

We thank our **Investors' Council** members:

- [Wachovia](#)
- [SunTrust](#)
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- [Federal Home Loan Bank of Atlanta](#)
- [RBC Centura](#)
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- [Bank of America](#)
- [Carolina First Bank](#)

[Announcements/Jobs](#)

[Member Spotlight](#)

[This Week's Articles:](#)

Rules on mobile homes debated

Housing reform gets early OK

Minimum wage falls well short for renters

Study: Wataugans can't afford to live in county

Changed neighborhoods, mixed feelings

FEMA to restart Katrina housing program this week

Angel heralds a fresh start

Developer gives up on affordable building

He aims to alter rules of public housing

GOOD USE: Habitat for Humanity builds houses and tears them down, too

Non-profit group donates home to Duffyfield woman

Loophole for lenders

Fate of NoDa mill buildings a question of priorities

Executive Director's Notes

January 3, 2007

Happy New Year! I hope all of you got some sort of break and rest through the holiday season. I enjoyed some nice time away from the office, but already feel like we are back in the thick of things already.

You will notice our new email format. We are trying to incorporate a more reader-friendly email and have added a feature that allows us to send formatted mass emails from our database now. [This will allow you to see the first page in your email and then click on the link at the bottom of this page to read the whole Update in Adobe PDF format on our website.](#)

North Carolina Housing News

The **2006 Out of Reach** report by the National Low Income Housing Coalition was released before Christmas (see below for link to full data). NC's Housing Wage rose to **\$12.61** from \$12.15 a year ago. This rise in rental costs means now that 43% of NC's renters cannot afford a Fair Market Rent 2 bedroom apartment. Rent for this type of unit has increased almost 20% in the past five years in NC.

Articles in this Update include: Manufactured housing rules debated in Catawba County, Housing Wage Out of Reach in Asheville, Watauga County residents can't afford to live there, Charlotte Neighborhoods targeted for gentrification, FEMA restarts Katrina housing program, A working single mom struggles for housing in Raleigh, Asheville nonprofit gives up on housing production, Charlotte Housing Authority wants time limits, Habitat's Re-use program in Raleigh, New Bern nonprofit provides homeownership opportunities, Set Back for NC's Predatory Lending Law, and several others.

Member Spotlight

Please note our new member spotlight this month is the **Greensboro Housing Coalition**. Beth McKee Huger and her staff have been real leaders in NC on the issues of healthy housing and we are collaborating with them on using some NC research on this issue to increase local government involvement in code enforcement and rehab of affordable rental properties.

Membership Survey!!!

We are interested in getting your feedback. Please take the time to complete a short member survey to give us your thoughts on our work, services and conference. This is important information that will help us in our planning and increase our ability to keep the Housing Coalition growing. [Clicking on this link will take you a page on our website that will explain more about the survey.](#) It is a web-based document that should only take you a few minutes to fill out.

National Housing News

Out of Reach 2006 has been released! The National Low Income Housing Coalition released the *2006 Out of Reach* Report in December. The report is available online and in paper format from them. This provides Housing Wage data for every county in the US each year based on HUD and Census data. To see the NC data section of their website, [click here](#).

Please visit our [Federal Housing Budget Update](#) page on our website to see the four Housing Priorities as proposed by the **National Low Income Housing Coalition**. Click [here](#) to view that page to get the latest on HUD, USDA, and especially CDBG funding recommendations.

Annual Housing Conference - Save the Date!

Our **2007 Annual Housing Conference with CICNC** is scheduled for **May 8th & 9th** in **Winston-Salem** again. Please mark your calendars now! As part of the conference planning we will be convening an **Outreach Committee** to assist with planning the workshops offered at the conference. Participation on this committee is open to any member of the Housing Coalition. [If you are interested, please contact John Niffenegger at jniff\(at\)nchousing.org.](#)

To read the full Housing Update, click here. This will open an Adobe PDF document on our website.

Happy New Year,

Chris Estes
Executive Director

ANNOUNCEMENTS

NC Housing Coalition Member Satisfaction Survey is Online!

In order to better serve you in the future, we have developed a brief member satisfaction survey, available online. The purpose of this survey is to learn more about your perception of and experience with the NC Housing Coalition. Your responses will remain anonymous and confidential, and will be used to help us improve our services and better respond to the needs of our members. To take his survey, which should only take a couple of minutes to complete, please click [here](#).

Out of Reach 2006 Released

Out of Reach 2006, the **National Low Income Housing Coalition's** annual report that compares rental housing costs and income levels in states, metropolitan areas and counties nationwide, was released on December 12. To view the report, click [here](#).

Greensboro Housing Summit 2007: "Investing in Decent Housing: Doing it Right!"

January 10, 2007 from 9:30 a.m. -1:00 p.m. at Temple Emmanuel.

Everyone benefits when all the housing in Greensboro is safe and affordable! (And we *all* pay when it's not!) Details & registration information [HERE!](#)

North Carolina Housing Coalition invites you to attend a Fair Housing/ Reasonable Accommodations Training featuring representatives from the NC Justice Center, NC Department of Health and Human Services, and NC Legal Aid.

The training will focus on the rights and responsibilities of tenants with disabilities under federal Fair Housing laws, including Reasonable Accommodations, and NC Landlord-Tenant Law.

This training is **free** and **open to the public**, and targeted to **self advocates** and **service providers**.

- **Winterville (Greenville): January 22, 2007**
- **Fayetteville: January 25, 2007**
- Winston-Salem: January 29, 2007 (Currently filled)
- Gastonia: January 30, 2007 (Currently filled)
- **Asheville: January 31, 2007**
- Raleigh: February 1, 2007 (Currently filled)

Due to room limitations, **registration is required before January 15, 2007.**

For more information, click [here](#).

