



**City of Raleigh, North Carolina**

**Proposed  
FY 2016  
Neighborhood Revitalization Strategy Area (NRSA) Plan**

*Revised*

October 5, 2015

DRAFT

Comments welcome through November 3, 2015

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## **Executive Summary**

The City of Raleigh's 2016-2020 Consolidated Plan for use of federal housing funds includes strategies to create two Neighborhood Revitalization Strategy Areas (NRSAs). The first NRSA proposed is for the area south and east of St. **Augustine's University**, including College Park and the former Washington Terrace Apartments. The reason the City decided to use the NRSA approach is to make use of its federal Community Development Block Grant (CDBG) funds in a more flexible fashion than would otherwise be possible. Job creation would be more easily achieved and public service funding and housing activities would be free of some of the federal restrictions that accompany the CDBG program. The CDBG national objective of principally benefitting low- and moderate-income persons will still be met.

Maps of the area covered and details of the proposed NRSA program and NRSA demographics are contained in the Plan that follows. Below is a summary of the Goals and Benchmarks the City intends (as a minimum) to provide in the College Park/Washington Terrace NRSA.

### GOAL 1: Infrastructure Improvements

#### Benchmarks

- 1.1 Install public infrastructure necessary to serve mixed-income development in East College Park (water, sanitary sewer, and stormwater).
- 1.2 Install the public infrastructure necessary to serve mixed-income development in Washington Terrace (water, sanitary sewer, and stormwater) including street realignment.
- 1.3 Install new sidewalk on Oakwood Avenue from Heck to Raleigh Blvd.
- 1.4 Provide and/or upgrade natural gas service to East College Park.

### GOAL 2: Residential Development

#### Benchmarks

- 2.1 Construct 320 new rental units.
- 2.2 Construct 195 new homeownership units.

2.3 Provide not less than 30 rehab loans to assist aging-in-place, reduce energy costs, and make other home improvements for existing homeowners with incomes less than 80% of AMI.

GOAL 3: Economic and Human Capital Development

Benchmarks

3.1 Employ not less than 500 persons in construction and construction related activities.

**3.2 Continue the City’s Summer Youth Employment Program at St. Monica’s Youth Center and/or Tarboro Community Center.**

3.3 Provide not less than 75 potential homebuyers with homebuyer education and training.

3.4 Create a Section 3 Plan, designate a Section 3 Coordinator, and actively promote and encourage Section 3 hires.

3.5 Achieve at least 10 Section 3 hires associated with construction activities in the neighborhoods.

3.6 Achieve not less than 15% participation by Minority and Women owned Business Enterprises in site prep/infrastructure and multi-family construction projects.

3.7 Study the feasibility of selling land for a school (either charter or public) for elementary age students on the Washington Terrace site. If the opportunity emerges, follow up with appropriate actions.

3.8 Construct child care facility on the Washington Terrace site serving approximately 80-100 children, infant to pre-Kindergarten.

## I. INTRODUCTION

Raleigh, North Carolina's capital city and the largest municipality in the Research Triangle region, has been growing rapidly since the 1990s, generating strong job growth and fueling new residential development. A significant segment of new arrivals since the end of the Great recession have sought an urban lifestyle, increasing market pressure within the Beltline, the limited access divided highway that circles the downtown. This has increased land values and rents within the downtown and close-in urban neighborhoods. A few neighborhoods near downtown, however, have not shared in this growth and have, in fact, lost population. They suffer from poverty, deteriorating housing and failing infrastructure. Two of these neighborhoods are College Park and Washington Terrace, immediately south and east of **St. Augustine's University, a historically black liberal arts university. St. Augustine's is the largest institutional stakeholder in this area.**

The proposed NRSA consists of two historically distinct neighborhoods separated by Oakwood Avenue. The College Park neighborhood lies south of Oakwood. Housing in College Park is 78% single-family detached and 14% duplexes. Rentals predominate: approximate 69% of the housing is rental. The median house value of owner-occupied homes is \$107,300, approximately half the citywide median value of \$207,000. More than 47% of families live below the poverty level; citywide that number is 11.8%. The neighborhood is 71% African American.

The Washington Terrace neighborhood lies to the north of Oakwood. It is a single development of triplexes and quads totaling 245 units on 25 acres of land. The Washington Terrace neighborhood was originally built by the private sector as an affordable housing development. The Great Recession sent the property into bankruptcy and the property and its deteriorated units went up for sale. DHIC, a local NeighborWorks organization, suggested that the City of Raleigh partner with them to acquire the property to ensure that the site be preserved for affordable housing. The City agreed with this vision and Raleigh City Council awarded DHIC a \$2 Million zero interest loan to help with the acquisition. DHIC surveyed the residents and found that 98% have incomes less than 80% of area median income (AMI).

The City has been active in the College Park neighborhood since the early 1990s when the neighborhood was designated a redevelopment area. The neighborhood has had several redevelopment plans since 1994. Initially, the City focused on the western section of the neighborhood in an area locally known as College Park/Idlewild. Over the last several years, the **Community Development Division's** focus has shifted to the eastern edge, the blocks bounded by Hill Street, Oakwood Avenue, Raleigh Boulevard, and New Bern. These blocks are called East College Park (ECP). Since the Great Recession, Community Development has acquired approximately 134 deteriorated structures there, relocating the tenants of the substandard housing to decent safe housing of their choosing and clearing the lots. A significant percentage of East College Park is currently vacant and the City **is the neighborhood's largest property owner.**

The area **directly south of St. Augustine's University** has very few vacant lots and owner-occupied homes are mixed in among rentals. Most housing here is modest in square footage and architecture. Many of the houses, rental and owner-occupied alike are in need of some repair.

**Raleigh's Housing and Neighborhoods Department** incorporated these distinct areas into a single NRSA in order to create the framework for mixed-income housing opportunities for

both homeowners and renters. In addition to providing for mixed-income homeownership development on sites acquired with CDBG funds, an approved NRSA plan allows for 9% Low Income Housing Tax Credit (LIHTC) applications under the North Carolina Housing Finance Agency (NCHFA) Qualified Allocation Plan (QAP) to qualify for the Redevelopment set aside. Because of QAP site score requirements, 9% applications for projects in that location would be at a competitive disadvantage. Because of the NRSA's near-downtown location, having affordable housing over the long term is dependent on proactively taking such steps now.

**Benefits of a Neighborhood Revitalization Strategy Area (NRSA)**

NRSA benefits are described in amendments to the Community Development Block Grant (CDBG) regulations at 24 CFR 570, which were published in the Federal Register on January 5, 1995 and updated in the final rule changes published in the November 9, 1995 Register. They include:

1. **Job Creation/Retention as Low/Moderate Income Area Benefit:** Job creation/retention activities undertaken pursuant to the strategy may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the income of persons that take, or are considered for such jobs (24 CFR 570.208(a)(1)(vii) and (d)(5)(i));
2. **Aggregation of Housing Units:** Housing units assisted pursuant to the strategy can be considered to be a part of a single structure for purposes of applying the low and moderate-income national objective criteria. This provides a greater flexibility to carry out housing programs that revitalize a neighborhood (24 CFR 570.208(a)(3) and (d)(5)(ii));
3. **Aggregate Public Benefit Standard Exemption:** Economic development activities carried out under the strategy may, **at the grantee's option, be exempt from aggregate public benefit standards, thus increasing a grantee's flexibility for program design as well as reducing record-keeping requirements related to the public benefit standard (24 CFR 570.209(b)(2)(v)(L) and (M);** and
4. **Public Service Cap Exemption:** Public services carried out pursuant to the strategy by a Community Based Development Organization (CBDO) are exempt from the 15% public services cap (24 CFR 570.204(b)(2)(ii).

The following describes the NRSA boundaries, demographic criteria, the community consultation process, the housing and economic features of the neighborhoods, the economic empowerment strategy to be pursued in the area, and performance measurement benchmarks for evaluating the success of implemented programs.

## II. STRATEGY CRITERIA

### A. Boundaries

The proposed NRSA lies entirely within Census Tract 506 and consists of two distinct neighborhoods: College Park and Washington Terrace. Oakwood Avenue, an important east-west neighborhood street, traverses the study area. Washington Terrace, a unified development of 245 quads and triplexes, lies north of Oakwood Avenue in Block Group 1; College Park, a neighborhood of primarily single-family detached housing and cleared lots, lies south of Oakwood Avenue in Block Group 2. Together these two neighborhoods comprise the proposed NRSA, **herein also described as “the study area.”** Appendix A contains two maps of the area.

The boundaries of the study area are as follows: Raleigh Boulevard on the east, New Bern Avenue and Edenton Street on the south, Heck Street on the west, Oakwood Avenue on the north from Heck to Hill Street, then north on Hill Street which becomes Milburnie Road bending east until it meets Raleigh Blvd. The portion of the College Park neighborhood within the proposed NRSA covers approximately 105 acres and includes all of Block Group 2. Washington Terrace sits in the southeast corner of Block Group 1, **sharing that block group with St. Augustine’s University** and Madonna Acres, a small neighborhood of single-family detached homes to the north of Milburnie. Washington Terrace covers approximately 25 acres. The study area encompasses a total of more than 130 acres.

The predominant land use in the study area is residential, with a few areas—on Hill Street north of Oakwood and on Tarboro at the corner with Oakwood—of small strip malls or small commercial retail structures. Zoning in the study area is predominantly Neighborhood Mixed Use (NX). Washington Terrace is zoned for greater density as are a few city blocks between Carver and Waldrop Streets south of Pender. Waldrop runs parallel with Raleigh Blvd and is separated from that busy arterial by a green, treed strip of City land and a blue line stream.

