event the Borrower fails to maintain his residence on the Premises for the specified period, the interest rate on the City's Note shall be increased effective on the date of the Note to a rate equal to the interest rate on that Note secured by the participating bank. The Additional Interest accruing through the date of sale or transfer of the Premises or the date of the Borrower's cessation of occupancy (the "Recapture Event") shall be due and payable to the City as a lump sum payment on the date of the Recapture Event.
2. The payment of such Additional Interest to the City shall be subordinate to the payment of the note secured by the first mortgage, deed of trust or security instrument on the Premises.

## **ARTICLE X**

### **BORROWER DEFAULT**

In the event of a Borrower's Default, (as referenced in the Deed of Trust), under any loan made through HOP, the lender shall have all rights and remedies available under the relevant statutory and common law of the State of North Carolina.

## ARTICLE XI

### SUCCESSORS AND ASSIGNS

The covenants and agreements set forth in this Agreement of Commitment shall be binding on any and all Successors and Assigns of any party to this Agreement for the life of HOP.

## ARTICLE XII

### SUPPLEMENTAL AGREEMENTS

The City of Wilmington and Banks as herein named, may from time to time enter into written agreements supplemental hereto for the purpose of adding any provision to this Agreement or changing in any manner the rights of the parties hereunder; provided that any such additions or changes affecting the time period for this Agreement or the financial commitment of any party to this Agreement must be set forth in a written Agreement duly executed by all parties to this original Agreement or their successors and assigns. Any other additions or changes must be set forth in a written Agreement duly executed by the City of Wilmington and three-fourths (3/4) of the banks.

## ARTICLE XIII

### ENFORCEABILITY OF AGREEMENT

Should any one or more of the provisions of this Agreement or any loan document used in the implementation of HOP be determined to be illegal or unenforceable as to one or more of the parties, all other provisions, nevertheless, shall remain binding on the parties hereto.

## ARTICLE XIV

### EXECUTION OF COUNTERPARTS

The Agreement may be executed in any number of counterparts, each of which shall be determined to be an original as against any party whose signature appears thereon and all of which shall together constitute one and the same instrument.

## ARTICLE XV

### ENTIRE AGREEMENT

This Agreement together with attached exhibit constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements or commitments, expressed or implied, oral or written, except as herein contained.



**ARTICLE XVI**

**APPLICABLE LAW**

All of the terms and conditions contained herein shall be interpreted in accordance with the laws of the State of North Carolina without regard to any conflicts of law principles and subject to the exclusive jurisdiction of federal or state courts within the State of North Carolina. In the event of a conflict between the various terms and conditions contained herein or between these terms and other applicable provisions, then the more particular shall prevail over the general and the more stringent or higher standard shall prevail over the less stringent or lower standard.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement of Commitment, under seal, to be effective as of the day and year above first written.

**(SIGNATURES AND NOTARY TO FOLLOW)**

**CITY OF WILMINGTON**

\_\_\_\_\_  
Bill Saffo, Mayor

**ATTEST:**

\_\_\_\_\_  
Penelope Spicer-Sidbury, City Clerk

[SEAL]

Approved as to form:

\_\_\_\_\_  
William E. Wolak, City Attorney

STATE OF NORTH CAROLINA

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public of the State and County aforesaid, certify that Penelope Spicer-Sidbury personally came before me this day and acknowledged that she is City Clerk of the City of Wilmington, and that by authority duly given and as the act of the Council, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by herself as its City Clerk.

WITNESS my hand and official seal, this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

CERTIFICATION

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act.

This \_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Debra H. Mack, City Finance Officer

**Available FY 2014-15 7/1/14 – 6/30/15**

**Appropriations**

Account No. 025-8307-465.36-26	Project No. HM1213	Amount: \$ 38,000
Account No. 025-8307-465.36-26	Project No. HM1314	Amount \$ 3,207
Account No. 023-8207-169.34-26	Project No. CD0910	Amount \$ 15,073
Account No. 023-8207-169.34-26	Project No. CD1011	Amount \$ 487
Account No. 023-8207-169.34-26	Project No. CD1314	Amount \$ 116,380
Account No. 023-8207-169.34-26	Project No. CD1415	Amount \$ 368,430

**The following cash is currently available in revolving loan funds.**

Account No. 075-0000-101.02-00	Project No. N/A	Amount \$ 93,181
Account No. 076-0000-101.02-00	Project No. N/A	Amount \$ 317,970

**The following loan repayments of principle and interest are projected to be received in the revolving loan funds cash during FY 2014-15.**

Account No. 075-0000-101.02-00	Project No. N/A	Amount \$ 60,000
Account No. 076-0000-101.02-00	Project No. N/A	Amount \$ 250,000

**Available FY 2015-16 7/1/15 – 6/30/16**

**The following loan repayments of principle and interest are projected to be received in the revolving loan funds cash during FY 2015-16.**

Account No. 075-0000-101.02-00	Project No. N/A	Amount \$ 37,272
--------------------------------	-----------------	------------------

Total Amount of Contract: \$ 1,300,000

Federal ID Number: 56-6000239



Branch Banking and Trust Co.

CORPORATE SEAL

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public of the State and County aforesaid, certify that \_\_\_\_\_ personally came before me this day and acknowledged that (s)he is the \_\_\_\_\_ of Branch Banking and Trust Company, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument as signed in its name by its \_\_\_\_\_, sealed with its Corporate Seal, and attested by \_\_\_\_\_ as its \_\_\_\_\_.

Witness my hand and official stamp or seal, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_

First Citizens Bank

CORPORATE SEAL

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public of the State and County aforesaid, certify that \_\_\_\_\_ personally came before me this day and acknowledged that (s)he is the \_\_\_\_\_ of First Citizens Bank, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument as signed in its name by its \_\_\_\_\_, sealed with its Corporate Seal, and attested by \_\_\_\_\_ as its \_\_\_\_\_.

Witness my hand and official stamp or seal, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_

## HOP Underwriting Guidelines Summary of Changes

New Quality Mortgage (QM) banking regulations necessitates the following proposed revisions to the HOP Underwriting Guidelines in order for our partner banks to remain in compliance.

### Income Requirements

- Secondary Income - Proper documentation required as proof of any secondary income
- Overtime/Bonuses - Proof of overtime and bonus income required for two years instead of one
- Commission - Income to be verified using past two years signed tax returns as opposed to "prior years." Commission income to be calculated by averaging previous two years.
- Part-time Income – Borrower must have been employed for two years in order to count this income
- Social Security/Disability/Retirement Income – 1099A acceptable proof of this income. Two months recent bank statements required.
- Self Employment Income – Personal and business signed federal income tax returns and any supplement schedules as well as YTD Profit and Loss Statement and Balance Sheet are required.

### Debt Ratios

- Borrower must comply with debt to income ratios. No compensating factors will be considered. Changed from compensating factors will be considered.

### Asset Requirements and Limitations

- Borrower may receive gift funds from immediate family members only. Changed from "borrower may receive gift funds."

### Credit Analysis

- Minimum credit score changed from 610 to 620

### Debt

- Written explanation required for any inquiries within the past 120 days. Changed from 90 days.

### Student Loans

- Entire section added – All student loan debt is to be disclosed and counted with documentation from the lender as to the type of payment plan and expected or current monthly payment. Exceptions may not be granted due to the loan being in deferment.



#### Collections/Tax Liens/Judgments

- Unpaid collections, tax liens and judgments within the previous 12 months are not allowed. Satisfactory explanation required.

#### Bankruptcy

- A copy of the discharge is provided and shows the satisfaction occurred at least two (2) years previously with extenuating circumstances and four (4) years with financial mismanagement.
- The applicant must have established new credit with no delinquencies within the twelve (12) months prior to loan approval.

#### Foreclosure, Short Sales, Deed-in-Lieu

- Entire section added – The LRC must obtain satisfactory documentation to evaluate the applicant's creditworthiness. The LRC will consider granting credit after a Foreclosure, Short Sale or Deed-in-Lieu of Foreclosure if: (1) applicant has provided a written, detailed satisfactory explanation of the event; (2) Twenty-four (24) months have passed since the occurrence of the event; (3) The applicant must have established new credit with no delinquencies within six (6) month prior to loan approval.

#### Divorce

- Entire section added concerning specific documentation and handling of debt in the event of the borrower is divorced.

#### Loan Processing

- Evidence of insurance required prior to loan approval

#### Funding Renovations

- Contingency funds not used for construction will be applied to reduce the principle balance of the HOP Loan in the same manner as distribution of the loan. I.e. 60%/40% or 70%/30.

#### Loan Closing & Servicing

- H06 Insurance required on all condominiums and townhomes

**“EXHIBIT A”**

**Underwriting Guidelines**



**HOME OWNERSHIP POOL**

# Table of Contents

1. Introduction.....	3
2. Homebuyer Education.....	4
3. Income Requirements.....	4
4. Income Limits.....	5
5. Debt Ratios.....	6
6. Asset Requirements and Limitations.....	6
7. Credit Requirements.....	6
8. Reserves.....	10
9. Property Requirements.....	10
10. Selection of Lender .....	11
11. Loan Processing.....	12
12. Loan Review and Approval.....	12
13. Funding.....	13
14. Loan Closing and Servicing.....	14
15. Legal Requirements of Borrowers.....	15
16. Renovation of Homes with the HOP.....	15

## **INTRODUCTION**

The purpose of the underwriting guidelines for the Home Ownership Pool (HOP) is to set forth the qualification requirements and procedures for a HOP loan. The HOP was created to help low and moderate income individuals and families qualify to purchase homes. Since many people are unable to qualify for a mortgage under typical underwriting guidelines in the conventional mortgage market, the HOP guidelines are somewhat less stringent. However, all HOP borrowers must have a reliable source of income and demonstrate a responsible attitude towards credit.

The HOP Program is available on a one-time basis to borrowers purchasing homes within the corporate limits of the City of Wilmington. Refinance of a HOP loan is limited to the reasons specified in Article VI of this Agreement. The program is limited to borrowers where the total gross household income does not exceed 120% of the Wilmington MSA median.

Although the HOP is not specifically designated for first time homebuyers, applicants are not eligible for HOP financing if they hold interest in real estate with certain exceptions detailed under Asset Requirements & Limitations.

These underwriting guidelines supercede all previous guidelines for the HOP and it is this version which is incorporated by reference as "Exhibit A" of the Agreement of Commitment executed on the 21<sup>st</sup> day of October 2014.



## **Homebuyer Education**

- Homebuyer Education shall be a mandatory requirement. No exceptions will be made. The Homebuyer Education Certification shall be good for two (2) years.

## **Income Requirements**

- Employment must be verified for the previous 24 months.
- A minimum of six months continuous employment with current employer is required.
- A minimum of one year work experience in the same general field of work is required (pursuit of a degree or participation in a job training program for a minimum of one year prior to current employment is also acceptable).
- Copies of signed federal income tax returns with W-2s for the past 2 years shall be provided if filed.

## **Verification of Employment**

- Should indicate hours worked per week if the applicant is paid hourly.
- If a range of hours is given on the verification, the actual earnings for the past year and year-to-date earnings will be averaged to determine the gross monthly income.

## **Secondary Income**

- Defined as: bonuses, commissions, overtime, part-time employment, investment income, alimony, child support and separate maintenance.
- May be used as qualifying income if it is substantiated for a minimum of one year and it is expected to continue with proper documentation.

## **Overtime and Bonuses**

- May be used as qualifying income if the employer verifies such income was received for the past two (2) years and it is likely to continue.

## **Commissions**

- Must be verified with a copy of the most recent two (2) years signed federal income tax return.
- Shall be calculated by averaging the prior two (2) year's commission earnings plus year-to-date commissions.
- Projected commissions on pending sales shall not be counted.

## **Part-time Employment**

- Acceptable verifications are VOEs or W-2s and a current paystub is required. Borrower must have been employed for two (2) years.

### **Alimony, Child Support, Separate Maintenance**

- Applicants must disclose alimony, child support and separate maintenance for compliance purposes, whether or not they desire to use such income for qualification.
- These funds may be considered as qualifying income if such payments are likely to continue for at least the next 3 years.
- Verification that the income has been consistently received for the past 12 months is required.
- Acceptable documentation of child support: A copy of the recorded court decree or judgment that legally compels the payer to continue making such payments for at least the next three years plus a copy of the clerk of court's ledger, copies of the payer's canceled checks, or the payee's deposit record showing positive verification of payment.
- Acceptable documentation of alimony or separate maintenance payments:  
Copies of the payer's or payees federal income tax returns for the past 2 years.
- Monthly parental assistance will not be considered an acceptable source of income.

### **Social Security, Retirement, Disability Income**

- A statement of entitlement from the Social Security Administration and/or a 1099A are acceptable forms of verification. Two (2) most recent month's bank statements or equivalent documentation is required.
- Retirement and Social Security disability income may be verified with a copy of a 1099 and/or a statement from the payer of the benefit. Two (2) most recent month's bank statements or equivalent documentation is required.
- For non-permanent disabilities, verification of the duration of the disability income for three (3) years beyond the closing date and the expected date to return to work must be provided.
- Any non-taxable income may be grossed up 15%.

### **Income from Self Employment**

- May be used as qualifying income if the applicant has been self-employed for at least the previous 2 full tax years.
- Copies of personal and business signed federal income tax returns and any supplemental schedules as well as YTD Profit and Loss Statement and Balance Sheet are required.

### **Income Limits**

- The gross household income shall not be greater than 120% of the Wilmington MSA median.
- Median income figures for the City of Wilmington are calculated annually by the U.S. Department of HUD and vary according to the size of the household.
- Income eligibility determination shall be based on anticipated income during the upcoming 12-month period. The U.S. Census Bureau's long form definition of income shall be used to determine income eligibility. *Loan underwriting, however, shall be based on verified income as defined herein.*
- Applicants exceeding HOP income limits (greater than 120% of the Wilmington MSA median) will be referred to the HOP participating banks for possible funding.