Applications Open for Winter Project

Western Carolina Community Action (WCCA) is now taking applications for assistance for weatherization work, including insulating, air sealing and tightening of dwellings.

WCCA is also taking applications for the Heating Appliance Repair or Replacement Program.

The work will be done from now until June 30. The programs are for low-income persons and landlords.

Applicants may contact Rhonda Maybin at 693-1711 to make an appointment or for more information.

2006 Small Cities Community Development Block Grant (CDBG) Capacity Building Program

The **Division of Community Assistance (DCA)** will open the window for the Capacity Building Program on **January 3, 2007**. The Capacity Building Program provides grants to assist local non-profits in partnership with their local governments in developing appropriate and competitive projects using state Community Development Block Grant (CDBG) funds. Non-profits must have a 501-C-3 designation to participate. The non-profit also must have been in operation for three or more years with a functioning board, an organizational structure, and an income stream funding current operations.

The non-profit would use the Capacity Building funds to apply for a future CDBG eligible program. The following programs are eligible Capacity Building projects:

- Housing Development
- Community Revitalization
- Infrastructure
- Scattered Sites Housing
- Individual Development Account

The funding window will remain open until all funds are awarded or March 1, 2007 whichever comes first. The maximum grant amount is \$75,000. The following process must be followed in order to be considered for funding:

For more information on the Capacity Building Program contact Iris Payne at (919) 733-2850.

Appalachian State University's Energy Center has developed an Affordable Passive Solar Planbook. Also available are 12 sets of full working drawings for free to affordable housing groups. Eight of the plans already built have also completed the Systems Vision program in order to become Energy Star certified.

For more information please contact Lee F. Ball Jr., Building Science Instructor & ASU Energy

Center Research Analyst, at:

Department of Technology
Appalachian State University
Kerr Scott Hall
Boone, NC 28608

Phone: 828-262-7289; Fax 828-265-8696; Email: balllf@appstate.edu

Final 2007 Qualified Allocation Plan is available on the NC Housing Finance Agency website:

<http://www.nchfa.com/Rental/RD2007qap.aspx>

The 2007 preliminary application for Housing Credits is now available on the NC Housing Finance Agency website:

www.nchfa.org/Rental/RTCApp/

The City of Raleigh has an RFQ for the development of an Analysis of Impediments to Fair Housing Choice available.

Please spread the word. For more information, contact Joseph Rappl at (919) 857-4343 or joseph.rappl@ci.raleigh.nc.us.

DHIC recently opened the application process for an 80 unit mixed-income affordable housing rental community near Davie Street and East Street in downtown Raleigh.

The completion of the Carlton Place community is expected in **January 2007**. Sixty-four of the apartments will be reserved for residents with limited incomes. Carlton Place will provide an attractive and affordable rental housing option for those who want to live in the area. Carlton Place is located two blocks east of Downtown Raleigh in a neighborhood that has been the primary focus of the City of Raleigh's redevelopment efforts over the past 15 years. The Downtown East neighborhood where Carlton Place is located is predominantly residential with supporting uses such as schools and parks. Residents will have access to a wide range of amenities. Downtown Raleigh offers easy access to transportation, restaurants, banks, pharmacies, health care facilities, businesses, educational and entertainment opportunities. DHIC also received a Home Depot Foundation Grant dedicated to incorporating green building features, such as energy star appliances, low VOC carpet and paint, fluorescent light fixtures, long life bulbs and low-flow plumbing fixtures.

As part of the DHHS & NCHFA Targeting Plan, DHIC has partnered with Wake County Human Services (WCHS) to act as the lead agency in the referral process for eight units that have been reserved for individuals/families with a head-of-household who has a disability. Actual rents charged to residents that WCHS refers will be based on a standard where households will be

required to pay no more than 30% of gross income for total housing costs, which include rent and utilities. Wake County Human Services (WCHS) will assure that residents of the targeted apartments are offered necessary support services. These clients may have mental health diagnoses, developmental or physical disabilities, or substance abuse disorders, and they may be formerly homeless. WCHS provides and will continue to provide services to these client referrals, including case management, support services such as Community-Based Service and Personal Assistance, vocational services such as ADVP and Supported Employment, supported leisure/recreational/retirement, and residential services.

For more information, please visit the DHIC website listed below:

http://www.dhic.org/apartment_communities/wake_co/carlton_place.html

Register Now for the 2007 NLIHC Annual Policy Conference and Lobby Day, February 26-27 in Washington DC

[Details and registration information are available here.](#)

Support the **NC Housing Coalition** by using www.goodsearch.com when you search the web. Just enter in NC Housing Coalition as your charity of choice, and money from Goodsearch's advertisers will be donated to us without you spending a dime!

[TOP OF PAGE](#)

JOB OPENINGS

Commercial Loan Officer

Self-Help, a statewide non-profit, seeks Commercial Loan Officer for Wilmington office. This position involves work with commercial lending team; originating loans, participating in outreach programs, marketing and analyzing loan requests. Bachelor's degree and 4 years small business lending, assistance or management experience are favorable. Strong communication skills required. Spanish fluency a plus. Equivalent combination of education and experience may be considered. Competitive non-profit salary plus generous benefits. Send resume and cover letter to Hiring Manager - Wilmington, PO Box 3619, Durham, NC 27702 or email to hiringmanager@self-help.org. See www.self-help.org for full description. Self-Help is an equal opportunity employer. Women and people of color are encouraged to apply.

END OF ANNOUNCEMENTS/JOB OPENINGS

Please email [John Niffenegger](mailto:John.Niffenegger@self-help.org) any announcements or local news articles you would like to include in our weekly housing updates.

