

City of Wilmington/New Hanover County Joint Ad-hoc Affordable/Workforce Housing Committee

September 27, 2016

Meeting Notes

Committee members present:

Elizabeth Dodson
Gloria Green
Phil Humphrey
Steve Spain
Dave Spetrino
Jody Wainio

Linda Smith
Katrina Redmon
Paul D'Angelo
Katrina Knight

Absent: Robert Rosenberg, David Barnes, Carlos Braxton, Tilghman Herring, Will Bland

Staff: Jennifer Rigby, NHC; Suzanne Rogers, City of Wilmington

Show & Share

Representatives from non-profit, public sector and private housing providers, housing services and developers presented brief overview of their respective organizations (presentations attached) as follows:

Cape Fear Regional Community Development Corporation, Stan Turner, Executive Director

<http://www.cfrcdc.org/>

Stan gave a brief overview of the CFRCDC history, mission and programs. He pointed out that the CFRCDC serve a 9 county region offering housing and business development assistance. The organization's capacity is directly related to the resources available to implement programs. That said, the organization has had as many as 6 staff members. Currently, CFRCDC is working in counties surrounding Wilmington to offer USDA to provide homeownership opportunities. CFRCDC works with the City of Wilmington, NCHFA, Banks and others to provide programs including, but not limited to, Single-Family Owner-Occupied Rehabilitation, Urgent Repair, and Neighborhood Stabilization Program (NSP). Stan noted that the USDA loan product is great for affordable homeownership. He noted that the CFRCDC received a \$300,000 grant to provide TA to help homebuyers provide sweat equity.

PowerPoints attached below for the following presentations.

Wilmington Area Rebuilding Ministry, Inc. <http://www.warmnc.org/home.aspx>

Wilmington Housing Authority, Katrina Redmon, CEO, <http://www.wha.net/>

Good Shepherd, Katrina Knight, Executive Director, <http://goodshepherdwilmington.org/>

Cape Fear Habitat for Humanity, Steve Spain, Executive Director, <http://www.capefearhabitat.org/>

Cape Fear Community Land Trust, Paul Stavovy, Executive Director, <http://www.foreverplaces.org/>

AMEZ Housing Community Development Corporation, <http://m.ncforeclosureprevention.gov/amez-housing-community-development-corporation>

Plantation Building Corp, Dave Spetrino, President/CEO, <http://plantationbuilding.co/>

Wilmington Regional Association of REALTORS®, Adrienne Cox, Public Affairs Director

<http://www.realtor.org/topics/smart-growth/publications/on-common-ground>

Cape Fear Housing Coalition, Paul D'Angelo, President,
<http://www.capefearhousingcoalition.org/home.aspx>

Other information requested

Invite Stephanie Norris to October 11 meeting to discuss Low Income Housing Tax Credit projects

Include information about:

North Carolina Housing Finance Agency, <http://www.nchfa.com/>

Wilmington Housing Finance Development,

Notes prepared by Suzanne Rogers

Presentations:



Small Miracles, Safer Homes

WARM Mission

Urgent Repairs & Accessibility Upgrades

→ Safer & Healthier Homes



WARM Mission

- Completely free to those who qualify
- Most work is completed by volunteers
- Typical projects:
 - Roof repair / replacement
 - Floor repair
 - Wheelchair ramp construction
 - Stairs and landings
 - Plumbing
 - Heating & AC repair / replacement
 - Critical appliances: stove, refrigerator
 - Door & Window replacement



WARM Homeowners

- 40-60% Over age 60
- 50-55% Disabled
- 20% Children
- 65-75% female head of household



Eligibility

- Homeowner in Brunswick, New Hanover or Pender Co.
- 50% median income (HUD)
- Own/occupy for 3 years
- Mortgage and utilities paid
- Not served by WARM previously
- Criminal background check

Background check services donated by CastleBranch

Example of qualifying income: \$27,850 for family of 4 in Pender Co.

Waiting in New Hanover County

37 households, including

- 51 residents
- 30 people over age 60
- 22 people report some type of disability
- 6 children
- 2 military veterans



Before



Falls are the leading cause of death from injury
among older adults...

After



33% of those falls are directly related to environmental hazards within the home

40% of asthma diagnosed in childhood is caused by the child's living conditions.



Before (not wheelchair accessible)



After

(fully wheelchair accessible)



Health Related Outcomes

- 96% reported feeling safer in their homes
- 69% had fewer falls
- 63% had a reduction in chronic illness
- 30% had fewer colds and infections.
- 33% reported that the cost of their medical care had decreased
- 20% reported fewer EMS calls
- 60% reported sleeping better

Recent Growth!

Number of
households served

2011: 75

2012: 81

2013: 78

2014: 105

2015: 107

2016: 130+

(projected)

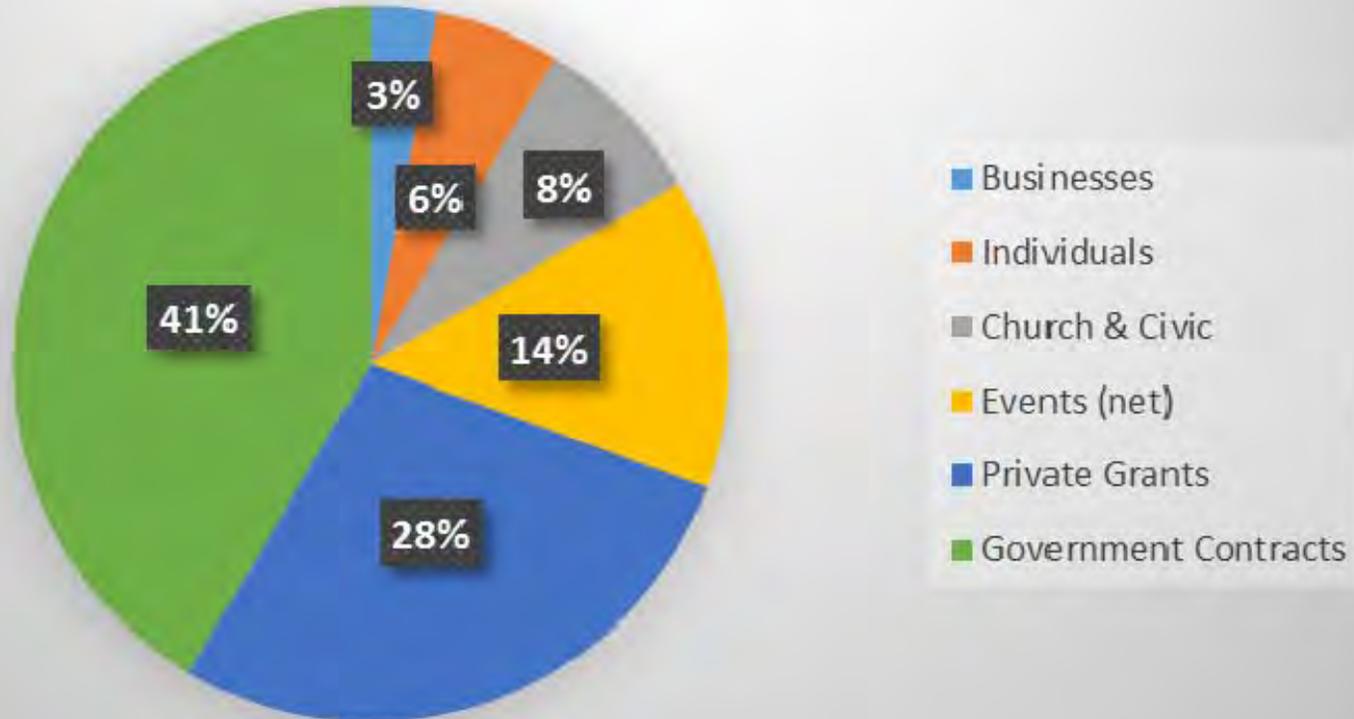


2014 Coastal Entrepreneur Award



Funding Sources

WARM, Inc. 2015 Revenue



Home Repair Volunteers

■ Locals

- Church teams and individuals
- Businesses and professional associations
- Active retirees (esp. on weekdays)
- School groups such as Cape Fear Academy, UNCW campus ministries

■ Out-of-Town “VolunTourists”

- Youth & adults on summer mission teams
- They bring donations
- Western NC, Pennsylvania, Ohio, Louisiana, Tennessee, New Jersey, etc.

Top Mission Strengths

- **Expertise** – Licensed general contractor, conducts assessment, work write-up & cost estimate and oversees construction
- **Organized and prepared** – Efficient use of resources and positive volunteer experience
- **Training** – Volunteers trained and supervised by construction professionals
- **Accountability and compliance** – Admin competencies led to larger grants

City of Wilmington/New Hanover County Ad-hoc
Committee on Affordable & Workforce Housing

September 2016



Katrina Redmon, CEO
910-341-770, ext. 224
kredmon@wha.net



The Wilmington Housing Authority's mission is to provide quality affordable housing in safe, attractive communities for the families we serve, thereby improving quality of life for all residents of New Hanover County.



Programs and Services

Public Housing

- 1,039 units
- Qualified for 1,624 units
- Jurisdiction is the City and just beyond city limits
- \$224 subsidy per unit per month



Programs and Services

Housing Choice Voucher

- Currently 2,000 vouchers
- Includes VASH, Family Reunification, HOPWA, NED
- Applications in for additional vouchers
- Jurisdiction is New Hanover County



Programs and Services

Multi-family

- Glover Plaza (75 units)
- Senior and Disabled Property



Other Programs and Services

Resident Services

- ROSS (Public Housing)
- Family Self-Sufficiency (Public Housing and HCV)



Other Programs and Services

Low Income Housing Tax Credit Properties

- Robert R. Taylor Senior Homes (96 units)
- The Pointe at Taylor Estates (48 units)



Other Programs and Services

Supportive Housing Properties (NCHFA)

- Jervay House (8 units)
- Pearce House (8 units)



Population Served

- 3,300 families
- Public Housing and HCV can serve clients with an income of up to 80% of Area Median Income.
- 40% of Public Housing new admissions must be at 30% of AMI or less.
- 75% of HCV new admissions must be at 30% of AMI or less.
- 76% of current Public Housing residents have an income of 30% of AMI or less.
- 61% of current HCV participants have an income of 30% of AMI or less.
- AMI for New Hanover County is currently \$65,100 for a family of four.



Unmet Demand

- Known need of 5,500 families
- 685 families are currently on Public Housing waiting list and 450 are on HCV waiting list.
- Both waiting lists are closed.
- It will take 7-10 years to address current need through attrition.



Housing Task Force

- Wilmington Police Department and New Hanover County Sheriff's Department
- Perception is that crime is high in the Public Housing properties. Statistics show that it is actually low.



Trends

- Federal funding has decreased.
- No longer funded for providing resident services; current funding is for connecting residents to services in the community (28 partnering organizations).