The area is bounded to the east by Raleigh Boulevard, a north-south, state-owned four lane divided arterial. New Bern Avenue, a major east-west, four lane arterial, forms the southern border of the study area until it becomes Edenton Street at the intersection with Poole Road. New Bern is a busy bus route between the downtown business district approximately a mile to the west, and WakeMed Hospital approximately three miles to the east. Along the section of New Bern Avenue, **from St Augustine’s Avenue on the west** to Raleigh Boulevard on the east, lies a variety of commercial and retail developments. Some developments are considered by the neighborhood to be community assets, some less so. Most of these commercial establishments are aging and are land-locked on shallow lots that restrict possible expansions.

**St. Augustine’s University**, a historically black liberal arts university, provides undergraduate and graduate school education and training for 1,200 students with a particular strength in applied health and medical science. The campus covers 105 acres. Through the years, many of its faculty and staff have lived in the surrounding neighborhoods, helping to build a stable community of homeowners and renters. More recently, though, these neighborhoods have been disrupted by disinvestment as long-time owners moved to other areas, existing houses became blighted, and criminal activity spread.

To the west of the study area lies the West Idlewild neighborhood, which had been the focus of redevelopment in the 2000s. These revitalized blocks of new single-family homes and apartments include, most recently, the Cooke Street Redevelopment, Phases 1 and 2, with acquisition, relocation, demolition, and new construction of housing; the rehabilitation of an apartment community; upgrades to water, sanitary sewer and storm water systems; new curbs, gutters and streets; and **the creation of a link in the City's** greenway system that now runs along Cooke Street connecting Oakwood Cemetery to the north with John Chavis Memorial Park to the south. The impact on census data of the revitalization of Cooke Street will be mentioned several times in this document due to its proximity to the study area and its positive influence on census data: BG3 of CT 506 includes the Cooke Street portion of West Idlewild and the eastern most portion of the Historic Oakwood neighborhood, an affluent community with both national and local historic district designation.

## ***B. Demographic Criteria***

### ***Background***

The geographic area of the proposed NRSA lies within Census Tract 506 Block Groups 1 and 2. HUD, using 2010 ACS data, determined that in those two block groups combined, 74 percent of households had incomes less than 80 percent of area median income (AMI). This exceeds the HUD requirement that an area be at least 70 percent LMI to qualify for NRSA designation but significantly undercounts the actual number of LMI households within the study area. The portion of the College Park neighborhood in the study area encompasses all of BG 2; in that block group, 86% of the households were LMI. In Washington Terrace, which occupies only a portion of BG1, DHIC did a survey of those residents after they acquired the property and found that 98% had incomes less than 80% of AMI.

In this application, we have drawn most frequently from the 2009-2013 American Community Survey (ACS) 5-Year Estimate. When the data is available by block group, we combine BGs 1 and 2, **which comprise "the study area."** When data is only available at the census tract level, we provide data from CT 506. At the census tract level, however, negative trends are underestimated, since BG 3 of CT 506 includes the eastern blocks of the Historic Oakwood neighborhood, an affluent historic downtown neighborhood, as well as the blocks of the Cooke Street Redevelopment, Phases 1 and 2. This redevelopment project has stimulated private investment in the neighborhood.

### ***The Study Area***

Citywide, 20.4% of households have incomes below \$25,000; in the study area, more than twice that percentage of households live on that income. While per capita income in Raleigh is \$30,470, in the study area it is \$8,729. However, in BG 2, the neighborhood south of Oakwood Avenue, per capita income for White alone households, a small portion of the resident households, is \$45,988, more than 50% above the citywide median, indicating the beginning of private market homeownership interest in neighborhoods close to the downtown business district.

<b>Household Income</b>				
<b>Household Income</b>	<b>Study Area</b>		<b>City of Raleigh</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Total households computed</b>	<b>743</b>	<b>100%</b>	<b>162,573</b>	<b>100%</b>
< \$24,999	332	44.7%	33,238	20.4%
\$25,000 -- \$49,999	255	34.3%	40,789	25.1%
\$50,000 -- \$74,999	95	12.8%	30,505	18.7%
\$75,000 -- \$99,999	38	5.1%	20,581	12.7%
\$100,000 -- \$124,999	8	1.1%	12,748	7.8%
\$125,000 -- \$149,999	15	2.0%	7,879	4.8%
> \$150,000	0	0%	16,833	10.3%
<b>Median household income</b>	<b>\$26,987</b>		<b>\$54,448</b>	

Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate

Citywide, 29% of Raleigh's residents are African American. In the study area, 71% of its residents are African American. This

percentage exceeds 50% minority, rendering the area an area of minority concentration according to Raleigh's Housing Location Policy. Under that Policy, family LIHTC projects are allowed in areas of concentration only when they are implementing components of a locally approved revitalization effort such as an NRSA plan or when they represent affordable housing replacement units.

<b>Race / Ethnicity</b>						
	<b>Study Area</b>		<b>City of Raleigh</b>		<b>Wake County</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Total population</b>	3,117	100%	414,530	100%	929,214	100%
<b>White</b>	705	23%	219,988	53.1	574,146	61.8
<b>African American</b>	2,228	71%	120,445	29.1	190,161	20.5
<b>Amer. Indian/Alaskan Nat,</b>			848	0.2	2,121	0.2
<b>Asian</b>	34	1%	17,862	4.3	51,652	5.6
<b>Nat Hawaiian/ Pac Islander</b>	19	< 1%	252	0.1	354	0.0
<b>Some other Race</b>			1,385	0.3	3,226	0.4
<b>Two or more races</b>	93	3%	7,152	1.7	16,538	1.8
<b>Hispanic (of any race)</b>	38	1%	46,598	11.2	91,016	9.8

Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate

Education has been the traditional vehicle to a better life while the lack of education presents barriers to advancement. In the study area, 16.3% of residents 25 years of age or older have not graduated from high school and only 7.7% have a Bachelor's degree. The figures for Raleigh as a whole are 10.6% and 31.6% respectively.

<b>Educational Attainment</b>				
<b>Educational Attainment</b>	<b>Study Area</b>		<b>City of Raleigh</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Population 25 yrs and over</b>	<b>1,172</b>	<b>100%</b>	<b>261,152</b>	<b>100%</b>
Less than High School	191	16.3%	26,024	10.0%
High School Grad (includes GED)	448	38.2%	42,748	16.4%
Some college	309	26.4%	68,445	26.2%
Bachelor's degree	90	7.7%	82,499	31.6%
Master's degree	111	9.5%	28,662	11.0%
Professional school degree	15	1.3%	7,288	2.8%
Doctorate degree	8	0.7%	5,486	2.1%

Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate

### Marital Status For The Population 15 Years and Over

	Study Area		City of Raleigh	
	#	%	#	%
<b>Population 15 Years and Over</b>	<b>2,775</b>	<b>100%</b>	<b>162,573</b>	<b>100%</b>
Never Married	2,181	78.6	139,485	42.0
Now married (Not included Separated)	135	4.9	135,644	40.8
Separated	110	4.0	9,770	2.9
Widowed	160	5.8	13,046	3.9
Divorced	189	6.8	34,355	10.3

Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate

The 27.5% poverty rate for households in the study area is 2.3 times that of the City as a whole—11.8%. One factor that distinguishes the poverty in the

study area from the city as a whole is that throughout the city poverty is distributed among several household types, including married couples. However, within the study area, according to the census, all households with income below the poverty line are female headed households: of the 27.5%, 20.4% include children, 7.1% do not.

According to the Census Bureau, only 4.9% of the residents in the study area were married compared to 40.8% of all Raleigh's residents. Of all city households, 14.1% are single females, though in the study area that number jumps to 34.3%.

### Households By Household Type

	Study Area		City of Raleigh	
	#	%	#	%
<b>Households</b>	<b>743</b>	<b>100%</b>	<b>162,573</b>	<b>100%</b>
Family Households:	353	47.5%	92,681	57.0%
Married-couple Family	62	8.3%	62,853	38.7%
Other Family	291	39.2%	29,828	18.4%
Male householder, no wife present	36	4.9%	6,910	4.3%
Female Householder, no husband	255	34.3%	22,918	14.1%
Nonfamily Households	390	52.5%	69,892	43.0%
Male Householder	178	24.0%	32,260	19.8%
Female Householder	212	28.5%	37,632	23.2%

Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate

The median age of the residents in the study area is 23, much younger than the median age of all Raleigh's residents, 32. While there is a smaller percentage of youth under 18 years of age in the study area than in the city as a whole, there is a much larger concentration of persons age 18-34 than in the city overall and fewer people in their prime working years of 35 to 64 years of age.

### Age

Age ranges	Study Area		City of Raleigh	
	#	%	#	%
<b>Total population</b>	<b>3,117</b>	<b>100%</b>	<b>414,530</b>	<b>100%</b>
Under 18 years	381	12.2%	96,281	23.2%
18 to 34 years	1,839	59.0%	131,766	31.8%
35 to 64 years	692	22.2%	150,838	36.4%
65 and over	205	6.6%	35,645	8.6%

Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate

### C. Consultation

Community participation is a critical component of the NRSA development process. A series of meetings were held to gather resident and stakeholder input on proposed development ideas. DHIC held several meetings for area residents focused on Washington Terrace with over 350 participants so far. Community Development held a public input meeting that focused on the needs of all project area residents related to programs for seniors, youth and other populations and ninety-nine persons participated (see Appendix B). Outreach to stakeholders was undertaken in small group settings for more detailed or technical discussions. DHIC has held a variety of such stakeholder meetings related to the master planning of Washington Terrace, attended by approximately 50 people in total. **Meetings have also been held with St. Augustine's administrators.** Ongoing community consultation will continue as the plan moves into the implementation phase.