## **Debt Ratios**

- The total housing ratio should not exceed 30% of gross monthly income.
- The total housing ratio shall not be lower than 20% of gross monthly income.
- The total debt ratio should not exceed 43% of gross monthly income.
- Installment debts scheduled to be completely paid within 6 months of loan closing are not calculated in determining total debt ratios.
- The HRC may not consider compensating factors in approving higher ratios.

## **Asset Requirements & Limitations**

- Applicants must show sufficient assets for the application fee, closing costs, and prepaids.
- The application fee shall be \$50.00 charged by the City of Wilmington.
- In no case will the cash investment contributed by an applicant be less than \$500.00.
- Gift funds, grants, subsidies and seller contributions may be used to supplement the applicant's savings as long as the minimum contribution requirement is met and any security for these funds is subordinate to the notes and deeds of trust securing the loans of the participating lender and the City of Wilmington.
- Gift funds shall be allowed from immediate family members only with exemptions being marital gifts.
- Applicants with liquid assets exceeding \$40,000.00 are not eligible for HOP financing. Money invested in a tax-qualified retirement plan is not considered a liquid asset.
- Applicants are not eligible for HOP financing if they hold any interest in real estate with the exception of unimproved land. The land's assessed value will count towards the applicant's liquid assets. The assessed value must be from a municipality's most recent property tax assessment of the parcel.

## **Credit Requirements**

### **Age of Documents**

- All credit documentation (credit report, verifications of employment and deposit, etc.) must not be more than 90 days old at the time of loan approval and not more than 120 days old on the date of loan settlement.
- If the closing is scheduled more than 120 days after the date of the credit documents, the credit documents must be updated prior to loan settlement.
- If an updated document indicates a significant change in the applicant's financial situation, the loan application must be re-submitted to the HRC for underwriting.

## **Alternative Documentation**

- Copies of signed federal income tax returns with W-2's for the past two years, plus copies of paycheck stubs for the past 30 days may be used to verify employment.
- Deposits may be verified with copies of original bank and/or investment statements for the past two months.
- A printout on bank letterhead or stamped with the name of the institution detailing the past two months' history signed by an official of the financial institution is acceptable.
- Rental history may be verified with front and back copies of canceled checks for the preceding 12 months.
- The Loan Review Committee has the option of accepting or rejecting any alternative documentation.

## **Credit Analysis**

### **Credit Report and Score**

- While consideration will be given for documented extenuating circumstances impacting credit, a minimum credit score of 620 is required for approval. Such score shall be the middle score derived from the three national credit repositories.
- The credit report shall be a triple merged report with credit scores and shall be ordered by the selected funding lender upon application.
- A minimum of two scores is required. Should a borrower only have only two scores then the lower of the two will be considered.

### **Rental History**

- Verification of rental or mortgage must indicate all payments for the past 12 months were timely. An applicant with a history of slow payments must show strength in other areas of the underwriting analysis for the application to be approved.

### **Debt**

- References on all debts listed on the application must be included.
- If additional debts are discovered, a written explanation from the applicant is required for the file.
- If there have been inquiries within the last 120 days, a written explanation of the inquiry indicating whether or not funds were borrowed from the inquirer must be provided.
- If an inquiry resulted in a new debt, the debt must be verified and included on the application.
- If the report indicates any delinquencies, the applicant must provide a signed statement with a satisfactory explanation.
- Delinquencies must have been temporary or the result of circumstances beyond the applicant's control.



## **Student Loans**

- All student loan debt is to be disclosed and counted with documentation from the lender as to the type of payment plan and expected or current monthly payment. Exceptions may not be granted due to the loan being in deferment.

## **Charge-Offs and Repossessions**

- Any charge-offs must be paid in full with a satisfactory explanation.
- Repossessions within the previous 24 months are not allowed.
- Any repossession greater than 24 months old must be satisfied in full with a satisfactory explanation.

## **Collections**

- Unpaid collections within the previous 12 months are not allowed and a satisfactory explanation must be provided.
- Consideration will be given to applicants with unpaid *medical collections* if two (2) of the following have been satisfied:
  1. The applicant's credit report is acceptable with the exception of outstanding hospital and medical bills.
  2. The applicant has received counseling from an LRC approved credit counseling agency.
  3. The applicant and the medical provider have signed an agreement providing for the bills to be paid in a timely manner.
  4. The applicant shows evidence of timely payments to the provider for a minimum of six consecutive months prior to making application to the HOP.

## **Tax Liens and Judgments**

- Tax liens and judgments must be fully satisfied and a letter of explanation provided.

## **Bankruptcy**

- If the applicant has been subject to *bankruptcy*, the HRC must obtain satisfactory documentation to evaluate the applicant's creditworthiness. The HRC will consider granting credit after a bankruptcy if:
  1. The applicant has provided a written detailed, satisfactory explanation.
  2. A copy of the discharge is provided and shows the satisfaction occurred at least two (4) years previously with extenuating circumstances and four (4) years with financial mismanagement.
  3. The applicant must have established new credit with no delinquencies within the six (6) months prior to loan approval.

## **Foreclosure, Short Sales, Deed-in-Lieu**

- The HRC must obtain satisfactory documentation to evaluate the applicant's creditworthiness. The HRC will consider granting credit after a Foreclosure, Short Sale or Deed-in-Lieu of Foreclosure if:
  1. The applicant has provided a written, detailed satisfactory explanation of the event.
  2. Twenty-four (24) months have passed since the occurrence of the event.
  3. The applicant must have established new credit with no delinquencies within the six (6) months prior to loan approval.

## **Divorce**

In the event of a divorce and the borrower was also a Co-borrower of jointly held real property and has stated that the other spouse is now responsible for the debt:

1. The borrower must obtain evidence that timely payments are being made by someone other than the Borrower and document that someone other than the Borrower makes the payments by obtaining copies of canceled checks or a statement from the lender.
2. The borrower may document that timely payments are being made through a reference on the Borrower's credit report or by obtaining a payment reference from the lender. If someone other than the Borrower has been making the payments for the most recent 12 months and the payments have been timely for the most recent 12 months, the contingent liability may be excluded.
3. If the payments on the contingent liability have not been timely over the most recent 12 months or if the borrower is unable to document that someone other than the Borrower made the payments for the most recent 12 months, the liability must be included in the data submitted to Loan Prospector or, when manually underwriting, included in the monthly debt payment-to-income ratio.

If the Borrower is listed as the Borrower on a Mortgage that has been assumed by another, the Borrower must obtain a copy of the documents transferring the property and any assumption agreement executed by the transferee. As long as the Borrower no longer owns the property, the contingent liability may be disregarded, without having to document the most recent 12 months' payment history.

The contingent liability (on a secured debt or Mortgage) may also be disregarded and the documentation of the most recent 12 months' payment history is not required, if the obligation to make the payments on a debt of the Borrower:

- Has been assigned to another by court order, such as a divorce decree, and
- The borrower documents the order (provides appropriate pages from the separation agreement or divorce decree) and documents the transfer of title

The Fair Housing Act and the Equal Credit Opportunity Act make it unlawful for a lender to decide qualification for a loan, or to offer less favorable terms, for reasons such as race, color, religion, national origin, age, sex, or familial status of the applicant.

*The Loan Review Committee will consider all aspects of the applicant's credit before reaching a conclusion as to whether the applicant is one from whom timely repayment of the proposed debt can be expected.*

*Note: In the event the applicant does not have sufficient information on file to generate a credit score, alternative documentation may be used to determine creditworthiness.*

## **Reserves**

- A total of one (1) month of reserves shall be required for applicants with credit scores of 700 or above
- A total of two (2) months of reserves shall be required for applicants whose credit score is below 700

*The Loan Review Committee shall allow for compensating factors, i.e. housing payment is lower than current rental payment, etc.*

## **Additional Required Documentation**

- The Housing Counselor will make copies of the applicant's original:
  - Photo ID
  - Green Card/Proof of Citizenship (if applicable)
  - Copy of filed separation agreement detailing borrower's legal rights when attaining property (if applicable)
- Verification that the applicants have completed a Homebuyer Education class from the City of Wilmington, or a HUD or FNMA approved housing counseling agency.

## **Maximum Mortgage Amounts**

- The total amount borrowed may not exceed the North Carolina Housing Finance Agency's limit for the single family bond program as amended from time to time.

## **Property Requirements**

### **Property Type**

- Either attached or detached one family residential units are acceptable.
- Condominiums and townhouses may be financed with the HOP.
- One unit in a condominium project may be financed with the HOP; however, no more than 10% of the units in a project may be financed without prior approval from the LRC.
- The City of Wilmington will perform an environmental review of each property financed in accordance with provisions of the National Environmental Policy Act of 1969 (NEPA) (42

U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

- Lead-based paint hazard reduction measures may be required for homes constructed prior to 1978.

## **Occupancy**

- **Tenant-occupied homes are not eligible for HOP financing (except as noted below).**

Financing may be made for the purchase of houses that are:

- Vacant at the time the property is listed in the MLS or first offered for sale,
- Occupied by the seller(s) at the time of loan application, or
- Occupied by the applicant(s) at the time of loan application

## **Appraisal**

- An appraisal is required for all loans and must be done by a State Certified Appraiser.
- If renovation will be provided, the appraisal will be made subject to the repairs.
- FNMA Form 1004 will be used for single family residences.
- FNMA 1073 will be used for condominiums and townhouses.
- The appraised value may not exceed the FHA 203 (b) one-family mortgage limit for the Wilmington Metropolitan Statistical Area.
- The appraisal should not be more than 120 days old when submitted to the LRC.
- The appraiser may provide a re-certification of value for appraisals more than 120 days old but not greater than one year old.
- Appraisals prepared for others will not be accepted for loan underwriting.

## **Selection of Lender**

- The funding lender for HOP loans (except for applicants referred by a participating bank) will be selected on a rotating basis from an alphabetized list.
- If there is a merger or acquisition among participating lenders, then the former names of lenders prior to the merger will continue to be placed in the box in order to fulfill the commitment of each lender.
- Participating lenders referring applicants to the HOP agree to fund all such referrals if the applicant referred is approved by the Loan Review Committee. Funding loans under this provision is in addition to, not in place of, funding using the process of random selection above. To be considered a qualifying referral, the referring lender shall meet the following minimum criteria:
  1. Submit information from the borrower on a completed loan application;
  2. Provide an analysis of the prospective borrower's income and debt;
  3. Educate the prospective borrower in the home buying and financing process;



4. Submit up-to-date financial information (tax returns, W-2s, bank statements, pay stubs, investment statements, etc.);
5. Assist the prospective borrower in understanding and clearing derogatory credit.

## **Loan Processing**

- Once borrower has identified property with ratified purchase contract, an appointment will be scheduled with the selected lender for application for the first mortgage.
- The selected lender will be responsible for the individual loan application for the first mortgage and providing the Good Faith Estimate, service provider list, and all other required disclosures to the borrower.
- The selected lender will order the borrower's credit report upon application.
- The borrower will be given the option to "lock-in" or "float" their interest rate at application with the selected lender.
- The interest rate shall be based on Freddie Mac average 30 year rounded up to the nearest 1/8<sup>th</sup>.
- Borrower must give an "intent to continue" to the selected bank and the City of Wilmington within ten (10) days upon receipt of initial application disclosures.
- The selected lender will provide two copies of all documentation to the borrower.
- The borrower will provide one copy of all documentation from the first mortgage to the City of Wilmington and apply for the second mortgage with the City.
- The City of Wilmington will be responsible for the individual loan application for the second mortgage and providing the Good Faith Estimate, service provider list, and all other required disclosures to the borrower-within three (3) days of application
- An appraisal must be ordered in conjunction with the purchase of the house in accordance with the City of Wilmington or selected participating lenders own rotating appraisal ordering process at a cost not to exceed \$400.00. Partner lender shall ensure that the appraiser sends a color copy of the appraisal to the City of Wilmington Housing Counselor.
- The City of Wilmington shall be responsible for ordering all verifications.
- Evidence of insurance binder will be required prior to loan approval.
- The City of Wilmington Housing Counselor will package the loan for review by the loan review committee.

## **Loan Review and Approval**

- The LRC will *underwrite and approve all loans* made through the HOP program.
- A quorum of fifty percent (50%) plus one (1) of the committee members is required to review and approve application.
- Two partner bank members must be included in the quorum.
- Loans will be approved by a majority vote of the members present.
- The terms of the loan and the conditions for the approval will be acknowledged by the LRC and forwarded to the applicant for acceptance.
- If a loan is denied, the reason(s) for the denial must be provided in writing to the applicant.

## **Funding**

### **Funding Allocations**

- Primary funding by the participating lender shall not exceed 60% of the total financial package when the borrower's household income is equal to or less than 80% of the Wilmington median income. Primary funding by the participating lender shall not be less than 70% when the borrower's household income is greater than 80%, but less than or equal to 120% of the Wilmington median income.
- Secondary funding by the City of Wilmington shall not exceed 40% of the total financial package when the borrower's household income is equal to or less than 80% of the Wilmington median income. Secondary funding by the City of Wilmington shall be 30% when the borrower's household income is greater than 80%, but less than or equal to 120% of the Wilmington median income.
- Deferred mortgages and/or other forms of down payment assistance from other sources may be used, when available, to increase affordability for households with incomes not exceeding 80% of the Wilmington median income.
- Median income figures shall be those amounts annually calculated by the US Department of Housing and Urban Development for the Wilmington Metro FMR Area. All median incomes shall be adjusted for family size.
- In no event shall the combined funding lender and City loan amounts exceed the lesser of either 100% of the acquisition cost or the appraised value.
- Acquisition cost is defined as the purchase price plus the cost of renovations, closing costs and prepaid items.

