

MINUTES
CENTRAL CITY REVITALIZATION AND HOUSING COMMITTEE
JUNE 15TH, 2009 AT 5:45 P.M.
COUNCIL CONFERENCE ROOM – 2ND FLOOR CITY HALL

The Central City Revitalization & Housing Committee met on Monday, June 15, 2009. The following members were present:

Chairman Walker Reid
Councilman John Howren
Councilman Dale Burkett

Chairman Reid welcomed everyone and called the meeting to order. Mr. Jim Palenick, City Manager, stated he would begin and other staff would assist in the presentation.

ITEM #1 NEIGHBORHOOD STABILIZATION PROGRAM 1 (NSP1)

Mr. Palenick stated through the Neighborhood Stabilization Program, the City of Gastonia applied for \$5,000,000 to acquire and redevelop properties that might otherwise become sources of abandonment. Of the \$5,000,000 applied for, the City of Gastonia was awarded \$2,100,000. The following items are being submitted for consideration in order to proceed with the program implementation:

1) Division of Community Assistance Funding Approval/Agreement (\$2,100,000)

Ms. Annie Thombs, Community Development Administrator, stated that Ms. Melissa Magee, Assistant City Attorney, has reviewed the agreement, and the compliance issues are acceptable. Mr. Palenick stated that existing staff is knowledgeable in this area and has the capacity to administer, document and monitor this project. Ms. Thombs stated that according to the program, all funds must be committed by June 30, 2010.

2) Developer's Agreement – Revitalize Main, LLC (\$1,384,900)

The Developer's Agreement allows for redevelopment of the Craig and Wilson Building and will provide 14 single-family homes for ownership.

3) Budget Amendment to recognize the NSP Grant Award

The budget amendment provides the project budget for the NSP1 funding.

Staff Recommendation:

Staff requested the committee approve the Funding Agreement, the Developer's Agreement, and the Budget Amendment.

Committee Recommendation:

The Committee voted unanimously to recommend that Council approve the Division of Community Assistance Funding Agreement, the Developer's Agreement, and the Budget Amendment to recognize the NSP Grant Award.

ITEM #2 NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2)

Jim Palenick stated in 2009, Congress appropriated additional Neighborhood Stabilization Program funds to stabilize neighborhoods most affected by the economy and foreclosures. Only entities that were granted NSP1 money were selected to apply for NSP2 funding. The City of Gastonia would file an application for NSP2 funds in a consortium with the State of North Carolina and various other municipalities. July 17th is the deadline for submitting the application. Due to the short time frame, the City of Gastonia will prepare an individual application in case the North Carolina application is not submitted by the deadline. The minimum funding that will be awarded is \$5,000,000. The program stipulates there must be a minimum of 100 houses affected by this funding. The City's program would impact 140 units. The City would like to apply for funding up to \$10,300,000. The City would have an arrangement with Preservation of North Carolina to acquire the Armstrong Apartments for rehabilitation. The Old County Hospital sitting on 2.9 acres of land would be demolished and 24 units of new construction would be built. Vacant and abandoned property would be acquired and demolished, and in its place, 30 new units would be constructed. Additionally, 60 foreclosed properties would be acquired for rehabilitation.

The goal is to obtain as much funding as possible to make a real impact on high-priority property in our community. The impacted neighborhoods identified must meet one of two foreclosure-related-need scores at the Census Tract level. This number is based on the estimated number and percentage of foreclosures; and another that combines estimated foreclosure rate with vacancy rate with a score of 18 or greater.

Staff Recommendation:

Staff requested the committee approve the resolution approving the City of Gastonia to apply for the Neighborhood Stabilization Program Grant in the amount up to \$10,300,000.

Committee Recommendation:

The Committee voted unanimously to recommend that Council approve the Resolution Approving Application for Neighborhood Stabilization Grant.

ITEM #3: OTHER BUSINESS

Annie Thombs stated the tentative date for the Gateway dedication is August 14th, 2009. So far, 35 applicants have been approved for only 40 available units. The move-in date for those residents is July 1, 2009.

Chairman Reid commended the staff for their time and efforts.

Chairman Reid adjourned the meeting at 7:03 p.m.