

# **West End Urban Redevelopment Plan**

**City of Henderson, NC**  
REDEVELOPMENT COMMISSION

## REDEVELOPMENT COMMISSION

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# 1. Executive Summary

This Redevelopment Plan (2022 Plan) has been prepared to guide a neighborhood revitalization effort in the West End neighborhood of the City of Henderson, North Carolina. The goals and activities proposed in this plan are to be undertaken by the City of Henderson Redevelopment Commission (Commission) in accordance with and in furtherance of the North Carolina Urban Redevelopment Law, Chapter 160A, Article 22, Section 160A-500 through 160A-526, as amended (Redevelopment Law). Terms used in this Redevelopment Plan, unless otherwise defined herein, are given the meaning defined in Redevelopment Law. This plan includes all the necessary provisions, building requirements and other regulations, controls, and restrictions, required under the Redevelopment Law to carry out revitalization of the West End area. A steep decline in homeownership following the 2008 recession and the recent economic fallout of COVID-19 have all contributed to revitalization needs of the neighborhood. Today, one in three buildings show some sign of distress, less than a third of homes are owner-occupied, and the median home sale price between 2016 and 2020 was \$31,000. These trends are discussed further in Sections 2.6.

# 2. History of Activity under Redevelopment Law

The City of Henderson first certified an Urban Redevelopment Area (URA) in the West End in 2006 to address blighted housing in the neighborhood. Planning efforts for this initiative first began in 2004, when state officials from the Division of Community Assistance of the North Carolina Department of Commerce made recommendations to the City of Henderson to address the declining rate of homeownership in the community. In January 2005, then Mayor Clem Seifert convened a housing task force of community development staff and other council members. Following consultation from the U.S. Department of Housing and Urban Development (HUD), the area now described as West End was identified as a potential neighborhood for revitalization. In 2006, two community meetings were held to collect feedback for a Redevelopment Plan (2006 Plan) to remove 30 dilapidated homes and replace them with 18 homes between Orange and Ransom St. (Figure 1) The 2006 Plan also called for a vacant lot to be repurposed into green space and sidewalks to be installed.

**Figure 1:** Image of the redevelopment proposal from 2006 Plan

Source: City of Henderson



While the Commission was successful in acquiring and removing dilapidated units, there have been no new construction projects to replace what was removed.

The 2022 Plan seeks to build on that work by facilitating redevelopment in accordance with the goals outlined later in this plan.

The procedural history of the 2022 Plan follows:

- Planning Board certified redevelopment area pursuant to G.S. 160A-513(b) on July 19, 2021.
- Commission held feedback sessions with residents of the West End on July 22, 2021.
- Public hearing properly noticed and held by Commission on January 19, 2022, pursuant to G.S. 160A-513(e).
- Commission's final determination of plan made on February 3, 2022.
- Plan submitted by Commission to Planning Board for review on February 21, 2022.
- Public hearing announcement made ahead of City Council vote on February 22, 2022
- City Council holds public hearing and votes to approve plan on March 14, 2022