### **Funding Renovations**

- If the applicant is borrowing funds for renovation, 10 % of the renovation amount will be added to the loan as a contingency fund.
- If the total cost of the renovations plus the contingency exceeds the City's loan, the balance will be funded with the bank loan. Any such amount will be disbursed at loan closing to the City to be held in the construction escrow account.
- Contingency funds not used for construction will be applied to reduce the principal balance of the HOP Loan in the same manner as distribution of the loan. i.e. 60%/40% or 70%/30%
- If the total acquisition cost exceeds the appraised value, the applicant may elect to use their own funds to pay for the balance of the renovation cost. Such funds must be collected at closing to be held by the City in the construction escrow account.
- All private funds held in the construction escrow account will be disbursed to the contractor prior to any of the loan funds being disbursed.

## **Loan Closing and Servicing**

- The applicant must agree to the terms of the loan commitment letter.
- Once approved by the LRC, the lender selected to fund the first mortgage shall have two full business weeks to close the loan and should not delay preparation of closing loan documents because they elect to re-underwrite the loan.
- Closing instructions are prepared by the HOP counselor for the City of Wilmington loan and distributed to the closing attorney. The funding lender provides closing instructions for the lender's loan.
- All loans require title insurance, hazard insurance, and a wood destroying insect report.
- HO6 insurance is required on all condominiums and townhomes.
- Tax service fees, flood certification fees and credit report fees may be charged by the funding lender.
- The funding lender may not collect a loan processing fee, document preparation fee, underwriting fee, inspection fee, appraisal review fee, or any other type of loan fee not specifically provided for herein.
- The application fee and 1% of the first mortgage amount shall be the only allowable fees paid to the City to be to supplement costs associated with-home buyer education, housing counseling, delinquency counseling, and marketing of the HOP program. The City of Wilmington will disclose their own closing costs, i.e. application fee, 1% of the 1<sup>st</sup> mortgage amount, recording fees, etc. on the Good Faith Estimate and the City of Wilmington HUD-1 Settlement Statement.
- The City will not collect an additional origination fee on the second mortgage.
- No discount points shall be paid by the borrower.
- Separate HUD-1 Settlement Statements shall be prepared by the closing attorney for the lender loan and the City of Wilmington second mortgage.
- Each participating lender and the City of Wilmington shall be responsible for "*curing*" at closing if actual costs exceed Tolerance Category Allowances. In the event that the excess is caused by actions of the City of Wilmington, including but not limited to failure to advise partner lender within three (3) days of any changed circumstance, that resulted in higher costs associated with the first mortgage or costs were underrepresented by the City of Wilmington, the lender may seek reimbursement.
- The funding lender is responsible for establishing and maintaining the escrow account for real estate taxes and hazard insurance.
- The funding lenders and the City are responsible for servicing their respective loans.

## **Legal Requirements of Borrowers**

- Both deeds of trust must be signed by all parties taking title to the property.
- The promissory notes must be signed by all individuals listed on the application as borrowers.
- The deed of trust must also be signed by each individual whose signature is necessary under the applicable statutory or decisional law of the state to create a valid lien, pass clear title, waive inchoate rights or assign earnings.

- Additional signatures may be accepted if voluntarily submitted.
- Cases involving “power of attorney” must be pre-approved.

## **Renovations of Homes with the HOP**

It is anticipated that some houses will require renovation. An inspection by the City of Wilmington will be made to ensure homes financed with HOP meet minimum housing code standards. The buyer may elect to have additional inspections performed by other professionals. Repairs and improvements not accomplished by the seller prior to loan settlement may be financed with HOP if the appraised “after rehab” value supports the total loan amount.

### **Property Inspection and Cost Estimate**

- An inspection will be made by a City rehabilitation specialist to identify any minimum housing code violations.
- Lead-based paint hazard reduction measures may be required for homes constructed prior to 1978.
- The rehab specialist will also make recommendations if other repairs or improvements would increase the functional utility of the house.
- The potential buyer may also request repairs or improvements to meet the buyer’s specific needs.
- The rehabilitation specialist will provide the potential buyer and the housing counselor with a preliminary cost estimate of the repairs and improvements.

### **Work Write-Up and Bidding**

- After the applicant makes a formal loan application, the rehabilitation specialist prepares a detailed work write-up and cost estimate for the proposed renovations.
- The applicant approves the final revision of the work write-up prior to the solicitation of bids.
- Contractors listed on the City’s Register of Contractors have approximately two weeks to submit bids.
- The applicant may select any contractor whose bid falls within 85%-115% of the cost estimate.

### **Rehabilitation Work Contract**

- After loan settlement, the buyer enters into a rehabilitation work contract with the selected contractor.
- The contract sets forth the cost, the time allotted to complete the renovations, and the responsibilities of the property owner and the contractor.
- All work must be performed in accordance with the work write-up.
- No changes may be made in the work contract without a properly executed change order to the contract.



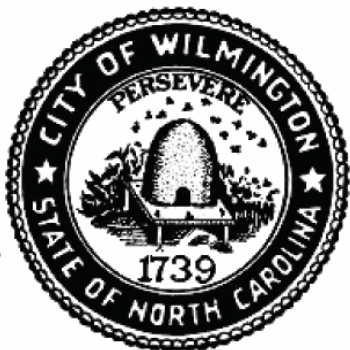
### **Draw-downs from Construction Escrow**

- All renovation work will be monitored by the rehabilitation specialist for compliance with the contract.
- The rehabilitation specialist and the property owner must review and approve all requests from the contractor for payment.
- A 10% retainage is held from each payment.
- The final 10% is disbursed after the job is accepted by the property owner.
- Prior to the final draw, the contractor must submit lien waivers for all subcontract work and a final affidavit certifying all labor and materials bills have been paid in full.

### **Requirements for Contractors**

The City of Wilmington's Register of Contractors is open to all general contractors who can demonstrate the ability to handle residential renovation work.

- Each contractor must have workers compensation and general liability insurance, a good credit history, a privilege license, and a track record of at least three rehabilitation jobs.
- A surety deposit is held by the City on each contractor.
- Contractors bidding on jobs totaling \$30,000.00 or greater must have a North Carolina General Contractors License.



# CITY of WILMINGTON

## North Carolina

P.O. BOX 1810  
28402

OFFICE OF THE CITY MANAGER  
(910) 341-7810  
FAX (910) 341-5839  
TDD (910) 341-7873

8/21/2012

City Council  
City Hall  
Wilmington, North Carolina 28401

Dear Mayor and Councilmembers:

Attached for your consideration is a resolution approving operating guidelines and underwriting criteria for the City's Housing Rehabilitation Loan Program (HRLP). The City of Wilmington operates several loan and grant programs for the provision of housing to persons of low-to-moderate income. These programs are funded in large part with entitlement funds received from the U.S. Department of Housing and Urban Development (HUD) and program income received from loan repayments. City Council approves the on-going program funding and operation with the adoption of an Annual Action Plan for the use of Community Development Block Grant as well as HOME Investment Partnership Programs funds and related program income.

On May 6, 1997 City Council approved underwriting guidelines for the Neighborhood Conservation Program including underwriting criteria for the Housing Rehabilitation Program and the operating guidelines for the Loan Review Committee. In 2003, the City contracted for the creation of a Housing Rehabilitation Operating Manual outlining all aspects of the administration of the Housing Rehabilitation Loan Program in accordance with HUD regulations, including underwriting criteria. On March 24, 2009, City Council adopted a resolution affirming the authority of the City Manager to approve grants and loans under the City's housing programs, including the HRLP. Over time the program operations have also been revised to reflect changes in resources, loan amounts, income eligibility and regulations impacting housing rehabilitation activities, such as lead hazard control requirements.

The Resolution and attached documents reflect the recommendations of the Loan Review Committee for current operations and underwriting. The previously approved guidelines, authorizations and excerpt of applicable sections of 2003 Housing Rehabilitation Procedures Manual are attached for reference.

Adoption of the resolution is consistent with City Council's adopted Focus Areas Welcoming Neighborhoods and Public Places, Safe Community, and Sustainability and Adaptability. Approval of the item would insure the rehabilitation and safety of homes of the low-to-moderate income; disapproval would lead to further deterioration of these homes, leading to unsafe living conditions and adding to blight in the neighborhoods affected.

Passage of the attached Resolution is recommended.

Respectfully submitted,

Sterling B. Cheatham,  
City Manager

# Resolution



City Council  
City of Wilmington  
North Carolina

**Introduced By:** Sterling B. Cheatham, City Manager

**Date:** 8/21/2012

## **Resolution Approving Housing Rehabilitation Loan Program Loan Review Committee Operating Guidelines and Underwriting Criteria**

### **LEGISLATIVE INTENT/PURPOSE:**

The City of Wilmington allocates a portion of annual entitlement grants from the U.S. Department of Housing and Urban Development (HUD) to provide for safe, decent and affordable housing for low-to-moderate income homeowners. To that end, the City has developed loan and grant programs to assist these homeowners and to provide assistance for the development of affordable housing.

Currently, the City offers a Housing Rehabilitation Loan Program (HRLP) for low-to-moderate income homeowners seeking financing to make repairs and rehabilitate owner-occupied homes. The City is authorized by N.C. G.S. 160A-456 to make loans to low and moderate income persons to rehabilitate housing owned by such persons.

A Loan Review Committee (LRC) was established to assist with the administration of the HRLP including review of loan applications, in accordance with the underwriting criteria, for recommendation to the City Manager for approval. The LRC consist of seven (7) members, four (4) of which are appointed by City Council and the remaining three (3) members are staff assigned by the Directors of the City Community Service and Finance Departments. City Council approves the on-going HRLP program funding and operation with the adoption of an Annual Action Plan for the use of Community Development Block Grant and HOME Investment Partnership Programs funds and related program income.

On May 6, 1997 City Council approved underwriting guidelines for the Neighborhood Conservation Program including underwriting criteria for the Housing Rehabilitation Program and the operating guidelines for the Loan Review Committee. In 2003, the City contracted for the creation of a Housing Rehabilitation Operating Manual outlining all aspects of the administration of the Housing Rehabilitation Loan Program in accordance with HUD regulations, including underwriting criteria. On March 24, 2009, City Council adopted a resolution affirming the authority of the City Manager to approve grants and loans under the City's housing programs, including the HRLP.

Over time the program operations have also been revised to reflect changes in resources, loan amounts, income eligibility and regulations impacting housing rehabilitation activities, such as



lead hazard control requirements. The LRC and staff recommend the adoption of the revision of the LRC operating guidelines to reflect changes in program operations, including current underwriting criteria.

**THEREFORE, BE IT RESOLVED:**

THAT, the City Council approves the Housing Rehabilitation Loan Program, Loan Review Committee Guidelines, including underwriting criteria, as described in the document titled "City of Wilmington Loan Review Committee Guidelines" recommended by the LRC June 27, 2012.

Adopted at a \_\_\_\_\_ meeting  
on \_\_\_\_\_, 2012.

\_\_\_\_\_  
Bill Saffo, Mayor

ATTEST:

\_\_\_\_\_  
Penelope Spicer-Sidbury, City Clerk

## REHABILITATION LOAN UNDERWRITING GUIDELINES

Basic Underwriting Criteria	Adopted Underwriting Guidelines 1997	Procedures Manual for Housing Rehab Loan Program Prepared by HUD Consultant in 2003	Proposed Changes 08/21/12
<b>Debt Ratios</b>	40% housing, 50% total debt	30% housing, 50% total debt	40% housing, 50% total debt
<b>Interest Rates</b>	90%-100% of median income - 4% (removed) 80%-89% of median income - 2% Below 80% of median income - 0%	70%-80% of median income - 2% 50%-70% of median income - 1% Below 50% of median income - 0%	70.1%-80% of median income - 2% 50%-70% of median income - 1% Below 50% of median income - 0%
<b>Minimum Payments per Month</b>	\$40 81% - 100% of median income \$30 71% - 80% of median income \$20 51%-70% of median income \$15 Below 50% of median income Deferred below 50% of median income and 65 years old, disabled, or handicap	Fully amortizing for 70% - 80% of median Fully Amortizing for 50% - 70% of median Based on ability to pay below 50% of median	\$30 70.1% - 80% of median income (with balloon payment if not paid in full at term), \$30 minimum payment \$20 50%-70% of median income (with balloon payment if not paid in full at term), \$20 minimum payment \$15 or deferred Below 50% of median income (with balloon payment if not paid in full at term); \$15.00 minimum payment *
<b>New - Addresses \$15 Min Payment (above)</b>			*If gross income allows for higher payment than minimum payment, the higher payment plus other housing cost (taxes, utilities, insurance, etc) shall not exceed 30% of net income and the higher payment plus other debt shall not exceed 50% of net income.
<b>New - Addresses Loan Payment Amount</b>			Mitigating circumstances may be considered by the Rehabilitation LRC in determining loan payment amount. In such instances the loan file shall include notation of the mitigating circumstances considered.