[TOP OF PAGE](#)

MEMBER SPOTLIGHT – GREENSBORO HOUSING COALITION

Greensboro Housing Coalition (GHC) was formed in 1989 as a recommendation of the VISIONS taskforce that recognized the housing needs of our community. With the mission of advocating for decent affordable housing for low and moderate-income people and those with special needs, GHC began the Housing Hotline to respond to questions about housing problems and opportunities—and has continued to learn from our callers about unmet community needs. GHC has expanded housing options through facilitating collaboration around homelessness, housing safety, and information about affordable housing.

A HUD-approved Comprehensive Housing Counseling Agency since early 2003, GHC's nationally-certified housing counselors provide homebuyer education and foreclosure counseling in Spanish and English. Experienced housing counselors help homeless individuals and families seek housing and prevent homelessness when households face eviction or condemnation of their current housing. GHC brought SocialServe.com to Greensboro in late 2004 to streamline tenant searches for private rental units and help landlords fill their vacancies.

GHC has helped Greensboro become a model among national healthy homes advocates for our effective community outreach for lead poisoning prevention, Healthy Homes Bus Tour, homeowner repair programs, and the policy changes resulting from public awareness of unsafe housing conditions. In 2006 GHC hosted the first NC Healthy Homes Stakeholders Meeting to bring together health, housing, energy, and green-building stakeholders to work cooperatively through the **NC Housing Coalition** network.

Our organization invests in our community in several ways:

- Educating and counseling homebuyers, homeowners, tenants, homeless families, and landlords about rights, responsibilities and available resources for **safe, affordable housing**
- Providing a **housing information** clearing-house about housing programs and policies, statistics about housing needs, and opportunities for participation
- Forming partnerships among diverse stakeholders to address complex housing needs, including ending **homelessness and substandard housing**

Greensboro Housing Coalition is a member of **NC Housing Coalition** to advocate more effectively at the state and national level for policies and programs that promote decent housing.

If you are interested in becoming a Member Spotlight or know of such an organization, please email [John Niffenegger](mailto:John.Niffenegger@ncshousing.org).

WELCOME NEW MEMBERS

Patrick Brown
CASA
Willard Gourley
WAGES

[TOP OF PAGE](#)

THIS WEEK'S ARTICLES

Rules on mobile homes debated

Workshop Monday tackles 3rd hot topic in land-use plan for unincorporated areas

The Charlotte Observer
Hannah Mitchell
December 14, 2006

Among the complaints that people have about a proposed land-development code for Catawba County's unincorporated areas, rules on home businesses, minimum lot sizes and trailer homes top the list.

At public hearings on the proposal, many people called staff recommendations on those issues too restrictive.

So, one by one, county commissioners are discussing the three hot topics at workshops before they consider adopting the code.

Commissioners already have looked at minimum lot sizes and home businesses.

Individual community plans written by citizen volunteers form the skeleton of the proposed code. Planners are now working on the details, including the issues that stirred the most opposition from homeowners and business people.

Rules on trailers inspired some of the hottest criticism. Planners originally suggested that people could replace a trailer home only with a double-wide model, no single-wides. Now they're proposing people also be allowed to replace a single-wide with another single-wide.

That means that all of the 9,700 trailers in place today, or a third of the county's housing stock, could be replaced, said county planning director Jacky Eubanks.

They're also recommending that the county allow trailers as accessory dwellings in certain areas, if owners get a permit.

That means, for instance, that parents could allow their adult children to place a trailer in the parents' yard.

But under the proposed ordinance, Eubanks said, new double-wides would be limited to just 18 percent of the unincorporated area of the county, compared with 90 percent today.

Sherri Frazier, who develops trailer home subdivisions in the county, is concerned about limits on trailers.

But she acknowledged that it's hard to balance the need for affordable housing with other interests, such as increasing the tax base.

[TOP OF PAGE](#)

Housing reform gets early OK

New program approved for mentally ill adults now in rest homes

The Charlotte Observer
Eric Frazier
December 13, 2006

RALEIGH - A panel of N.C. lawmakers gave preliminary approval Tuesday to plans for supplying new housing for mentally ill adults now living in rest homes.

The panel, composed of legislators from the N.C. General Assembly's key committees on mental health and aging, approved a package of recommendations that include creating a new type of residential treatment program for mentally ill adults whose behavior is too difficult for rest homes to handle.

The plans come in the wake of public outcry over highly publicized incidents in which mentally ill people have wandered from rest homes, known as adult care homes in North Carolina.

This year, for instance, a dementia sufferer and a man with schizophrenia wandered off in separate incidents from the same Cleveland County adult care home. One man was found dead in nearby woods, while the other was found alive 100 miles away.

The home, Unique Living, has been barred from admitting new residents.

Critics say the state's 1,300 adult care homes lack proper staffing or training to care for the mentally ill, and that the mixture endangers geriatric residents.

But since state rules allow mentally ill people to be placed in rest homes, the centers have emerged as a convenient place to put those being moved out of large mental hospitals under the state's mental health reform plan.

State leaders convened the special panel of lawmakers this year to rectify the problems.

[TOP OF PAGE](#)

Minimum wage falls well short for renters

The Asheville Citizen-Times
Leslie Boyd and Ellyn Ferguson
December 13, 2006

Affordable one or two-bedroom rental housing remains beyond the means of most low-income Americans with full-time jobs paying the federal minimum wage of \$5.15 an hour, according to a report issued Tuesday by a housing advocacy group.

On average, a worker would need to earn at least \$16.31 an hour to afford a modest two-bedroom rental, the National Low Income Housing Coalition said in its annual Out of Reach report. Last year, someone working 40 hours a week for 52 weeks without vacation or time off for illness needed \$15.37 an hour to rent the same unit.

The report defines affordable rentals as housing that takes 30 percent or less of a worker's income.

One-third of U.S. households — 36 million — rent their housing, according to the coalition.

The report's findings didn't surprise Mark Siler, co-chair of the Asheville-Buncombe Living Wage Campaign.

"Our own research bears it out," Siler said. "People are working harder for less. It's clear, and it's getting worse."

Across the country, wages aren't keeping pace with the cost of rental housing, the report says. In North Carolina, the median price for a two-bedroom apartment rose to \$656, a 20 percent increase since 2000, according to the report. In Cherokee County, the median price for a two-bedroom apartment rose 50 percent.

The local Living Wage Campaign is developing a plan that it will take before Asheville City Council in the coming months that would require jobs funded by tax dollars to pay a wage that allows workers to afford to live in the community where they work.

Philippe Rosse, director of the Affordable Housing Coalition of Asheville, said people who can't find affordable housing often pay up to 50 percent of their income in rent, they live in substandard housing, move farther out of town or stay with relatives or friends.

"These aren't young people just out of college," Rosse said. "This is a large segment of our workforce."

Workers who make the minimum wage of \$5.15 an hour (in North Carolina it will rise to \$6.15 Jan. 1), can afford only \$268 per month for housing under guidelines that say housing should cost no more than 30 percent of the renter's income. The median price for a studio apartment in the state is \$510.

Beth Maczka, former director of the Affordable Housing Coalition of Asheville, said higher wages for workers is a big part of the solution.

"It's essential that people have the dignity of work and making enough to live without having to ask for charity," she said. "There will always be some people needing public support, but people who work shouldn't have to."

U.S. Rep. Barney Frank, D-Mass., said one priority is creating a national affordable housing trust fund largely funded through 5 percent of the after-tax profits contributed by Freddie Mac and Fannie Mae, two government-backed companies that help provide money to the home mortgage industry. The after-tax proposal was part of a reform bill that failed to clear Congress earlier this year.

Sheila Crowley, National Low Income Housing Coalition president, said that even an increase in the federal minimum wage to \$7.25 an hour, as proposed by Democrats, would still leave millions of low-income workers struggling to pay for housing and other necessities.

Crowley's organization backs the creation of a national housing trust fund that could spur construction of up to 1.5 million new units.

The group also is calling for 100,000 new federal housing vouchers to provide rental aid to the poor.

When a low-income worker spends more than 30 percent of earnings on housing, Crowley said, "You have to juggle. You have to make adjustments — none of them good."

Food, child care and other basics are likely to be cut, she said.

Two bedroom apartment rents

County Median rent

Avery \$585

Buncombe \$620

Cherokee \$519

Clay \$529

Graham \$529

Haywood \$552

Henderson \$620

Jackson \$586

Macon \$552

Madison \$620

McDowell \$579

Mitchell \$585

Polk \$596

Rutherford \$583

Swain \$519

Transylvania \$527

Watauga \$665

Yancey \$519

North Carolina \$656

Source: National Low Income Housing Coalition

Study: Wataugans can't afford to live in county

Watauga Democrat
Scott Nicholson
December 18, 2006

A new housing study suggests that most Watauga County residents can't really afford to live here.

The study, Out of Reach 2006, was jointly released by the Washington, D.C.-based National Low Income Housing Coalition and the **North Carolina Housing Coalition**, whose director **Chris Estes** said 58 percent of the county's residents didn't earn enough to comfortably rent a modest apartment.

Estes said the study compares Department of Housing and Urban Development data with information gathered through telephone surveys to come up with comparisons of wages versus housing costs.

In Watauga County, the "housing wage" is measured at \$12.79 an hour, which is the amount a household would need to earn to pay fair-market rent for a two-bedroom apartment. **Estes** said the standard apartment is measured at slightly below the average rental cost, so the data isn't overly skewed for condominiums or other high-cost rentals.

Estes said Watauga's housing market was already skewed because of Appalachian State University students. The data also suggests a housing gap between the actual wage and the wage needed to rent in the county. The influence of the service-job market, largely because of tourism, keeps the average wage relatively low, at \$6.77 an hour. **Estes** admits this data is not much of a surprise, and said other college towns faced similar crunches, citing Greenville and Chapel Hill as other examples where housing costs are higher than the local wage rates would indicate. The Raleigh metropolitan area had the highest housing wage at \$16.35

By comparison, the state average of people who aren't earning enough to pay for a two-bedroom apartment is 43 percent, though **Estes** said Watauga's average rent increase of 20 percent since 2000 is comparable to the statewide increases.

Rob Holton, a local property rental manager as well as chairman of the county's Economic Development Commission, said many of the issues are related, and high land values, high cost of development, and the difficulty for workers to find affordable housing create a vicious cycle. Holton also suggested that land-use regulations, though well-intentioned, add to the overall cost of construction and further the problem. Holton said the aging of the working population might lead to a shortage of jobs because younger workers won't be able to afford to move in and replace them once they retire. However, he predicts wages will eventually rise because workers will still be needed.

Holton said government and private entities needed to work together to address the problem, as the county is exploring for its Brookshire Road property. One idea is to provide infrastructure for the project, then let a non-profit agency build the homes, which might be earmarked for those as a certain income level and could only be resold to those in the same income bracket.

Holton said long-term solutions depended on adopting a homestead exemption act to help protect existing, year-round homeowners and providing water and sewer service in certain areas that are more suitable for dense development. However, the problems of topography and the continual pressure of second-home owners are issues that won't go away.

Holton said the cost of two-bedroom apartments ranged from \$500 to \$1,200 a month in Boone. He said the escalating cost of insurance and taxes also added to the cost of providing more housing. Housing costs have also been blamed for difficulty in recruiting young professionals and teachers to the area.

"It's more complicated than a supply-and-demand issue," **Estes** said. "It's the quality of life of a community. If you build with a plan, it's easier to move about. You don't want to let random impacts create a community where you don't want to live and where you can't find a work force."

Estes said affordable housing affected business location, traffic, and visitor desirability. "The work force has to come from somewhere," he said. "If people live out of the county and have to drive in, you're creating more traffic and the tax base leaves. The fact is, we don't live by ourselves. We live in communities, with community education, fire and police protection, and other services, and it requires collaborative thinking to address that."

Estes said the federal and state governments should provide more funds for affordable housing and that local governments could also play a role, whether through providing land or offering incentives to developers, tactics which are currently pursued by both the Town of Boone and Watauga County governments.

Boone planners often are more favorable to projects that claim to offer affordable housing, and the county has proposed a partnership to build affordable housing on county-owned land. Water and sewer access is another factor, as it can lower the cost per unit in housing construction.

Ashe County is seeing rental rates rising faster than the state average, at 38 percent, nearly double Watauga County's rate and the state average. Avery County's is comparable to Watauga's, which **Estes** attributed to an older population that is more likely to be homeowners.

Estes said the elderly would continue to find it difficult to put a roof over their heads. "For seniors on fixed incomes, those folks are completely locked out," **Estes** said. "There's a waiting list for Section 8 (HUD subsidy) vouchers."

Other people considered to be in difficult housing situations are those with disabilities, single-earner households, and people who are in a crisis such as domestic violence.

North Carolina's housing wage ranks 22nd in the country. Nationally, a household needs to earn \$16.31 per hour to afford a two-bedroom apartment.

[TOP OF PAGE](#)

Changed neighborhoods, mixed feelings

Some residents welcome upgrades; others fear more-costly housing

The Charlotte Observer
Fred Kelly
December 17, 2006

The anticipation of new condominiums and renovated houses has spread hope and fear in some of Charlotte's most distressed neighborhoods.

Residents are divided over whether new interest from investors will mean a better future or displace poor people who have established roots near uptown.

Near Johnson C. Smith University, LaForest Williams is pleased that six single-family homes will replace the vacant apartment buildings across the street from her home.

"Now, I don't have to deal with the old culture," said Williams, who has lived in the neighborhood since 1972.

"I don't have to deal with the drugs. I don't have to look at the prostitutes."

Across town, Karen Jensen is protesting a developer's plan to demolish 63 homes and replace them with condominiums and townhouses in the historically black Cherry neighborhood near the Interstate 277 loop.

Jensen moved to the neighborhood a year ago but is afraid that new development will force her new acquaintances to move because rents will rise.

"There will be nothing of Cherry left," she said.

City officials and investors have identified nine neighborhoods most likely for gentrification: Belmont, Villa Heights, Lockwood, Seversville, Biddleville, Smallwood, Wilmore, Cherry and Washington Heights.

Recently near Plaza-Midwood, families hauled furniture and other possessions from duplexes and quadraplexes. Owner Michael Doney evicted them because he plans to demolish the building.

The tenants moved their belongings in cars, vans and pickups because they could not afford moving trucks, some said.

Most said they had found new homes but would pay far more. Their old apartment rented for roughly \$300 a month.

Doney and a group of investors bought the buildings last year. He said he does not know what he wants to do with the property but never intended "to be a landlord."

Social workers say speculators are reducing the city's supply of affordable housing. Investors often demolish homes that rented for \$300 to \$400 and replace them with expensive single-family homes and condominiums, social workers say.

A 2005 city report shows that Charlotte is short more than 11,000 housing units affordable to people who make less than \$16,000 a year. By 2010, the report says, the shortage will grow to roughly 17,000.

City Councilwoman Susan Burgess said the city is trying to balance the need for affordable housing and new investment. Burgess said the city spent \$45 million in the last five years to create affordable housing.

Real estate investor Scott Patterson says developers deserve praise, not blame. Often, he said, poor people move from dilapidated homes to better places when investors renovate properties.

Existing homeowners also reap benefits, Patterson said. Redevelopment often doubles or triples the value of nearby homes, he said.

[TOP OF PAGE](#)

FEMA to restart Katrina housing program this week

The Charlotte Observer
Associated Press
December 19, 2006

WASHINGTON - The Bush administration will restart a housing program for Hurricane Katrina victims and begin explaining to thousands of evacuees why their aid was cut off this summer.

A federal judge ruled last month that the Federal Emergency Management Agency violated the Constitution when it eliminated short-term housing assistance and provided victims only confusing computer-generated codes to explain its decision.

FEMA officials testified in court yesterday that the agency could restore the system this week but did not say how soon Texas officials could begin receiving money to cover housing for Katrina evacuees -- about 750 dollars a month per family. Officials also said they were working to produce easily understandable letters from an outdated computer system to explain why the aid was eliminated and how to appeal the decision.

James Walke, a FEMA section chief, originally testified that it would take until Friday to prepare documentation to restart the program. But when he told the judge the documentation was only two pages, he was pressed to get it finished by this afternoon and Walke said he would.

[TOP OF PAGE](#)

Angel heralds a fresh start

The News & Observer
Ruth Sheehan, Staff Writer
December 25, 2006

To others, Lisa Douglas' talisman would be no more than a cheap dime-store ornament.

But to Douglas and her daughters, Alexandra, 7, and Carmela, 3, the chipped and tired-looking angel has been their "patron saint of adventure."

No matter where they've had to stay, from the women's shelter in Western North Carolina to the tent at Jordan Lake, their patron saint has gone along, hanging from a window latch or a rear-view mirror.

Douglas never dreamed she'd need such a thing.

A graduate of N.C. State, she was working as a molecular biochemical specialist for Hoffmann-LaRoche when her troubles began. She was a single parent, but she was pulling down more than \$100,000 a year. She owned a home on the greenway in Cary, in a pool-and-tennis community. She employed a nanny and a yard man.

Ironically, she and her older daughter used to volunteer with the Wake Interfaith Homeless Network, which gives homeless families temporary shelter at local churches while helping them get back on their feet.

"People think they are insulated," she said. "I thought I was insulated. I had a great job. I had a house. I had insurance."

But about five years ago, Douglas got sick. Not long after, she got involved with the wrong man.

The details are painful. Suffice it to say that within two years, she had no job, had lost her home to foreclosure and had a second daughter who is developmentally delayed.

She was finally diagnosed with a primary immune deficiency disease; she still suffers seizures and tremors, and needs transfusions every 21 days.

She and the girls bounced around. A church member. An old neighbor. The tent. A roach-infested dive.

At the last stop, her doctor told her, "If you stay in this environment, you will die."

But the shelters were full. And Douglas had tapped every resource she knew.

"There was no room at the inn," she said. "We were going to be on the street living in the car."

That's when the Alliance of Disability Advocates came to the rescue, connecting Douglas with a joint state and federal program that is simple and effective.

Under a federal incentive program, developers get tax credits for building affordable housing. Under a state program that's quickly becoming a national model, 10 percent of that housing is dedicated, or targeted, to people with disabilities.

For Douglas and her girls, all of the bureaucratic details translated to a brand-new apartment in North Raleigh earlier this month.

It has two bedrooms and one bath, and is handicapped accessible so, for example, Douglas can sit on a stool while preparing food. The subsidized rent: \$350 a month.

"I'm more excited about this than I was about buying my house in Cary," Douglas said.

Within days of moving in, Douglas had decked the place out with whatever Christmas gear she was able to keep from her former life, including elves that swing from the overhead fan.

On the Christmas tree hangs a cheap dime-store ornament, an angel with flowing hair, playing the harp.

Against all odds, the patron saint of adventure has found a home.

[TOP OF PAGE](#)

Developer gives up on affordable building

Low wages, high prices push agency to shift its focus

Asheville Citizen-Times

Mark Barrett

December 31, 2006 12:15 am

ASHEVILLE - A local nonprofit that has specialized in developing affordable single-family homes is getting out of the business, saying government regulations and rising land and construction costs make the job nearly impossible.

Neighborhood Housing Services will stop building homes and is shifting its efforts to helping low- and moderate-income buyers with financing to buy homes.

The 17-year-old organization is pulling the plug on its efforts to develop 44 housing units on Brotherton Avenue in West Asheville, putting that controversial project in limbo once again.

"The reality is that the market has literally just forced us out," said NHS executive director Christopher Slusher, who is leaving his job as of Monday.

NHS can no longer produce homes cheaply enough that low- and moderate-income buyers can afford to buy them, he said.

NHS started in 1989 with the mission of revitalizing the city's historic Montford neighborhood. As the neighborhood regained popularity and building in Montford became more and more expensive, NHS expanded into other areas of the city and has built more than 45 single-family homes since 2000 and 16 affordable apartments.

The agency has seven employees and a \$450,000 annual budget.

Relatively low wages and rising home prices driven in part by demand from people moving to the area have created concerns about the availability of housing affordable to working-class families in the Asheville area.

Asheville, Slusher says, is "being gentrified. We're beginning to hear stories of people leaving for places like Hickory because they can find better-paying jobs and more affordable housing."

Higher land prices

Government rules that accompany some of NHS' sources of funds impose paperwork requirements on contractors and hamper the agency's efforts to acquire land cheaply, Slusher said.

"Some of the subsidies that were so helpful for a long time, they don't fit" the current environment, said Betsy Reiser, a longtime member of the NHS board.

Changes in guidelines for city funds used in some affordable housing projects would help, but by themselves won't solve the problem, Slusher said.

And even if higher costs for land and materials were not a factor, "You can't find a contractor who will build an affordable 1,100-square-foot home because they're all out building a million-dollar spec home," he said.

"I think the Chamber of Commerce has done their job a little too well," attracting so many well-off people to the area that some locals are priced out of the market, he said.

Some for-profit developers are building affordable housing units as part of larger developments. The move sometimes means city rules allow them to build more densely and may smooth approval of a project by City Council.

"The future is we partner up with for-profit developers and say if you set aside so many units, we'll bring the customers and the financing to make that happen," Slusher said.

Lew Kraus, executive director of Asheville Area Habitat for Humanity, said his organization is also faced with higher costs as it builds homes.

"It's getting pretty scary," he said. If prices for land and materials continue to escalate, "We're going to be hard-pressed to provide affordable housing as well. We're going to have to look well outside the city limits for anything."

Habitat, which relies heavily on volunteer labor, has had to extend the time period for the mortgages it gives new homeowners to keep payments affordable.

Both Reiser and Kraus said it is time for more comprehensive planning for local efforts to provide affordable housing.

"There are so many great people who work here in this community in service jobs who can't afford to live here," Kraus said.

As a community, "We're in big trouble," Reiser said. "We need to sit down and ... get a whole new plan going."

Banking connections

Slusher said he is stepping aside as NHS' top employee partly because that job needs "somebody who's got a banking background and banking connections" and partly from a desire to work for himself.

He has headed NHS since 2000, arriving at a time when the organization was considering folding. Slusher said there might have been things NHS could have done to improve its ability to produce housing, but three-quarters of the problem is market conditions.

Slusher "got us out of a hole (in 2000), but we can't get out of this hole," Reiser said.

NHS became involved in the Brotherton Avenue project after a private developer pulled out in 2003. City government owns the 7.6-acre site and has pushed to have affordable housing built there, but the plans have encountered neighborhood opposition.

Charlotte Caplan, city community development director, said city staff will develop options for use of the property to present to City Council next year.

Slusher said the city may decide to punt.

"I think the city will sell the site to the highest bidder and let the highest bidder worry about what to do with it," he said.

[TOP OF PAGE](#)

He aims to alter rules of public housing

The Charlotte Observer
Michelle Crouch
December 29, 2006

Charles Woodyard is about to shake up public housing as Charlotte knows it.

The CEO of the Charlotte Housing Authority, Woodyard expects to get long-awaited permission from the federal government in early 2007 to operate outside many of its rules.

If that happens, Woodyard has big plans: Spend more money training residents; charge flat rents instead of a percentage of residents' pay; build more mixed-income communities across the city, and -- most controversially -- limit the time able-bodied tenants can stay.

"We're going to do business very differently," Woodyard says. "If you're young and healthy, you need to move up and out of public housing."

What's his background?

Originally from Shelby, Woodyard worked for the city of Charlotte for 12 years before moving to the Housing Authority as real estate vice president in 2000. He became CEO in 2002.

Why he'll make news

The authority will be among the first housing agencies in the U.S. to try term limits and the other changes Woodyard is considering. They come at a time when federal funding for public housing has been slashed, public awareness of homelessness is high, and housing agencies everywhere are searching for ways to stay afloat.

If Woodyard succeeds, Charlotte could become a model for the nation.

What are his challenges?

Critics say residency limits are too harsh and could add to Charlotte's homeless population, now estimated at 8,000. They also worry that Woodyard's plan to demolish traditional public housing complexes and build mixed-income communities could result in fewer units for the poor, though Woodyard has pledged to the federal government that will not happen.

Another obstacle: The authority will get 25 percent less federal money than it requested next year, so Woodyard will have to make tough decisions about how to invest and spend those dollars.

What's his strategy?

Woodyard says he has hired people who are smarter than he is, and he's pushing the authority to "act like a real estate company, not a governmental agency." He'll offer residents more support and training to help them become self-sufficient, and to change their mind-set about public housing.

What people say about him

"What's happening with the Charlotte Housing Authority is very important," says **Chris Estes**, executive director of the **N.C. Housing Coalition**. "It will help us answer the question: What will public housing be like in the U.S. in the next five years? Can it survive?"

CHARLES WOODYARD

CHARLOTTE HOUSING AUTHORITY CEO

Vital Stats

Age: 49.

Family: Wife, Mary; children, Brandon, 20, and Cameron, 9.

Where he came from: Originally from Shelby; moved here in 1988.

First impressions: "I always wanted to live in Charlotte. Being from Shelby, that was the big city to us."

Deepest desire: "That families in public housing live in a mixed-income environment ... so they aren't surrounded by other families who are in public housing."

Keeps him awake at night: "This job. I worry about how we're going to solve the next real estate deal, whether or not we're going to get enough funding from HUD, and making sure that when we get (deregulation) that we do it right and don't mess it up."

[TOP OF PAGE](#)

GOOD USE: Habitat for Humanity builds houses and tears them down, too

The News & Observer
December 31, 2006

Habitat for Humanity is known for building homes, but now it also tears them down. This fall, workers in the Wake County chapter began a program to demolish older homes and sell the kitchen sinks, chandeliers and hardwood floors they salvage.

It is a painstaking process, much slower than the typical demolition.

Instead of a handful of workers with bulldozers and other heavy equipment, Habitat uses dozens of volunteers with small tools. It takes weeks, not hours, of careful work to bring the house down.

"It's like a giant puzzle in reverse," said Woody Yates, the chapter's executive director.

Furnishings and building materials from the 13 homes and two offices demolished so far have been sold at a ReUse Center, a cavernous warehouse in north Raleigh. That has raised tens of thousands of dollars - enough to build 4 1/2 new houses.

It is more work than a typical demolition, but homeowners who have used the service say that it is worth the effort.

Steven Martin, a banker who is building a home near Raleigh's historic Mordecai neighborhood, said that professional demolition companies quoted him \$12,000 or more to tear down the lot's existing home.

Habitat charged \$6,000.

In addition, Martin and his wife, Sujittra, will be able to claim on their taxes the estimated \$10,000 worth of cabinets, countertops and lumber salvaged from the home as a charitable donation to Habitat.

"You add up the whole thing, and it makes a lot of sense," he said.

The program is one of a handful across the country, and it is more sophisticated than most. After deconstructing 10 homes for practice over the past two years, the chapter hired paid supervisors this fall to formally start the program.

The main reason for the service is financial, though it also benefits the environment.

A typical 2,000-square-foot house contains 30 to 50 tons of materials. In a regular demolition, almost all of that is taken to one of seven construction landfills that serve Wake County.

After a Habitat demolition, only seven to 10 tons is left over. The chapter sells that material to a local recycler, which chops the unusable lumber and shingles into chips for steam boilers. That can cut the waste in half again, meaning as much as 75 percent of a deconstructed home is reused in some fashion. So far, the deconstruction program has kept 320 tons of material from going to local landfills.

The volunteer crews are also less likely to hurt older trees and bushes because they don't use heavy construction equipment, which can damage roots.

Joel Lubell, the manager of the deconstruction program, said that older homes are a largely untapped resource.

Houses from the turn of the century have beautiful oak floors and finely crafted crown molding. Those from the 1950s have sturdy doors and high-quality framing. Homes from the '70s and '80s have good plumbing and light fixtures.

Habitat volunteers even helped during a recent taping of Extreme Makeover: Home Edition in Raleigh, taking cabinets and fixtures worth \$1,800 from a home in the Mordecai neighborhood.

Homeowners say that the only drawback to the program is that it takes a lot longer.

George Jordan, a real-estate developer who had his 1970s-era house in Cary torn down, said that it took about three weeks for the Habitat crew to clear the lot and remove all the material.

"You wouldn't want to do it if you're in a hurry," he said.

[TOP OF PAGE](#)

Non-profit group donates home to Duffyfield woman

New Bern Sun Journal
Lucie R. Willsie
January 2, 2007

Thelma Spivey feels blessed.

She was able to purchase the last home donated by Weyerhaeuser to the Neuse River Community Development Corp.

"It's a Godsend," Spivey said. "It's something I've been waiting on for a long time."

She is looking forward to spending her first New Year's in her own home, she said.

It took the help and cooperation of many in the community to make the dream of homeownership a reality for six local residents in the Duffyfield area over the last two years, said Theresa Lee, nonprofit coordinator for the City of New Bern.

In addition to Weyerhaeuser and NRCDC, the City of New Bern, the Self-Help Credit Union, the N.C. Housing Finance Agency, Fannie Mae, Craven County, New Bern Building Supply and the Greater Duffyfield Residents Council helped make home ownership a reality, Lee said.

"I appreciate it from the bottom of my heart," Spivey said.

But, this isn't the end to helping low-income residents become proud homeowners, Lee said. A new phase of rehabbing homes for ownership is under way, Lee said.

In addition to two homes donated by the city, NRCDC has received a concept design from the Peterson, Eure and Associates architectural firm in New Bern for future homes to be built.

The new homes in the Duffyfield area will be energy efficient, specifically designed for flood areas, and available at an affordable price, Lee said. A meeting planned for February will include tweaking some of the details to make these next homes a reality, Lee said.

Lee said she doesn't know for sure how many homes may be available, but she does know that partnership with private developers, as well as the proceeds from the Weyerhaeuser homes, will be required to complete the projects.

Anyone interested in the homes can call Lee at 639-7582.

[TOP OF PAGE](#)

Loophole for lenders

The News & Observer
December 28, 2006

State lawmakers have worked hard to put North Carolina in the forefront of protecting residents from unfair mortgage lenders. They have been dealt a setback, though, because of a regressive decision by the state Supreme Court. The 4-3 ruling provides a legal shield for predatory lending companies, allowing them to bypass North Carolina's protections by setting up an out-of-state company to hold such loans.

It's hard to see how the majority ruled as it did. A Durham couple, Garry and Judy Skinner, took out a \$45,000 second mortgage on their home in 1997 and paid a \$3,600 fee. The maximum fee allowed by law was 2 percent of the loan, or \$900. The lender, Preferred Credit Corp., later sold the Skinners' loan to a large Boston bank (the selling of mortgages is a common practice).

The bank, Credit Suisse First Boston Mortgage Securities Corp., created a trust that held the Skinners' and more than 3,500 other loans. In fact, 114 of the total belonged to North Carolinians, on property in the state worth about \$4 million. The Skinners' lawsuit sought a refund of the excess charges and punitive damages.

The majority opinion, written by Justice Paul Newby, said that the trust wasn't liable in the class-action lawsuit because it has no connection to the state -- no offices or workers here, for instance

Still, the loans came from North Carolina, and North Carolinians were harmed. Lawyers for the Skinners contend that the improper fees were known or could have been known to Credit Suisse, because the company could read the Skinners' application before buying the loan from Preferred. The fees were rolled into the loan, so Credit Suisse benefited from them every time the Skinners made a payment.

The ruling opens the door to other companies charging high fees and then dodging liability by selling the loans to out-of-state firms. Justices Patricia Timmons-Goodson, Mark Martin and Robert Edmunds filed a common-sense dissent, concluding in essence that North Carolinians ought to be able to reach out through their courts to out-of-state entities suspected of violating state laws.

Attorney General Roy Cooper says he will appeal the ruling, which is encouraging. In the meantime, the legislature can extend its good streak of anti-predatory lending rules by specifying that companies which buy loans made to North Carolinians are bound by North Carolina laws.

[TOP OF PAGE](#)

Fate of NoDa mill buildings a question of priorities

One group proposes converting structures into homes for artists

The Charlotte Observer
Greg Lacour
January 3, 2007

The Charlotte City Council has to decide what to do with the Johnston and Mecklenburg Mill buildings, two vacant structures in the North Davidson community that over the years have eaten millions in taxpayer dollars.

But to decide what to do with them, council members have to decide what they most want from the buildings.

Do council members want to recoup as much as they can of the \$6.7 million the city has spent on the old mills since 1990?

Do they want an emphasis on affordable housing, the aim of a recent large-scale project that fell through? Do they want an effective complement to a nearby, planned transit station?

"What should we look for in these buildings," councilman Pat Mumford said Tuesday, "that have been such a nightmare for us for so long?"

They haven't decided, although they discussed the questions during a workshop Tuesday, following a presentation by a potential future owner.

The Historic North Charlotte Neighborhood Association, which represents the rapidly growing NoDa community, wants the city to sell the 60-unit Mecklenburg Mill to a Minneapolis-based nonprofit, Artspace, that specializes in converting historic urban buildings into affordable lofts for artists.

Artspace's presentation to council members Tuesday wasn't a formal proposal. But the group is interested in the building, and the association believes an Artspace project could help NoDa remain an eccentric, colorful artists' community, Roy Close, Artspace's director of resource development, told council members.

The council decided to refer the matter to its Housing and Neighborhood Development Committee, of which Mumford is a member, to refine what the highest priority is. Members agreed that they couldn't assess the worth of the Artspace presentation without comparing it with other proposals -- and those won't come in until the city specifies what it wants a project there to achieve.

"We're really talking in a vacuum right now," said City Manager Pam Syfert.

The city has endured significant embarrassment in recent years over the buildings, relics of the days when north Charlotte was home to textile and other types of manufacturing. It took over the Mecklenburg and Johnston mills a year ago after the bankruptcy of their former developer. Then city officials evacuated Mecklenburg Mills in May after a structural engineer determined the property, infested with termites, was unsafe.

[TOP OF PAGE](#)