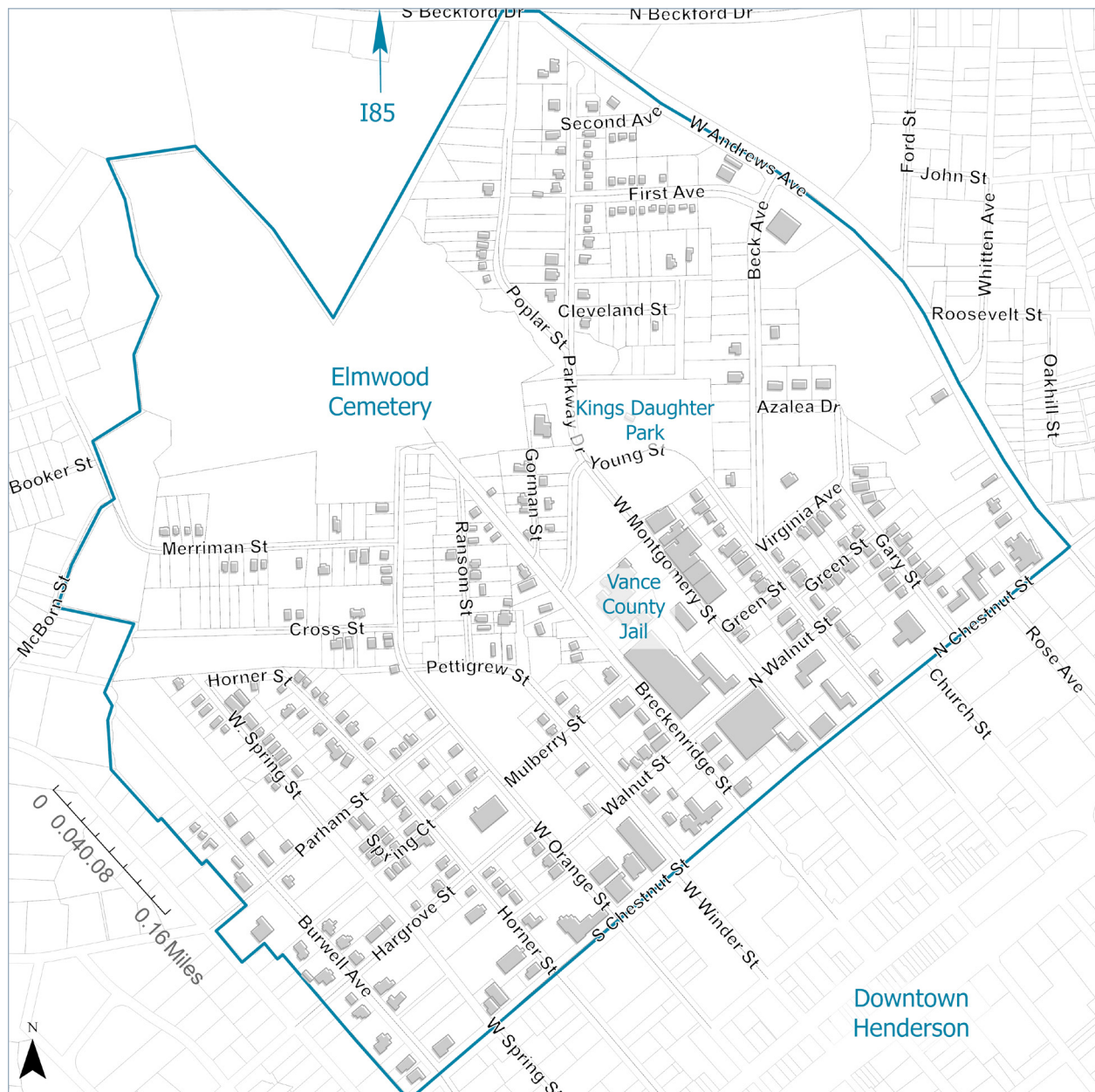
## 2. Description of the West End Redevelopment Area

### 2.1 Boundaries of the Redevelopment Area

The West End URA is bounded on the east by W Andrews Avenue, N Chestnut Street on the south, and Burwell Avenue on the west. See Figure 2. These boundaries were informed by City staff feedback and approved by the Commission on June 29, 2021.