## REHABILITATION LOAN UNDERWRITING GUIDELINES

Basic Underwriting Criteria	Adopted Underwriting Guidelines 1997	Procedures Manual for Housing Rehab Loan Program Prepared by HUD Consultant in 2003	Proposed Changes 08/21/12
<b>Employment</b>	Applicant must be employed, retired, or disabled. Income for employment must have been continuous for the previous two years. Applicant must have worked for current employer a minimum of 12 months.	Employment continuous for 2 years; Recent graduate with new job; Conditional previous military service. Explain employment lapses greater than 2 weeks; Conditional for frequent job changes; Held part-time or second job for 12 months; Retirement & SS expected to continue 36 months; Conditional rental income; Other income as documented; Conditional alimony, child support, public assistance; Conditional self-employment	Same as 2003 procedures manual
<b>Verification of Income, Employment, &amp; Deposits</b>	check stubs, copies of checks, letters from payers, verification forms, tax returns for previous (2) years, deposits & investments verified by recent statements from institution handling account	verification of income form, recent graduates must provide conditional information, military service verification, benefit letters, canceled checks or income tax returns, deposit slips, copy of leases, annual earning statements, public assistance agencies verification, audited financial statements, profit & loss statement, balance sheet, corporate or partnership tax returns, corporate or partnership credit report, Dunn & Bradstreet report	Same as 2003 procedures manual
<b>Maximum Income</b>	80% median income for HOME loans 100% of adjusted median income for CDBG	Below 80% of area median income	Same as 2003 procedures manual

# REHABILITATION LOAN UNDERWRITING GUIDELINES

Basic Underwriting Criteria	Adopted Underwriting Guidelines 1997	Procedures Manual for Housing Rehab Loan Program Prepared by HUD Consultant in 2003	Proposed Changes 08/21/12
<b>Credit History</b>	A credit report which indicates a total lack of responsibility toward obligations is not acceptable. Any derogatory ratings should be offset by good ratings. Unpaid judgements, charge-offs, and liens are normally reasons for denial. Medical collections may be acceptable if attempt is being made to pay them.	Demonstrated willingness to repay debt	Demonstrated willingness to repay debt; any outstanding liens or judgements should be disclosed to the LRC
<b>Rehabilitation Cost Eligibility</b>	Plans comply with minimum housing code & NC state building code (general improvement list)	<ul style="list-style-type: none"> <li>• Code Violations: Items that are not in compliance with minimum property standards</li> <li>• Incipient Repairs: Items that are expected to need repair or replacement within the next 18 months</li> <li>• Lead-Based Paint Hazards: Items necessary to reduce the hazards associated with lead-based paint</li> <li>• General Property Improvements and Appliances: Range, Refrigerator, Washer, Dryer, and Dishwasher (\$3000.00 maximum). Other costs that are reasonable and customary for the rehabilitation program, up to 30% of the total loan amount. (\$2000 maximum amount for appliances.</li> <li>• Clearing Title: Up to \$10,000 of the total loan may be used to clear title to the property by refinancing existing liens, paying judgments or back taxes. or buying out the interest of non-resident legal heirs.</li> </ul>	<ul style="list-style-type: none"> <li>• Code Violations: Items that are not in compliance with minimum property standards</li> <li>• Incipient Repairs: Items that are expected to need repair or replacement within the next 18 months</li> <li>• Lead-Based Paint Hazards: Items necessary to reduce the hazards associated with lead-based paint</li> <li>• General Property Improvements and Appliances: Range, Refrigerator, Washer, Dryer, and Dishwasher (\$3000.00 maximum). <del>Other costs that are reasonable and customary for the rehabilitation program, up to 30% of the total loan amount. (\$2000 maximum amount for appliances.</del></li> <li>• Clearing Title: Up to \$10,000 of the total loan may be used to clear title to the property by refinancing existing liens, paying judgments or back taxes. <del>or buying out the interest of non-resident legal heirs.</del></li> </ul>



## REHABILITATION LOAN UNDERWRITING GUIDELINES

Basic Underwriting Criteria	Adopted Underwriting Guidelines 1997	Procedures Manual for Housing Rehab Loan Program Prepared by HUD Consultant in 2003	Proposed Changes 08/21/12
<b>Property Standards</b>	Not referenced	Property must meet or exceed Section 8 Housing Quality Standards and Wilmington minimum housing code when the rehabilitation is complete.	When using HOME funds, property must meet or exceed Section 8 Housing Quality Standards and Wilmington minimum housing code when the rehabilitation is complete.
<b>Termite Inspection</b>	Not referenced	A Wood Destroying Insect Report (WDIR 100) is required for each project. The Rehabilitation Specialist will order the WDIR 100 from a licensed pest control company. The inspection report will be reviewed for any evidence of pest damage or infestation problems. If the damage is too great, it may not be economically feasible to proceed. All projects participating in the City's programs must obtain a termite treatment.	Termite Inspection will be ordered at the discretion of the Rehabilitation Specialist following site inspection.
<b>Application Review</b>	Not referenced	Loan Review Committee (LRC) determines if applicant meets underwriting guidelines. The committee sets a maximum loan amount based upon 120% of the city's cost estimate plus projected soft costs and the required contingency. In no case, however, will the approved loan amount exceed the maximums set in the underwriting criteria section above. If the bid selected exceeds the established maximum, the package must be re-submitted to the LRC for review.	Same as 2003 procedures manual

## REHABILITATION LOAN UNDERWRITING GUIDELINES

Basic Underwriting Criteria	Adopted Underwriting Guidelines 1997	Procedures Manual for Housing Rehab Loan Program Prepared by HUD Consultant in 2003	Proposed Changes 08/21/12
Loan Approval	Not referenced	The city manager or his designee approves all loans. <i>(Established by 03/24/09 Resolution)</i>	
<b>New - Addresses Exceptions to Underwriting Criteria</b>			Rehabilitation LRC may consider compensating factors and make exceptions to the underwriting criteria. In such instances the loan file shall include notation of the compensating factors considered and the exception recommended

# Loan Review Committee Guidelines

Sections	Loan Review Committee Guidelines 1997 Version	Loan Review Committee Guidelines Recommendations
<b>Mission Statement</b>	No Mission Statement	The Loan Review Committee (LRC) is charged by City Council with the responsibility to ensure implementation of Housing Rehabilitation Programs utilizing funds received from HUD and loaned and/or granted under various terms and programs to rehabilitate housing for low and moderate income residents of Wilmington.
	New →	1. The LRC strives to ensure the long term viability of the program.
	New →	2. Housing Rehabilitation Programs are intended to maintain housing stock, improve the quality of life, and preserve neighborhoods.
	New →	3. Citizen members of the LRC shall assist City staff to inform, educate the general public, and make referrals to the City's community development programs.
<b>Operating Guidelines</b>	1. The Loan Review Committee (LRC) shall: Review all application packages for the following: (a) CDBG Direct Loan Program, (b) HOME Loan Program, (c) Loan Assumptions and Payment Modification Requests, (d) Emergency Repair Grants	Review loan applications for Rehabilitation of owner-occupied home, Minor Housing Repair Loan Program, and other housing rehabilitation loan programs in accordance with guidelines approved by City Council.
	2. Approve or deny loan applications according to Neighborhood Conservation Loan Program Guidelines	1. Review loan applications for Rehabilitation of owner-occupied home, Minor Housing Repair Loan program, and other housing rehabilitation loan programs in accordance with guidelines approved by City Council.
	New →	2. Recommend approval or denial of loan applications based on the attached list of loan guidelines and underwriting criteria.
	3. Review the terms, rates, and conditions of the loans according to established policies.	3. Determine special conditions of loans, when applicable within the guidelines.
	4. Makes recommendation on programs, policies, and administration	9. Makes recommendations on policy and administration.
	New →	4. Promotes initiatives that enhance neighborhood livability and quality of life.

## Loan Review Committee Guidelines

Sections	Loan Review Committee Guidelines 1997 Version	Loan Review Committee Guidelines Recommendations
	<b>New →</b>	5. Recommends improvements which enhance the viability and success of the program.
	5. Review delinquent accounts and recommend appropriate action	<b>Removed</b>
	6. Serve as the Board of Appeals to resolve any grievance by a homeowner or contractor with the rehabilitation of a house under a city program	6. Provides for dispute resolution in accordance with Housing Rehabilitation Contract between the Homeowner and Contractor.
	<b>New →</b>	7. Gives an annual progress report on actions taken by the LRC to the City Manager.
	<b>New →</b>	8. Evaluates progress towards meeting housing rehabilitation program goals as established in the Annual Action Plan.
<b>City Staff Support of the LRC Meeting</b>	<b>New →</b>	1. Housing Financial Counselor shall prepare and submit for review a meeting agenda to the LRC Chair; notify LRC members in advance of meeting dates, deliver meeting materials to members in advance of the scheduled meeting. At the meeting, the Housing Financial Counselor shall present a summary of the loan application for eligible applicants, including the loan amount, ratios, terms and conditions in accordance with the loan guidelines and underwriting criteria.
	<b>New →</b>	2. Housing Rehabilitation Specialist(s) shall present a summary of the work specifications and estimated cost for rehabilitation in accordance with the program guidelines and all applicable regulations.
	<b>New →</b>	3. Community Services Administrative Technician (or designee) shall record, prepare and distribute minutes of the LRC meetings; in addition, the Administrative Technician will assist the Housing Financial Counselor in notifying members and in preparation for meetings.
<b>Membership</b>	The Committee Shall consist of eight voting members	1. The LRC shall consist of seven members.



## Loan Review Committee Guidelines

Sections	Loan Review Committee Guidelines 1997 Version	Loan Review Committee Guidelines Recommendations
	a. One resident member from each Neighborhood Strategy Area (Northside, Bottom, Hemingway, and Love Grove)	2. Four members shall be at-large from the City. City-wide, citizen members of the LRC shall be appointed by the City Council and shall serve two-year terms. They may be reappointed by City Council.
	b. Three members shall be City of Wilmington staff (Planning Director, Finance Director, and Community Development Manager)	3. Three members shall be City of Wilmington staff. The Finance Director, and Community Services Director shall serve on and/or designate staff members to the LRC.
	c. One member at large	Removed
	New →	4. The Committee shall elect a chairman and vice chairman, each for a two year term. The term will begin January of every even calendar year.
<b>Meetings</b>	1. The Loan Review Committee shall hold regular meetings on the second and fourth Thursdays of each month at 3:00 p.m. at the Community Development Office	1. The Loan Review Committee shall establish a schedule for regular meetings. Meetings will be held at 305 Chestnut Street, Conference Room. Meetings will be held if loan applications are available for review or there is business to discuss.
	2. A quorum of the Committee shall consist of four members	No Change
	3. The Committee shall elect a Chairman and shall maintain an adequate record of all proceedings. (the Administrative Assistant of the Community Development Division shall record and maintain minutes of all meeting of the Loan Review Committee.	3. The Committee shall maintain an adequate record of all proceedings. (A Community Services staff member shall be assigned to record and maintain record of all minutes of Loan Review Committee.)
	4. All motions shall be passed by a majority vote of the members present.	4. All motions shall be approved or rejected according to Robert's Rules of Order.
	New →	5. The LRC Chair or Vice Chair shall preside at all LRC meetings, and conduct the meetings to ensure efficient, respectful and equitable process. The Chair shall work with the Housing Counselor to develop an agenda and prepare for the meetings.

## Loan Review Committee Guidelines

Sections	Loan Review Committee Guidelines 1997 Version	Loan Review Committee Guidelines Recommendations
<b>Conduct of LRC Members</b>	New →	LRC members shall treat each other and assigned staff as professionals. Clear, honest communication that respects the abilities, experience and dignity of each individual is expected.
<b>Adoption of LRC Operating Procedures</b>	New →	LRC Operating Procedures shall be reviewed every two years by the LRC with any proposed changes submitted to City Council for adoption.
<b>Special Note RE: 2003 Homeowner Rehabilitation Manual</b>	The 2003 Homeowner Rehabilitation Manual includes the following information regarding the Loan Review Committee:	The following changes are being recommended to be in accordance with the recommended LRC Guidelines
	Page (28) All loans must be approved by the Loan Committee, which will take action based on recommendations of staff. The Loan Committee meets bi-monthly. The Loan Committee reviews the Housing Counselor's recommendation and discusses any concerns or issues. Based on its review, the Loan Committee will either approve, decline the loan, or postpone action until any concerns or issues can be addressed at a future meeting.	All loans must be recommended for approval by the Loan Committee, which will take action based on recommendations of staff. The Loan Committee meets bi-monthly meets according to a regularly established schedule. The Loan Committee reviews the Housing Counselor's recommendation and discusses any concerns or issues. Based on its review, the Loan Committee will either recommend approval of the loan or postpone action until any concerns or issues can be addressed at a future meeting.

City of Wilmington  
Loan Review Committee Guidelines

Revised 6.27.12 replaces 1997 LRC Guidelines

MISSION STATEMENT

The Loan Review Committee (LRC) is charged by City Council with the responsibility to ensure implementation of Housing Rehabilitation Programs utilizing funds received from HUD and loaned and/or granted under various terms and programs to rehabilitate housing for low and moderate income residents of Wilmington.

1. The LRC strives to ensure the long term viability of the program.
2. Housing Rehabilitation Programs are intended to maintain housing stock, improve the quality of life, and preserve neighborhoods.
3. Citizen members of the LRC shall assist City staff to inform, educate the general public, and make referrals to the City's community development programs.

OPERATING PROCEDURES

1. Reviews loan applications for Rehabilitation of owner-occupied home, Minor Housing Repair Loan program, and other housing rehabilitation loan programs in accordance with guidelines approved by City Council.
2. Recommends approval or denial of loan applications based on the attached list of loan guidelines and underwriting criteria.
3. Determines special conditions of loans, when applicable within the guidelines.
4. Promotes initiatives that enhance neighborhood livability and quality of life.
5. Recommends improvements which enhance the viability and success of the program.
6. Provides for dispute resolution in accordance with Housing Rehabilitation Contract between the Homeowner and Contractor.
7. Gives an annual progress report on actions taken by the LRC to the City Manager.
8. Evaluates progress towards meeting housing rehabilitation program goals as established in the Annual Action Plan.
9. Makes recommendations on policy and administration.

## CITY STAFF SUPPORT OF THE LRC MEETING

1. Housing Financial Counselor shall prepare and submit for review a meeting agenda to the LRC Chair; notify LRC members in advance of meeting dates, deliver meeting materials to members in advance of the scheduled meeting. At the meeting, the Housing Financial Counselor shall present a summary of the loan application for eligible applicants, including the loan amount, ratios, terms and conditions in accordance with the loan guidelines and underwriting criteria.
2. Housing Rehabilitation Specialist(s) shall present a summary of the work specifications and estimated cost for rehabilitation in accordance with the program guidelines and all applicable regulations.
3. Community Services Administrative Technician (or designee) shall record, prepare and distribute minutes of the LRC meetings; in addition, the Administrative Technician will assist the Housing Financial Counselor in notifying members and in preparation for meetings.