Meetings were conducted according to the following schedule. Public comments received are included in Appendix B.

<b>Consultation for NRSA Public and Stakeholder Input 2015</b>			
<b>Meeting Date</b>	<b>Public or stakeholder mtg</b>	<b>Meeting location</b>	<b># attending</b>
Feb 20, 2014	Washington Terrace Residents	Boy's Club	40
Feb 11	St. Augustine's	St. Augustine's	8
March 5	WT Resident meeting	Boy's Club	30
March 23	St. Augustine's	St. Augustine's	20
March 26	WT Public meeting	Tarboro Com. Center	120
May 19-21	WT Public input/design workshop	Washington Terrace	42
May 21	WT Public input/design workshop	Tarboro Com. Center	46
July 1	WT Public input/design workshop	Tarboro Com. Center	53
Aug 10	Public meeting	Tarboro Com. Center	99
Aug 12	St. Augustine's	St. Augustine's	4
Aug 25	Public Meeting	Tarboro Com. Center	
Sept 1	Public Hearing	City Council chambers	

### D. Housing Market Analysis

The study area consists of two neighborhoods, both overwhelmingly residential. The

Housing Units in Structure				
	Study Area		City of Raleigh	
	#	%	#	%
Total Housing Units	819	100%	178,910	100%
1 unit	434	53.0%	107,571	60.1%
1, detached	418	51.0%	84,925	47.5%
1, attached	16	2.0%	22,646	12.7%
2	108	13.2%	3,887	2.2%
3 or 4	237	28.9%	9,009	5.0%
5 to 9	40	4.9%	15,965	8.9%
10 to 19	0	0%	21,516	12.0%
20 to 49	0	0%	10,955	6.1%
50 or more	0	0%	8,264	4.6%
Mobile home	0	0%	1,743	1.0%
Boat, RV, van, etc.	0	0%	0	0%
Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate				

housing types north of Oakwood Avenue are different than south of Oakwood. North of Oakwood, 51% of all units are triplexes or quads, all in the Washington Terrace neighborhood. South of Oakwood, in College Park, 78% are single-family detached. Vacancy is higher in College Park, where 64% of all vacancies are neither for rent nor sale, 17 percentage points greater than in the city as a whole (47%). As was mentioned previously, the City is the largest land owner south of Oakwood east of Hill Street

while DHIC owns the Washington Terrace development north of Oakwood. This ownership will facilitate the revitalization of the NRSA.

There are three important commercial areas along the edges of the study area that will be included in the revitalization strategies: (1) a small, deteriorated strip development on Hill Street just north of Oakwood Avenue; (2) small run-down retail structures clustered on Tarboro Street at the corner with Oakwood; and (3) a variety of commercial uses on the southern edge along New Bern Avenue, including the William Harrison Public Library, strip mall developments, a car wash, and a gas station at the corner of New Bern and Raleigh Blvd.

Within Raleigh as a whole, 53.6% of housing units are owner-occupied. In the NRSA area, only 30.3% are owner-occupied; 69.7% are rental. Many of the rentals have been owned by absentee landlords. In some cases, this has created blighting influences in the College Park neighborhood: conversions of single-family houses into rooming houses with rooms for rent by the week for cash; poor or no screening of tenants; poor or little property maintenance allowing progressive deterioration, etc. Given these conditions, many of these properties became housing of last resort for people with few resources and fewer options. Most of the properties acquired in the past several years by the City have fit this description; once acquired, tenants were relocated to safe, decent, standard housing of their choice, and the blighted structures demolished. As of June 2015, the City owns approximately 134 parcels within the study area.

Raleigh has experienced rapid population growth since 1990 when its population was **207,951**. Over the 1990s, Raleigh's population grew by **32.8%** to **276,093** in the 2000 Census and by 46.3% in the 2000s to 403,892 in 2010. The number of housing units increased at a comparable pace: growth in housing units was 30% in the 1990s, from 92,643 in 1990 to 120,699 in 2000; and by 46% in the 2000s to 176,124 in 2010. According to the 2009-2013 ACS 5-Year Estimate, **29.5%** of all Raleigh's housing units have been built since 2000, while in the study area only 6.8% have. The median year housing units were built in Raleigh is 1990; in the study area, it's 1940.

<b>Housing Units by Year Built, 2013</b>				
Year Built	Study Area		City of Raleigh	
	#	%	#	%
2010 or later	0	0%	1,850	1.0%
2000 to 2009	56	6.8%	50,982	28.5%
1990 to 1999	63	7.7%	37,444	20.9%
1980 to 1989	28	3.4%	33,984	19.0%
1970 to 1979	56	6.8%	20,093	11.2%
1960 to 1969	197	24.1%	15,172	8.5%
1959 or earlier	419	51.2%	19,385	10.8%
Total	819	100%	178,910	100%
Median Year Built	1960		1990	

*Data source: 2009-2013 ACS; Partners for Economic Solutions, 2015*

Housing values reflect this lack of market interest: more than 72% of all owner-occupied housing in the study area is valued at less than \$150,000. In the city as a whole, only 24.9% are valued less than \$150,000.

<b>Housing Value For All Owner-Occupied Housing Units</b>				
	Study Area		City of Raleigh	
	#	%	#	%
Owner-occupied housing units	225	100%	87,076	100%
Less than \$20,000	0	0%	1,249	1.4%
\$20,000--\$49,999	8	3.5%	511	0.6%
\$50,000--\$99,999	50	22.2%	3,434	3.9%
\$100,000--\$149,999	105	46.6%	16,530	19.0%
\$150,000--\$299,999	62	27.5%	42,331	48.6%
\$300,000--\$499,999	0	0%	15,457	17.8%
\$500,000--\$749,999	0	0%	4,916	5.7%
\$750,000--\$999,999	0	0%	1,685	1.9%
\$1,000,000 or more	0	0%	963	1.1%
Median owner-occupied home value	\$127,300		\$207,000	

*Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate*

The federal Department of Housing and Urban Development (HUD) considers homeowners and renters to be cost burdened when housing costs exceed 30 percent of household income. HUD considers it a severe housing cost burden when housing costs exceed 50 percent of household income. For homeowners, housing costs include mortgage, insurance, and taxes; for renters, it includes rent and utilities.

### Housing Costs as % of Household Income in 2013

	Study Area		City of Raleigh	
	#	%	#	%
<b>Renter occupied housing units</b>	<b>518</b>	<b>100%</b>	<b>75,497</b>	<b>100%</b>
< 30% of household income	208	40.1%	36,710	48.6%
30-49% of household income	111	21.4%	71,596	23.3%
50% or more of household income	199	38.4%	18,710	24.8%
<b>Owner-Occupied Units</b>	<b>183</b>	<b>100%</b>	<b>71,028</b>	<b>100%</b>
< 30% of household income	109	59.6%	50,201	70.7%
30-49% of household income	17	9.2%	13,886	19.6%
50% or more of household income	57	31.1%	6,753	9.5%

Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate

Housing costs have been rising in Raleigh in response to population growth and market demand since the end of the Great Recession, particularly inside the Beltline, the US 440 limited access road that circles the downtown core and close-in neighborhoods. The closer to downtown, the greater the housing price rise. The study area lies approximately one mile east of the downtown business district. Almost 60 percent of renters within the study area are cost burdened, 38.4 percent severely cost burdened, much higher than the 25 percent of renters throughout Raleigh who are severely cost burdened.

Homeownership provides residents in the study area little defense against high housing costs: 31 percent of homeowners there are severely cost burdened. Citywide that number is 9.5 percent.

### E. Economic Overview

As stated earlier, the poverty rate for households in the study area is 27.5%, 2.3 times the rate for Raleigh over all (11.8%). A much higher percentage of households in the study area receive some form of public assistance than in the city as a whole. Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF); it does not include Supplementary Security Income (SSI).

### Households with Public Assistance Income and Households with Supplemental Security Income (SSI) 2013

	Study Area		City of Raleigh	
	#	%	#	%
<b>Households</b>	<b>743</b>	<b>100%</b>	<b>162,573</b>	<b>100%</b>
With public assistance income	70	9.4%	1,950	1.2%
No public assistance income	643	90.6%	160,623	98.8%
With SSI	70	9.4%	4,752	2.9%
No SSI	623	83.9%	160,623	98.8%

Data source: 2009-2013 ACS; Partners for Economic Solutions, 2015

The unemployment rate in the study area is almost two percentage points higher than throughout the city, but a finer grain analysis reveals complexity. The male unemployment rate in the study area (15.6%) is almost double the rate citywide for men (8.6%) while the female unemployment rate in the study area (5.7%) is considerably lower than the citywide rate for women (9.1%). This suggests that men in the study area

have a harder time finding work than men do throughout the city, while many female heads of household can find employment but the work they find pays low wages.