**Figure 2:** Boundaries of the West End Redevelopment Area with points of interests for reference

Source: Vance County GIS

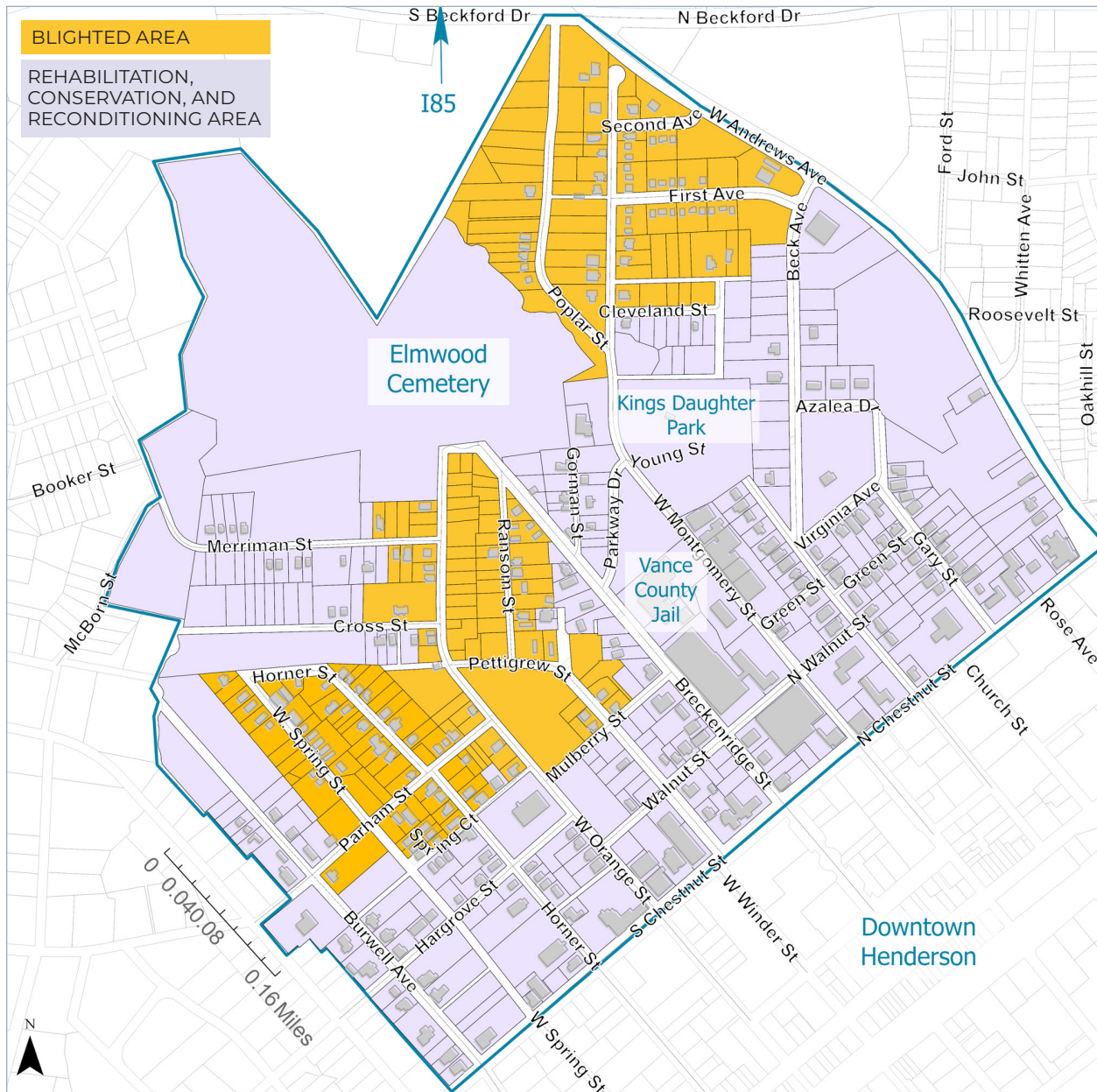




The redevelopment area consists of two types of qualifying areas under Urban Redevelopment Law (Figure 3): two “Blighted Areas” and a surrounding “Rehabilitation, Conservation, and Reconditioning Area.” The Blighted Area around a large swath of vacant land between Orange and Ransom Street was the focus of previous redevelopment efforts in the West End.

**Figure 3:** Map of blighted area and rehabilitation, conservation, and reconditioning area

Source: Vance County GIS



## 2.2 Data and Methodology

This plan uses tax parcel data, fieldwork, and qualitative data collected during the community engagement process to inform current conditions and goals of the Redevelopment Plan.

Tax parcel data provides information related to property ownership, recent sales, and tax values. Parcel data was first pulled from the Vance County GIS department in June 2020 and then again in June 2021 to reflect the most recent neighborhood conditions. On June 26, 2020, staff from the UNC School of Government's Development Finance Initiative (DFI) canvassed the West End and recorded several indicators of neighborhood conditions including deferred maintenance, current land use, sidewalk conditions, and evidence of external beautification. This assessment was based on observations that could be made via the public right-of-way (sidewalk); no structures were entered during fieldwork. In June 2021, the Redevelopment Commission also toured the neighborhood.

External beautification refers to any effort the tenant or homeowner has taken to improve the aesthetics of their home other than changing the physical structure itself. Examples could include porch decorations, landscaping, a garden, holiday-related decorations, art, and more.

Deferred maintenance data was collected using three categories:

- **No deferred maintenance.** No or very few signs of distress on the exterior
- **Mild deferred maintenance.** Some signs of distress on exterior of buildings such as chipped paint, sagging gutters, and/or other issues that could be addressed without significant costs.
- **Severe deferred maintenance.** Several signs of exterior distress and/or visible urgent repair needs such as broken windows, leaking/water intrusion, structural issues such as sagging roofs, and/or cracked foundations. Buildings within this category also included structures with physical challenges that made the building uninhabitable such as fire damage and/or missing portions or the entirety of the roof.

DFI staff participated in training prior to collecting fieldwork to establish common understandings of what constitutes “no”, “mild” and “severe” deferred maintenance. Training was conducted by DFI team members with field data collection experience in similar communities. Field data was collected using ESRI's Collector Application and matched with tax parcel data to develop a more in-depth understanding of the West End.

In addition to tax parcel data and fieldwork, other data sources were consulted to better understand market trends both within the neighborhood and the region. Data from these sources were accessed between June and August 2020, and include:

- American Community Survey 5-Year Estimates (2009–2019)
- CoStar
- ESRI Business Analyst
- HUD Comprehensive Housing Affordability Strategy (CHAS) data

## 2.3 Community Engagement

Community stakeholders were engaged beginning in August 2020 to better understand the challenges and opportunities facing the neighborhood. Informal, one-on-one interviews were held with local community development corporations, non-profits, church leaders, and real estate agents. These initial conversations with key community stakeholders, in addition to input from city staff and leadership, informed the set of draft goals that were presented to the community-at-large at a community listening session on July 22, 2021, during a period when COVID-related restrictions were relaxed.