## MEMBERSHIP

1. The LRC shall consist of seven (7) members.
2. Four (4) members shall be at-large from the City. City-wide, citizen members of the LRC shall be appointed by the City Council and shall serve two-year terms. They may be reappointed by City Council.
3. Three (3) members shall be City of Wilmington staff. The Finance Director, and Community Services Director shall serve on and/or designate staff members to the LRC.
4. The Committee shall elect a chairman and vice chairman, each for a two year term. The term will begin January of every even calendar year.

## MEETINGS

1. The Loan Review Committee shall establish a schedule for regular meetings. Meetings will be held at 305 Chestnut Street, Conference Room. Meetings will be held if loan applications are available for review or there is business to discuss.
2. A quorum of the Committee shall consist of four (4) members.



3. The Committee shall maintain an adequate record of all proceedings. (A Community Services staff member shall be assigned to record and maintain record of all minutes of Loan Review Committee.)
4. All motions shall be approved or rejected according to Robert's Rules of Order.
5. The LRC Chair or Vice Chair shall preside at all LRC meetings, and conduct the meetings to ensure efficient, respectful and equitable process. The Chair shall work with the Housing Counselor to develop an agenda and prepare for the meetings.

#### CONDUCT OF LRC MEMBERS

LRC members shall treat each other and assigned staff as professionals. Clear, honest communication that respects the abilities, experience and dignity of each individual is expected.

#### ADOPTION OF LRC OPERATING PROCEDURES

LRC Operating Procedures shall be reviewed every two (2) years by the LRC with any proposed changes submitted to City Council for adoption.

#### ATTACHMENTS

Underwriting Guidelines and Criteria (excerpt 2003 Housing Rehabilitation Procedures Manual revised 6/27/2012)

Application checklist prepared by staff for LRC

#### REFERENCE

The following materials shall be used as reference to enhance the operation and function of the LRC.

Robert's Rules of Order

**Neighborhood Loan Programs- Rehabilitation of Owner-Occupied Homes  
June 27, 2012**

Loan Applicant: \_\_\_\_\_

Property Address: \_\_\_\_\_

**Guidelines and Underwriting Criteria for Owner-Occupied Housing Rehabilitation**

	√ Meets guideline
<b>Applicant Eligibility:</b>	
• Maximum Household Income Below 80% AMI	
• Income Verified according to U.S. Census definition	
• Applicant held ownership interest in property for at least 12 months	
<b>Property Eligibility:</b>	
• Property located within the city limits of Wilmington	
• Single-Family or Duplex	
• Primary Residence	
• When using HOME funds property must meet or exceed Section 8 Housing Quality Standards & City of Wilmington Minimum Housing Codes when rehabilitation complete	
<b>Rehabilitation Costs Eligibility:</b>	
• Code Violations Addressed in Rehab Cost Estimate/Scope of Work	
• Incipient Repairs Addressed in Rehab Cost Estimate/Scope of Work	
• Lead-Based Paint Hazards Addressed in Rehab Cost Estimate/Scope of Work	
• General Property Improvements Reasonable & Customary for Rehabilitation	
• Appliances – Range, Refrigerator, Washer, Dryer, Dishwasher (\$3,000 maximum)	
• No more than \$10,000 of total loan used to: clear title, refinance existing liens, pay judgments or back taxes.	
<b>Loan Terms:</b>	
70.1%-80% AMI= 20 year term, 2% interest, monthly repayment (w/balloon payment if not paid in full at term), \$30 minimum payment*.	
Or	
50% to 70% AMI = 20 year term, 1% interest, monthly repayment (w/balloon payment if not paid in full at term), \$20 minimum payment*.	
Or	
Below 50% AMI= 20 year term, 0% interest, monthly repayment (w/balloon payment if not paid in full at term), monthly repayment may be deferred; \$15 minimum payment*	
*If gross income allows for higher payment than minimum payment, the higher payment plus other housing cost (taxes, utilities, insurance, etc) shall not exceed 30% of net income and the higher payment plus other debt shall not exceed 50% of net income.	
Mitigating circumstances may be considered by the Rehabilitation LRC in determining loan payment amount. In such instances the loan file shall include notation of the mitigating circumstances considered.	
<b>Underwriting Criteria:</b>	
• Maximum Rehab Loan \$75,000 plus 20% contingency or Maximum Re-Construction Loan \$95,000.	
• Maximum Loan-to-Value Ratio 110%	
• Maximum Total Debt-to-Income Ratio 50%	
• Credit History- Demonstrated willingness to repay debt; any outstanding liens or judgments shall be disclosed to the LRC	
• Net Assets Limit \$40,000 (excluding personal residence & money invested in retirement plan)	
• Security- First or Second Deed of Trust	
• Maximum Housing Ratio 40%;	
• Rehabilitation LRC may consider compensating factors and make exceptions to the underwriting criteria. In such instances the loan file shall include notation of the compensating factors considered and the exception recommended.	

I have reviewed the applicant loan package for compliance with the program guidelines and underwriting criteria.

\_\_\_\_\_  
Signature  
City of Wilmington Housing Finance Counselor

\_\_\_\_\_  
Date

# Resolution



*Approved*  
5/6/97

City Council  
City of Wilmington  
North Carolina

**INTRODUCED BY:** Mary M. Gornto, City Manager

**DATE:** May 6, 1997

## **RESOLUTION AMENDING THE UNDERWRITING GUIDELINES FOR THE NEIGHBORHOOD CONSERVATION LOAN PROGRAM**

### **LEGISLATIVE INTENT/PURPOSE:**

The City of Wilmington receives annual entitlement grants from the US Department of Housing and Urban Development under the Community Development Block Grant and HOME Investment Partnership Programs. A portion of these grants is used to address the housing needs of low and moderate income homeowners.

The City of Wilmington is authorized by N.C.G.S. 160A-456 to make loans to low and moderate income persons to rehabilitate housing owned by such persons.

The City of Wilmington has adopted underwriting guidelines to provide criteria for making and approving such loans to low and moderate income homeowners.

It is now desirable to amend such guidelines for the purpose of improving client and contractor relations, increase productivity and decrease the time involved in the housing rehabilitation process.

### **RESOLVED:**

The City Council approves the underwriting guidelines for the Neighborhood Conservation Loan Program as outlined in document titled "The City of Wilmington's Neighborhood Loan Programs, Underwriting Guidelines", dated February 20, 1997 to become effective immediately.

\_\_\_\_\_  
Don Betz, Mayor

Adopted at a regular meeting  
on \_\_\_\_\_, 1997

Attest: \_\_\_\_\_  
City Clerk

**THE CITY OF WILMINGTON'S  
NEIGHBORHOOD LOAN  
PROGRAMS**

***UNDERWRITING GUIDELINES***  
(Revised February 20, 1997)





# UNDERWRITING GUIDELINES

## TABLE OF CONTENTS

<b>INTRODUCTION</b>	1
<b>LOAN REVIEW COMMITTEE</b>	2
Membership	2
Meetings	2-3
<b>REHABILITATION LOAN UNDERWRITING GUIDELINES</b>	3
Property Type	3
Residence	3
Area	3
Security	3
Rehab Amount	3
Contingency	3
Property Value	3
Appraisal	4
Title Opinion	4
Title Insurance	4
Hazard Insurance	4
Loan to Value	4
Assets	4
Debt Ratio	4
Rates	4
Payments	4
Terms	4
Employment	4
Income	5
Credit	5
Closing Costs	5

<b>REHABILITATION STANDARDS</b>	5
Minimum Housing Code Repairs	6
General Improvement Repairs / Installations	6
Unauthorized Repairs	7
<b>PREPARATION OF THE WORK WRITE-UP</b>	7
<b>PREPARATION OF COST ESTIMATE</b>	7
<b>BID PROCESS</b>	7
<b>CONTRACTOR SELECTION AND REHABILITATION CONTRACT</b>	7-8
<b>DISBURSEMENT OF LOAN PROCEEDS</b>	8
<b>LOAN APPROVAL</b>	8
<b>DEMOLITION</b>	8
<b><i>HOME</i> TEMPORARY RELOCATION ASSISTANCE</b>	8-9
<b>EMERGENCY REPAIR GRANTS</b>	9
Emergency Repair Grant Underwriting Requirements	9
Bidding Emergency Repair Work	10
Contracting Emergency Repair Work	10

## INTRODUCTION

The City of Wilmington is authorized by statute (NCGS-160A-456) to make loans and grants for the restoration and preservation of older homes owned by lower and moderate income households. Since 1977, the City has lent federal Community Development Block Grant (CDBG) funds for housing rehabilitation in several Neighborhood Strategy Areas with higher than average concentrations of lower income households. Beginning in 1992, funds from the federal HOME program have been used for housing rehabilitation. In addition to the CDBG and HOME funds provided by the U.S. Department of Housing and Urban Development (HUD), the City utilizes program income from its revolving loan fund to provide rehabilitation loans. The City of Wilmington's housing rehabilitation programs are designed to: 1) reduce slums and blight, 2) preserve existing neighborhoods, and 3) provide affordable rehabilitation loans to lower and moderate income citizens.

## LOAN REVIEW COMMITTEE

1. The Loan Review Committee (LRC) shall: Review all application packages for the following:
  - a. CDBG Direct Loan Program
  - b. HOME Loan Program
  - c. Loan Assumptions and Payment Modification Requests
  - d. Emergency Repair Grants
2. Approve or deny loan applications according to the Neighborhood Conservation Loan Program Guidelines.
3. Review the terms, rates, and conditions of the loans according to established policies.
4. Make recommendations on programs policies and administration.
5. Review delinquent accounts and recommend appropriate action.
6. Serve as the Board of Appeals to resolve any grievance by a homeowner or contractor with the rehabilitation of a house under a City program.

### Membership

1. The Committee shall consist of eight voting members:
  - a. One resident member from each Neighborhood Strategy Area (Northside, Bottom, Hemenway and Love Grove).
  - b. Three members shall be City of Wilmington staff (Planning Director, Finance Director and Community Development Manager).
  - c. One member at large.
2. Citizen members shall be recommended by the Appointments Committee of Council to serve a two-year term. Citizen members may be reappointed to additional consecutive terms.

### Meetings

1. The Loan Review Committee shall hold regular meetings on the second and fourth Thursdays of each month at 3:00 p.m., at the Community Development Office.



2. A quorum of the Committee shall consist of four members.
3. The Committee shall elect a chairman and shall maintain an adequate record of all proceedings. (the Administrative Assistant of the Community Development Division shall record and maintain minutes of all meetings of the Loan Review Committee.)
4. All motions shall be passed by a majority vote of the members present.

### REHABILITATION LOAN UNDERWRITING GUIDELINES

The City of Wilmington provides full rehabilitation loans using funds from two sources, CDBG and HOME. These underwriting guidelines shall apply to both types of loans except where differences between the two types are noted.

	<b>CDBG</b>	<b>HOME</b>
<b>Property Type:</b>	Single family or duplex (zoned for residential use)	Single family (zoned for residential use)
<b>Residence:</b>	Borrower(s) shall have owned the property for a minimum of 12 months prior to application for loan	
<b>Area:</b>	city-wide	
<b>Security:</b>	first or second deed of trust	
<b>Minimum Rehab Amt.:</b>	\$2,000.00	
<b>Maximum Rehab Amt. Per Unit:</b>	\$30,000.00	\$55,000.00
<b>Contingency:</b>	up to 15% of rehab amt.	
<b>Maximum Property value:</b>	FHA 203(b) limits (in-house estimation)	FHA 203 (b) Limits (State Certified Appraisal)

**Appraisal:** An independent appraisal shall be provided for all Home loans. The appraised after-rehab value shall not exceed the FHA 203(b) mortgage limit for single family homes in the Wilmington Metropolitan Statistical Area

**Title Opinion:** An attorney must provide evidence of clear title excepting recorded deeds trust

**Title Ins. and Survey:** Title Insurance is not required. Survey required only if needed to clear title

**Hazard Ins:** Normally required at closing. If the house is dilapidated and/or vacant, insurance may be obtained after rehabilitation is completed

**Loan to Value:** Maximum loan-to-value is 110% including any prior liens

**Assets:** Net assets excluding personal residence and household furnishings shall not exceed \$45,000.00

**Debt Ratios:** 40% housing 50% total debt

<b>Rates</b>	<b>Income</b>	
4%	90% - 100% of median income	N/A
2%	80% - 89% of median income	N/A
0%	Below 80%	

**Minimum Payments:**

<b>Per Month</b>	<b>Income</b>
\$ 40.00	81% - 100% of median
30.00	71% - 80 % of median
20.00	51% - 70% of median
15.00	below 50% of median
Deferred Payment	below 50% of median, 65 yrs old, disabled or handicapped

**Terms:** 240 Months with balloon payment of unpaid principal balance

**Employment:** Applicant must be employed, retired, or disabled. Income from employment must have been continuous for the previous two years. Applicant must have worked for current employer a minimum of twelve months.

**Income:** Acceptable sources of income include base pay, overtime, commissions, self-employment income, child support, alimony, public assistance, pensions, disability income, SSI, and income from investments. Income must be expected to continue for the foreseeable future

**Verification:  
of income,  
Employment,  
Deposits:** Check stubs, copies of checks, letters from payers, or verification forms may be used for income and employment. Self-employed individuals must submit tax returns from the previous two years. Deposits and investments may be verified by copies of recent statements from the institution handling the account.

**Maximum  
Income:** Income from all sources may not exceed 80% of the median income for Home Loans or 100% of the adjusted median income of CDBG Direct Loans. Median income figures shall be adjusted according to family size and shall be the latest figures provided by HUD for the Wilmington MSA.

**Credit History:** Many lower-income families experience difficulties with credit. It is not the intent of these loan programs to deny loans based on temporary credit problems. A credit report which indicates a total lack of responsibility toward obligations is not acceptable. Any derogatory ratings should be offset by good ratings. Unpaid judgments, bankruptcies, charge-offs, and liens are normally reasons for denial. Medical collections may be acceptable if an attempt is being made to pay them.