<b>Unemployment Rate for Civilian Population in Labor Force 16 Years and Over: 2013</b>				
	<b>CT 506</b>		<b>City of Raleigh</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Civilian Population in labor force 16 yrs and over</b>				
<b>Civilian population in labor force 16 yrs and over</b>	<b>1,819</b>	<b>100%</b>	<b>231,052</b>	<b>100%</b>
Employed	1,627	89.4%	210,663	91.2%
Unemployed	192	10.6%	20,389	8.8%
<b>Civilian Male in labor force 16 yrs and over</b>	<b>920</b>	<b>100%</b>	<b>117,939</b>	<b>100%</b>
Employed	779	84.7%	107,793	91.4%
Unemployed	141	15.3%	10,146	8.6%
<b>Civilian Female in labor force 16 yrs and over</b>	<b>899</b>	<b>100%</b>	<b>113,113</b>	<b>100%</b>
Employed	848	94.3%	102,870	90.9%
Unemployed	51	5.7%	10,243	9.1%
<b>White 16 yr olds and over in labor force</b>	<b>559</b>	<b>100%</b>	<b>144,746</b>	<b>100%</b>
Employed	541	96.8%	135,226	93.4%
Unemployed	18	3.2%	9,520	6.6%
<b>Black or African Amer. 16 yr olds and over in labor force</b>	<b>1,138</b>	<b>100%</b>	<b>64,529</b>	<b>100%</b>
Employed	977	85.9%	55,474	86.0%
Unemployed	161	14.2%	9,055	14.0%
Date source: Social Explorer, 2009-2013 ACS 5-Year Estimate				

Reviewing changes in the broader economy since 2000, the total number of employed persons in Raleigh has grown by almost 37%. The only industries with fewer workers are agriculture and information. This suggests a strong, diversified economy overall.

<b>Industry By Occupation For Employed Civilian Population 16 Years and Over City of Raleigh</b>				
	2000	2013	Change 2000-2013	
	#	#	#	%
<b>Total employed civilian Population 16 yrs and over</b>	<b>154,114</b>	<b>210,663</b>	<b>56,549</b>	<b>37%</b>
Agriculture, forestry, fishing and hunting, and mining	618	482	-136	-22%
Construction	10,426	11,941	1,515	15%
Manufacturing	15,620	16,673	1,053	7%
Wholesale trade	4,698	5,024	326	7%
Retail trade	16,994	22,812	5,818	34%
Transportation and warehousing, and utilities	5,673	7,190	1,517	27%
Information	6,961	5,477	-1,484	-21%
Finance and insurance, and real estate and rental and leasing	11,512	15,075	3,563	31%
Professional, scientific, and management, and administrative and waste management services	23,487	35,730	12,243	52%
Educational services, and health care and social assistance	28,917	46,662	17,745	61%
Arts, entertainment, and recreation, and accommodation and food services	13,795	22,035	8,240	60%
Other services except public administration	6,528	10,309	3,781	58%
Public administration	8,885	11,253	2,368	27%

The experience in the study area contrasts sharply with the city as a whole. The total number of employed persons in the study area actually declined between 2000 and 2013 by 167 persons or 9.3%. The decline in employed persons occurred in every industry but two: 1) educational, health care and social services; and 2) public administration. Some of this reduction in the number of employed can be attributed to the City's acquisition of blighted property and relocation of tenants to decent housing of their choosing. But it also indicates people's choice not to move to the neighborhood.

<b>Industry By Occupation For Employed Civilian Population 16 Years and Over Census Tract 506</b>				
	<b>2000</b>	<b>2013</b>	<b>Change 2000-2013</b>	
	<b>#</b>	<b>#</b>	<b>#</b>	<b>%</b>
<b>Total employed civilian Population 16 yrs and over</b>	<b>1,794</b>	<b>1,627</b>	<b>167</b>	<b>-9%</b>
Agriculture, forestry, fishing and hunting, and mining	0	0	0	0.0
Construction	126	53	-73	-58%
Manufacturing	80	77	-3	-4%
Wholesale trade	52	0	-52	-100%
Retail trade	237	209	-28	-12%
Transportation and warehousing, and utilities	84	60	-24	-3%
Information	57	17	-40	-71%
Finance and insurance, and real estate and rental and leasing	113	16	-97	-86%
Professional, scientific, and management, and administrative and waste management services	213	187	-26	-12%
Educational services, and health care and social assistance	384	571	187	49%
Arts, entertainment, and recreation, and accommodation and food services	340	278	-62	-18%
Other services except public administration	90	77	-13	-14%
Public administration	18	82	64	355%

Date source: Social Explorer, 2005-2009 ACS 5-Yr Estimates and 2009-2013 ACS 5-Year Estimate

In the study area, the commute for 56.2% of persons was under 20 minutes in 2013, while citywide, that number is 45.2%. Within the study area, 12.4% use public transportation, while citywide only 2.4% use public transportation to get to work. Within the study area, 12.9% either walked or bicycled to work; citywide, only 2.7% use those options. The walkable nature of the study area is clearly an asset that NRSA revitalization activities will build upon

### **III. ECONOMIC EMPOWERMENT STRATEGY**

The City of Raleigh's economic empowerment strategy for the NRSA has numerous components. A major objective is the creation of mixed-income housing opportunities for both homeowners and renters. Achieving diversity is also a valued objective. In preparation for vertical construction of both residential types, significant site preparation and/or infrastructure improvements will be required. Within East College Park, improvements will primarily include the replacement of water, sewer and stormwater lines in a portion of that area. The possible extension of Boyer and/or Pender Streets to connect directly with Raleigh Boulevard to create right turn in and right turn out connectivity will also be evaluated. On the Washington Terrace site, the existing suburban street pattern will be replaced with an urban grid, necessitating all new infrastructure to create six development blocks. In addition, the City had a \$75 Million transportation bond approved in October, 2013 that allocates \$4 Million of the bond money towards recommendations in the New Bern Avenue Corridor Study project from Tarboro to Sunnybrook by WakeMed Hospital. One of the two projects on New Bern Avenue will directly affect the southern boundary of College Park: widening sidewalks to 14 feet from Tarboro to Raleigh Blvd. The other project, from Raleigh Blvd. to

Sunnybrook, is to widen New Bern for bike lines and a future fixed guideway system and add sidewalks the length of the route.

It is anticipated that several hundred persons will be employed in construction and construction related jobs associated with the site prep/infrastructure and residential construction over the eight year span of the NRSA scheduled time period.

Site prep and infrastructure contracts will be subject to 15% Women-Owned and Minority Business participation goals. Such contracts funded in whole or in part with federal funds will also be subject to Section 3. Given the high unemployment in the area (and among males in particular), if new hires are required, every effort will be made to fill those jobs with LMI residents, including the development of a Section 3 Plan with a Housing & Neighborhood staff assigned to manage its implementation.

Not less than 51% of the homeownership units constructed on City-owned sites in East College Park will be reserved for LMI buyers. Homebuyer education and City and NCHFA homebuyer assistance will be provided to make possible the wealth-building that comes with homeownership. While the focus in East College Park will be on homeownership, smaller scale rental development on City-owned sites will be evaluated.

Given the high percentage of low income and cost burdened homeowners in East College Park, providing repair and rehabilitation assistance to those in need will also be a priority. Opportunities to reduce utility bills through energy efficiency improvements will be incorporated into rehabilitation efforts.

More detailed assessments are planned to better understand the very high unemployment rate among males in the neighborhood and to identify barriers to gainful employment. From this assessment, a determination can be made as to whether linkages to existing programs and resources need to be enhanced or if there are new programs and tools that need to be created. **Housing & Neighborhoods' Community Enhancement Grant** program, using CDBG funds could be used to support such efforts tailored to the NRSA neighborhoods.

Outreach to the community identified the desire for expanded programmatic offerings benefitting youth and seniors. Specific suggestions targeting seniors include expanded programming at the Tarboro Community Center, enhanced transit options, health and wellness classes and computer training. For youth, specific suggestions included mentoring, job/vocational prep and tapping into the resource represented by retired educators who live in the neighborhood.

An economic development assessment was completed as a part of a larger market study. The assessment found that excluding New Bern Avenue and the additional demand created by drive-by traffic, there is only modest demand for neighborhood based commercial or retail. Even with the full build out of Washington Terrace and vacant land owned by the City, the neighborhood will be able to support about 1,600 square feet in restaurant/café space and about 1,900 square feet in convenience retail space. The existing Washington Terrace Shopping Center and the small retail district at Tarboro Street and Oakwood Avenue already have combined square footages greatly exceeding those levels. Interior to the NRSA therefore, the opportunities are primarily in the realm of improving what currently exists vs. any expansions. Opportunities do exist however along New Bern Avenue. It should also be noted that alternatives for enhancing the Tarboro Street streetscape and at least some sections of the Oakwood Avenue will be evaluated.

Two significant neighborhood assets are the Tarboro Community Center and the Saint Monica Teen Center. The Teen Center serves 13-19 year old teens who are enrolled in middle or high school. Programmatic offerings include homework assistance, a teen advisory board, interview skills and fitness and healthy living. In addition to recreational opportunities that include tennis, basketball, a picnic shelter, and a playground, the Tarboro Community Center houses after school programs, meeting rooms, a teen lounge, technology room, a fitness and dance room and a multipurpose kitchenette. Additionally, the Community Center is a Summer Youth employment site.

**IV. PERFORMANCE MEASUREMENT BENCHMARKS**

This section establishes benchmarks for the activities presented in this plan. In accordance with the Department of Housing and Urban Development (HUD) regulations, the City will report its accomplishments against its benchmarks in the Integrated Disbursement and Information System (IDIS). The City will also identify in its Annual Action Plan the benchmarks it expects to achieve for that program year. Additionally, the City will report its progress at the end of each program year in its Consolidated Annual Performance and Evaluation Report (CAPER). Over the eight year period of the strategy, the City will work to accomplish the following benchmarks.

**GOAL 1: Infrastructure Improvements**

***Benchmarks***

- 1.1** Install public infrastructure necessary to serve mixed-income development in East College Park (water, sanitary sewer, and stormwater).
- 1.2** Install the public infrastructure necessary to serve mixed-income development in Washington Terrace (water, sanitary sewer, and stormwater) including street realignment.
- 1.3** Install new sidewalk on Oakwood Avenue from Heck to Raleigh Blvd.
- 1.4** Provide and/or upgrade natural gas service to East College Park.