City of Wilmington/New Hanover County Ad-hoc
Committee on Affordable & Workforce Housing





Housing Efforts by the
Cape Fear Region's Largest
Provider of Homeless Services

Emergency Safety Net with a Focus on Returning Homeless Guests to Housing Stability



- “Traditional” homeless services focused almost exclusively on immediate safety needs
- Best Practice homeless services invest as much or more in expediting returns to housing
- Follow-up case management, targeted placements for those needing more help → housing retention
- 150 Transitions from Shelter to Housing Annually

Good Shepherd's Housing Strategies

- *Transitional Housing* – 16 units for homeless Veterans in recovery; no longer considered Best Practice and slowly being de-funded by HUD (and likely VA)
- *Rapid Re-housing* – state-funded program; rent, utility payments to expedite moves to housing; could re-house more individuals & families w/ more \$\$\$
- *Permanent Supportive Housing*
 - Best Practice housing intervention for special needs populations w/ limited income
 - affordable unit (30% gross income) + supportive services
 - Sgt. Eugene Ashley Center – previously Transitional Housing only; now provides 8 PSH units for homeless Veterans and men with disabilities

Lakeside Reserve

- 10-year effort to secure federal property for affordable housing, specifically PSH for persons with disabilities transitioning out of homelessness
- Will include Veterans, seniors
- Phase I: 16 units of Permanent Supportive Housing + common areas, offices for social worker, etc.
- When complete: 40 PSH units
- Collaborative effort in planning, advocacy with neighborhood, funding and financing



The Cape Fear Habitat for Humanity Model



How we invest in a better
community.

New Hanover County's Need for Affordable Housing

Affordable housing refers to rent or mortgage payments no more than 30% of the gross income of the household

UNAFFORDABILITY of Housing in NHC

- \$897 = Fair market rent for 2-bedroom
- \$33,880 = Annual income needed
 - \$17.25/hr
- Average renter wage = \$11.98/hr
- At minimum wage, a worker would need to work 2.2 full-time jobs to make rent affordable.
- Median housing value continues to outpace median income .

Percentage of Households Paying More than 30%



33,543
Impacted Households
out of 87,176

Who Qualifies for a Habitat Home?

Eligible Applicants must:

- Live or work in New Hanover or Pender counties
- Have a stable income
- Be able to pay modest, monthly mortgage payments
- Contribute 250-400 hours of “sweat equity”
- Pay closing costs and monthly affordable mortgage payments – no more than 30% of household income

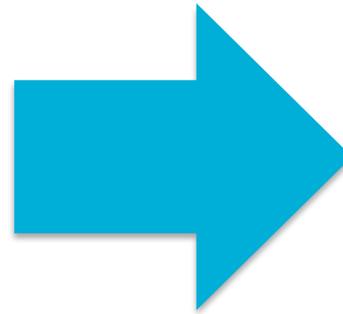


Building Lives and Community

A Better Future

- Improved academic performance
- Better health
- Increased savings
- Decreased government assistance

A Habitat home provides a lifelong foundation



- 74% of families' overall health had improved
- 83% consider their children safer
- Children of homeowners have a 19% higher rate of high school graduation and are twice as likely to acquire postsecondary education
- Children of homeowners outperform children of renters in math and reading achievement tests
- Increase in lifetime earning of children

FY 2016 – 2017 Build Goals

- Build 12 new homes
- Rehabilitate 3 existing homes
- Strengthen neighborhood associations in areas where we build
- Advocate, at all levels, for more affordable housing

What We Build in New Hanover & Pender Counties

New Home Features

Habitat Homes are designed to take on the look and feel of their neighborhoods.

Homes vary in size and design depending on the community and the family's needs.

The average home has three bedrooms, 2 baths, and 1,100 square feet.



How do we build affordably?



ReStore net pays all administrative and fundraising costs

Financial contributions and donations of materials and services

Volunteer labor

Modest, energy-efficient finishes

How do we sell affordably?



All homes sold at appraised value

Habitat finances at 0% interest, or arranges 3rd party financing at 2 - 3%.

Payments on first mortgage cannot exceed 30% of homeowner's income

2nd mortgages for affordability

3rd party subsidies: down p'mt assistance, housing choice vouchers, etc.

Avg. mortgage payment (incl. taxes and ins.) for 3 bed, 2 bath home: \$525

Limits to the Model

- Limited donor capacity
- Limited volunteers
- Build now, get paid over 25-30 years
- Cost and availability of land
- Cost and availability of infrastructure
- NIMBYism





WHAT WILL YOU BUILD?

Join us in building homes, hope, and community.

Donate or volunteer at
www.capefearhabitat.org

THANK YOU!



CFCLT
Cape Fear Community Land Trust

What is a Community Land Trust?

Community Land Trusts are an innovative solution to the rapidly rising cost of housing across the country. The goal is to:

- Provide access to land and housing to those who would otherwise be denied
- Increase long term neighborhood assets
- Preserve affordability, permanently



Why is CFCLT Needed?

Spending too much on housing leads to:

- Less available for other life essentials – food, medical, education, child care
- No savings for life's bumps (places families one mishap away from a disaster)
- Increasing levels of debt
- Less disposable income available to spend in the local community



Our Mission

Cape Fear Community Land Trust exists to enhance and restore vibrant and diverse communities by holding land in trust, thus removing the cost of land from our clients and creating forever affordability.



Our Vision

At CFCLT, we envision a Cape Fear region with no barriers to quality, affordable housing. The region would be filled with communities that are vibrant, holistic, and economically diverse, so that all citizens have a choice of where to live, work, and play.



Population Served/Statistics

CFCLT serves those making between 25% and 120% of the Area Median Income

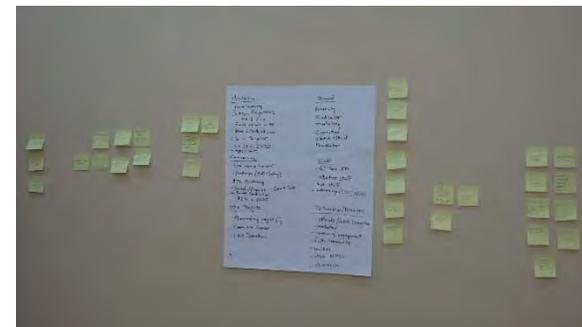
AMI = Area Median Income: Family of 4 [Individual]

- Wilmington Metro AMI: \$63,100 [\$44,200]
 - 30% = \$18,930 [\$13,300]
 - 50% = \$31,550 [\$22,100]
 - 80% = \$50,500 [\$35,350]
- From 2000-2010, AMI increased by 27% while housing cost rose over 94%
- Median Home Price is around \$192,000, which is considered affordable at \$59,000 AMI (*WRAR*)
- Unfortunately, 58% of our jobs in the Wilmington MSA are low paying sales & service jobs, making \$18,000-\$32,000 per year (*FOCUS Report*)
- Of those considered low-to-moderate income in the Wilmington Area:
 - 56.2% spend more than 30% of their income on housing
 - 31% spend more than 50% of their income on housing
- Local Incomes (*US Bureau of Labor Statistics*):
 - Police Officer - \$30,460
 - Nursing Assistant – \$23,320
 - Cook - \$23,980
 - Teller - \$29,470
 - Childcare Worker - \$19,310
 - Retail - \$24,700
 - Hair Dresser - \$22,520
 - Office Clerk - \$26,520



Strategic Planning Process

Thanks to the UNCW MPA program, we have recently completed a strategic planning process that has helped us to identify our place in the local nonprofit landscape.



Welcome House

By Partnering with Interfaith Refugee Ministry, we are now able to provide transitional housing for refugees relocating to the area, while improving the neighborhood one house at a time.



Welcome House



Affordable Rental Properties

Using City of Wilmington and CRA Funding, we have been able to renovate two homes that are currently rented at below market rate to low-to-moderate income families



Board of Directors



- **Stephen C Whitney – Architect (ret.) – PRESIDENT**
- **J Clark Hipp – Architecture – VICE PRESIDENT**
 - Architect, *Hipp Design & Development*
- **Kenneth S Chestnut, Sr. – Construction (ret.) – TREASURER**
- **Ruth D Green – Tenant – SECRETARY**
 - TAHC Housing Counselor, *AMEZ Housing CDC*
- **Al R Sharp – Public Manager (ret.)**
 - Management Consultant, *Pro-Bene, LLC*
- **Jody Wainio – Real Estate**
 - Realtor, *Buyer's Choice Realty LLC*
- **Bonnie M. Braudway – Legal**
 - Attorney, *Craige & Fox, PLLC*



Wilmington Daddy Daughter Dance

We hosted our First Annual Fundraising Event and we look forward to building on our success next year!



THANK YOU TO OUR EVENT SPONSORS!!

BENEFITTING:



CFCLT
Cape Fear Community Land Trust

EVENT PLANNING BY:



kickstand
EVENTS

BELLE SPONSORS:



Pro-Bene, LLC
201 North Front St., Suite 807,
Wilmington, NC 28401



Mr. Kenneth Chestnut, Sr.
Cape Fear Community Land Trust
Board Member

SWEETHEART SPONSORS & DONATIONS:



www.WilmingtonDaddyDaughterDance.com



Accomplishments

Housing

- 8 Land Lease Properties
- 2 Below Market Rate Rentals
- One Agency Lease
- Three Successful Renovations
- Increased Revenue from Leases
- Secured CRA Funding
- Built our Property Portfolio
- Initiated Relationship w/ Banks

Community Involvement

- Increased Awareness of CFCLT
- Participation in Planning Efforts
- Successful Fundraising Event
- New Office Space Partnership
- Use of Freelance Grantwriter
- Diversification of Revenues
- Increased Board Involvement
- Partnerships with other NPOs



Where do we go from here?

- Develop an **Impact Zone** and develop a **Neighborhood Approach**
 - Use GIS to map need and create target areas
 - Build community up through jobs, networking, housing, opportunity
 - Develop Community Resources within Target Neighborhoods
- **Workforce Development** Partnerships – Industry, Employers, NPOs
- **Partnerships** – Contractors, NPOs, Community College, UNCW, City of Wilmington, AMEZ, Neighborhood Contractors/Workers, Garden Clubs
- **Financial Stability** – Cash Reserves, Additional Funding Sources, Bank Relationships
- **Properties** – Sale, Improve Conditions of Existing, Purchase New, Expand to Other Areas
- Different type of **Development** – Live/Work Opportunities, Senior Housing, Cluster Development, Respite Program, Larger Development
- Community – **Impact Neighborhoods**, Identify Place in City/County Plans



Cape Fear Community Land Trust, Inc.

- In the past year, CFCLT has secured Community Reinvestment Act (CRA) Funding and Successfully Renovated two dilapidated properties in the downtown area. We are currently renting to two moderate-income, working Wilmingtonians, and have leased another property to Interfaith Refugee Ministry to be used as a “Welcome House” for refugees as they transition into the area.





housing community development corp.

MISSION STATEMENT

AMEZ is a non profit organization working to provide decent affordable housing for low to moderate income families through innovative programs of housing and human development.

Organization Foundational History

AMEZ Housing (formerly Wilmington A.M.E. Zion Housing Development Corporation) was founded in 1993 by the leadership of four area A.M.E. Zion Churches, namely St. Andrew, St. Luke, Price Cathedral and Warner Temple collectively saw a need for affordable housing.

The establishment of the organization was a part of the Northside Revitalization Effort by the City of Wilmington.