The city hosted the neighborhood listening session at Perry Memorial Library to solicit resident feedback on a list of draft goals for the Redevelopment Plan. The listening session was attended by approximately 65 individuals in-person and 30 people online (Figure 4). City staff as well as several members of the Henderson City Council, the Vance County Board of Commissioners, and the Henderson Redevelopment Commission were also in attendance.

To advertise the event, approximately 450 postcards were mailed to the residents and property owners within the URA boundary.<sup>1</sup> In addition, flyers advertising the listening session were delivered to all five churches within the URA boundary, Perry Memorial Library, and City Hall.

**Figure 4:** Attendees at the listening session held on July 22, 2021, at Perry Memorial Library



A member of the Redevelopment Commission with personal ties to the neighborhood was also provided with flyers to distribute. Finally, the local radio station, WIZS, and local newspaper, the Henderson Dispatch, both ran stories prior to the listening session that provided context regarding the URA process and informed the public about the event.

The July 22 listening session began with a brief presentation that covered the history of redevelopment activity in the neighborhood, a background and review of the URA process, and introduction of a list of five draft goals for the Redevelopment Plan.

1. Increase the quantity, quality, and affordability of the neighborhood's housing stock
2. Promote and preserve affordable homeownership opportunities within the neighborhood
3. Build stronger connections between the neighborhood and downtown Henderson

<sup>1</sup> These addresses were compiled using publicly available tax parcel records accessed in April 2021.



4. Increase access to amenities that promote public health such as green space, trails, groceries, or clinics
5. Promote public safety by removing or repurposing abandoned properties, increasing street lighting, and other changes to the built environment

Following the presentation, attendees were divided into nine small groups to share feedback on the draft goals (Figure 5). Each group was facilitated by a trained facilitator and each group followed the same format for conversation. The facilitation guide is included at Appendix A. Detailed notes were recorded to document the conversation in each small group on flip chart paper and these notes were posted around the room for review by attendees. Following small group discussion, the group reconvened for a brief Q&A session.

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**Figure 5:** Listening session attendees break out into small groups with facilitators to react to draft URA goals



In addition to the listening session, DFI and the City also provided the public with an opportunity to give feedback via an online survey. The survey was launched on July 8, 2021, on the URA webpage (<https://ci.henderson.nc.us/ura>), which was included on the postcard mailer to residents and property owners ahead of the listening session. As of December 2021, the survey had received 19 responses. A review of the feedback received through the online survey and listening session is included in Appendix B.

## 2.4 Economic Challenges

Between 2007 and 2016, more than 7.7 million homes entered foreclosure nationwide during the 2008 global financial crisis that originated in the single-family mortgage industry.<sup>2</sup> In North Carolina, 231,000 homes were placed into foreclosure during that same period. In the City of Henderson, the economic fallout was most acute in neighborhoods with a greater share of black households. In the Census tract that includes the West End, 34.5% of loans originated between 2004 and 2007 were “high cost”,<sup>3</sup> putting homeowners at risk of foreclosure.<sup>4</sup>

These economic shocks altered the housing market in the neighborhood. Between 2009 and 2019, the number of homeowners in the West End area dropped from 940 to 500, the largest decline among all Census tracts in the county (Figure 6).<sup>5</sup>

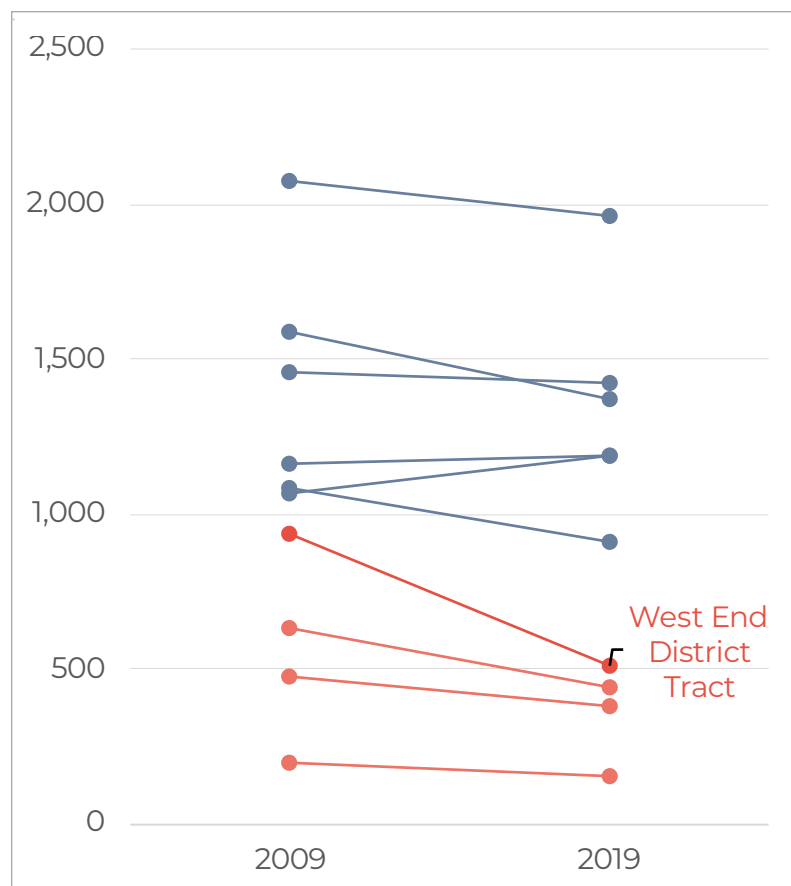
Black households were disparately impacted by the decline in homeownership. Over the ten-year period, Black homeownership in the West End Census tract dropped from 44% to 16%. And while the total number of White homeowners also declined, the homeownership rate increased from 55% to 66% (Figure 7).