**GOAL 2: Residential Development**

***Benchmarks***

- 2.1** Construct 320 new rental units.
- 2.2** Construct 195 new homeownership units.
- 2.3** Provide not less than 30 rehab loans to assist aging-in-place, reduce energy costs, and make other home improvements for existing homeowners with incomes less than 80% of AMI.

### **GOAL 3: Economic and Human Capital Development**

#### **Benchmarks**

- 3.1** Employ not less than 500 persons in construction and construction related activities.
- 3.2** Continue the City's Summer Youth Employment Program at St. Monica's Youth Center and/or Tarboro Community Center.
- 3.3** Provide not less than 75 potential homebuyers with homebuyer education and training.
- 3.4** Create a Section 3 Plan, designate a Section 3 Coordinator, and actively promote and encourage Section 3 hires.
- 3.5** Achieve at least 10 Section 3 hires associated with construction activities in the neighborhoods.
- 3.6** Achieve not less than 15% participation by Minority and Women owned Business Enterprises in site prep/infrastructure and multi-family construction projects.
- 3.7** Study the feasibility of selling land for a school (either charter or public) for elementary age students on the Washington Terrace site. If the opportunity emerges, follow up with appropriate actions.
- 3.8** Construct child care facility on the Washington Terrace site serving approximately 80-100 children, infant to pre-Kindergarten.

#### **V. SCHEDULE**

##### **September 1, 2015–June 30, 2016**

- ECP: Begin infrastructure improvements: water, sanitary sewer, and storm water systems east of Hill Street between Oakwood Avenue and New Bern Avenue
- ECP: Redesign Homeowner Rehab Program for existing homeowners in the College Park neighborhood
- ECP: Implement redesigned Homeowner Rehab Program: rehab 6 homes
- ECP: Issue RFQ for builders, nonprofit and for profit, and select builders for single-family and townhouse development in the NRSA
- WT: Apply for 4% LIHTC project for 162 units of family housing (Phase I)
- WT: Apply for 9% LIHTC project for 60 or more units of senior housing (Phase II) *(Note: If the anticipated site is instead sold for a school, the second phase would occur later in the project and include slightly fewer units.)*
- Approximately 50 persons employed in construction and construction related activities
- WT: Begin design of rental projects and associated infrastructure improvements

##### **July 1, 2016–June 30, 2017**

- ECP: Complete infrastructure (water, storm, sanitary) improvements
- ECP: Select builders and transfer 15 lots
- ESP: Rehab 10 homes
- Approximately 100 persons employed in construction and construction related activities

**July 1, 2017—June 30, 2018**

- ECP: Complete 15 homeownership units
- ECP: Rehab 10 homes
- WT: Construction underway on 162-unit rental project and associated infrastructure
- WT: If Phase II is awarded tax credits and all other required funding, begin construction of 60+ rental project and associated infrastructure
- Approximately 100 persons employed in construction and construction related activities

**July 1, 2018—June 30, 2019**

- ECP: Rehab 4 homes
- ECP: Complete 25 homeownership units
- WT: 162 unit project completed
- WT: Child care facility completed
- WT: Construction of 60+ unit project completed (*if funded in 2016*)
- Approximately 100 persons employed in construction and construction related activities

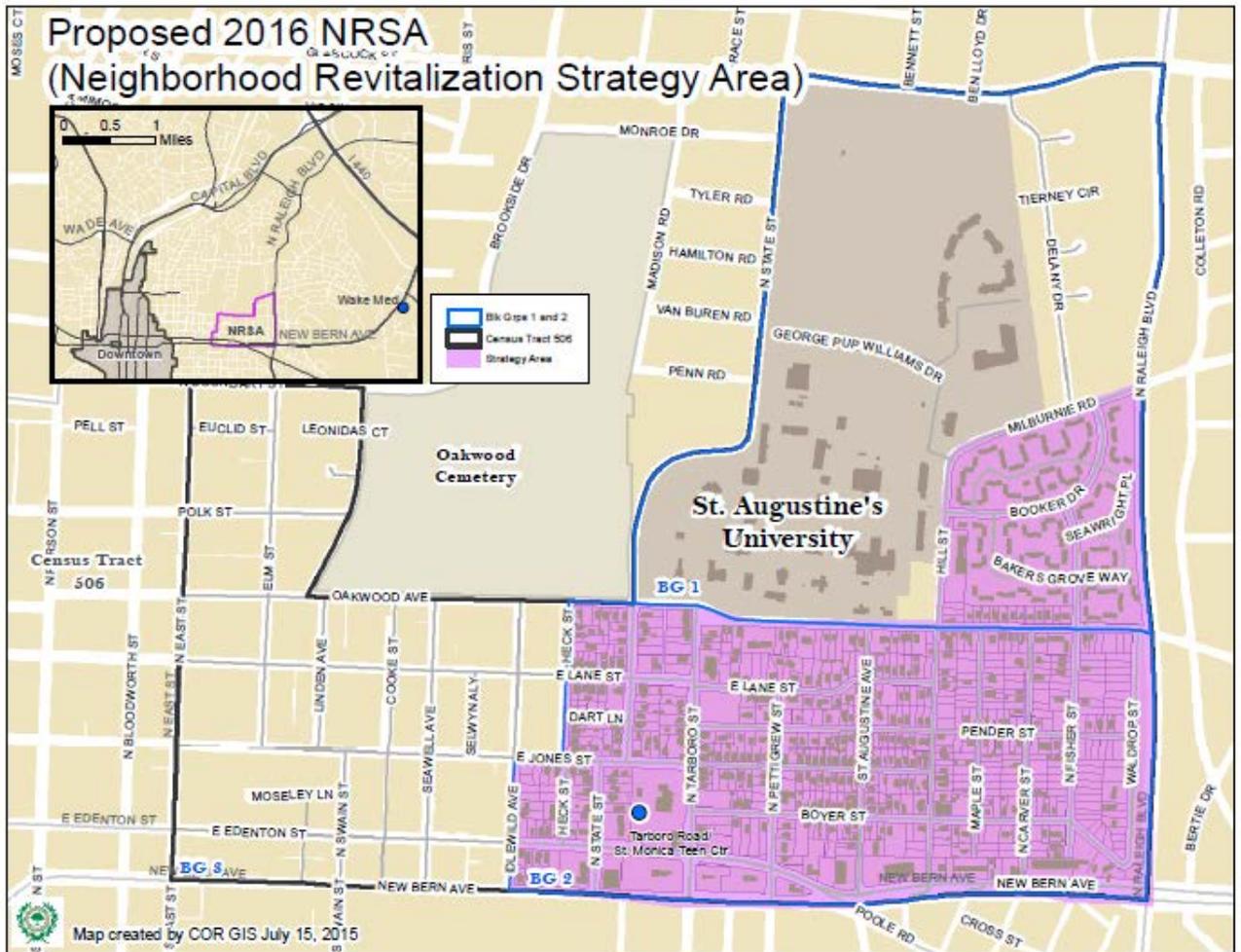
**July 1, 2019—June 30, 2020**

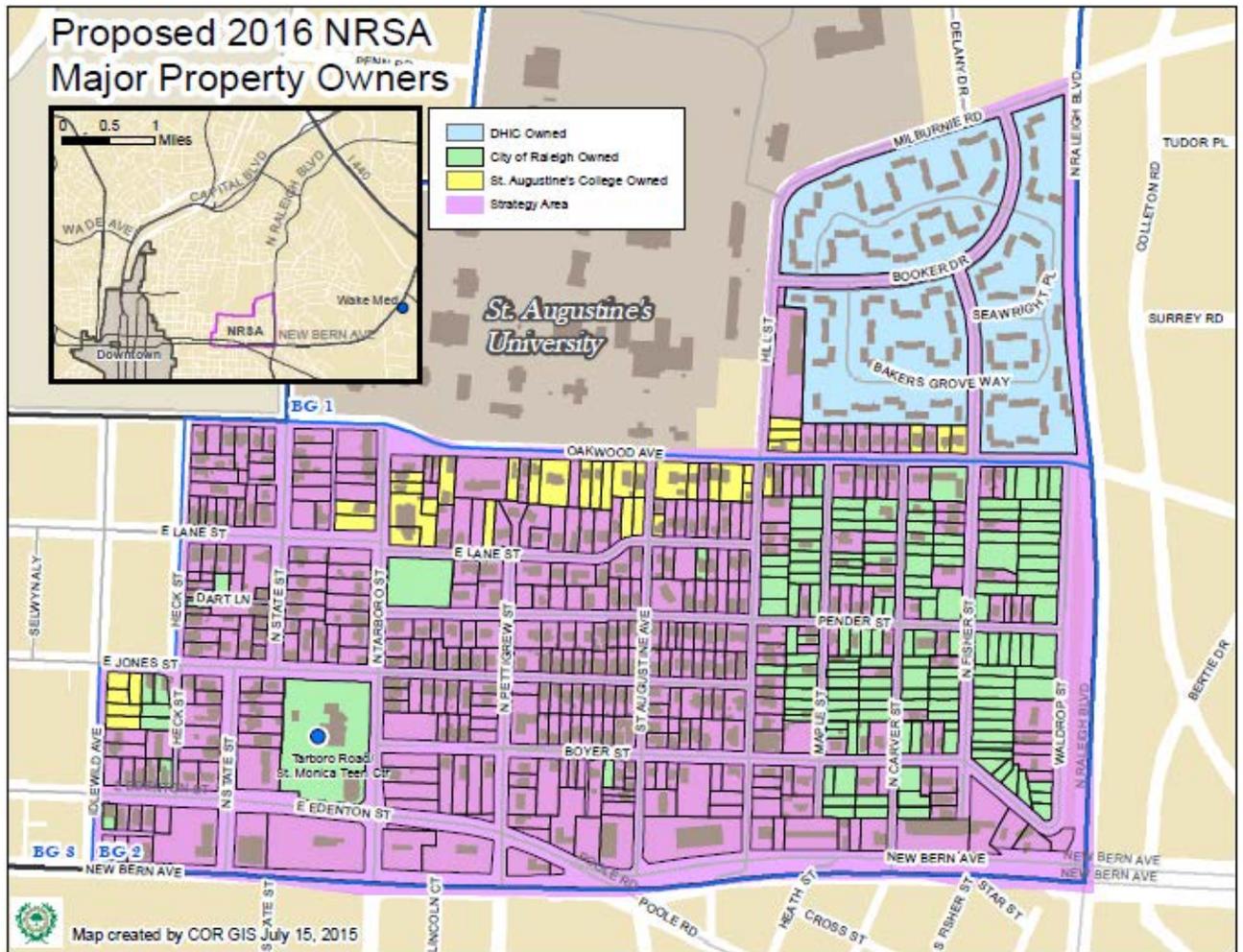
- ECP: Complete 25 homeownership units
- WT: 17 homeownership units
- Approximately 100 persons employed in construction and construction related activities