AMEZ Housing At-Large

We are a Community Housing Development Organization with programs that target low to moderate income households (LMI) that are 80% of the area media income (AMI) provide a wealth of services including:

Programming

- Single Family Affordable Homes – Purchase
- Single Family Rehabilitation
- Affordable Rental Housing
- Homebuyer Education
- Homeownership Counseling
- Financial Literacy Education
- Rental Education
- Fair Housing Education - No Income limits
- Foreclosure Mitigation - No Income limits

AMEZ at a Glance

- Helped over 1000 families avoid foreclosure and stay in their homes in New Hanover, Brunswick, Pender and Columbus counties in the last six years.
- Built or renovated 34 homes which have been sold to low or moderate income families who have remained in their homes without default.
- Built affordable rental housing units
- Helped prevent homelessness and provided financial stability in the communities we serve
- Serve a diverse population including young families to the elderly, with 75% of our recipients being non-African American.
- Conducted financial literacy and credit counseling services in addition to pre and post purchase education.
- Provided down payment assistance to qualified families.

AMEZ in the Community

- **AMEZ serves on various community boards including the Cape Fear Housing Coalition, The Cape Fear Housing Land Trust and others.**
- **We work with DC Virgo Preparatory Academy, MLK, Jr. Center, and the Blue Ribbon Commission during their seasonal enrichment programs to bring financial literacy to students and adults with banking partners such as First Citizens and South State Banks**
- **We also have been active with MedNorth Health Center during their Annual Rock Block Informational Fair and have participated regularly with WRAR's Workforce Housing Initiative.**

Affordable Building Capacity

AMEZ Housing has built and or rehabilitated single family scattered site houses for low to moderate income persons in the city of Wilmington since 1996 with HUD HOME funding. In fiscal years 2008-2009, 2009-2010, 2010-2011, and 2013-2014, six(6) units were constructed or rehabbed. Four (4) were sold to qualified homebuyers and two (2) are affordable rental units

Affordable Building Capacity.....

While sustaining our current programs, AMEZ has begun to refocus on the reason why our organization was created: to build affordable housing. We currently have (3) lots that home sites will be constructed on at 905, 909, and 913 Grace Street. These affordable units will be a combination of rental and purchase. 905 is currently under construction. Upon approval from the City of Wilmington, we will construct a home at 909 with the same architectural design. However, the home at 913 will not only be a different design but handicap accessible.

Rendering of 905 Grace Street



WILMINGTON GROUP BREAKS GROUND ON AFFORDABLE HOUSING By: [Allyson Lorick](#)

905 Grace Street



August 12, 2016
Groundbreaking Ceremony

WILMINGTON, NC (WWAY) — One Wilmington group is breaking ground on affordable housing.

AMEZ Housing Community Development Corporation and the City of Wilmington are hoping to add value and vitality to the community and support affordable housing opportunities in the Port City.

They broke ground Friday morning on a new home site at 905 Grace Street.

Organizers said once construction is complete, they will start the process of selection a buyer to call the place home.

“We work with the City of Wilmington and HUD in order to determine qualified buyers for our properties qualified applicants to be able to purchase a new affordable house from us,” Executive Director Toronya Ezell said.

Construction will also soon begin on two more lots across the street. Mayor Bill Saffo said it’s important to not only build, but to keep these communities vibrant and strong.







AMEZ BY THE NUMBERS

Now that AMEZ is building again, we anticipate our numbers for housing demand to increase. However, we are aware that qualified buyers and renters will make for successfully owned and rented leased properties. At this time, we have the following:

Rental Applications

Seven (7) active rental applications. Three (3) are eligible to rent

Homeownership Applications

Four (4) active homeownership applications. One (1) is eligible to purchase

Homebuyer Ed. Completed (other than at AMEZ)

Four (4)

In conclusion

As a part of the City of Wilmington's Five –Year Consolidated Plan for FY13-17, our project on Grace Street addresses HUD's Livability Principles through promoting equitable affordable housing and supporting existing communities as well as meeting local, high priority housing needs such as a supply of affordable rental housing units in the community. AMEZ's main focus is to continue to build dwellings in locations throughout the City where we can further contribute to the economic value and stability to the neighborhoods that we serve.

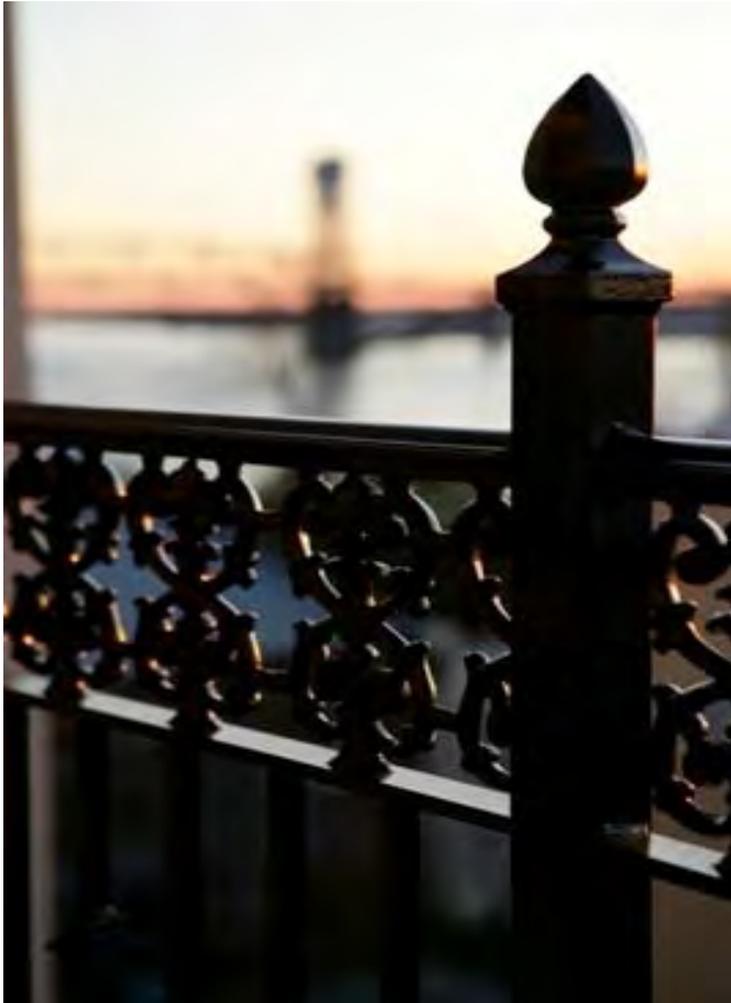
For More Information.....

Please contact



Wilmington, NC 28401
(910) 815-3826

www.amezhousing.org



Affordable/ Workforce Housing

Overview of New Construction
In Downtown Wilmington

For Sale/ For Rent

Fall 2016

Dave Spetrino
Plantation Building Corp



The Lautner, Landfall

Plantation Building Corp
Custom Home, 2015



17 Bahama, Wrightsville Beach

Plantation Building Corp
Custom Home, 2016



The Cate Greene, Brunswick Forest

Plantation Building Corp
Custom Home, 2016



The Cate Greene, Brunswick Forest

Plantation Building Corp
Custom Home, 2016

“Infill development is publicly cheap but privately expensive,
while sprawl is publicly expensive but privately cheap.”

-James Nicholas



Historic Infill

7th + Grace Street
2013



Historic Infill

South Front Street
2012



New York Hatters

Grace Street, 2008



Tanyard Parish

Front Street, 2009

Opportunities

- Existing infrastructure
 - Lower land/acquisition costs
 - Well located (convenient or desirable)
 - Increased tax base
 - Improved streetscape
-



Average Monthly Income
\$870/ Unit

Monthly Exp:

Management:	\$85
Insurance:	\$81
Property Taxes:	\$80
Maint. (2015):	\$170

NOI*: \$454

Loan Amt of (\$90K/unit) 15
yr, 5%
(PI) = \$711 (\$430)

8th and Nixon Streets – Downtown Wilmington (2006)

“Rental Duplexes” - Market Value, \$225,000 per Duplex.
(6) Homes, 3 Bedroom, 2 Bath (off street parking – rear alley)



Average Monthly Income
\$1,130/ Unit

Monthly Exp:
Management: \$113
Insurance: \$105
Property Taxes: \$122
Maint. (2015): \$212

NOI*: \$578

Loan Amt of \$150K, 15 yr,
5%

(PI) = \$1,186 (\$720p)

6th and Brunswick Streets – Downtown Wilmington (2008 - 2010)

“Single Family Homes” - Market Value, \$185,000 - \$195,000.
(10) Homes, 3 & 4 Bedroom, 2.5 Bath (off street parking – rear alley)



Average Monthly Income
\$1,130/ Unit

Monthly Exp:
Management: \$113
Insurance: \$105
Property Taxes: \$122
Maint. (2015): \$212

NOI*: \$578

Loan Amt of \$150K, 15 yr,
5%

(PI) = \$1,186 (\$720p)

6th and Brunswick Streets – Downtown Wilmington (2008 - 2010)

“Single Family Homes” - Market Value, \$185,000 - \$195,000.
(10) Homes, 3 & 4 Bedroom, 2.5 Bath (off street parking – rear alley)



Sale Price: \$165K

AD&C Expenses:

Land: \$ 15K
Impact Fees: \$ 5K
Design/ Permits: \$ 3K
Construction: \$ 112K
Const. Loan: \$ 4K
Realtor: \$ 10K
Developer Profit: \$ 16K

Loan Amt: \$165K
Owner (PITI): \$1,026

612, 614 & 616 Campbell Street – Downtown Wilmington (2013-14)

“Single Family Home” - Market Value, \$165,000.

3 Bedroom, 2.5 Bath, 1348 SF, 1418 Under Roof (Vinyl Siding, No Yard)



Sale Price: \$275K

AD&C Expenses:

Land: \$ 30K

Impact Fees: \$ 5K

Design/ Permits: \$ 5K

Construction: \$188K

Const. Loan: \$ 6K

Realtor: \$ 16K

Developer Profit: \$ 25K

Loan Amt: \$225K

Owner (PITI): \$1,346

424 Campbell (5th and Campbell) – Downtown Wilmington (2015)

“Single Family Home” - Market Value, \$265,000 - \$285,000.

3 Bedroom, 3 Bath, 1664 SF, 1884 Under Roof (off street parking, no yard)



Sale Price: \$255K

AD&C Expenses:

Land: \$ 35K

Impact Fees: \$ 5K

Design/ Permits: \$ 10K

Construction: \$159K

Const. Loan: \$ 5K

Realtor: \$ 15K

Developer Profit: \$ 26K

Loan Amt: \$205K

Owner (PITI): \$1,238

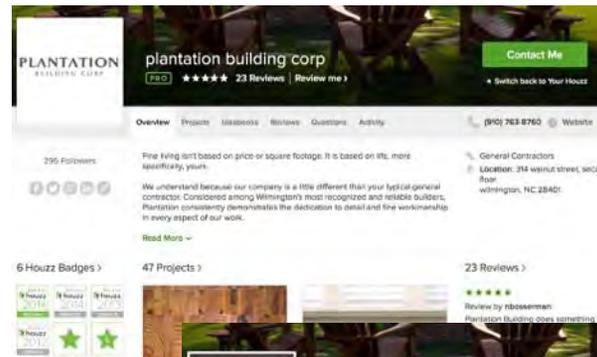
515 Peabody Alley (Between 5th & 6th) – Historic District (2016)

“Single Family Home” - Market Value, \$250,000 - \$265,000.