In addition to the challenges of sustaining homeownership following the 2008 recession, the supply of for-sale housing has declined in part due to the growing number of rental investors in the neighborhood.

**Figure 6:** Ten-year change in homeowners for all Census tracts in Vance County

Poverty rate **over 20%** | Poverty rate **under 20%**

Source: American Community Survey 5-Year Estimates (2009–2019)



<sup>2</sup> “United States Residential Foreclosure Crisis: Ten Year Later” (March 2017) CoreLogic. Web link: <https://www.corelogic.com/research/foreclosure-report/national-foreclosure-report-10-year.pdf>.

<sup>3</sup> “High-cost” loans are those where the rate spread is three percentage points above the Treasury security of comparable maturity. Source: HUD Neighborhood Level Foreclosure Data Dictionary. <https://www.huduser.gov/portal/datasets/NSP.html>.

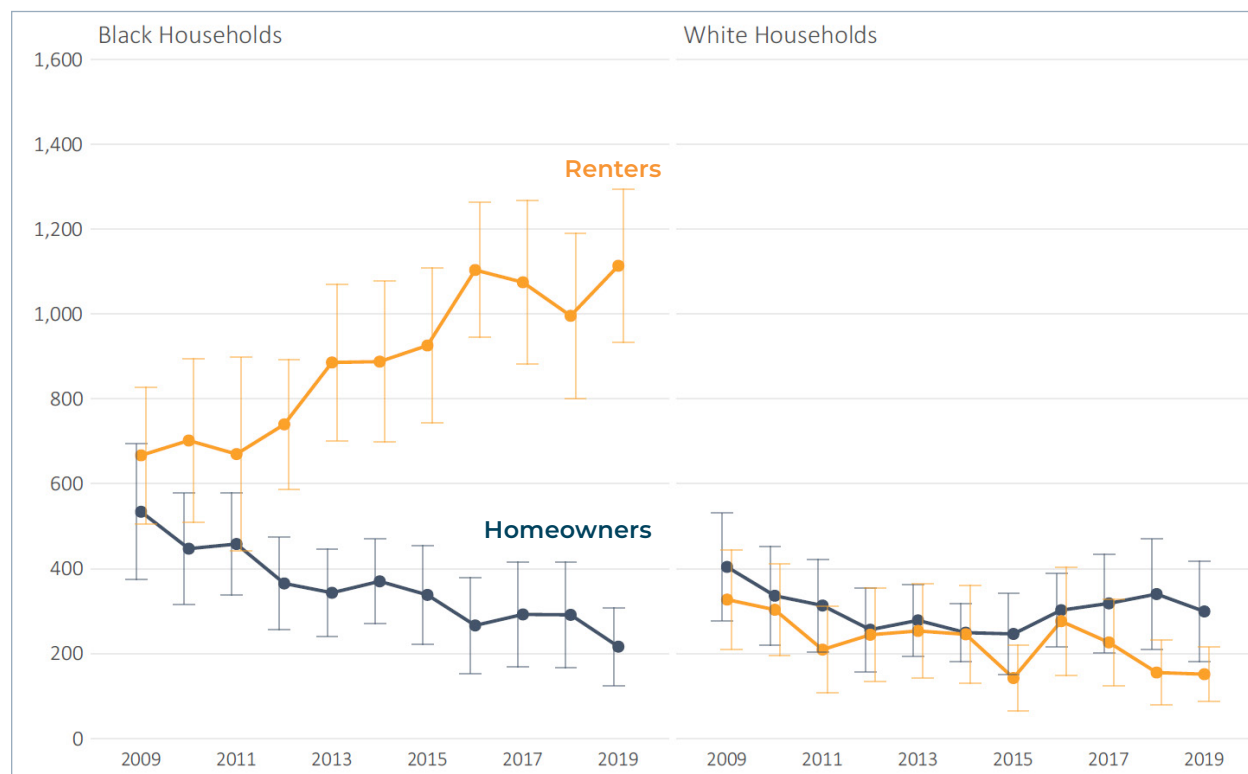
<sup>4</sup> U.S. Department of Housing and Urban Development. Neighborhood Stabilization Program Data. <https://www.huduser.gov/portal/datasets/NSP.html>.