**July 1, 2020—June 30, 2023**

- WT: Complete 51 homeownership units
- WT: Complete 98 rental units
- ECP: Complete 62 homeownership units
- Approximately 100 persons employed in construction and construction related activities

APPENDIX A: NRSA Maps





**APPENDIX B: PUBLIC ENGAGEMENT PROCESS PRIOR TO OCTOBER 1, 2015*****Summary of 8/10/15 City of Raleigh Housing and Neighborhoods Department Meeting at Tarboro Community Center on NRSA Needs by Topic*****Programming***Seniors*

- Computer training
- Health and Wellness classes: healthy food and meals, medical issues
- Bingo
- Exercise (ex- bowling, swimming) and use community center during day
- Bible Study

*Non Direct Programing Suggestions for Seniors:*

- Transportation: improvement, access to services, improve sidewalks
- Age in place- design housing for seniors

*Youth*

- Mentoring (especially for underperforming students)
- Job/Vocational Prep
  - Construction Apprenticeship Program (Vernon Malone Career Center)
  - Develop Industrial Cooperative Training (internships, distributive education)
  - Jobs for Life Program- teach how to apply for jobs
- College Prep: help with process and finding higher Ed
- Arts: plays, composition, poetry, etc.
- Partnerships: churches and Richard B. Harrison library to provide space, bring in university students and staff to teach skills, retired educators in neighborhood can teach
- Activities to keep teens off of street (curfew)

*Adults/General*

- Money Investment classes (i.e. real estate, etc.)
- Parenting Education Classes
- Job opportunity postings
- Adult training
- Second Chance Programs- reintegration of felons

**Safety**

- Safer Neighborhood
  - Drug-free (people come to buy drugs)
  - Better lighting
  - No loitering in skate park
- Crime Prevention Programming
- Road Improvements

**Housing and Improving Homes**

- Housing for low-and moderate-income residents
- Work with Housing Committee
- Housing Weatherization

*Homeowner*

- Mortgage Counseling Education Classes
- Home repair
  - Low (preferably zero) interest rates for loans
  - Grants
- Tool Borrowing Program
- Need homebuyer information (i.e. loans, budgeting, rates, etc)

*Rental*

- Removal of slum rental
- Code enforcement on rental housing
- Need renter information (i.e. renter rights, etc)
- Concern about rooming houses

**Businesses and Neighborhood Amenities***Businesses/Commercial*

- More/better grocery stores (full service), laundromats, and restaurants
  - Enforce ALE 50% Alcohol/Grocery ratio
- Rehab of existing shopping center
- Opportunities for development and rehab of small businesses
- Business owners: from neighborhood and more minority
  - Education Resource: [SundayStacks.com](http://SundayStacks.com)

*Neighborhood Infrastructure and Amenities*

- Need outdoor basketball court
- Programming by Parks and Rec in neighborhood
- Upgrade Library
- Bus- more stops and more frequent bus routes
- Sidewalks- more and in better condition

**Questions and Concerns**

- Don't let people get pushed from homes by developers
- Where are the jobs coming from?
- When will Agnes Blg Revitalization occur?
- No relationship with employment and building of new property
- What is affordable housing in the City's definition?
  - Is this gain or loss for the residents?
- What is going to be required of the existing homes?
  - Will the existing homes have to be brought up to the newer city codes?
- Will property taxes increase more?

- How many rooming houses can be on a block?
- Are the organizations that will rehab homes for existing home owners? That will not require a loan?

*Process Specific*

- Draft needs to be simpler: too high level and confusing
  - Clarity of Services offered
- Role of SAU/Community Groups/Volunteers?
- What are the start dates? When will solutions be implemented?
- What problems already exist?
- Community Outreach for moving forward
  - Communication: Mail, Flyers, Robo Calls, Social Media, Mass media, radio, TV
- Community Input for leadership of projects
- Please have well defined agenda for Sept 1

***DHIC Washington Terrace Public Input Summary  
August 13, 2015***

During DHIC's civic engagement process, Washington Terrace residents, stakeholders, and the community at-large were asked to share feedback and impressions about the current condition of Washington Terrace and the surrounding area. Strengths recorded included the history of the neighborhood and sense of community; location to downtown and other essential services; easy access to public transportation and travel corridors; presence of St. Augustine's University and nearby residential neighborhoods such as Madonna Acres; and the affordability of current housing. Also, participant saw having service partners such as the Boys & Girls Club and businesses such as White's Barbershop as valuable assets in the community.

Noted as weaknesses, participants agreed that the nearby commercial shopping center was an eyesore to the community and was in need of major physical improvements. Also, the commercial strip invited loitering and other activities that contributed negatively to the perception of the neighborhood. Washington Terrace residents also reported on the lack of energy efficient appliances and extremely high electric bills due to poor insulation and aged heating and cooling systems. Residents also noted as weaknesses the limited use of laundry facilities; poor lighting and street drainage; lack of sidewalks and connectivity; and the unsafe flow of traffic caused by current street layout. Additionally, overwhelming concern was expressed about the potential loss of affordable housing for current Washington Terrace residents.

Common themes for opportunities included construction of quality and energy efficient housing that remained affordable to current Washington Terrace residents; incorporation of washer and dryer hook-ups in units; improved landscaping and property lighting; expansion of community club house to accommodate more seniors and youth programming; the provision

for playgrounds, open space and community gardens; the presence of an on-site early childhood education facility; and opportunities for homeownership. Also expressed was the opportunity to improve the nearby commercial center to attract new neighborhood businesses and services that better meet the needs of residents and the college student population.

As the master planning process advanced and design themes emerged, Washington Terrace residents and the community were presented with three formal opportunities to further engage in the planning process and offer additional feedback about preliminary design concepts. Participants emphasized the importance of housing affordability and the historic significance of the neighborhood. It was also agreed that design principles should create a safe and connected network for pedestrians, vehicular traffic and bicycles; building structures should front streets and should provide a more aesthetically pleasing environment; and parking and servicing should be accessibly located to the rear of the buildings. Also, residents commented that a healthy and active community could be achieved by creating a safe and well- defined open space that would be centrally located and designed for use by all ages. Additionally, on-site supporting uses to include child care, primary school and health care facility were tested and discussed. It was the general consensus that a health care facility was not a priority due to the availability of other primary care facilities in the area and that a child care facility and elementary school could be an asset if appropriately situated on the site and if concerns related to safety and traffic were addressed.

The final master plan will be presented to the community in October after which DHIC will continue its efforts to keep the community apprised of its progress and planning efforts to deliver quality, safe, and affordable housing to deserving seniors, families and individuals in the Washington Terrace community.

**Washington Terrace Master Planning Civic Engagement Schedule:**

<b>Community Input/Design Workshops</b>	<b>3/26/15</b>	<b>5/19-21</b>	<b>5/21/15</b>	<b>7/1/15</b>
<b>Washington Terrace Residents</b>	50	20	15	21
<b>Non - WT Residents</b>	70	22	31	32
<b>Total:</b>	<b>120</b>	<b>42</b>	<b>46</b>	<b>53</b>

<b>Washington Terrace Resident Meetings</b>	<b>2/20/14</b>	<b>3/5/15</b>	<b>8/20/2015</b>
<b>Total:</b>	<b>40</b>	<b>30</b>	<b>scheduled</b>

<b>Stakeholder Interviews</b>	<b>Thru June 2015</b>
<b>Total:</b>	<b>48</b>

***Summary of 8/25/15 City of Raleigh Housing and Neighborhoods Department Meeting at Tarboro Community Center on draft 2016 NRSA Plan***

People in attendance: approximately 110

Staff in attendance: approximately 12

Comments made prior to the Q&A Session on Housing Rehabilitation

I am opposed to this strategy area plan

The City “gerrymandered” the Census Tract to create the NRSA

Comment about the Pender/Waldrop cut through requiring the City to acquire and demolish occupied houses on Pender Street

This Plan benefits the City, not the residents

Demanded we pull this from the September 1 Council agenda

Recommendation to create a neighborhood task force

Comments about Genesis and Founders Row developments created in the City in the 1990s,

Questions and Answers from the meeting

- **What is the rush for having the public hearing September 1st? The UDO hasn’t been passed yet. Why the rush?**

This is mostly to aid DHIC in its remake of the Washington Terrace site (see answer below).