3 Bedroom, 2.5 Bath, 1348 SF, 1418 Under Roof (off street parking, no yard, 16' wide)

Learn more:

- Find us on Houzz



- Follow us on Facebook



- Email me: spetrino@plantationbuildingcorp.com



**WILMINGTON REGIONAL
ASSOCIATION *of* REALTORS®**

City of Wilmington/New Hanover County Committee on Affordable & Workforce Housing

Adrienne Cox

Public Affairs Director

adrienne@wrar.com

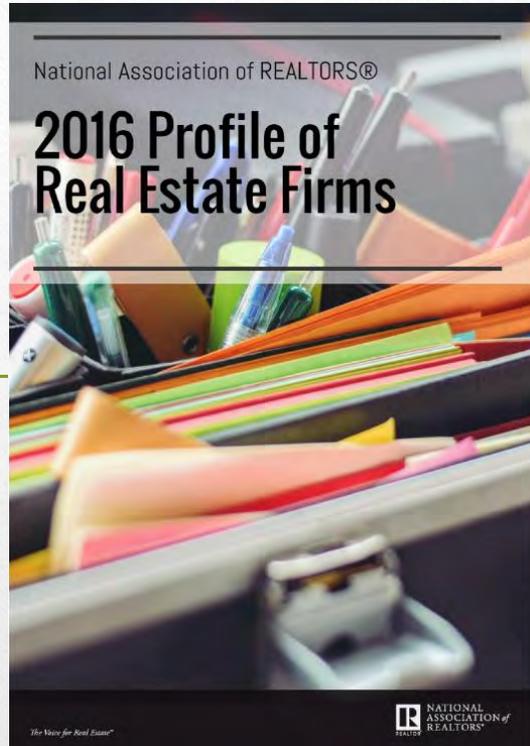
910.473.5605

WRAR Mission and History

- Promoting private property rights.
- Monitoring and proposing regulation and legislation to ensure the availability and affordability of insurance for both residential and commercial property owners
- Work with the National Association of REALTORS®, the North Carolina Association of REALTORS® and the NC Real Estate Commission to promote ethically and legally sound representation for the consumer.

WRAR Community Voice

REALTORS® in Wilmington, NC are an effective **voice for real estate**, protecting your right to own, transfer and use real property. Our effective legislative program benefits all property owners at all levels of government.



Realtor® Demographics Who are We?

Profile of Real Estate Firms 2016



78% of real estate firms have a single office, typically with 3 full-time real estate licensees, up from 2 in 2015.

85% of firms specialize in residential brokerage.



The typical residential firm has been operating for 13 years, while the typical commercial firm has been operating for 20 years.

Firms with one office typically had a total of 21 real estate transaction sides in 2015, while firms with four or more offices typically had 900 transaction sides.



Firms typically had 30% of their sales volume from past client referrals, 30% from repeat business from past clients, 10% from their website, 7% through social media, and 2% through open houses.



Future Outlook of Firms

47% of firms reported they are actively recruiting sales agents in 2016, up from 44% in 2015.



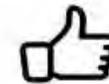
48% of firms are concerned with Gen Y's ability to buy a home.

46% are concerned about the recruitment of Gen Y and Gen X real estate professionals.



44% are concerned with Baby Boomers retiring from real estate as a profession.

82% of firms encourage their agents to volunteer in the local community and 48% at their local association of REALTORS®.



REALTORS[®] CONFIDENCE INDEX

Report on the August 2016 Survey



National Association of REALTORS[®]
Research Department

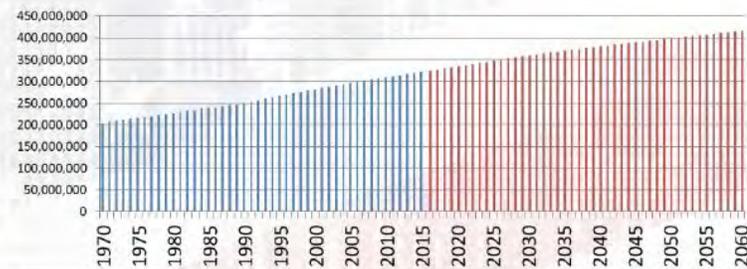
Lawrence Yun, Senior Vice President
and Chief Economist

The Voice for Real Estate[®]



Housing Market Statistics What we are talking about?

U.S. POPULATION



Housing Market Statistics

What we are talking about?

Housing Indicators

Existing-Home (Aug.)

Sales	5.33 million units*
-------	---------------------

Median Price	\$240,200*
--------------	------------

Housing Starts (Aug.)	1,142,000*
-----------------------	------------

New Home Sales (July)	654,000*
-----------------------	----------

*seasonally adjusted annual rate

[U.S. Economic Outlook](#) (PDF: 285 KB)

Home Sales Statistics

Numbers to note:

	Jan - July 2015	Jan - July 2016	% Change Jan-June
Total Units Sold	4,998	6,012	20.29%
Avg. Sales Price	\$249,300	\$248,014	-0.52%
Median Sales Price	\$203,144	\$205,213	1.02%
Days on Market	114	98	-14.64%
New Listings	8,005	8,233	2.85%

Housing Market Statistics What we are talking about?



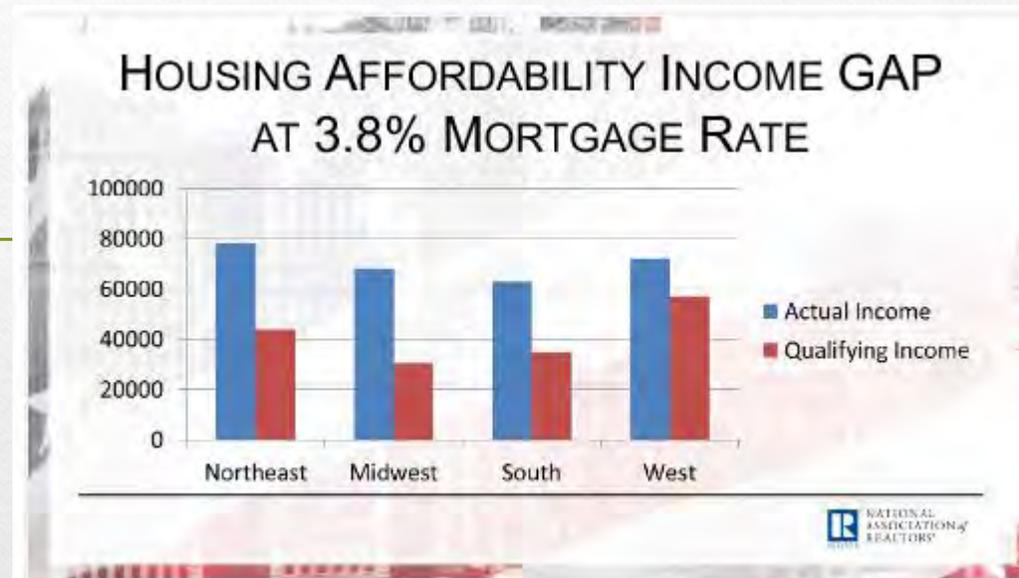
Housing Market Statistics

What we are talking about?

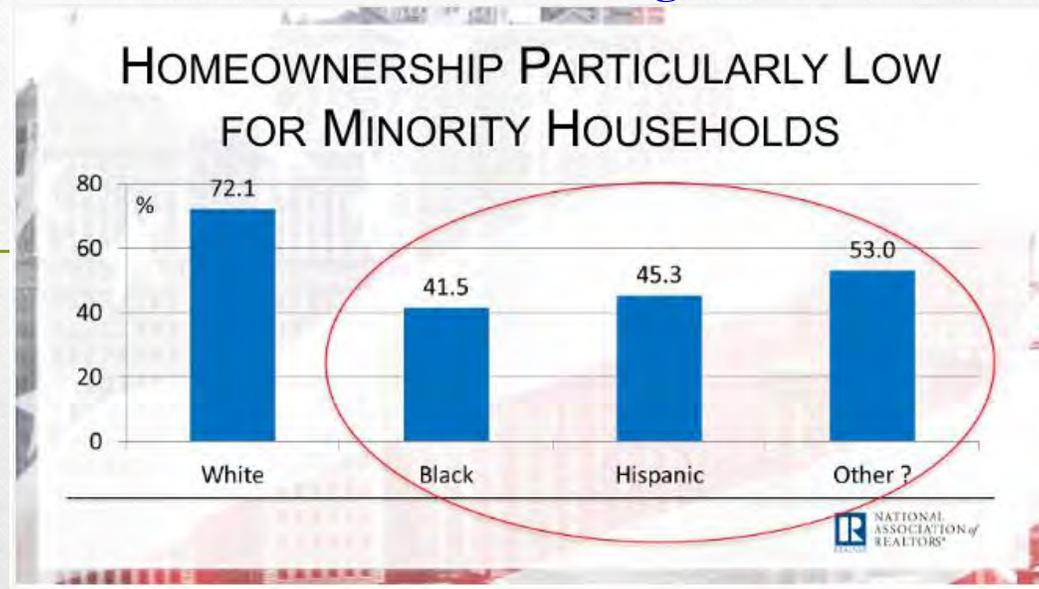


Housing Market Statistics

What we are talking about?



Housing Market Statistics What we are talking about?



REALTOR® Support for Affordable & Workforce Housing

Ethic Training and Professional Requirements

Homes4NC

NC Workforce Housing Specialist Certificate

REALTOR® Support
for Affordable &
Workforce Housing

Realtor® Programs

Diversity Program

Housing Opportunity Program

Fair Housing Program

Neighborhood Stabilization Project

Good Neighbor Awards Program

Smart Growth Program

REALTOR® Support for Affordable & Workforce Housing

Realtor® Programs

- National Association of Real Estate Brokers: chartered in 1947 by African American real estate professionals
- National Association of Hispanic Real Estate Professional
- Asian Real Estate Association of America



**WILMINGTON REGIONAL
ASSOCIATION *of* REALTORS®**

City of Wilmington/New Hanover County Committee on Affordable & Workforce Housing

Adrienne Cox

Public Affairs Director

adrienne@wrar.com

910.473.5605

Everyone needs a place to call home.



Education & Advocacy

**City of Wilmington/New Hanover County Ad Hoc Committee on
Improving Workforce/Affordable Housing**

September 27, 2016 / Wilmington, NC

Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- National Statistics & Assistance
- Affordable Housing Survey
- Questions



Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- National Statistics & Assistance
- Affordable Housing Survey
- Questions



Who We Are ... since 2005

Mission

Our mission is to strengthen the Cape Fear Region by increasing access to affordable, safe, healthy housing.

Objectives

- Envision the housing opportunities necessary to strengthen our community and improve the quality of life for all.
- Advocate on behalf of low and moderate-income individuals and other marginalized groups; influence public opinion and public policy.
- Educate the private and public sectors about fair housing rights and affordable housing needs, issues and best practices.
- Bring together housing professionals and other stakeholders to understand the community's concerns and priorities; execute collaborative plans of action.

Everyone needs a place to call home.



Who We Are ... in Logos



Everyone needs a place to call home.



WELCOME TO NEW HANOVER COUNTY

With its white sandy beaches, strong economic development presence, and a quality of life like no other, New Hanover County is a vibrant, prosperous and diverse coastal community committed to building a sustainable future for generations to come.