<sup>5</sup> Census tract 9605 is used here to describe conditions in the West End.



**Figure 7: Ten-year change in owners and renters by race for Census tract 9605**

Source: American Community Survey 5-Year Estimates (2009–2019)



The impact of investors on the neighborhood's housing market is explored more thoroughly in Section 2.6.

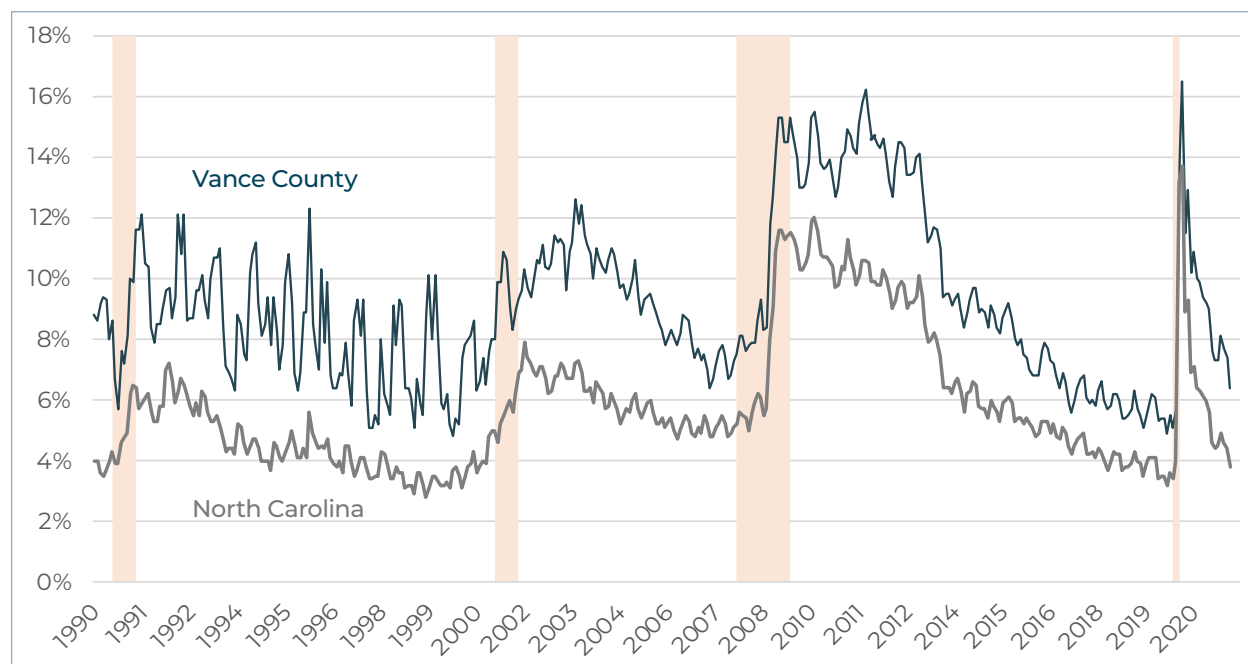
Nearly ten years following the 2008 housing crisis, the Henderson community was impacted by another historic economic downturn: the COVID-19 pandemic. In the weeks following the first social distancing guidelines, the unemployment rate in Vance County reached a historic 30-year high of 16.5% (Figure 8). While county employment rebounded more quickly than the 2008 recession, labor force participation declined 6% since January 2020—meaning many residents simply left the workforce—suggesting long term economic impacts.<sup>6</sup> According to the Household Pulse Survey—a Census-led survey of COVID's impact on US households—even as late as May 2021, half of Black renters had no or slight confidence that they would make their next rent payments compared to 30% of all North Carolina renters.<sup>7</sup>

<sup>6</sup> Department of City & Regional Planning (2020). Carolina Tracker: A Resource for Recovery, <https://carolinatracker.unc.edu/>, accessed on June 16, 2021, University of North Carolina at Chapel Hill, USA.

<sup>7</sup> Urban Institute. 2020. Census Pulse Public Use Files: Questionnaire Two. Accessible from <https://datacatalog.urban.org/dataset/census-pulse-public-use-files-questionnaire-two> developed at the Urban Institute, and made available under the ODC-BY 1.0 Attribution License.

**Figure 8: Thirty-year change in unemployment rate**

Shaded area indicates periods of economic recessions. Source: U.S. Bureau of Labor Statistics



## 2.5 Community Assets

Despite these economic challenges, the community has several social and physical assets that this Redevelopment Plan seeks to support and build from.