**Closing Costs:** Closing costs which are reasonable and necessary maybe included in the loan. Typical closing costs are attorney fees, credit report fees, recording fees, verification fees, and hazard insurance premiums for the first year. The city does not charge an loan origination fee, loan servicing fee, discount points or any other fee for administration of its CDBG Direct Loan and Home Loan Programs.

## **REHABILITATION STANDARDS**

A City of Wilmington rehabilitation specialist will inspect each home scheduled for rehabilitation, prepare a work write-up and, if necessary, draw up plans for the rehabilitation according to the City of Wilmington's Minimum Housing Code and the North Carolina State Building Code

## **Minimum Housing Code Repairs**

1. Correction of serious structural problems
2. Repairs or replacement of leaking roofing
3. Replacement of missing or damaged siding
4. Repair or replacement of hazardous/inadequate electrical wiring/components.
5. Repair or replacement of defective/inadequate plumbing/components
6. Repair/replacement or installation of heating and cooling systems
7. Repair or replacement of defective porches, steps and handrails
8. Repair or replacement of defective/inadequate primary windows
9. Repair or replacement of defective/inadequate exterior entrance doors
10. Repair or replacement of deteriorated drywall or coverings
11. Repair or replacement of interior floor systems

## **General Improvement Repairs / Installations**

1. Painting - Exterior and Interior
2. Underpinning - Masonry or metal skirting, access doors and vents
3. Gutters and downspouts (for drainage problems)
4. Sump pumps in crawl space (for drainage problems)
5. Repair of existing concrete walkways, patios and driveways
6. Repair of existing detached garages and storage buildings
7. Handicapped facilities where need exists
8. Repair/installation of storm windows and doors
9. Removal of trees or branches which pose a threat to the structure
10. Termite treatment and pest control
11. Installation of central air conditioning systems
12. Installation of dryer connections
13. Installation of range hoods
14. Vinyl floor coverings
15. Carpeting
16. Kitchen cabinets - where none exist (6' base & 6' wall)  
-Repair or replacement of existing defective base and wall cabinets
17. Interior doors - Repair/replacement or missing
18. Installation of Paneling
19. Ceiling fans
20. Vinyl siding (repair of existing vinyl or installation of vinyl or installation of vinyl siding to correct approved special conditions)
21. Energy Conservation - attic insulation, wall insulation, floor insulation, and attic ventilation
22. Installation of pull down attic stairs



## **Unauthorized Repairs**

1. Brick veneer (unless house is constructed of brick)
2. Construction of out buildings and garages
3. Window or porch awnings (unless to correct drainage problems)
4. Construction of walkways, driveways, or patios (except to make repairs to existing or for handicap needs)
5. Fences, walls or landscaping
6. Woodstoves or fireplaces (except for repair of existing fireplaces or woodstoves which pose a threat of fire)

## **PREPARATION OF THE WORK WRITE-UP**

The Community Development Division in conjunction with the borrower prepares a detailed work write-up listing all renovation work to be accomplished. The work write-up shall be prepared in accordance with the rehabilitation standards set forth herein. Borrower shall review and approve the work write-up prior to submission to the Loan Review Committee.

## **PREPARATION OF COST ESTIMATE**

A rehabilitation specialist shall prepare a line item estimate of the cost to accomplish the work specified in the approved work write-up

## **BID PROCESS**

If the Loan Review Committee approves the loan application, bid solicitations will be mailed to all eligible contractors on the City of Wilmington Register of Contractors. Sealed bids will be opened and tabulated on the date and at the time specified on the solicitation. Total bids ranging from 85% to 115% of the Community Development Division's cost estimate will be considered eligible. Bids not falling within the above range will not be presented to the borrower for consideration.

## **CONTRACTOR SELECTION AND REHABILITATION CONTRACT**

Borrower shall select the contractor based upon bid, days required to complete the job and references presented by the contractor. The borrower and the contractor awarded the bid shall enter a contract for rehabilitation. The contract shall be a standard form approved by the City providing for a penalty if

# Resolution



City Council  
City of Wilmington  
North Carolina

**Introduced By:** Thomas C. Pollard, City Attorney

**Date:** 03/24/2009

## **RESOLUTION Affirming the Authority of the City Manager to Approve Grants and Loans Under the City's Housing Programs**

### **LEGISLATIVE INTENT/PURPOSE:**

The City of Wilmington has developed loan and grant programs to assist low and moderate income homeowners and to provide assistance for the development of affordable housing.

The current loan and grant programs offered by the City and the maximum amount of the individual loans and grants under such programs are as follows:

- Homeowner Rehabilitation Loan (CDBG and HOME funding sources) \$85,000.
- Home Ownership Pool (CDBG, HOME, and general funds) \$88,000.
- Emergency Repair Grant (CDBG) \$7,500.
- Lead-Based Paint Hazard Reduction Grant (special revenue fund for affordable housing) \$20,000.
- Home Maintenance Grant (special revenue fund for affordable housing) \$5,000.
- Historic Renovation Grant (special revenue fund for affordable housing) \$15,000.
- Community Partnership Home Repair Grant (special revenue fund for affordable housing) \$5,250.
- Relocation Grant (CDBG and HOME) \$8,000.
- Demolition Grant (CDBG) \$8,000.

The maximum amount of loans relating to the rehabilitation of property may be increased up to 20% to address contingencies and possible future advances.

The City Council has previously approved underwriting guidelines for the grant and loan programs and budgets funds for the operation of the programs.

Homeowner Rehabilitation Loans are reviewed and approved by a loan review committee. Home Ownership Pool loans are reviewed and approved by representatives of the City and participating banks.

To ensure the effective operation of the City's Housing Programs, it is necessary to approve the loan and grants in a timely manner.

The City Manager has been delegated the final authority to approve loans and grants under the

housing programs. Because the loan programs have been developed and approved at various times, it is appropriate to clarify the City Manager's authority relating to approval of such loans and grants.

**THEREFORE, BE IT RESOLVED:**

THAT, the City Council hereby confirms and ratifies the authority of the City Manager to approve loans and grants under the programs outlined above in accordance with the approved loan and grant guidelines.

\_\_\_\_\_  
Spence H. Broadhurst, Mayor

Adopted at a \_\_\_\_\_ meeting  
on \_\_\_\_\_, 2004.

ATTEST:

\_\_\_\_\_  
City Clerk

REHABILITATION	PROGRAM UNDERWRITING	GUIDELINES	
Basic Underwriting Criteria	Procedures Manual for Housing Rehabilitation Loan Prepared by HUD Consultant in 2003	Adopted Underwriting Guidelines August 2012	Proposed Changes October 2014
Debt Ratios	30% Housing, 50% total debt	40% Housing, 50% Total debt Revised →	40% Housing, 50% Total debt Installment debts scheduled to be completely paid within ten (10) months of loan closing are not calculated in determining total debt ratios
Maximum Loan-to-Value		110%	No Change Proposed
Maximum Rehabilitation Loan		\$75,000 plus 20% contingency or maximum reconstruction loan of \$95,000. Includes closing cost.	No Change Proposed
Interest Rates	70% - 80% of median income - 2% 50% - 70% of median income - 1% Below 50% of median income - 0%	70.1% - 80% of median income - 2% 70% of median income - 1% of median income - 0%	50% - Below 50%
Minimum Payments Per Month	Fully amortizing for 70% - 80% of median Fully amortizing for 50% - 70% of median Based on ability to pay below 50% of median	70.1% of median income - \$30.00 * - 70% of median income - \$20.00* Below 50% of median income - \$15.00* payment if not paid in full at term	50% *Balloon
Criteria for Higher Payment		If gross income allows for higher payment than the minimum then the higher payment plus other housing cost (taxes, utilities, insurance, etc) shall not exceed 30% of net income and the higher payment plus other debt shall not exceed 50% of net income Revised →	If gross income allows for higher payment than the minimum then the higher payment plus other housing cost (taxes, utilities, insurance, etc) shall not exceed 30% of gross income and the higher payment plus other debt shall not exceed 50% of gross income
Mitigating Circumstances		Mitigating circumstances may be considered by the Rehabilitation LRC in determining loan payment amount. In such instances, the loan file shall include notation of the mitigating circumstances considered.	No Change Proposed



Basic Underwriting Criteria	Procedures Manual for Housing Rehabilitation Loan Prepared by HUD Consultant in 2003	Adopted Underwriting Guidelines August 2012	Proposed Changes October 2014
Employment		Employment continuous for 2 years; Recent graduate with new job; Conditional previous military service; Explain employment lapses greater than 2 weeks; Conditional for frequent job changes; Held part-time or second job for 12 months; Retirement & SS expected to continue 36 months; Conditional rental income; Other income as documented; Conditional alimony, child support, public assistance, Conditional self employment Revised →	Employment must be verified for the previous 24 months; A minimum of six months continuous employment with current employer is required; A minimum of one year work experience in the same general field of work is preferred (pursuit of a degree or participation in a job training program for a minimum of one year prior to current employment is also acceptable); Copies of signed federal income tax returns with W-2's for the past two (2) years shall be provided if filed.
Verification of Income, Employment & Deposits		Verification of income form, recent graduates must provide conditional information; military service verification, benefit letters, canceled checks or income tax returns, deposit slips, copy of leases, annual earning statements, public assistance agencies verification, audited financial statements, profit & loss statement, balance sheet, corporated or partnership tax returns, corporate or partnership credit report, Dunn & Bradstreet report Revised →	Verification of Income Form indicative of hours worked per week if the applicant is paid hourly; If a range of hours is given on the verification, the actual earnings for the past year and year-to-date earnings will be averaged to determine the gross monthly income. Letter of explanation required for employment lapses of more than three (3) months.
Secondary Income		New →	Applicants must disclose alimony, child support and separate maintenance for compliance purposes whether or not they desire to use such income for qualification. Bonuses, commissions, overtime, part-time employment, investment income, alimony, child support and separate maintenance are all considered secondary income.
Verification of Secondary Income		New →	Overtime & Bonuses - income may be used as qualifying income if the employer verifies such income was received for the past year and it is likely to continue.
		New →	Commissions - income may be used if received for one year; Must be verified with a copy of the prior year's signed federal income tax return; Shall be calculated by averaging the prior year's commission earnings plus year-to-date commissions; Projected commissions on pending sales shall not be counted unless the employer provides a written statement indicating the commission amount and when it will be paid

Basic Underwriting Criteria	Procedures Manual for Housing Rehabilitation Loan Prepared by HUD Consultant in 2003	Adopted Underwriting Guidelines 2012	August	Proposed Changes October 2014
		New →		Part-time employment - income may be verified through a VOE and W-2.
		New →		Investment income - may be verified through the most recent statement from the financial institution
		New →		Child support - income may be verified through a copy of the recorded court decree or judgement that legally compels the payer to continue making such payments for at least the next three years; copies of the payer's canceled checks, or the payee's deposit record showing positive verification of payment.
		New →		Alimony - income may be verified by copies of the payer's or payees federal income tax returns for the past two (2) years.
Income from Self Employment		New →		May be used as qualifying income if the applicant has been self-employed for at least the previous two (2) full tax years; Copies of signed federal income tax returns for the past two years are required; If self-employment is the primary source of income for the applicant, YTD profit & loss statements and balance sheets are required
Social Security, Retirement & Disability Income		New →		A statement of entitlement from the Social Security Administration or copies of the last 12 bank statements showing direct deposit of the benefit is acceptable verification; Retirement and disability income may be verified with a copy of the most recent check and a statement from the payer of the benefit. Direct deposits on bank statements are acceptable form of verification; For non-permanent disabilities, verification of the duration of the disability and the expected date of return to work must be provided.
Maximum Income	Below 80% of area median income	Below 80% of area median income		No Change Proposed

Basic Underwriting Criteria	Procedures Manual for Housing Rehabilitation Loan Prepared by HUD Consultant in 2003	Adopted Underwriting Guidelines August 2012	Proposed Changes October 2014
Asset Requirements & Limitations		Applicants with liquid assets exceeding \$40,000 are not eligible for financing. Money invested in a tax-qualified retirement plan is not considered a liquid asset.	No Change Proposed
Credit Requirements	Demonstrated willingness to repay debt	Demonstrated willingness to repay debt; any outstanding liens or judgements should be disclosed to the LRC	Community Development Analyst shall obtain a tri-merge credit report. Applicants must demonstrate a willingness to repay debt. While documented extenuating circumstances impacting credit will be considered, a minimum credit score of 550 is required for approval. Such score shall be the middle score derived from the three national credit repositories. References on all debts shall be listed on the application. Any delinquencies with the past six (6) months are not allowed. Non-sufficient funds checks without an acceptable explanation within the last twelve (12) months are not allowed. Unpaid non-medical collections within the previous six (6) months are not allowed. However, the applicant may request an exception providing a satisfactory explanation and/or payment/settlement of the non-medical collection. All requests for exceptions must be presented in writing to the CD Financial Review Committee and the LRC for acceptance or denial. If the applicant has been subject to bankruptcy it must have been discharged at least two years prior to application. Tax liens and/or judgments are not allowed.