Our Message 2015 & 2016

- What is Affordable Housing?
- The Math doesn't work for a growing majority of our residents
- The more we spend on housing, the less we have to spend in the local economy



Definitions

- Affordable Housing = Households, both rental & homeownership, should spend no more than 30% gross income on housing costs, including utilities, insurance, taxes
- Cost Burdened – Household spends **more than 30%** of their gross income on Housing
- Severely Cost Burdened – Household spends **more than 50%** of their gross income on Housing



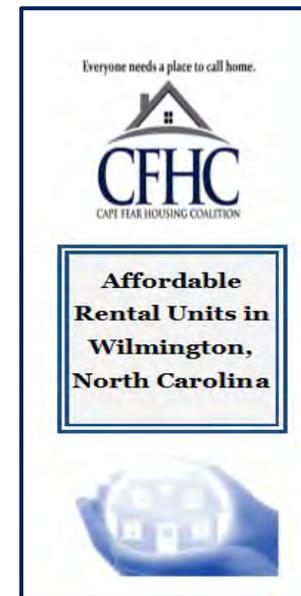
What did we accomplish in 2015?

- January Legislative Breakfast
 - Our Goals
 - FOCUS
- April Fair Housing Month
- Insight Series GWBJ
- WDI Economic Development Series
- Solution Series
 - Inclusionary Zoning
 - East West Partners
 - Community Home Trust / Chapel Hill
 - Housing Trust Funds
 - Town of Chapel Hill
 - Charlotte
 - Durham
 - Legislative Breakfast
- Awareness & Momentum & Press
- Mayor's Roundtable
- Relationships with NC Housing Coalition & NC Justice Center



So far in 2016?

- January Legislative Breakfast
 - Update from NC Housing Coalition
 - Solution Series on Tax Credits / Funding Streams
- Listening Session w/ NC Housing Coalition
- Insight Series GWBJ
- Public Awareness Campaign / WHQR
- *Housing Street Sheet*
- Awareness & Education & **Press**
- Mayor's Ad Hoc Committee on Affordable Housing
- April Fair Housing / Landlord Event
- Website Update / Facebook
- Strengthening Relationships
- Affordable Housing Survey with UNCW
- Solution Series: Housing & Economics



Solutions

- Low Income Housing Tax Credits (LIHTC)
- CDBG / Home Funds
- Housing Bonds on the Ballot
 - Charlotte / Raleigh
 - Asheville 2016
 - Greensboro 2016
 - Orange County (Durham/Chapel Hill) 2016
- Housing Trust Funds
- Incentives
 - Surplus Land
 - Impact Fees
 - Property Tax
- **Inclusionary Zoning**
- Public / Private Partnerships
- Creative / Land for Affordable Housing
- ***Housing & Economics***



Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- National Statistics & Assistance
- Affordable Housing Survey
- Questions



Housing & Economics / Workforce Housing

- Employee retention is highly dependent on availability of affordable housing
- Available & Affordable Housing Top 5 Relocation Criteria for a Business

-
- Workforce housing is generally described as the housing that is affordable to households earning less than 120% of area median income

- Our Teachers, Fireman, EMT's, Retail, Office

- Communities like Coastal Tourist towns are “suffering from their own success.”

- Quality of Life -> Population -> Destination -> Increasing \$\$
Real Estate -> Tourism/Services -> Lower paying service jobs ->
Wages  Housing



-
- Economic & Community Problem (\$\$ for Local Economy / Traffic)

Economic Problem / Average Wages

EARNINGS:

Example:

rate per hour	hours per week	weekly salary
\$22	20 hours	\$440
\$25	25 hours	\$625

weekly salary	weeks per year	annual salary
\$440	40 weeks	\$17,600
\$625	35 weeks	\$21,875

wikiHow

- \$738 average weekly wage = \$38,376 annually

(Garner Report)

- \$14.91 median hourly wage = \$31,013 annually

(BLS)

- \$19.44 average hourly wage = \$40,435 annually

(BLS)

Economic Problem / Locally Cost Burdened

\$36,500 Average wage

(60% of area workers lower income Service Workers - FOCUS)

(\$11.96 Estimated Hourly Mean Rental Wage – NLIHC)

If that wage is supporting a family of 1,2, 3, or 4, only \$900 per month on rent/mortgage, utilities, insurance & taxes

So, it's no surprise that HH earning 80% of Area Median Income, which is \$36,500 ...

Cost Burdened in Wilmington = 69%

Cost Burdened in New Hanover = 68%

Severe Cost Burdened in Wilmington = 43%

Severe Cost Burdened in New Hanover = 41%

Cost Burdened = Less \$\$ to spend Necessities / Local Economy



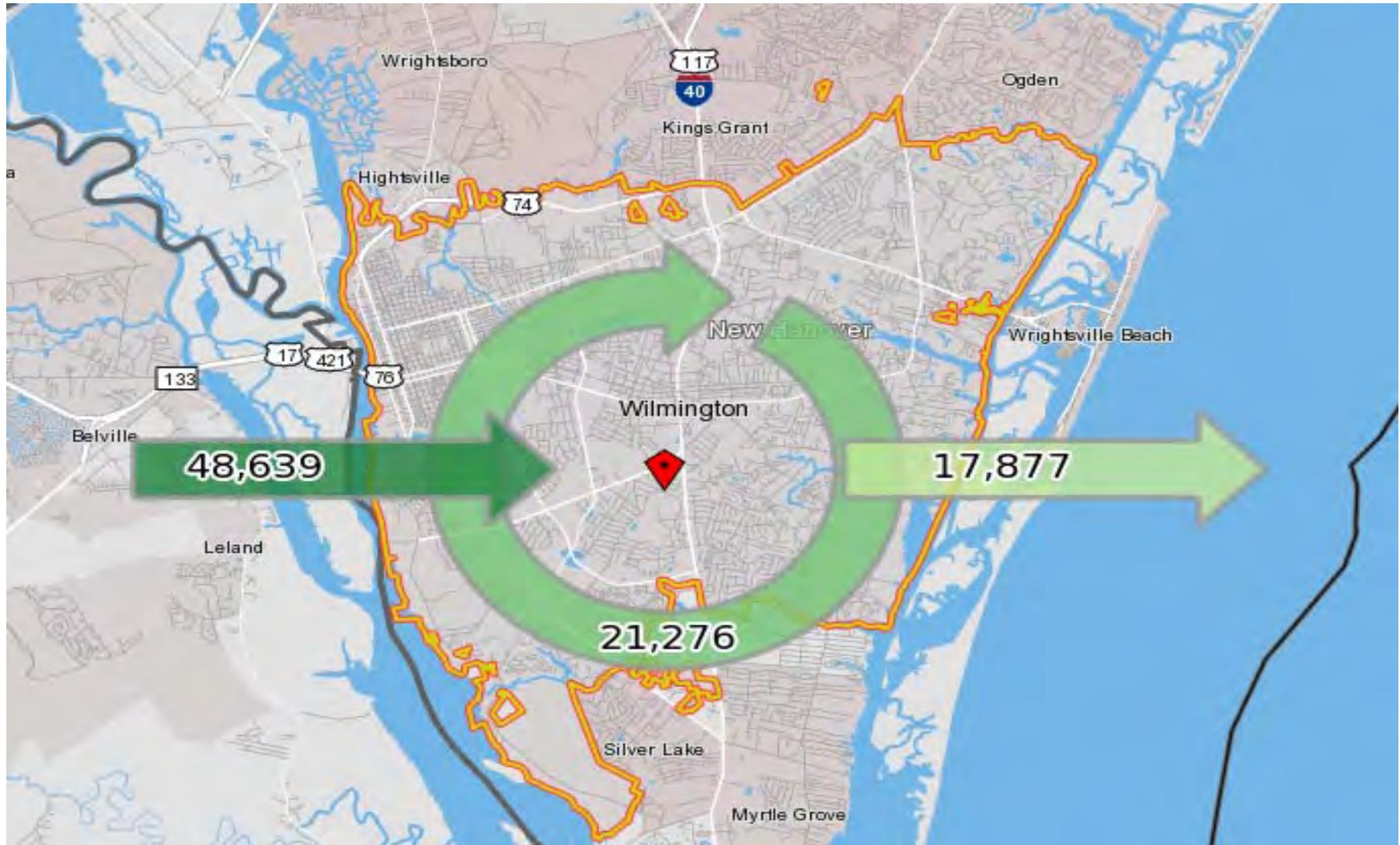
Economic Problem / Workforce Housing

Wilmington MSA May 2015 U.S. BLS data	Employment	Median Hourly Wage	Annual Median Earnings	Affordable Rent
Retail Salespersons(412031)	5,090	\$10.55	\$21,940	!\$549
Combined Food Preparation and Serving Workers Including Fast Food(353021)	4,620	\$8.56	\$17,800	!!!\$445
Cashiers(412011)	3,280	\$8.75	\$18,210	!!\$456
Waiters and Waitresses(353031)	3,210	\$8.79	\$18,280	!!\$457
Office Clerks General(439061)	3,130	\$13.33	\$27,730	!\$694
Registered Nurses(291141)	3,050	\$27.31	\$56,800	\$1,420
Customer Service Representatives(434051)	3,010	\$14.89	\$30,980	!\$775
Laborers and Freight Stock and Material Movers Hand(537062)	1,920	\$11.10	\$23,080	!\$577
Cooks Restaurant(352014)	1,890	\$9.94	\$20,670	!\$517
Bookkeeping Accounting and Auditing Clerks(433031)	1,640	\$16.43	\$34,170	!\$855

Community Problem / County Traffic



Community Problem / City Traffic



Housing & Economics / End Game

For a Municipality to Maintain a
Healthy Economic & Community Environment,
it is important to support the
Development of a Variety of Housing,
both rental and homeownership,
multifamily to single family home,
for the **Variety of Income Levels** in our area to
Create a Community where you can truly
Live, Work & Play!

Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- **National Statistics & Assistance**
- Affordable Housing Survey
- Questions



National Conversation

- 81% believe housing affordability is a problem in America
- Nearly 7 in 10 adults find it more challenging to secure stable, affordable housing today than it was for previous generations
- 63% of renters with annual household income of less than \$30,000 were worried about being able to pay their rent or other housing costs
- Housing Affordability is a Key Issue for 6 in 10 of likely voters in this year's Presidential race but is only discussed in the Democratic National Platform
- Bigger issue in larger cities



National Stats / Housing

- Nearly 40 million households, both owners and renters, were cost burdened in 2014, one-third of all American households.
- In 2014, 11.4 million renter households (a record) and 6.2 million owner households were severely cost burdened, nearly 15 percent of all U.S. households.
- The median asking rent on new apartments was \$1,381 per month in 2015, well out of reach for the typical renter earning \$35,000 a year
- 29% of Homeowners age 75 and over are cost-burdened
- 72% of the nation's 9.6 million lowest-income renters (earning less than \$15,000 / think Seniors) are severely cost-burdened

* Joint Study for Housing Studies / Harvard University 2016

National Stats / Housing

According to the Urban Institute in 2015, not a single U.S. county in the country had enough affordable housing for its residents.

On average, there are only 28 adequate and affordable housing options for every 100 extremely low-income households.