- **We don’t want to prevent Washington Terrace from going forward. Why not make Washington Terrace the NRSA and leave off College Park?**

Mostly the NRSA is to steer the City’s expenditure of federal Community Development Block Grant (CDBG) funds and that spending has gone on and will go on in College Park. Most of the anticipated spending on the WT site is non-CDBG. Also, state housing tax credits are more accessible to DHIC if WT is part of a larger City-driven revitalization strategy.

- **Where do the funds come from that are used for rehab?**

Currently, the program is funded with federal HOME funds as well as local affordable housing bond funds.

- **Can you pick your own contractor?**

The home owner is ultimately responsible for selecting the contract. The contract is between the home owner and the contractor. The City prepares a set of rehab specification that is put out to bid and any contractor that is licensed in the state is allowed to bid including any contractor that the home owner chooses to invite. The City does provide the home owner a

list of contractors that have successfully completed rehabs with the program but that does not mean that the home owner has to pick from that list.

- **What if the homeowner dies?**

The loan becomes the responsibility of the heir(s). The death of the homeowner triggers the loan to become due and payable, which means that the heir(s) becomes responsible for either paying off the loan (by either selling the home or refinancing the loan with another lender) or making arrangements with the City to repay the loan or defer payments. Every effort is made to enter into a payment arrangement with a willing heir.

- **Will the heir take on the debt?**

Yes. As stated above, the loan becomes the responsibility of the heir upon the homeowner's death.

- **Does the heir have to live in the house to maintain the benefit of the zero interest loan?**

Yes. And has to meet the same income restrictions as the homeowner (household income cannot exceed 50% of the area median income, adjusted for household size – currently, those limits are \$27,600 for a 1-person household and \$39,400 for a 4-person household)

- **Three homeowners I know had rehab done to their homes, the City picked the contractors and they're all unhappy. One had to spend \$1,500 to correct what the contractor did.**

City Staff: "How long ago did this happen?"

Reply: "A few years back."

City staff: "Could you provide the addresses of these homes or the names of the property owner?"

Reply: "The home owners choose to be anonymous."

City staff: "Five years ago the City ended the contract with the agency that was responsible for the elderly rehab program. All rehabs are now being done in-house, so that we could manage the quality of the work being performed."

- **The City should reduce the number of years the homeowner has to stay in the home.**

This suggestion will be taken into consideration.

- **Can the homeowner also be the contractor for the rehab work done on their house?**

No, all work has to be performed by a Licensed General Contractor.

- **Does the City get Rural Development funds?**

No. The City receives federal Home Investment Partnership (HOME) funds and federal Community Development Block Grant (CDBG) funds. Cities the size of Raleigh have populations in excess of the limit to access Rural Development funding.

- **Does the City’s rehab program mirror the County’s rehab program? I had a bad experience with the County. Two family members each had issues with the contractor and the County couldn’t get them to complete the work. I had to step in to make sure it got done.**

The City has its own rehab program.

- **I am an heir. Where can I find what I need to do with the house so Code Enforcement doesn’t cite me and take the house? Where can I learn what standards the plan is going to set so I can know what the rules are?**

There is no list of building standards being proposed for the NRSA (just the same building code as other areas of the City).

- **How much money will be available to me to do the work that needs to be done? How is the value of the house determined?**

The current guidelines state that there has to be enough equity in the property to support the estimated cost of the work that needs to be done. For instance, if the estimated cost of the work that needs to be done is \$50,000, then there has to be at least \$50,000 in equity (the value of the house less the amount owed on the house). House value is determined by either tax value or appraised value, whichever is greater.

- **Will I be responsible for the contractor’s work?**

The City has a Rehab coordinator who is responsible for approving work prior to submitting request for payment at every stage of the project. Prior to final approval the rehab coordinator, the home owner and the contractor performs a final walk-through to ensure that all punch list items have been addressed to the satisfaction of the home owner. The rehab coordinator has to review the specification to ensure that all items in the scope of work have been completed before submitting the final draw to be processed.

- **What about businesses and churches? Can rehab funds be applied to churches?**

Another Department in the City is developing new business assistance programs but these are still in development. The City needs to be cautious with the separation of Church and State. Some churches have a mission driven CDC / nonprofit arm that may be able to tap into funds to provide programs, if there is no “religious test” for receiving benefits.

- **Can preference be given to workers and contractors that are from the area?**

First we must define AREA. We cannot limit resources to a specific area. There may not be enough qualified contractors in a given area to support /meet the need or volume of work. This could also affect production. We try to limit the number of jobs that one contractor could perform simultaneously given the nature of rehab work in general.

- **How can you have a plan without churches, which are the heart of the community?**

The City sees NRSA churches as stakeholders and has no intention of excluding any stakeholder.

- **People have had problems with contractors in the past. How can people know how to select the right one?**

The City prepares a set of specification for the repairs. The specifications are advertised for bids. The home owner could also invite anyone they choose to attend the pre-bid. Ultimately it is up to the home owner to do some research on the contractors who submit a bid to perform the work.

- **How many contractors are on the City's list of rehab contractors?**

There are about sixteen contractors on the list that is provided to the home owner, all of who have successfully completed projects in the past.

- **Comment: Rule of thumb, never give a contractor up front before any work is done; if you do, it's on you.**

- **How does the loan work if you don't live in the house?**

Funds are available to assist owners who rent their homes to low- to moderate-income individuals/families.

- **Can you get a loan to rehab a house that you plan to rent? How would that work?**

Funds are available to assist owners who rent their homes to low- to moderate-income individuals/families.

- **Comment: The train has left the station. It's important to live in your property. In ten years, this neighborhood is going to be very different than it is now. If you own a house here, you need to get it up to code now, so you can keep it in the family. Keep it for your children and your grandchildren.**

- **Comment: I don't have a problem with the train leaving the station but I don't want to just be a passenger. We want to be conductors driving it!**

- **What's wrong with keeping the house in the family and letting your children there if you need to move? How would that affect the loan terms?**

The City does have a process to accommodate that in certain cases, where the adult child(ren) would have to qualify to assume the loan.

- **Do you have to be 65 years old to get a rehab loan?**

No. Currently, there is no age requirement.

- **Is there a reason why the City does so few rehab loans each year?**

There are a variety of issues: homeowner's credit, the condition of the house, etc. We are currently evaluating this situation.

- **You have these existing programs already. How will having an NRSA impact those programs?**

Job creation, additional public services, and mixed income housing are the types of investments more easily made with federal funds by a City only in an NRSA.

- **We don't want to be obstructionist. I'm from Grace church, we had a plan 10 years ago at the urging of the City, we've talked to everyone but we've had no contact from the City regarding this plan. I'm not sure our voice is being heard but feel like we're being patronized. We pay taxes, we vote but we're excluded from the plan, we want to be considered partners and no excluded, this is not our first meeting.**

This meeting is one of many in which the City intends to engage all stakeholders moving forward. No one is excluded.

- **Does the City base rehab amount available on tax value?**

Tax value or appraised value, whichever is greater.

- **What is your process for feedback to us here and the community?**

Throughout the fall City staff will be providing updates on the NRSA and announcements will be made through mailings, e-mails, flyers, the City web site, etc.

- **When you meet with Council September 1st, will you say that the community wants to postpone this plan or will staff not say that?**

[H&N Director recommended to City Council on September 1 to continue the public hearing November 3 to provide more opportunity for public input.]

- **Could you explain what "limited rehab" is?**

Funds are available to homeowners whose homes need repairs that pose a threat to the occupant's health or safety. The maximum loan amount is \$7,500. The interest rate is 0%, and no payments are required as long as the owner stays in the home for five years, at which time the loan is forgiven.

**September 1, 2015 Public Hearing at City Council Meeting**

The City Council of the City of Raleigh met in a regular reconvened session at 7:00 p.m. on Tuesday, September 1, 2015 in the City Council Chamber, Room 201 of the Raleigh Municipal Building, Avery C. Upchurch Government Complex, 222 W. Hargett Street, Raleigh, North Carolina, with all Council members present.

Mayor McFarlane called the meeting to order and the following items were discussed with action taken and shown.

**MATTERS SCHEDULED FOR PUBLIC HEARING**

**NEIGHBORHOOD REVITALIZATION STRATEGY AREA PLAN – HEARING –  
CONTINUED UNTIL NOVEMBER 3, 2015**

This is a hearing before the City Council to provide citizens opportunity to comment on the Neighborhood Revitalization Strategy Area Plan (NRSA) prior to submittal to the U.S. Department of Housing and Urban Development.

The subject area of the proposed NRSA has suffered from poverty, housing deterioration, and failing infrastructure while much of the nearby downtown core has flourished. In an effort to address these issues, the Housing and Neighborhoods department has proposed an NRSA designation from the federal Department of Housing and Urban Development (HUD). The neighborhoods within the proposed NRSA are portions of the College Park and Washington Terrace areas near St. Augustine’s University. The purpose of NRSA designation is to provide guidance on infrastructure improvements, mixed-income residential development, and economic development opportunities within the target area over an eight-year period from 2016 to - 2024. Funding sources for plan implementation include public (federal, state, and local) as well as private sources. A copy of the updated draft NRSA plan was included with the agenda packet.

Two public meetings have been convened in the community to date, August 10 and August 25. Based upon comments and feedback from the community meetings, staff has determined that additional public outreach and information dissemination is the best course of action at this time. When Council opens the hearing, staff will recommend the hearing be continued to the 7:00 p.m. session of the November 3, 2015 Council meeting to allow for additional outreach.

City Manager Hall stated he would like for the Council to receive a brief presentation but would suggest that the Council hold the hearing over to November 3. He stated however if people are present and they wish to speak it would be good to allow that but hold the meeting over.

Housing and Neighborhoods Director Larry Jarvis gave a brief overview and talked about the City of Raleigh's strategic plan as it relates to safe, vibrant and healthy communities. Objective 2 talks about preserving and increasing the supply of housing for all income groups including those with supportive service needs. Objective 3 talks about endorsing targeted redevelopment through walkable, mixed-use and mixed income neighborhoods.

Mr. Jarvis talked about the relationship of the Neighborhood Revitalization Strategy Plan and the link to the City's strategic plan pointing out the NRSA designation allows for mixed income homeownership development on sites acquired with Federal funds. An approved NRSA makes it possible for groups like DHIC to apply for low income housing tax credits to develop affordable housing for seniors similar to what they hope to do in the Washington Terrace second phase. He presented a map showing the proposed 2016 NRSA major property owners including DHIC, City of Raleigh, St. Augustine's University and the strategy area in general. He pointed out the City of Raleigh owns a number of properties that were purchased with CDBG fund which carry income restrictions. He talked about how the NRSA if adopted would lift some of those restrictions. He talked about the City's 130 plus properties and pointed out the NRSA would allow decisions on mixed income. He pointed out neighborhood revitalization is more than just new housing; an NRSA plan is a delineation of activities to uplift the neighborhood and its residents in a holistic manner. It includes activities such as rehab assistance to existing homeowners, new or expanded programs and services for youth and seniors, new day care centers, possible new schools, focus on job creation and employment and possible commercial revitalization. It also provides for infrastructure improvements which help supports new development and talked about sidewalks on New Bern Avenue and Oakwood Avenue both which are included in the 2013 Transportation Bond. He stated another infrastructure improvement would be the Tarboro Road/Oakwood Streetscapes to determine the best options to improve the functionality, etc. It also could include expanding natural gas service which would help reduce energy cost.

Mr. Jarvis talked about the NRSA eligibility which calls for at least 70% of the households within selected geographical areas being low to moderate income; HUD provides broad flexibility and delineating the geographic area but must be contiguous; blocks groups 1 and 2 of census tract 506 are 74% low to moderate income. If you add block group 3, the required threshold would not be have been met and the area would not have been eligible for these programs and services. In response to questioning from Ms. Baldwin, Mr. Jarvis pointed out block group 3 doesn't need the economic incentives.

Mr. Jarvis talked about the City's acquisitions of properties in East College Park which began in the late 1990s. He went through the past efforts to move forward with a plan starting with design concepts which were presented in public meetings at the Tarboro Road Community Center in January 2012, projected areas included in one of three proposed neighborhood revitalization zones which was presented to the chairs of the North Central, Central and South Central CACs. He talked about the community outreach particularly in Washington Terrace which was led by DHIC and the number of meetings, workshops and the 48 stakeholder interviews that were held. There were three city staff meetings with St. Augustine's University, combined East College Park/Washington Terrace Meetings, talked about the number of people that attended the various workshops, the distribution of the NRSA summary

which address most frequently asked questions and the meeting held on August 25, where 122 residents attended to discuss the plan in general. Mr. Jarvis pointed out there are ongoing conversations centering on issues of concerns with plan outcomes or proposed activities and pointed out we need to continue to clarify that the NRSA is not tied to the UDO remapping, the comprehensive plan or proposed plan for the New Bern Corridor and suggested that we continue the hearing until November 3, 2015.

Mr. Stephenson pointed out he attended part of the information meeting at the Tarboro Road Park and had questions about proposed loan term, forgivable loans, restructuring of loans etc, and questioned how that would play out and what the City would want to provide. Mr. Jarvis talked about HUD restructuring loans as grants, how we wanted to look at making sure that homes are not rehabbed and turned around and sold for a profit, different concerns that people have relative to loans and grants. How an NRSA would work as it relates to Washington Terrace was also talked about. Mr. Stephenson had a number of questions about the pros and cons of a NRSA and whether the income from the moderate or market rate housing could be utilized to benefit an area. Mr. Jarvis talked about the ongoing conversations and the work with the City's Communications Director relative to getting the correct information out to our stakeholders. Ms. Baldwin had questions about the city owned property questioning if it is vacant lots or boarded up housing with Mr. Jarvis pointing out the majority are vacant lots. He talked about streetscape improvements, how all could work together to achieve desired results, responded to questions about the economic development study on Tarboro Road, etc.

The Mayor opened the hearing.

Octavia Rainey talked about her concerns with the way Neighborhood Services has operated calling it sneaky, underhanded, etc. She talked about what the area had been told under previous administrations starting in the 90s, expressed concern that racism is still present, expressed concern about the comments presented by Mr. Jarvis pointing out she does not feel they are correct. She stated she has a background in housing and she is asking to get all of the emails, etc., relative to College Park and work that JDavis is doing. She expressed concern about what she called underhanded meetings, pointing out she had read the strategy and the NRSA and expressed concern about lack of transit, people being deceived, called the process wrong, pointed out East College Park should not be a part of this. She does not feel the City needs the NSRA, HUD needs to hold the City. She pointed out she is taking this to HUD, talked about the lack of distrust and concerns in general. She asked about diversity study, all the misinformation and stated she does not understand or appreciate Mr. Jarvis' policies and studies.

Mr. Maiorano expressed concern relative to Ms. Rainey's choice of words which he felt were personal and inappropriate and called on everyone to exercise a level of respect.

Carmen Wimberley Cauthen presented the following prepared statement:

My name is Carmen Wimberley Cauthen, I reside at 703 Latta Street in Raleigh. I have lived in Raleigh for 53 of my 56 years. I was born at St. Agnes Hospital and brought home to B-1 Washington Terrace. I lived in southeast Raleigh until 1968 (including Idlewild Avenue),

when I moved northwest Raleigh off of Ridge Road. When I married, I moved back to College Park, on N. Carver Street. I now reside in Oberlin.

I took a ride this past Saturday throughout Southeast Raleigh to show a relatively new resident the Raleigh of my memories. We were both astonished at the changes. Both my father and grandfather had drugstores in South Raleigh. One on Blount Street, the other on the corner of Cabarrus and Swain Street. The areas are vastly different now than they were when I was growing up. The methods of change are not.

In the 1960's, the method of change for downtown African American (Negro) communities was Urban Renewal. The people had to move without representation on the City Councils, without being part of the planning process and were told that they would be able to return. You have only to look past the Red Hat Amphitheater and Washington School towards Mount Hope Cemetery to see the great expanse of land that was once a great African American community.

The area around Moore Square was a thriving African American community as well, but is now gone. My grandparents purchased their home on Bloodworth Street in the 1940's from white people who were moving out of the community to the suburbs as did many others. College Park was a thriving community with homes dedicated to the professional education community of St. Augustine's College (now University). My parents rented a home from a family whose parents had lived in that house. Our neighbor was the librarian at Shaw University. That community is in flux today as well.

I spoke with a College Park resident who told me that this NRSA/Senior Housing project discussion had been going on for a couple of years. If this is the case, why are residents of the area just hearing/seeing the fruit of the discussion now? Why hasn't the community at large been a part of the process until now? What has the discussion been about until now?

Communication is key to any type of change. While the NRSA plan might be a good thing, it is full of unanswered questions. The questions that are there should be discussed in full with the residents that will be affected by the "plan". Whether the plan is complete or not, it looks finalized to people who haven't seen any of the words in written form. And looks and perception are what matter here - what matter to people who have a history of being lied to and taken advantage of. This neighborhood deserves better than that. You, the City Council members and your staff, should give them better than that, because you wouldn't accept this type of treatment in your neighborhood. Communication matters. We, the at large Raleigh Community, deserve better.

Thank you.

Pauline Goza, 1508 Tierny Circle, stated the first time she had heard anything about this was August 5 and a plan was presented on August 10. She stated the people who live in the area should be allowed to contribute and be a part of the plan. She talked about DHIC's proposal for Washington Terrace and then they started hearing about a strategic plan and expressed concern that the people are being told that studies were done but they did not have any input.

She called for a task force to be formed to make sure that the people are included in the planning.

Terri Becom, Vice Chair of North Central CAC, expressed concern and the feeling that people are being deceived and are not considered when the plans are done. She stated everyone should be a part of the plan; it should be an open, transparent process. She stated she is optimistic this could be a win/win situation and called for everyone to put all cards on the table.

Jeanette Howard, 1606 Poole Road, stated she has lived her entire life in this area and told of her family connections. She stated mixed income is not a new technology. This area has always had mixed income. They understand what that means. She stated what is so confusing is that the people have heard conversation on 3 or 4 different occasions from representatives of the City and each time it is different. They were told that the 51% affordable 49% market rate was set in stone but tonight they are hearing that could be changed. She indicated they are hearing that nothing could be done with the City property unless this plan is adopted and expressed concern about the disconnection or contradictions in the information they are receiving. She stated a task force could engage people. She pointed out this NRSA could be a model for the country if it is done right.

Mary Johnson, 1301 East Jones Street, stated she had heard nothing about the plan until the August 25 meeting. She stated not everybody has computers and don't have the information. She stated there is a lot of distrust, lack of communication, and expressed concern about some of the information provided at the August 25 meeting. She talked about the Dempsey Benton era in which they were told they could go back into their community in the Cook Street area but nobody has been able to return.

Alicia Blaylock, 206 Idlewild Avenue, expressed concern that the people did not know about what was going on. They need information and everybody needs the same information. They need to build pride in their community.

No one else asked to be heard, the Mayor expressed appreciation to everyone who came and asked that staff continue working with the community and listen to what the people say, and the disseminate the information and the hearing would be continued until November 3.