<b>Rehabilitation Cost Eligibility</b>	<p>Code Violations: Items that are not in compliance with minimum property standards. Incipient Repairs: Items that are expected to need repair or replacement within the next 18 months. Lead-Based Paint Hazards: Items necessary to reduce the hazards associated with lead-based paint. General Property Improvements and Appliances: Range, Refrigerator, Washer, Dryer and Dishwasher (\$3,000 maximum). Other costs that are reasonable and customary for the rehabilitation program, up to 30% of the total loan amount. (\$2,000) maximum amount for appliances. Clearing Title: Up to \$10,000 of the total loan may be used to clear title to the property by refinancing existing liens, paying judgments or back taxes, or buying out the interest of non-resident legal heirs.</p>	<p>Code Violations: Items that are not in compliance with minimum property standards. Incipient Repairs: Items that are expected to need repair or replacement within the next 18 months. Lead-Based Paint Hazards: Items necessary to reduce the hazards associated with lead-based paint. General Property Improvements and Appliances: Range, Refrigerator, Washer, Dryer and Dishwasher (\$3,000 maximum). Clearing Title: Up to \$10,000 of the total loan may be used to clear title to the property by refinancing existing liens, paying judgments or back taxes.  Revised →</p>	<p>Code Violations: Items that are not in compliance with minimum property standards. Incipient Repairs: Items that are expected to need repair or replacement within the next 18 months. Lead-Based Paint Hazards: Items necessary to reduce the hazards associated with lead-based paint. General Property Improvements and Appliances: Range, Refrigerator, Washer, Dryer and Dishwasher (\$3,000 maximum). Clearing Title: Up to \$10,000 of the total loan may be used to clear title to the property by refinancing existing liens, paying judgments or back taxes. (Federal funds may not be used to pay back taxes). All properties will be subject to an Environmental Review and determination that the property is exempt or successfully mitigated prior to loan funding.</p>
--	--	--	---

Basic Underwriting Criteria	Procedures Manual for Housing Rehabilitation Loan Prepared by HUD Consultant in 2003	Adopted Underwriting Guidelines August 2012	Proposed Changes October 2014
Property Eligibility		Property located within the city limits of Wilmington; Single-Family or Duplex; Primary Residence; When using HOME funds property must meet or exceed Section 8 Housing Quality Standards & City of Wilmington Minimum Housing Codes when rehabilitation complete.	No Change Proposed
Termite Inspection		A Wood Destroying Insect Report (WDIR 100) is required for each project. The Rehabilitation Specialist will order the WDIR 100 from a licensed pest control company. The inspection report will be reviewed for any evidence of pest damage or infestation problems. If the damage is too great, it may not be economically feasible to proceed. All projects participating in the City's programs must obtain termite treatment.	Termite inspection will be ordered at the discretion of the Rehabilitation Specialist following site inspection.
Application Review		Loan Review Committee (LRC) determines if applicant meets underwriting guidelines. The committee sets a maximum loan amount based upon 120% of the city's cost estimate plus projected soft costs and the required contingency. In no case, however, will the approved loan amount exceed the maximums set in the underwriting criteria section above. If the bid selected exceeds the established maximum, the package must be resubmitted to the LRC for review.	No Change Proposed
Loan Approval		The City Manager or his designee approves all loans. (Established by 3/24/09 Resolution)	No Change Proposed
Exceptions to Underwriting Criteria		Rehabilitation LRC may consider compensating factors and make exceptions to the underwriting criteria. In such instances the loan file shall include notation of the compensating factors considered and the exception recommended.	No Change Proposed



## **General Fund Owner-Occupied Housing Repair Program**

The FY2014-15 budget of the City of Wilmington makes \$100,000 available for repairs to owner-occupied houses within the city limits. Funds will be provided to eligible homeowners as a low or no interest loan. Funds are intended to address deferred maintenance, needed repairs and damage to houses which would include those that if unaddressed will likely result in a violation of the City's Minimum Housing Code. The program objective is to preserve affordable housing stock by providing an affordable loan for housing repairs to low-to-moderate income homeowners. Remodeling projects and home additions are not eligible uses of funds under the Owner-Occupied Housing Repair Program.

### **Eligibility:**

Housing units in need of repair must be within the corporate limits of the City of Wilmington

Applicants must be the owner of a house in need of repair for at least one year or longer, and must occupy the house as their principle residence

Applicants must have a total gross household income not exceeding 80% of the Wilmington HUD Metro area median income (AMI), adjusted for household size.

Repairs are limited to correcting deficiencies, deterioration, and defects to the roof, walls, foundation, porches/appurtenances, stairs/steps, floors, ceilings; and lack of/ or unsafe light/ventilation/egress, lack of/ or unsafe electrical system, lack of/ or unsafe plumbing system, and unsafe heating facilities/system. It should be noted that all deficiencies in the home may not be rectified with the available funds.

### **Application:**

Homeowners who wish to apply may contact the city of Wilmington Community Development Division at 910-341-7836. Homeowners may be referred by the City of Wilmington Code Enforcement Officers. Applicants will complete a loan application and must provide proof of ownership and income. Other information and documents, such as homeowner's insurance policy for example, will be required to process the loan application. A list of required documents will be provided to the prospective applicant.

Upon completion of the application a preliminary inspection will be scheduled. A City Rehabilitation Technician will visit the home of the applicant to determine the extent of repairs and establish a preliminary cost estimate.

### **Loan Underwriting:**

The Community Development Financial Review Committee (CDFRC) (established 12/2/2013 by Administrative Policy) will review the loan application packet for completeness and accuracy. The loan application will include, but is not limited to, verification of title/ownership, residency, homeowners insurance, paid property taxes, income, and employment. Other documentation shall include a credit report and an analysis of debt ratios and loan-to-value. Property value shall be based upon assessed tax value.

After completing a review of the loan application packet the CDFRC will forward the loan application to the Housing Rehabilitation Loan Review Committee (LRC) (appointed by City Council) for underwriting.

The LRC will recommend loan applications meeting the underwriting requirements to the City Manager for loan approval.

### **Underwriting Criteria:**

The following criteria will be used to underwrite the General Fund Owner-Occupied Housing Repair Program:

**Maximum Loan Amount:** \$25,000 plus 10% contingency. Includes closing cost.

**Debt Ratios:** 40% Housing; 50% Total Debt. Installment debts scheduled to be completely paid within ten (10) months of loan closing are not calculated in determine total debt ratios.

#### **Interest Rates:**

70.1% - 80% of area median income – 2% interest

50% - 70% of area median income – 1% interest

Below 50% of area median income – 0% interest

#### **Minimum Payments:**

70.1% - 80% of area median income – \$30.00 per month

50% - 70% of area median income – \$20.00 per month

Below 50% of area median income – \$15.00 per month

**Term:** 20 years; a balloon payment will be incorporated into the loan if not paid in full at term.

If gross income allows for a higher payment than the minimum then the higher payment plus other housing cost (taxes, utilities, insurance, etc.) shall not exceed 30% of gross income and the higher payment plus other debt shall not exceed 50% of gross income.

**Mitigating Circumstances:** Mitigating circumstances may be considered by the LRC in determining loan payment amount. In such instances, the loan file shall include notation of the mitigating circumstances considered.

## **Employment and Income:**

Employment must be verified for the previous 24 months; a minimum of six months continuous employment with the current employer is required. A minimum of one year work experience in the same general field of work is preferred (pursuit of a degree or participation in job training for a minimum of one year prior to current employment is also acceptable); copies of signed federal income tax returns with W-2s for the past two years shall be provided if filed.

Verification of Income Form indicative of hours worked per week if the applicant is paid hourly; if a range of hours is given on the verification the actual earnings for the past year and year-to-date earnings will be averaged to determine the gross monthly income. Letter of explanation is required for employment lapses of more than three months.

Applicants must disclose alimony, child support and separate maintenance for compliance purposes whether they desire to use such income for qualification. Bonuses, commissions, overtime, part-time employment, investment income, alimony, child support and separate maintenance are all considered secondary income.

Overtime & Bonuses income may be used as qualifying income if the employer verifies such income was received for the past year and it is likely to continue.

Commissions income may be used if received for one year; and must be verified with a copy of the prior year's signed federal income tax return. Income shall be calculated by averaging the prior year's commission earnings plus year-to-date commissions. Projected commissions on pending sales shall not be counted unless the employer provides a written statement indicating the commission amount and when it will be paid.

Part-time employment income may be verified through a VOE and W-2.

Investment income may be verified through the most recent statement from the financial institution

Child support income may be verified through a copy of the recorded court decree or judgment that legally compels the payer to continue making such payments for at least the next three years; copies of the payer's canceled checks, or the payee's deposit record showing positive verification of payment.

Alimony income may be verified by copies of the payer's or payees federal income tax returns for the past two (2) years.

Income from Self Employment may be used as qualifying income if the applicant has been self-employed for at least the previous two (2) full tax years. Copies of signed federal income tax returns for the past two years are required. If self-employment is the primary source of income for the applicant, YTD profit & loss statements and balance sheets are required.

Social Security, Retirement & Disability Income may be verified with a statement of entitlement from the Social Security Administration, or copies of the last 12 bank statements showing direct deposit of the benefit is acceptable. Retirement and disability income may be verified with a copy of the most recent check and a statement from the payer of the benefit. Direct deposits on bank statements are acceptable form of verification. For non-permanent disabilities, verification of the duration of the disability and the expected date of return to work must be provided.

Applicants must have a total gross household income not exceeding 80% of the Wilmington HUD Metro area median income (AMI), adjusted for household size.

**Asset Requirements & Limitations:**

Applicants with liquid assets exceeding \$40,000 are not eligible for financing. Money invested in a tax-qualified retirement plan is not considered a liquid asset.

**Credit Requirements:**

Applicants must demonstrate a willingness to repay debt. While documented extenuating circumstances impacting credit will be considered, a minimum credit score of 550 is required for approval. Such score shall be the middle score derived from the three national credit repositories. References on all debts shall be listed on the application. Any delinquencies within the past six (6) months are not allowed. Non-sufficient funds checks without an acceptable explanation within the last twelve (12) months are not allowed. Unpaid non-medical collections within the previous six (6) months are not allowed. However, the applicant may request an exception providing a satisfactory explanation and/or payment/settlement of the non-medical collection. All requests for exceptions must be presented in writing to the CD Financial Review Committee and the LRC for acceptance or denial. If the applicant has been subject to bankruptcy it must have been discharged at least two years prior to application. Tax liens and/or judgments are not allowed.

**Repair Cost Eligibility:**

Repairs are limited to correcting deficiencies, deterioration, and defects to the roof, walls, foundation, porches/appurtenances, stairs/steps, floors, ceilings; and lack of/ or unsafe light/ventilation/egress, lack of/ or unsafe electrical system, lack of/ or unsafe plumbing system, and unsafe heating facilities/system. It should be noted that all deficiencies in the home may not be rectified with the available funds.

**Property Eligibility:**

Housing units in need of repair must be within the corporate limits of the City of Wilmington

**Application Underwriting and Recommendation:**

Loan Review Committee (LRC) determines if applicant meets underwriting guidelines. The committee sets a maximum loan amount based upon 120% of the city's cost estimate plus

projected soft costs and the required contingency. In no case, however, will the approved loan amount exceed the maximums set in the underwriting criteria section above. If the bid selected exceeds the established maximum, the package must be resubmitted to the LRC for review.

**Exceptions to Underwriting Criteria:**

Rehabilitation LRC may consider compensating factors and make exceptions to the underwriting criteria. In such instances the loan file shall include notation of the compensating factors considered and the exception recommended.

**Loan Approval:**

The City Manager or his designee approves all loans. (Established by 3/24/09 Resolution)

**Construction Work:**

**Work write-up:** A City Housing Rehabilitation Technician will visit the home again for a more thorough inspection. All parts of the home must be made accessible for inspection, including the attic and crawlspace, if any. The owner should report any known problems such as electrical short circuits, blinking lights, roof leaks and the like. The Rehabilitation Technician will prepare complete and detailed work specifications (known as the “work write-up”). A final cost estimate will also be prepared by the Rehabilitation Technician.

**Selection of Contractor:** The City of Wilmington will solicit bids from qualified contractors including, but not limited to, contractors on the City’s Registry of Contractors and the W/MBE contractors list. The homeowner will select the contractor best qualified for the job.

**Execution of contract:** The repair/modification contract will be executed between the homeowner and the contractor. The City will sign as an interested third party.

**Pre-construction conference:** A pre-construction conference will be held at the home. At this time, the homeowner, and contractor and city representatives will discuss the details of the work to be done. Starting and ending dates will be agreed upon, along with any special arrangements such as weekend or evening work hours and disposition of items to be removed from the home (such as old plumbing, etc.).

**Construction:** The contractor will be responsible for obtaining any required building permits for the project before beginning work. The permit must be posted at the house during the entire period of construction. City staff will closely monitor the construction work to make sure that the work is being done according to the work write-up (which is made a part of the rehabilitation contract by reference) and in a timely fashion. Work will be inspected for compliance with the State Building Code. The homeowner will be responsible for working with the contractor toward protecting personal property by clearing work areas as much as practicable.



**Change Orders:** All changes to the scope of work must be approved by the owner and a City of Wilmington Rehabilitation Technician, and reduced to writing as a contract amendment (“change order”).

**Payments to licensed contractor:** Contractor will be paid for work performed by the following inspection of and satisfactory completion of all items on the work write-up, as well as, the receipt, by the city, of the contractor’s invoice and a release of liens, signed by all any subcontractors employed on the job and by all material suppliers from whom materials for the job were purchased.

**Post-construction conference:** Following construction the contractor and a Rehabilitation Technician will sit down with the homeowner one last time. At this conference the contractor will hand over any owner’s manuals and warranties on equipment. The contractor and Rehabilitation Technician will go over operating and maintenance requirements for any new equipment installed and discuss general maintenance of the home with the homeowner. The homeowner will have the opportunity to ask any final questions about the work.

**Closeout:** Once all items are satisfied and the homeowner has signed a Certificate of Satisfaction, the job will be closed

### **Property Inspection and Cost Estimate**

- An inspection will be made by a City rehabilitation specialist to identify any minimum housing code violations.
- Lead-based paint hazard reduction measures may be required for homes constructed prior to 1978.
- The rehab specialist will also make recommendations if other repairs or improvements would increase the functional utility of the house.
- The potential buyer may also request repairs or improvements to meet the buyer’s specific needs.
- The rehabilitation specialist will provide the potential buyer and the housing counselor with a preliminary cost estimate of the repairs and improvements.

### **Work Write-Up and Bidding**

- After the applicant makes a formal loan application, the rehabilitation specialist prepares a detailed work write-up and cost estimate for the proposed renovations.
- The applicant approves the final revision of the work write-up prior to the solicitation of bids.
- Contractors listed on the City’s Register of Contractors have approximately two weeks to submit bids.

- The applicant may select any contractor whose bid falls within 85%-115% of the cost estimate.