National Stats / Wages ... Housing

- According to the Bureau of Labor Statistics, 94.6% of jobs added from 2014 to 2024 will be in the service sector.
 - The single largest employer of near-minimum wage workers, the restaurant and food service industry, is one of the sectors with the greatest projected job growth.
 - Jobs in the healthcare and social assistance sector are projected to increase by 38% between 2012 and 2024 and accounting for 3.8 of the 9.3 million new service sector jobs.
 - Many health-related jobs are poorly paid. Home health aides, who need no formal educational credentials and whose median annual wage is \$21,850, now significantly outnumber better-paid and better-educated licensed nurses (median wage: \$43,090). And low-wage home health aides are more than three times more numerous than medical and health services managers (median wage: \$92,710).
- So it's no surprise that nearly half of working-age families have no retirement savings at all - with little or no access to retirement plans or 401(k)s - and for individuals between 56 and 61, the median retirement account holds only \$17,000.

Affordable Housing Assistance

- Experts say there are really two distinct problems ...
- The first is affordability: Rents are rising, particularly in many expensive coastal cities, while wages for low-income workers have been nearly stagnant for much of the past 15 years. That leaves many poor families unable to afford housing on their own.
- Second, government housing-assistance programs haven't kept up with demand even though new research suggests that unaffordable housing is an important cause of poverty.
- But whether it's vouchers or public housing, the vast majority of low-income families don't receive any housing support. The programs are overwhelmed by the demand. Two-thirds of families at or below the poverty guideline receive no assistance at all, according to the 2013 American Housing Survey. About 17 percent get a government subsidy, 15 percent live in public housing, and 1 percent benefit from a rent-controlled unit.
- For many of these families, the issue isn't that they don't qualify for help. It's that the help they need isn't available.

Affordable Housing Assistance

- Most federal housing assistance is targeted to very low-income households (earning 50% or < of area median)
- Some 18.5 million renters met this criterion at last count in 2013, up 2.6 million since 2007.
- However, only one in four income-eligible renters receives assistance of any kind, leaving millions to try to find housing they can afford in the private market.
- Cost burdens are rapidly spreading among moderate-income households as well, especially in higher-cost coastal markets.

* Joint Study for Housing Studies / Harvard University 2016



Agenda

- Cape Fear Housing Coalition
- Local Housing & Economics
- National Statistics & Assistance
- Affordable Housing Survey
- Questions



Affordable Housing Survey Origin

- Problem
 - Discussion & Research
 - Solutions
 - **Public Support**
 - Political & Policy Leaders
 - Discussion
 - Support
 - Action & Implementation

Survey Objectives

- Develop an understanding of community members' perceptions and attitudes regarding housing affordability.
- Identify supported solutions to increase access to affordable housing within New Hanover County.
- Increase knowledge among City of Wilmington & New Hanover County leaders regarding the issue of affordable housing.

What we noted in the Survey

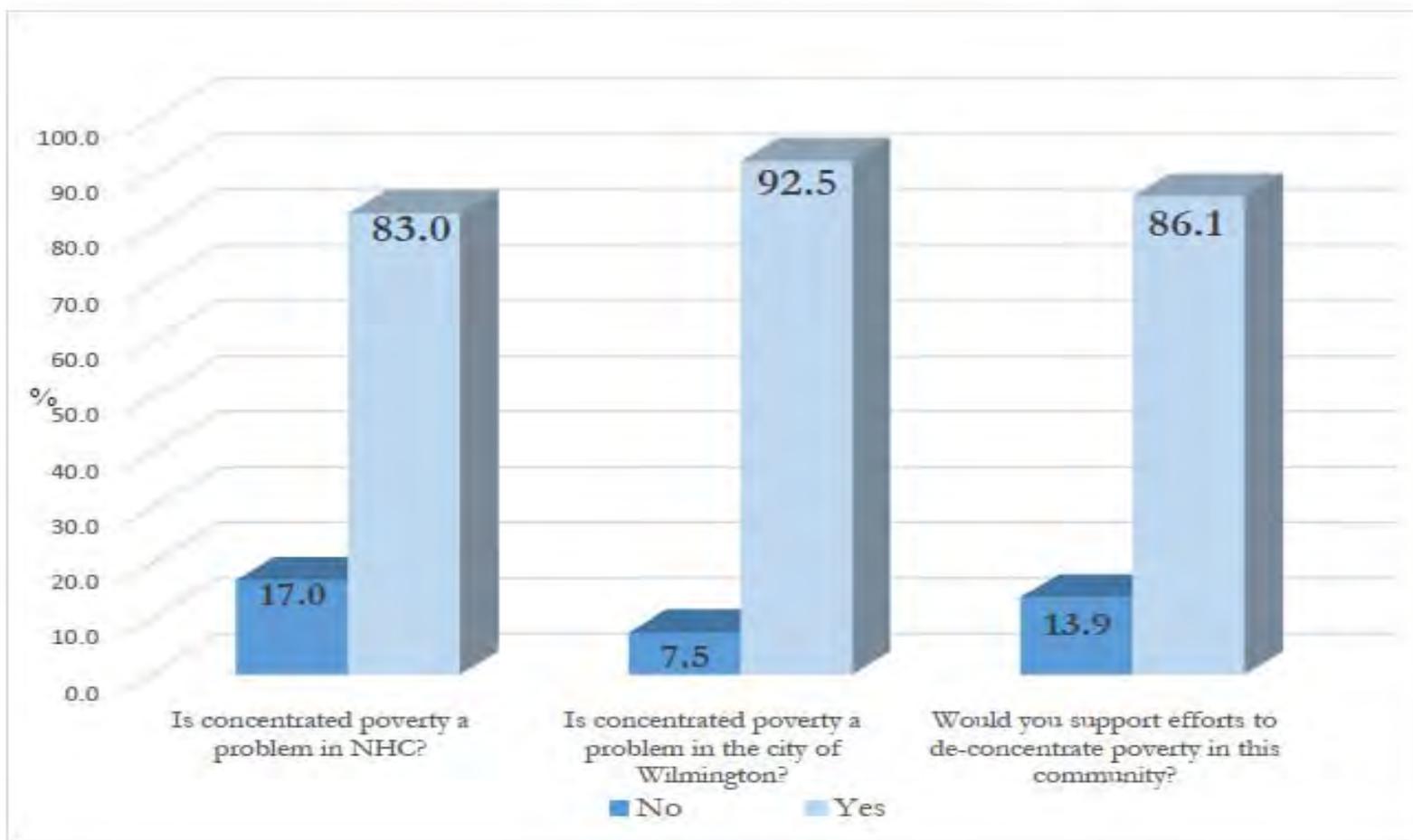
- 92% saw affordable housing as an issue in New Hanover County
- Wide variety of ages and income
- Over 67% of respondents have lived here 6 years or more, with over 70% in the City of Wilmington
- Nice mix of homeownership & rental families
- 68% responded that they were spending too much on housing & housing related expenses
- 56% spend between \$500 and \$1200 for rent or mortgage
- Overwhelming majority supported affordable housing in NHC, their neighborhood, as well as incentives, mixed income and accessory housing
- Split down the middle regarding property values
- Only 34% thought crime would increase
- Worry about traffic, but thought it would be a plus for the local economy
- 66 % of respondents felt an affordable monthly housing payment, rent or homeownership, was between \$500 and \$1000

Understanding the Difficulty

- Over 70% of respondents found the following very challenging or somewhat challenging ...
 - For a family of four with an income of \$24,000 to find affordable quality housing
 - For young adults who are just entering the labor force to find affordable quality housing
 - For a family with children to find affordable quality housing near quality public schools
 - To find affordable quality housing to buy
 - For retired people to find affordable quality housing
 - For senior citizens to find affordable quality housing
 - To find affordable quality rental housing

Ending the Concentration of Poverty

Figure 4: Perception of Concentrated Poverty



Affordable Housing Survey / Recommendations

- Use these data as a stepping stone to completing a comprehensive study of housing affordability within New Hanover County / I.e. Housing Needs Assessment or a County of the number of affordable units needed
- Host regular community conversations that focus on housing affordability within the area that would appeal to residents, builders, employers, etc. / How Housing affects our local economy, community, traffic, etc. Bigger Picture
- With 92% of the respondents indicating affordable housing is an issue in our community, the time may be right to look at solutions to this issue and move the conversation forward.

What does it all mean for Affordable Housing

- People moving here / 9,000 per the Star News
 - Where are they working and living?
 - Remember, 60% of our workforce currently are lower income service workers / Cost Burden issues
 - 90% built out in the City
- So many rentals / 2500 in the last 3 years, 4000 plus planned (GWBJ)
 - Rents are not cheap / \$1600 for a 2 bedroom
 - Again, data shows many residents are spending too much on housing
- Hard to get mortgage / A+ Credit, 20% down for many
 - Realtors discuss needed homes in New Hanover County around the \$150,000 mark; would be affordable for many local residents
 - Nimbyism against condos, townhomes, tiny homes
 - Hard for Developers to make \$\$ on that home price
- Support for the Deconcentration of Poverty
 - Smaller affordable developments spread throughout community in areas of investment, higher income, opportunity
 - But again, hard for developers to make money on this
 - But again, nimbyism



Did you get our Message?

- This is our Affordable Housing in NHC
- The Math doesn't work for a growing majority of our residents
- The more we spend on housing,
the less we have to spend in
the local economy



Learn More about the Survey

- Cape Fear Housing Coalition Website & FB



- Hopefully the Survey can be a useful Start

What's Next for CFHC

- **More Solution Series, Education, Advocacy, Success Stories**
 - Putting a Dollar Amount on Housing Affordability
 - Traffic & Affordable Housing
 - Nimbyism
- **Plan: Vacant Lots, Dilapidated Homes, and Heir Rights**
 - How can the CFHC help activate our inner city community into a vibrant, safe, affordable neighborhood?
- **Legislative Breakfast**
 - Thursday, January 12th, 2017
- **Monthly Meetings (All Welcome!)**
 - 2nd Thursday of each month / NHC Government Center Drive



Social Media



Please **LIKE us on Facebook**

to keep up-to-date with
affordable housing
options being exercised
here in NC
and across the country!

* 209 *

Everyone needs a place to call home.



Agenda

- Cape Fear Housing Coalition
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Everyone needs a place to call home.



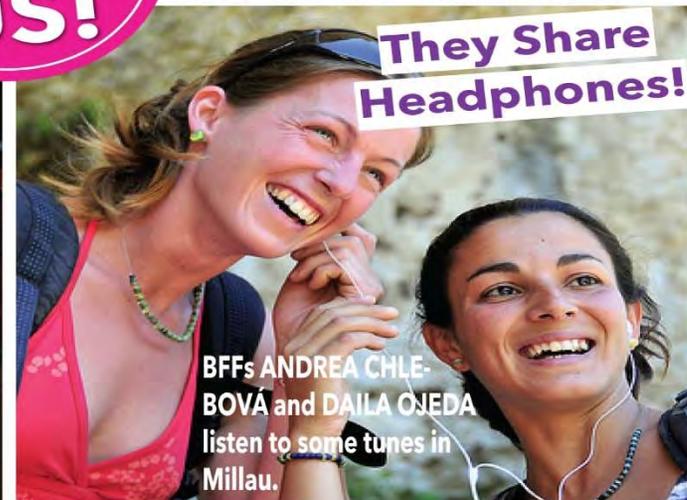
Thank You!

Just like us!



Affordable Housing Resident

THEY'RE JUST LIKE US!



WILMINGTON HOUSING FINANCE AND DEVELOPMENT, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements

NOTE 1 - NATURE OF ORGANIZATION

Wilmington Housing Finance and Development, Inc. ("WHFD") was organized to provide funds and assistance for the purchase, acquisition, improvement, renovation and sale of low and moderate income housing primarily in the counties of New Hanover, Pender, Brunswick, Columbus, and Bladen, North Carolina. In addition, WHFD manages four affordable housing apartment complexes. The apartment complexes are owned by related parties.

Also, WHFD holds general partner and managing member interests in three affordable housing apartment complexes that own apartment developments which includes Hopewood, L.L.C. ("Hopewood"), Kent Street Limited Partnership ("Kent Street"), and Driftwood Wilmington Limited Partnership ("Driftwood"). Wilmington Housing Finance and Development, Inc. established a Subsidiary, Housing Opportunities of Wilmington, Inc., to hold the limited partner interest in affordable housing apartment complexes.

On July 1, 2009, Housing Opportunities of Wilmington, Inc. was assigned 99% limited partner interest in Willow Pond Limited Partnership ("Willow Pond"), a North Carolina Limited Partnership organized for the purpose of purchasing, constructing and operating a 40-unit apartment complex (the "Project") for low and moderate income individuals pursuant to Section 42 of the Internal Revenue Code of 1986 ("Section 42"), which provides low-income housing tax credits. The Project is located in Wilmington, North Carolina and is monitored by the North Carolina Housing Finance Agency ("NCHFA") as to rent charges, tenant eligibility and partner distributions.

On July 5, 2013, Housing Opportunities of Wilmington, Inc. was assigned the Limited Partner interest of Kent Street Limited Partnership, a North Carolina limited partnership organized for the purpose of purchasing, constructing, and operating a 12-unit apartment complex for low and moderate income individuals pursuant to Section 42 of the Internal Revenue Code of 1986, which provides low-income housing tax credits. The Project is located in Wilmington, North Carolina and is monitored by the NCHFA as to rent charges, tenant eligibility and partner distributions.

On January 1, 2014, Housing Opportunities of Wilmington, Inc. was assigned the Investor Member interest of Hopewood L.L.C., a North Carolina limited liability company organized for the purpose of purchasing, constructing, and operating a 16-unit apartment complex for low and moderate income individuals pursuant to Section 42 of the Internal Revenue Code of 1986, which provides low-income housing tax credits. The Project is located in Wilmington, North Carolina and is monitored by the NCHFA as to rent charges, tenant eligibility and partner distributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Wilmington Housing Finance and Development, Inc. and its wholly-owned Subsidiary Housing Opportunities of Wilmington, Inc. (the "Corporation").

All intercompany transactions have been eliminated in consolidation.

Wilmington Housing Finance and Development, Inc.

Property Notes

JAMES A. WALKER APARTMENTS

James A. Walker Limited Partnership entered into a 75-year ground lease with WHFD in June, 1990. The ground lease provides that WHFD will receive payments of:

1. \$1 per year for the first 15 years of the lease term.
2. \$12000 per year for years 16 through 30 provided, however, if there is available cash flow from the Project after deduction for expenses, debt service, an 8% return on equity investment in the Project and all required payments to any leasehold mortgages, the excess cash flow shall be paid to WHFD as lease payments.
3. The Annual Operating Budget developed by the Partnership, its successors and assigns or any management company hired by Partnership is to be approved annually by the Board of Directors of WHFD. Such right of approval of the annual operating budget shall include the right to require the establishment of a reserve account to provide for repairs to the Leased Property.
4. The rental to be paid for the 31st through 75th year of the lease term shall be equal to 100% of all cash flow proceeds from the project after deduction for expenses,, debt service and an 8% return on equity investment in the project. Leasehold mortgages are limited to 80% of the market value of the leased property in years 31 through 75.

Certificate of Occupancy was issued to JAWs on 6/29/90.

JAWs Apartments has 37 units of elderly and handicapped residential housing. Project receives Section 8 housing assistance.

JAWs apartments were managed by WHA until 1997. It is now managed by Landmark Management Company.

WHFD has never received even \$1 from this project.

Internal Revenue Service
District Director

RECEIVED

Department of the Treasury

P.O. BOX 941, RM 1112
ATLANTA, GA 30301

NOV 28 1988

HOUSING AUTHORITY
WILMINGTON

Date: **NOV 18 1988**

Employer Identification Number:

58-1492427

Contact Person:

GERALD MURPHY

Contact Telephone Number: -

(404) 331-6040

WILMINGTON HOUSING FINANCE AND
DEVELOPMENT INC
508 SOUTH FRONT STREET
WILMINGTON, NC 28401

Date of Exemption:

June 16, 1983

Internal Revenue Code

Section 501(c)(03)

Dear Applicant:

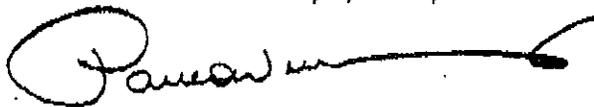
Thank you for submitting the information shown below or on the enclosure. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



Paul Williams
District Director

Letter 976(DO/CG)

HOUSING OPPORTUNITIES OF WILMINGTON, INC.

HOW

HOW was organized on October 30, 1990. The period of duration of the corporation is perpetual. The organization became a 501(c)(3) in November, 1991. The tax ID is 56-1728967

The corporation is to have no members..

The purposes for which HOW was established are as follows:

1. For charitable, educational and scientific purposes.
2. To assist and provide services and financing for the purchase, acquisition, improvement, leasing, operation and renovation of low and moderate income housing for, by and to eligible prospective home buyers and investors in order to enhance and improve the quality and quantity of housing stock in New Hanover County, N. C.
3. To engage in any lawful act or activity for which corporations may be organized under Chapter 55A of the North Carolina General Statutes in furtherance of its purposes.

WHFD, Inc. created HOW to be a partner in housing developments for lower income families. HOW defines low income as less than 80% of the area median. WHFD's Board of Directors appoints HOW's Board of Directors.

HOW was originally created to serve as the initial limited partner for a 12-unit housing development – Kent Street Apartments. WHFD obtained a tax credit allocation for Kent Street Apartments and HOW was replaced by a permanent limited partner when the tax credits were syndicated. Fifteen years later the permanent limited partner returned its interest in the development back to HOW.

Likewise, HOW became the limited partner for a 40-unit housing development – Willow Pond Apartments. WHFD obtained a tax-credit allocation for this development and when the tax credits were syndicated HOW was replaced by a permanent limited partner. Fifteen years later the permanent limited partner returned its interest to HOW.

HOW now serves as a general partner for lower income apartment developments built by WHFD, Inc. HOW is responsible for the management, maintenance and financial decisions for the developments.

WHFD wants HOW to focus on the management of low income housing in future years.

WILLOW POND LIMITED PARTNERSHIP

Willow Pond Limited Partnership was formed in December, 1992 for the purpose of acquiring land, constructing and operating 40 apartment units. Rental Operations began in September, 1994. Willow Pond is a tax-credit project. The restrictions continue on the property for 15 years plus an additional 7 imposed by NCHFA. NCHFA monitors the property. IRS requires the property to operate under the initial guidelines for 30 years.

In 1992, Willow Pond Apartments' Cost Certification was \$2,040,272. Total square footage is 38,080. Cost per SF is \$53.58

Rent is not subsidized.

Resident selection is of crucial importance. At least 19 of the units in the development must be leased to families earning no more than 50% of applicable median income and 15 of the units must be leased to families earning no more than 60% of applicable median income. Six of the units are unrestricted.

Initially, the development included a Family Self-Sufficiency Program. However, since there were no funds allotted for this, all services received were voluntary and ended with the termination of the WHA's management agreement.

WHFD assumed management of Willow Pond Apartments on March 12th, 2003 by mutual agreement between WHA and WHFD.

WHFD implemented its own FSS Program composed of WHFD's Housing Counselors and other programs offered by CAHEC.

ORIGINAL FINANCING: Permanent financing was by a first mortgage loan from Community Investment Corporation of North Carolina (CICAR) for \$423,000 with a term of 30 years at 9% interest payable monthly. Secondary financing consists of two loans from NCHFA in the amounts of \$240,000 and \$60,000. The \$60,000 loan was turned into a mortgage at 3% interest payable monthly. The \$240,000 bears interest at a rate of 1% per annum and no payments of principal or interest were due until the maturity date of 12/1/2014. This date was extended until December 31, 2016 by a modification agreement.

Additional financing consisted of two loans from WHA in the amounts of \$325,000 and \$250,000. The \$325,000 loan accrued compound interest at the rate of 6% per annum. The \$250,000 loan accrued interest at the rate of 1% per annum. Payments for principal and interest were not due until 12/1/2025.

May 1, 2015, WHFD paid WHA \$100,000 for the removal of the two loans and all interest accrued which totaled \$1,330,295.

Enterprise transferred its interest to HOW on July 1, 2009.

KENT STREET APARTMENTS

Kent Street Limited Partnership was formed in November, 1990 for the purpose of acquiring land, constructing and operating 12 apartment units. The project was placed in service on July 31, 1991. The project began rental operations in September 1991.

Kent Street is a Tax Credit Project. 2001 ended the period for the equity partner to receive low income housing tax credits. 2006 ended the 15-year period. NCHFA continues to monitor the project as to rent charges and tenant eligibility.

Rent was subsidized by Section 8 initially. Currently, tenants must apply for Section 8 in order to receive it.

The first mortgage to First Citizens Bank for \$232,000 was paid in 2012. A \$90,000 loan from NCHFA and interest accrued was forgiven in 2012.

BB&T transferred its interest to HOW in 2013.

In August, 2012, the Partnership entered into a mortgage payable of \$153,000.

Some years ago, the Partnership granted a conservation easement option to NC Department of Environment and Natural Resources for the purpose of exploring the feasibility of a stream restoration project of mineral spring's branch.

HOPEWOOD LLC

Hopewood LLC was formed on April 15, 1997 with WHFD as the managing member. WNC California Institutional Tax Credits, LP as the investor member. WNC Housing LP as the special member.

Hopewood was organized to develop, construct, own, maintain and operate 16 residential units for rental to low-income tenants with special needs. The apartments were built and began initial operations in December, 1998.

Costs:

- Investor member's contribution was \$715,972.
- The special member's contribution was \$72,000.
- A construction loan with BB&T in the amount of \$266,000 was converted to a permanent mortgage. Final payment is due in 2017.
- A note payable to the City of Wilmington bearing interest at 1% per annum is in the amount of \$175,000.
- Initial costs of the project:

Land	\$30,089
Land Improvements	125,462
Buildings	879,605
Building Equipment	52,192
TOTAL	\$1,087,348

The cost certification was \$1,087,348. Total square footage is 11,064. Cost per square foot is \$98.28. Construction is masonry and sprayed concrete.

Initially, WHA managed the property. Effective April 1, 2000, WHFD assumed management responsibilities for the development.

Rents and security deposits are subsidized by an annual grant from Shelter Plus Care.

WHFD purchased WNC's interest for \$1001.00 and it was transferred to HOW January 1, 2014.

DRIFTWOOD WILMINGTON L.P.

Driftwood Wilmington Limited Partnership was organized for the purpose of purchasing, constructing and operating a 15-unit apartment complex for homeless individuals who are persistently and mentally-ill with incomes at or below 60% of median income. It is a tax-credit development and is monitored by NCHFA.

On August 26, 2002, NCHFA approved the reservation of up to \$1,40,692 in low-income housing tax credits. June 17, 2003, Driftwood Apartments received funding under the Supportive Housing Program in the amount of \$250,000. The amount is broken down as follows:

Acquisition	\$60,000
Supportive Services	145,918
Operating costs	32,177
Administration	11,900

The cost of the development is \$1,513,799 which includes land cost of \$60,000. The managing member was Regency Investment Associates and changed to Blue Dolphin Investments LLC. Heated SF is 10,623. The one-bedroom unit SF is 630. The two-bedroom unit is 821 SF. Development acreage is 2.4

On November 20, 2005, Judy Core became the sole owner of Membership Interest in the Integra Investment Holdings LLC, f/k/a Blue Dolphin Investments. June 14, 2011, Judy assigned her interests to James I. Anthony, Manager of Highland Henderson LLC and James I. Anthony, Manager of Zagreb, LLC.

The development consists of 14 one-bedroom units and one two-bedroom unit for staff and guests.

A Service Provider agreement was made with Community Support Professionals, LLC on January 3, 2006. This agreement was cancelled on June 30, 2008.

Harris Brown was the initial managing company. WHFD assumed management on August 7, 2006. At this time, NAMI asked WHFD to assume their interests in Driftwood and to take over the Grant. An agreement was given by the Board of Directors at that time. On July 17, 2012, WHFD passed a resolution to assume NAMI's interest.

An annual Grant provides supportive services. Rent is not subsidized.

TENANT SELECTION PLAN

WILLOW POND:

Applicants are selected from those who have incomes between 40% and 60% of median income. This development was developed as a "Family Self-Sufficient" complex with the goal of preparing all tenants to improve their income and educational status by the end of five years. Applicants also have to be selected to fill the apartments so that 19% of the apartments are occupied by tenants whose incomes are up to 50% and 15% are up to 60%. The remaining 6 apartments can be rented at market rate.

KENT STREET:

Tenants are selected from WHA's Section 8 waiting list. Now that Section 8 is not available for awhile, we select tenants whose income does not exceed 50% of median income.

HOPEWOOD:

Tenants are those who are homeless with a mental illness. We work closely with Community Support Professionals, LLC who screens and recommends tenants. These tenants will be those monitored by this group.

DRIFTWOOD:

Tenants are those who are homeless with a mental illness. Tenants are selected from those qualified tenants who have been presented by case workers at a meeting in which the homeless providers determine which apartment complex best suits the tenants needs.

MARKETING AND LEASING PLAN

Wilmington Housing Finance and Development, Inc. (WHFD) markets itself as an Affirmative Fair Housing entity. The demand for low to moderate income housing is high and WHFD receives many of its applicants through word-of-mouth. Current tenants often refer co-workers, friends, and family members to WHFD. This provides a consistent stream of applicants.

WHFD's staff keeps current by attending workshops on Fair Housing regulatory requirements by applicable federal, State, and local regulations. Tenant selection policies,, including the maintenance, retention and procedures for waiting lists are reviewed annually.

WHFD's staff attends meetings of the Tri-County Continuum of Care, permanent supportive housing and various other meetings where housing referrals can be made and received.

WHFD also utilizes flyers and rental signs to attract applicants. Once a quarter, WHFD's staff goes to heavily trafficked areas and posts handbills including pertinent information about the development rentals.. Rental houses that are vacant will have "for rent" signs posted in front of their property with current contact information.

Future plans include a web site with pictures of apartments.

Tenant selection is as follows:

- A waiting list is maintained.

- The selection of eligible tenants is on a first come first serve basis.

Applicants are selected from those who have incomes between 40% and 60% of median income. The goal of the development continues to be that of preparing all tenants to improve their income and educational status. Applicants also have to be selected to fill the apartments so that 19 of the apartments are occupied by tenants whose incomes are up to 50% and 15 are up to 60%. The remaining six apartments can be rented at market rate.

**BYLAWS OF WILMINGTON HOUSING FINANCE AND DEVELOPMENT,
INC.**

ARTICLE I

OFFICES

Section 1. Principal office. The principal office of the Corporation shall be located at 3508 Frog Pond Place, Wilmington, NC 28403.

Section 2. Registered office. The registered office of the Corporation required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

Section 3. Other offices. The Corporation may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

ARTICLE II

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Members. The Corporation shall have no members other than Directors. Membership in the Corporation is not transferable or assignable.

Section 3. Number, Term and Qualifications. The number of Directors constituting the Board of Directors shall be no more than fifteen and not less than nine. The number of Directors may be fixed or changed from time to time by the Board of Directors. The term of each Director shall be three years and a director may serve successive terms. The Board of directors is authorized to provide for the staggering of terms, provided that in staggering terms, the term of an incumbent Director may not be shortened. The Board of Directors shall include (a) not more than 1/3 of its members from the public sector or who are public officials; (b) not less than 1/3 of its members shall be representatives of the low income community; and (c) the remaining members to be selected from those persons possessing knowledge, expertise or skills that advance the corporate purpose of developing affordable housing. No "for profit" entity will appoint members to the Board of Directors. Any member serving from the private sector will serve as a citizen and not as a representative of their employer. The members of the Board of Directors shall be appointed by the Board of Directors.

Section 4. Election of Officers. The officers shall be those persons elected as such at the Annual Meeting of the Board of Directors of the Corporation; and those persons who receive the highest number of votes shall be deemed to have been elected. If any Director so demands, the election of officers shall be by ballot.

Section 5. Vacancies. Any vacancy occurring in the officers of the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors, unless otherwise provided by law.

Section 6. Chairman of the Board. There will be a Chairman of the Board of Directors elected by the Directors from their number at the Annual Meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

Section 7. Compensation. Board of Directors shall serve without compensation for their services as such, but the Board may provide for the payment of any reasonable and necessary expenses incurred by Directors in the performance of their duties other than their attendance at meetings of the Board.

ARTICLE III **MEETINGS OF DIRECTORS**

Section 1. Annual Meeting. The Annual Meeting of the Board of Directors shall be held in November of each year at such place in the City of Wilmington, North Carolina, as shall be designated in the notice of the meeting, or if no designation is made, at the principal office of the Corporation in the State of North Carolina, or on such day and as such time as fixed by the Board of Directors. The Annual Meeting shall be held for the purpose of electing Directors and officers, passing upon reports of the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the Annual Meeting at the time designated shall not work a forfeiture or dissolution of the Corporation and in the event of such failure, the Annual Meeting shall be held within a reasonable time thereafter.

Section 2. Regular Meeting. A Regular Meeting of the Board of Directors shall be held monthly at a time and place, either within or without the State of North Carolina, as determined by the Board of Directors.

Section 3. Special Meetings. Special Meetings of the Board of Directors may be called by or at the request of the Chairman, the Secretary, or any two Directors. Such a meeting may be held either within or without the State of North Carolina, as fixed by the person or persons calling the meeting.

Section 4. Notice of Meetings. Regular Meetings of the Board of Directors may be held without notice. The person or persons calling a Special Meeting of the Board of Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Section 5. Waiver of Notice. Any Director may waive notice of any meeting. The attendance by a Director at a meeting shall constitute a waiver of notice of such meeting,

except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. Quorum. Four directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 7. Manner of Acting. Except as otherwise provided in these bylaws, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. Presumption of assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the Minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of this Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE IV

OFFICERS

Section 1. Officers of the Corporation. The officers of the Corporation consist of a Chairman, a Secretary, a Treasurer, a Vice-Chairman and such other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.

Section 2. Election and Term. The officers of the Corporation shall be elected by the Board of Directors and each officer shall hold office until his death, resignation, retirement, removal, disqualification or the end of their term and his successor shall have been elected and qualified.

Section 3. Compensation of Officers. The compensation of all officers of the Corporation shall be fixed by the Board of Directors and no officer shall serve the Corporation in any other capacity and receive compensation therefore unless such additional compensation be authorized by the Board of Directors.

Section 4. Bonds. The Board of Directors may by resolution require any officer, agent, or employee of the corporation to give bond to the Corporation, with sufficient securities, conditioned on the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.

Section 5. Chairman. The Chairman is the principal Executive Officer of the Corporation and, subject to the control of the Board of Directors, shall in general, supervise and control all of the business and affairs of the Corporation. He shall, when present, preside at all meetings. He shall sign with the secretary, or any other proper officer of the Corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors, or by these bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time-to-time.

Section 6. Vice-Chairman. In the absence of the Chairman or in the event of his death, inability or refusal to act, the Vice-Chairman, unless otherwise determined by the Board of Directors, shall perform the duties of the Chairman, and when so acting shall have all the powers of and be subject to all restrictions upon the Chairman. The Vice-Chairman may sign, with the Secretary, certificates for shares of the Corporation; and shall perform such duties as from time-to-time may be assigned to him by the Chairma or Board of Directors.

Section 7. Secretary. The Secretary shall: (a) Keep the Minutes of the meetings of the Board of Directors in one or more books provided for that purpose; (b) See that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) Be custodian of the corporate records and of the Seal of the Corporation and see that the Seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation under its Seal is duly authorized; and (d) In general, perform all duties incident to the office of Secretary and such other duties as from time-to-time may be assigned to him by the Chairman or by the Board of Directors.

Section 8. Treasurer. The Treasurer shall, (a) Have charge and custody of and be responsible for all funds, securities and assets of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such depositories as shall be selected in accordance with the provisions of Section 4 of Article V of these bylaws; (b) Prepare or cause to be prepared, a true statement of the Corporation's assets and liabilities as of the close of each fiscal year, all in reasonable detail, which statement shall be made and filed at the Corporation's registered office or principal place of business in the State of North Carolina within four months after the end of such fiscal year and thereafter kept available for a period of at least ten years; (c) In general, perform all the duties as from time-to-time may be assigned to him by the Chairman or by the Board of Directors, or these bylaws.

Article V

COMMITTEES

Section 1. Appointment of Committees. Committees may be appointed by the Board of Directors or by the Chairman of the Board of Directors in order to facilitate the corporate decision making process.

Section 2. Members of Committees. Committee members, whether appointed by the Chairman or the Board of Directors, may be members of the Board of Directors or other persons possessing technical skills or expertise needed to accomplish the task of the committee.

ARTICLE VI

CONTRACTS, LOANS, CHECKS, DEPOSITS AND GIFTS

Section 1. Contracts. Subject always to the Articles of Incorporation, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a Resolution of the Board of Director and permitted under the terms of the Articles of Incorporation of the Corporation. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time-to-time be determined by Resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time-to-time to the credit of the Corporation in such depositories as the Board of Directors may select.

Section 5. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or any specific purpose of the Corporation.

These bylaws adopted this 24 day of September, 2013.

WILMINGTON HOUSING FINANCE
AND DEVELOPMENT, INC.

By: Susan Brandt Quinn
Chairman