

City Council – Action Request Form

Date: February 11, 2019

To: The City Manager

From: Marla Y. Newman, Community Development Director
Tasha Logan Ford, Assistant City Manager

Council Action Requested:

- A) Authorize a change in use of \$65,000 to Habitat for Humanity of Forsyth County, Inc. for 1605 North Cherry Street (North Ward)
- B) Authorize the City Manager to execute a Memorandum of Understanding with the North Carolina State Historic Preservation Office

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Improve Character and Condition of Neighborhoods

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

The City acquired a duplex at 1605-1607 North Cherry Street, Tax PIN 6826-93-3067, and an adjoining vacant unbuildable lot at 1603 North Cherry Street, Tax PIN 6826-93-3063, which are in the North Cherry Historic District, through foreclosure. Habitat for Humanity of Forsyth County (Habitat) submitted a proposal for the City to transfer title of the parcels to Habitat and provide \$65,000 to remodel the duplex into a three bedroom and two bath house, utilizing the adjoining vacant lot for off street parking, and sell it to a low income homebuyer through its regular homebuyer program. Transfer of the two parcels to Habitat for public purposes pursuant to N.C.G.S. 160A-279 was approved by the Mayor and City Council on August 17, 2015, but the funding was not included. On August 15, 2016, the Mayor and City Council approved \$65,000 to Habitat to rehabilitate and convert the duplex into a single-family home. Funds are derived from 2000 General Obligation Bonds appropriated for the Old Cherry No. 2 Redevelopment Area. The City transferred title to the property to Habitat on December 7, 2016.

Committee Action:

Committee	<u>Finance 2/11/19</u> <u>CDHGG 2/12/19</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

The duplex was in need of a lot of repairs at the time the transfer of the property was approved. In addition, a tree limb from the adjacent property had fallen on the roof and perforated a hole in it. On taking ownership, Habitat discovered that water had been infiltrating the structure for quite some time, causing structural damage to the roof system, floor system, walls, and exterior siding as well as mold and wood-destroying insect damage. In the summer of 2017, after completing other projects, Habitat determined that it made more sense financially to demolish the structure and build a new house.

Habitat provided elevations to Planning Board staff for review and approval of a new house that met the requirements of the Old Cherry Historic District. Planning Board staff has submitted documentation and a memorandum of understanding to the North Carolina State Historic Preservation Office acknowledging demolition of the structure and that construction of the house may proceed. The resolution authorizes the City Manager to sign the memorandum of understanding.

Habitat has requested that the \$65,000 approved for rehab and conversion of the duplex to a single-family home continue to be made available for construction of a single-family home. Total project cost is projected to be \$126,890. Community Development staff reviewed the cost and determined it to be reasonable and responsible. The remaining cost would be covered by a \$25,000 BB&T Challenge Grant, \$3,500 from NCHFA System Vision for energy efficiency, and the balance from ongoing fund raising by Habitat. If the City were to undertake this project on its own, all cost would be borne by the City. Habitat plans to start building in April 2019 and complete construction in July 2019. The resolution authorizes the use of \$65,000 previously approved for rehab to Habitat for Humanity of Forsyth County to construct a single-family home at 1605 North Cherry Street.