### **Rehabilitation Work Contract**

- After loan settlement, the buyer enters into a rehabilitation work contract with the selected contractor.
- The contract sets forth the cost, the time allotted to complete the renovations, and the responsibilities of the property owner and the contractor.
- All work must be performed in accordance with the work write-up.
- No changes may be made in the work contract without a properly executed change order to the contract.

### **Draw-downs from Construction Escrow**

- All renovation work will be monitored by the rehabilitation specialist for compliance with the contract.
- The rehabilitation specialist and the property owner must review and approve all requests from the contractor for payment.
- A 10% retainage is held from each payment.
- The final 10% is disbursed after the job is accepted by the property owner.
- Prior to the final draw, the contractor must submit lien waivers for all subcontract work and a final affidavit certifying all labor and materials bills have been paid in full.

### **Requirements for Contractors**

The City of Wilmington's Register of Contractors is open to all general contractors who can demonstrate the ability to handle residential renovation work.

- Each contractor must have workers compensation and general liability insurance, a good credit history, a privilege license, and a track record of at least three rehabilitation jobs.
- A surety deposit is held by the City on each contractor.
- Contractors bidding on jobs totaling \$30,000.00 or greater must have a North Carolina General Contractors License.

## **Housing Rehabilitation Loan Program (HRLP)**

The City of Wilmington operates several loan and grant program for the provision of housing to persons of low-to-moderate income. These programs are funded in large part with entitlement funds received from the U.S. Department of Housing and Urban Development (HUD) and program income received from repayments. City Council approves the on-going program funding and operation with the adoption of an Annual Action Plan for the use of Community Development Block Grant as well as HOME Investment Partnership Program funds and related program income. The program objective is to preserve affordable housing stock by providing an affordable loan for housing repairs to low-to-moderate income homeowners. Remodeling projects and home additions are not eligible uses of funds under the HRLP.

### **Eligibility:**

Housing units in need of repair must be within the corporate limits of the City of Wilmington

Applicants must be the owner of a house in need of repair for at least one year or longer, and must occupy the house as their principle residence

Applicants must have a total gross household income not exceeding 80% of the Wilmington HUD Metro area median income (AMI), adjusted for household size.

Eligible rehabilitation costs include code violations- items that not in compliance with minimum property standards; incipient repairs – items that are expected to need repair or replacement within the next 18 months; lead-based paint hazards – items necessary to reduce the hazards associated with lead-based paint; and general property improvements and appliances – ranges, refrigerator, washer, dryer, and dishwasher.

### **Application:**

Homeowners who wish to apply may contact the city of Wilmington Community Development Division at 910-341-7836. Homeowners may be referred by the City of Wilmington Code Enforcement Officers. Applicants will complete a loan application and must provide proof of ownership and income. Other information and documents, such as homeowner's insurance policy for example, will be required to process the loan application. A list of required documents will be provided to the prospective applicant.

Upon completion of the application a preliminary inspection will be scheduled. A City Rehabilitation Technician will visit the home of the applicant to determine the extent of repairs and establish a preliminary cost estimate.

### **Loan Underwriting:**

The Community Development Financial Review Committee (CDFRC) (established 12/2/2013 by Administrative Policy) will review the loan application packet for completeness and accuracy. The loan application will include, but is not limited to, verification of title/ownership, residency, homeowners insurance, paid property taxes, income, and employment. Other documentation shall include a credit report and an analysis of debt ratios and loan-to-value. Property value shall be based upon assessed tax value.

After completing a review of the loan application packet the CDFRC will forward the loan application to the Housing Rehabilitation Loan Review Committee (LRC) (appointed by City Council) for underwriting.

The LRC will recommend loan applications meeting the underwriting requirements to the City Manager for loan approval.

### **Underwriting Criteria:**

The following criteria will be used to underwrite Housing Rehabilitation Loan Program:

**Maximum Loan Amount:** \$75,000 plus 20% contingency or maximum reconstruction loan of \$95,000. Includes closing cost.

**Debt Ratios:** 40% Housing; 50% Total Debt. Installment debts scheduled to be completely paid within ten (10) months of loan closing are not calculated in determine total debt ratios.

#### **Interest Rates:**

70.1% - 80% of area median income – 2% interest

50% - 70% of area median income – 1% interest

Below 50% of area median income – 0% interest

#### **Minimum Payments:**

70.1% - 80% of area median income – \$30.00 per month

50% - 70% of area median income – \$20.00 per month

Below 50% of area median income – \$15.00 per month

**Term:** 20 years; a balloon payment will be incorporated into the loan if not paid in full at term.

If gross income allows for a higher payment than the minimum then the higher payment plus other housing cost (taxes, utilities, insurance, etc.) shall not exceed 30% of gross income and the higher payment plus other debt shall not exceed 50% of gross income.

**Mitigating Circumstances:** Mitigating circumstances may be considered by the LRC in determining loan payment amount. In such instances, the loan file shall include notation of the mitigating circumstances considered.

## **Employment and Income:**

**Employment** - Must be verified for the previous 24 months; a minimum of six months continuous employment with the current employer is required. A minimum of one year work experience in the same general field of work is preferred (pursuit of a degree or participation in job training for a minimum of one year prior to current employment is also acceptable); copies of signed federal income tax returns with W-2s for the past two years shall be provided if filed.

**Verification of Income** - Form must be indicative of hours worked per week if the applicant is paid hourly; if a range of hours is given on the verification the actual earnings for the past year and year-to-date earnings will be averaged to determine the gross monthly income. Letter of explanation i.e. required for employment lapses of more than three (3) months.

**Secondary Income** - Applicants must disclose alimony, child support and separate maintenance for compliance purposes whether they desire to use such income for qualification. Bonuses, commissions, overtime, part-time employment, investment income, alimony, child support and separate maintenance are all considered secondary income. Bonuses, commissions, overtime, part-time employment, investment income, alimony, child support and separate maintenance are all considered secondary income.

### **Verification of Secondary Income**

- Overtime & Bonuses - may be used as qualifying income if the employer verifies such income was received for the past year and it is likely to continue.
- Commission - may be used if received for one year; and must be verified with a copy of the prior year's signed federal income tax return. Income shall be calculated by averaging the prior year's commission earnings plus year-to-date commissions. Projected commissions on pending sales shall not be counted unless the employer provides a written statement indicating the commission amount and when it will be paid.
- Part-time employment - may be verified through a VOE and W-2.
- Investment income - may be verified through the most recent statement from the financial institution
- Child support - may be verified through a copy of the recorded court decree or judgment that legally compels the payer to continue making such payments for at least the next three years; copies of the payer's canceled checks, or the payee's deposit record showing positive verification of payment.
- Alimony - may be verified by copies of the payer's or payees federal income tax returns for the past two (2) years.

**Income from Self Employment**- May be used as qualifying income if the applicant has been self-employed for at least the previous two (2) full tax years. Copies of signed federal income tax returns for the past two years are required. If self-employment is the primary source of income for the applicant, YTD profit & loss statements and balance sheets are required.

**Social Security, Retirement & Disability Income** - may be verified with a statement of entitlement from the Social Security Administration, or copies of the last 12 bank statements



showing direct deposit of the benefit is acceptable. Retirement and disability income may be verified with a copy of the most recent check and a statement from the payer of the benefit. Direct deposits on bank statements are acceptable form of verification. For non-permanent disabilities, verification of the duration of the disability and the expected date of return to work must be provided.

**Maximum Income:**

Applicants must have a total gross household income not exceeding 80% of the Wilmington HUD Metro area median income (AMI), adjusted for household size.

**Asset Requirements & Limitations:**

Applicants with liquid assets exceeding \$40,000 are not eligible for financing. Money invested in a tax-qualified retirement plan is not considered a liquid asset.

**Credit Requirements:**

Community Development Analyst shall obtain a tri-merge credit report. Applicants must demonstrate a willingness to repay debt. While documented extenuating circumstances impacting credit will be considered, a minimum credit score of 550 is required for approval. Such score shall be the middle score derived from the three national credit repositories. References on all debts shall be listed on the application. Any delinquencies within the past six (6) months are not allowed. Non-sufficient funds checks without an acceptable explanation within the last twelve (12) months are not allowed. Unpaid non-medical collections within the previous six (6) months are not allowed. However, the applicant may request an exception providing a satisfactory explanation and/or payment/settlement of the non-medical collection. All requests for exceptions must be presented in writing to the CD Financial Review Committee and the LRC for acceptance or denial. If the applicant has been subject to bankruptcy it must have been discharged at least two years prior to application. Tax liens and/or judgments are not allowed.

**Rehabilitation Cost Eligibility:**

- Code Violations – Items that are not in compliance with minimum property standards.
- Incipient Repairs – Items that are expected to need repair or replacement within the next eighteen (18) months.
- Lead-Based Paint Hazards – Items necessary to reduce the hazards associated with lead-based paint.
- General Property Improvements & Appliances – Range, Refrigerator, Washer Dryer, Dishwasher (\$3,000 maximum).

- Clearing Title – Up to \$10,000 of the total loan may be used to clear title to the property by refinancing existing liens, paying judgments or back taxes. (Federal funds may not be used to pay back taxes).
- Environmental Review – All properties will be subject to an Environmental Review and determination that the property is exempt or successfully mitigated prior to loan funding.

**Property Eligibility:**

Housing units in need of repair must be within the corporate limits of the City of Wilmington; Single-Family or Duplex; Primary Residence; When using HOME funds property must meet or exceed Section 8 Housing Quality Standards & City of Wilmington Minimum Housing Codes when rehabilitation is complete.

**Termite Inspection:**

Termite inspection will be ordered at the discretion of the Rehabilitation Specialist following site inspection.

**Application Review:**

Loan Review Committee (LRC) determines if applicant meets underwriting guidelines. The committee sets a maximum loan amount based upon 120% of the city's cost estimate plus projected soft costs and the required contingency. In no case, however, will the approved loan amount exceed the maximums set in the underwriting criteria section above. If the bid selected exceeds the established maximum, the package must be resubmitted to the LRC for review.

**Exceptions to Underwriting Criteria:**

Rehabilitation LRC may consider compensating factors and make exceptions to the underwriting criteria. In such instances the loan file shall include notation of the compensating factors considered and the exception recommended.

**Loan Approval:**

The City Manager or his designee approves all loans. (Established by 3/24/09 Resolution)

## Suzanne Rogers

---

**From:** Paul D'Angelo <pdangelo@wha.net>  
**Sent:** Wednesday, April 15, 2015 3:22 PM  
**To:** Suzanne Rogers  
**Cc:** Karen Schraml  
**Subject:** Corrections to the Annual Action Plan

Hello Suzanne!!

Page 8, #2 ... Transformation Plan, not Transition Plan

Page 18, Dawson Street Lofts ... Housing and Economic Opportunities, Inc.

Page 24, paragraph 2 ... please remove the sentence about the CORE Center

Think that's it Suzanne!

Keep us posted as to the \$200,000 CDBG funds for Dawson Lofts, \$100,000 FY2014-15, \$100,000 FY2015-16. Things are moving ahead with the Pearce Supportive Housing, with an expected start date ... dare I say ... June, 2015! Thanks!!

Paul

*Get text updates about Choice Neighborhoods Wilmington ... text @53473 to 980.404.2407*

*Take the survey about the SouthSide*

*Learn more about Choice*

*Like us on Facebook*

*Discover the 2009 SouthSide Small Area Plan*

Paul E. D'Angelo, MPA  
Choice Neighborhoods Planning Manager  
<http://choicewilmingtonnc.com/>

Wilmington Housing Authority  
1524 South 16<sup>th</sup> Street  
Wilmington, North Carolina 28401  
Phone: (910) 341-7700, ext. 264  
Fax: (910) 341-7760  
Cell: (910) 297.2749

Email: [p.dangelo@wha.net](mailto:p.dangelo@wha.net)

Website: [www.wha.net](http://www.wha.net)

*The mission of the Wilmington Housing Authority is to provide quality, affordable housing in safe, attractive communities for the families we serve.*

*The vision for the Southside is a vibrant, safe, attractive, family-friendly community where residents feel connected and have access to the goods and services necessary for living, working, and playing.*



# AFFIDAVIT OF PUBLICATION

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

Before the undersigned, a Notary Public of Said County and State,

**Jarimy Springer**

Who, being duly sworn or affirmed, according to the law, says that he/she is

**Accounting Specialist**

of THE STAR-NEWS, a corporation organized and doing business under the Laws of the State of North Carolina, and publishing a newspaper known as STAR-NEWS in the City of Wilmington

*The City of Wilmington Announces a Public Comment Period on the City's DRAFT 2015-2016 ANNUAL ACTION PLAN for Community Development Block Grant CDBG & HOME Programs and a Public Hearing Tuesday, April 21, 2015 at 6:30 p.m. at City Hall in the City Council*

was inserted in the aforesaid newspaper in space, and on dates as follows:

*4/6 1x*

And at the time of such publication Star-News was a newspaper meeting all the requirements and qualifications prescribed by Sec. No. 1-597 G.S. of N.C.

*Jarimy Springer*

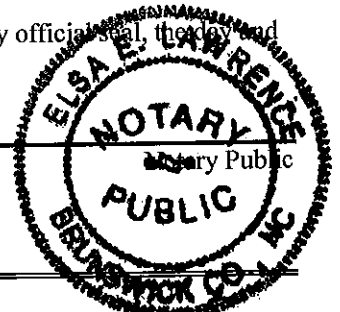
Title: Accounting Specialist

Sworn or affirmed to, and subscribed before me this 7th day of April, A.D., 2015

In Testimony Whereof, I have hereunto set my hand and affixed my official seal, the day and year aforesaid.

*Elsa E. Lawrence*

My commission expires 14th day of Aug, 2016



Upon reading the foregoing affidavit with the advertisement thereto annexed it is adjudged by the Court that the said publication was duly and properly made and that the summons has been duly and legally served on the defendant(s).

This \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Clerk of Superior Court

MAIL TO: