

TOWN OF BOONE
SPECIAL PUBLIC HEARING
DECEMBER 10, 2012 AT 5 PM
Meeting Minutes

Town Council Members Present:

Mayor Pro Tem Jamie Leigh, Lynne Mason, Andrew Ball, Allan Scherlen and Rennie Brantz

Planning Commission Members Present:

Chairperson Milton “Bunk” Spann, Vice-Chairperson Eric Woolridge , Robert Cherry, , Tom Purpur, Donald Dotson, Cameron Lippard, Web Alexander, Susan McCracken, Jeff Templeton and Greg Simmons

Planning and Inspections Staff Present:

Bill Bailey - Director of Planning and Inspections, Jane Shook – Planner, Brian Johnson-Urban Design Specialist and Marlene Crosby – Board Secretary

CALL TO ORDER

Mayor Pro-Tem Jamie Leigh called the meeting to order at 5:00 p.m.

CASE 20120683 WATAUGA GREEN United Developers, Conditional District Map Amendment, at and near 170 Clawson Street, Watauga Co. PIN's: 2911610160000, 2911603647000, 2911602100000, request to rezone all/portions of the properties owned by Wayne and Dana Clawson from R-3 Multiple Family Residential and MH Manufacture Home Park to Conditional District R-3 Multiple Family, for 72 apartments, containing 180 bedrooms. Applicants are requesting a 3 year vesting.

Ms. Jane Shook, Planner presented this case as outlined in the meeting packet. Ms. Shook noted that the request for rezoning of these properties is for 72 apartments containing 180 bedrooms and a three-year vesting period. Ms. Shook said that the applicants were present at this meeting to answer questions by the Town Council members or the Planning Commission members. Ms. Shook said that the staff was available to answer questions.

Mayor-Pro Tem Leigh opened the floor for questions of the Town Council members or Planning Commission members or staff members before the applicant was asked to present their case. Planning Commission Member Simmons asked if it were twelve not ten acres. Ms. Shook said clarification was needed for this question. Member McCracken asked for clarification on the three-year vesting period. Ms. Shook said that typically projects like this would have a two-year vesting. Ms. Shook explained that in the current Unified Development Ordinance, it allows up to five-year vesting under certain conditions. For this project, the applicants have chosen to ask for only one additional year for vesting.

Mayor Pro-Tem Leigh opened the floor for the applicants to present this case.

Mr. Bill Owen of United Developers located in Fayetteville, North Carolina came to the podium. Mr. Owen said that United Developers is a family-owned business and they have been in the affordable housing business for over 30 years. They currently own, have built and managed 4,000 units in North Carolina and South Carolina. He said their specialty is multi-family affordable housing rental units. Mr. Owen explained that they apply for a tax credit award through the North Carolina Housing Finance Agency tax program. He said these tax credit awards are granted through a competitive application process. He said that in January, United Developers submitted an application, site plan and a fee or a commissioned market study to be conducted to the housing finance agency. He said that the sites are then scored and around the middle of March, they receive a site score indicating how their site compares to other sites in regards to competition. He said that the North Carolina Housing Finance Agency lets you know what the competition is by dividing the state into four regions. He said that Watauga County is in the west region and there are 30 counties in this region. In 2011, there were 17 applications submitted for 2012 and there were six awards given. He said that United Developers submitted three applications in three different counties this year and they were awarded three different applications. These properties are in the process of being closed and construction will start in the very near future.

Mr. Owen explained that United Developers requested this zoning change because it would allow United Developers to submit their application to the North Carolina Housing Finance Agency by the deadline of January 25, 2013. He said he would be notified of the site score by March 29, 2013. Then, they would submit their final application by May 17, 2013. Then, the tax credit awards would be made in August of 2013. Mr. Owen said that if everything goes the way they need it to for this project; they will be able to begin construction weather permitting by the first of 2014. Mr. Owen said that United Developers have already commissioned a preliminary market study to be completed. He said that United Developers have found that there is a need for affordable housing everywhere. Mr. Owen said that he learned from the market study that there has never been a tax award given in Watauga County or in Boone, North Carolina. Mr. Owen said that the market study indicated that there is a dire need for affordable housing in this market.

Mr. Owen talked about the local median income being at or below 60 percent. This information is outlined in a letter to the Town of Boone from United Developers dated November 27, 2012. Mr. Owen said that their tenants are typically working people. Mr. Owen described the contents of the rental units that United Developers provides for their tenants. Mr. Owen said that United Developers targets working families.

Mr. Owen went over the proposed plans for this project. Mr. Owen gave the breakdown of the rental units for this proposed project.

Mr. Owen said that on Tuesday, December 4, 2012 United Developers invited 22 property owners to a meeting at the Town of Boone Council Chambers located at 1500 Blowing Rock Road to answer questions from the neighborhood. Mr. Owen said they had a very productive meeting. He told the property owners that United Developers is required to make this project handicap accessible. He said that handicap parking places would have to be installed, in addition to a walking trail or picnic area. The property owners asked about lighting and said they were concerned about their privacy. He said that United Developers are planning on developing less than ten acres for this project. Chairperson Bunk Spann asked if the surrounding residents from

the neighborhood would be able to use this park without a liability issue. Mr. Owen said that the park is intended for the use of the residents of the development.

Mr. Owen talked about the layout of the office building and community room. He said these areas would be wired for high-speed internet and there would be computers and supplies for the tenants to use who do not have them in their units.

Mr. Owen showed photos of actual developments that United Developers have completed in North Carolina and South Carolina. While showing these photos, Mr. Owen noted that through the North Carolina Housing Finance agency program there is an annual compliance review done for these developments. He said this program is probably one of the mostly regulated programs in the housing industry. He said that internally United Developers does a quarterly review on the landlords and tenants to make sure they are in compliance.

Mr. Owen asked if there were any questions from the Town Council or Planning Commission members. Council Member Mason asked if there would be a residential manager on site. He said the manager would be a local person that would work full time but would not live on site. Council Member Brantz asked about the environmental friendliness of this development in particular solar usage. Mr. Owen said that first of all there would have to be an environmental study done in Phase I of the proposed project. Mr. Owen said there are certain restrictions for landscaping that have to be met for this proposed project. Mr. Owen said that United Developers is not into solar usage yet. Mr. Jim Smith of United Developers said that all of their appliances that would go into the rental units are energy-star certified and this would include the HVAC units.

Planning Commission Member McCracken asked if all residents at this proposed development would have to meet the 60 percent median income. Mr. Owen said no and he explained the three different rent structures. Mr. Owen said United Developers is targeting families earning between 40 percent to 60 percent of the median income. Mr. Owen noted that the Watauga County median income is currently at \$58,900. Mr. Owen said the state levels for Watauga County are low, moderate and high. He said that Watauga County is based on moderate. As a result, 25 percent of the tenants have to be at the 40 percent rent structure.

Mayor Pro-Tem Leigh asked Mr. Owen if there was an estimate for the amount of cars for the 72 apartments and 164 bedrooms. Mr. Smith said they are looking at one to one and one-half spaces.

Planning Commission Member Buathier asked Mr. Smith, if they allowed animals in their units. Mr. Smith said they only allow service animals.

Planning Commission Vice-Chairperson Woolridge asked Mr. Owen if United Developers would be the owners of the proposed development and would United Developers be paying the municipal taxes. Mr. Owen said yes to both questions.

Planning Commission Member Alexander asked Mr. Owens, if this proposed project was dependent on getting the tax credit. Mr. Owen said yes. Mr. Owen talked about the things that United Developers has going in their favor like the market study that indicated that there is a tremendous need for affordable housing in this area, there has never been a tax award in Boone and the Boone Town Council recognizes a need for affordable housing.

Planning Commission Member Simmons went over the statistics of the applications submitted to show the success of the outcome of the applications that were awarded to United Developers. United Developers submitted three applications in three different regions and were awarded three applications. Mr. Owen said that 162 applications were submitted statewide and 42 applications were approved statewide. Planning Commission Member Simmons asked how do you submit three applications and get awarded three applications. Mr. Owen said that United Developers submitted three applications in South Carolina and did not receive any awarded applications. Mr. Owen said that United Developers does enjoy a tremendous reputation with the North Carolina Housing Finance Agencies. Mr. Owen said there is only so much money available. Mr. Smith said their success rate in North Carolina has been 75 percent to 80 percent. Mr. Owen said that South Carolina is a poorer state then North Carolina and South Carolina only funded 16 applications last year as compared to 42 applications in North Carolina. Mr. Owen said this year at the North Carolina Finance Agency meeting United Developers received an award for design on three of their developments in Fayetteville, North Carolina.

Planning Commission Member Simmons asked if most of the benchmarks at the state level were calculated annually more commonly than monthly in terms of income. Mr. Owen said that county median income is calculated annually and it is done by HUD. Mr. Owen said that United Developers just received their report and the report showed some of the counties going down. Mr. Owen said that Johnston County went down \$4,000.00. Planning Commission Member Simmons said that some of the benchmarks in the UDO are calculated on monthly incomes.

Mr. Jim Smith from United Developers came to the podium and elaborated on the calculations done by HUD.

Planning Commission Chairperson Spann asked about the clientele of people at the other United Developers projects. Mr. Smith said that for the program they are in; United Developers is not about student housing because they do not qualify for the program United Developers is in and it is against Internal Revenue Service regulations. Mr. Smith clarified that a full-time student cannot live in their developments under this program not just in Boone, North Carolina but anywhere based on the current IRS regulations. Mr. Smith said the rent and the utilities expenses are based on the number of bedrooms for working families and everyone pays the same rent amount.

Planning Commission Member McCracken referred to the letter from United Developers to the Town of Boone, dated November 27, 2012 and she asked about the third sentence in the second paragraph regarding keeping the rents affordable for a period of 15 to 30 years for families and individuals with incomes at or below 60 percent of the local median income to be eligible for the tax credit. Member McCracken asked what is the life expectancy of the apartments is and what is the average length of time a tenant would live there or is there a lot of turnover. Mr. Smith said that the length of time fluctuates. Mr. Smith said the elderly seem to be more stable in their time spent in their developments. Mr. Smith said that United Developers will keep the units affordable for 30 years.

Member Simmons asked Mr. Smith, if in their other developments, if they have enough people to make use of the two bedroom units. Mr. Smith said yes they do and United Developers has rules they go by to determine the maximum people per bedroom.

Council Member Mason asked Mr. Smith to clarify the discrepancy of the land size from 12.22 acres to 10.83 acres. Mr. Smith referred to the proposed map; he explained how United Developers is proposing to use the three parcels to keep the developed area below Mr. Dana Clawson's house above the development. Mr. Smith said United Developers is proposing to develop approximately 9.86 acres.

Mr. Owen elaborated on the tenant profile for this type of development. He said the tenants are school teachers, food handlers, Walmart workers, handicap and elderly. Mr. Owen said they have waiting lists for this type of affordable housing. Mr. Owen said for a 30 year program United Developers is required to have an Operational Fund to make sure the development can keep going if there are vacant units and a Maintenance Fund for major repair expense. Mr. Owen said the replacement reserves build annually.

Planning Commission Chairperson Spann asked how the process will work for maintenance issues. Mr. Smith said there will be local contractors that will not live on site to handle emergency repairs.

The first speaker was Mr. Wayne Clawson who lives at 146 Clawson Street. Mr. Clawson supports the proposed project. Mr. Clawson explained the three reasons why he and his family chose United Developers. Mr. Clawson said his family liked their history of keeping and managing their properties, how they screened their residents by doing credit checks and background checks on them and how they were proposing to use the density of the property for the development.

The second speaker was Mr. Brian Crutchfield who lives at 930 Hunting Hills Lane. Mr. Crutchfield is recently retired as the Director of Sustainable Development at Blue Ridge Electric. He has lived in Boone for 25 years. Mr. Crutchfield is in support of this proposed project. Mr. Crutchfield has worked with some of the members of the Town of Boone Affordable Housing Task Force. Mr. Crutchfield has worked with the High Country United Way Vision Council which looked at health, education and income and how they could address the root problems in our community. Mr. Crutchfield has served on the income committee. And he said one of their concerns was affordable housing. Mr. Crutchfield talked about the levels of income needed for people to get into one of these proposed units.

Mr. Owen elaborated on the percentages of the income levels. Mr. Owen said the tenants can make up to 40 percent of income. Mr. Owen said for example, the tenants could make 25 percent providing they have gone through the application process.

Mr. Owen talked about site scoring which means the proposed development has to be within one mile of a grocery store, pharmacy and or a shopping center. Mr. Owen said this is why United Developers was interested in this location for this proposed project. Mr. Owen said that developers experience is a factor in this program. Since United Developers have been in the tax credit program they have been awarded over 40 tax credits in North Carolina and South Carolina. Mr. Owen noted that from a site standpoint, the proposed site is site competitive.

Planning Commission Member Cherry asked about the Meadow Hill Apartments and if they are in the tax credit program. Mr. Owen said no they are not in a tax credit program but he thinks they are in a HUD program. Mr. Owen said he is not sure but he thinks they are subsidized units.

Planning Commission Member Cherry asked if the Meadow Hill Apartments would have the same clientele as this proposed project. Mr. Owen said the Meadow Hill Apartments would be a different targeted client.

Planning Commission Member Lippard joined the meeting at 5:49 p.m.

Planning Commission Member Simmons asked if the Planning Commission recommends approval of this rezoning request and the Town Council approves it, the three-year vesting will be good, if the tax credit is approved or not. Mr. Bailey said that is correct.

Mayor Pro-Tem Leigh closed the public hearing.

ADJOURNMENT

Mayor Pro-Tem Leigh adjourned the meeting at 5:50 p.m.

Marlene Crosby, Admin. Specialist

Jamie Leigh, Mayor Pro-Tem