According to the 2020 fieldwork, over half of parcels had some evidence of external beautification. That is, either the current tenant or the property owner took some measure to demonstrate pride of place. Examples of this include maintaining a garden, keeping up with landscaping, or decorating the exterior of a building. On some blocks—particularly in the southwest part of the neighborhood between Burwell Avenue and Orange Street—properties with some degree of deferred maintenance are often next door to well-maintained properties (Figure 9).

Nearly half of renter-occupied properties and 77% of homeowner properties also showed signs of external beautification, such as maintaining a garden, landscaping, or other tenant-led efforts to improve the exterior aesthetic of the home. One in five rental properties that exhibited some sign of deferred maintenance also had evidence of external beautification, where the tenant made efforts to improve the curbside appeal of the home even as the building itself had been allowed to deteriorate by the landlord. The role of landlords in the condition of the neighborhood is explored more thoroughly in Section 2.6.

**Figure 9:** Map of West End showing properties with evidence of external beautification and deferred maintenance

Source: Vance County GIS and June 2020 fieldwork



According to the results of the June 2020 fieldwork, the residential vacancy rate is 9%, less than the overall city rate of 12%.<sup>8</sup> Of those vacant dwellings, 52% had severe deferred maintenance, suggesting that many are likely vacant due to their lower quality rather than a lack of demand. The low vacancy rate implies that the neighborhood continues to be an important source of housing for the community, even if there are challenges with the quality of the housing stock. According to listening session attendees and stakeholder

<sup>8</sup> American Community Survey 5-Year Estimates (2019)

interviews with real estate professionals, prospective homebuyers with familial or other local connections seek to buy within the neighborhood but face challenges finding units that don't require substantial rehabilitation.

In addition to housing, five churches hold services and are active gathering points in the neighborhood:

- Church of Holy Innocents
- Greater Union Grove United Church of Christ
- St. Andrews United Church
- United Faith Way of the Cross
- Spring Street Missionary Baptist Church

Notably, Spring Street Missionary Baptist Church owns about 2.8 acres of undeveloped land between Orange Street and Pettigrew Street. Through stakeholder interviews, church leaders have indicated an eagerness to work with the City on a potential affordable housing project that is described in Section 4.

Non-profits and community development corporations are also active in the West End neighborhood, including Franklin-Vance-Warren Opportunity Inc (FVWO) and the Tarheel Regional Community Development Corporation. FVWO operates several community development programs throughout the region including a food bank, a head start learning center, and housing assistance programs such as a first-time homebuyer class. In the early 2010s, FVWO built five rental units using federal stimulus funding that are now among the highest tax valued homes in the neighborhood, according to tax parcel from June 2020. FVWO's project is explored more thoroughly in Section 2.6.

Finally, the neighborhood's proximity to downtown Henderson will likely play a supporting role for these revitalization efforts. The City has undertaken several downtown-oriented projects, including (i) constructing a community amphitheater along Montgomery Street, (ii) completing the McGregor Hall Performing Arts Center in 2016, (iii) carrying out streetscape improvements, and (iv) supporting small businesses through the North Carolina Main Street Program. Finally, the City has begun preparing for the Southeast Corridor (S-Line) passenger rail expansion that will bring rail passengers back to Henderson. West End residents are well-located to take advantage of these economic, educational, and recreational opportunities.

## 2.6 Current Conditions

### PARCEL USES

The analysis in this section relies on tax parcel data provided by the Vance County GIS department in June 2020 and fieldwork collected in the same month.

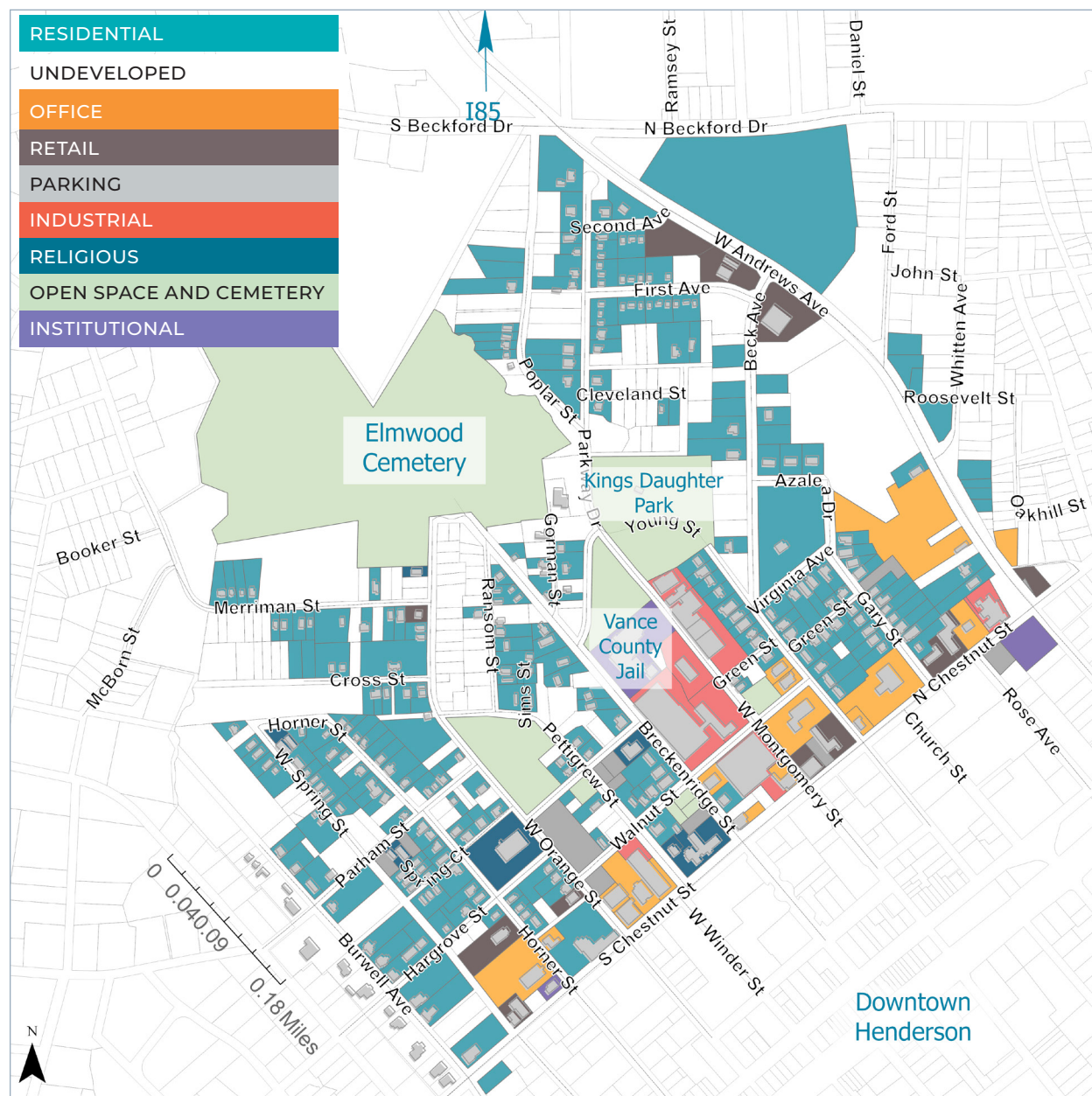
Just over half of the URA is made up of residential parcels, most of which are single-family homes or duplexes. About a third of the acreage are undeveloped lots and wooded areas. A few warehousing and light manufacturing businesses are currently active located along Walnut and Montgomery Street (Figure 10). Commercial uses tend to be concentrated closer to downtown along Chestnut Street. Major landmarks within the neighborhood include Elmwood Cemetery, Vance County Jail, and Kings Daughter Park. While these non-residential



uses are important components of the neighborhood, the focus of this Plan's redevelopment efforts, consistent with feedback from community engagement, will be on expanding housing opportunity and quality.

**Figure 10:** Map of land uses in West End

Source: Vance County GIS & June 2020 fieldwork



Land use	Parcels	Acreage	Building sq. ft.	Tax value
Residential	245	72	321,955	\$10,457,961
Undeveloped	166	61	-	\$881,302
Commercial	30	17	134,750	\$4,973,329
Parking	12	3	-	\$121,805
Industrial	9	8	130,277	\$1,721,061
Open space	7	11	-	\$167,418
Religious	7	3	36,946	\$2,562,967
Institutional/cemetery	5	35	33,570	\$3,500,150
<b>Grand total</b>	<b>481</b>	<b>210</b>	<b>662,603</b>	<b>\$24,385,993</b>

### OWNERS AND RENTERS

Tax parcel data from June 2020 and Census data both indicate that the West End community is predominantly comprised of renter-occupied households. 77% of households (188) are likely renter-occupied, while 23% (57) are likely owner-occupied.<sup>9</sup> Owner-occupied homes tend to have higher building values per square foot (accounting for size) and are slightly larger on average. While only 4% of owner-occupied homes showed signs of deferred maintenance, 40% of renter-occupied homes showed sign of external physical distress. This disparity suggests West End's housing challenges are concentrated among rental housing, where landlords decide when and how much to invest in their properties. This conclusion was corroborated by multiple accounts of community members during the neighborhood listening session (see Appendix B).

Variable	Likely homeowner	Likely renter
Count	57	188
Total building tax value	\$1,786,518	\$6,868,086
Median building value per sq. ft.	\$23.85	\$16.55
Median building size	1,134 sq. ft.	968 sq. ft.
% Deferred maintenance	4%	40%
% Vacant <sup>10</sup>	0%	9%
Evidence of external beautification	77%	50%

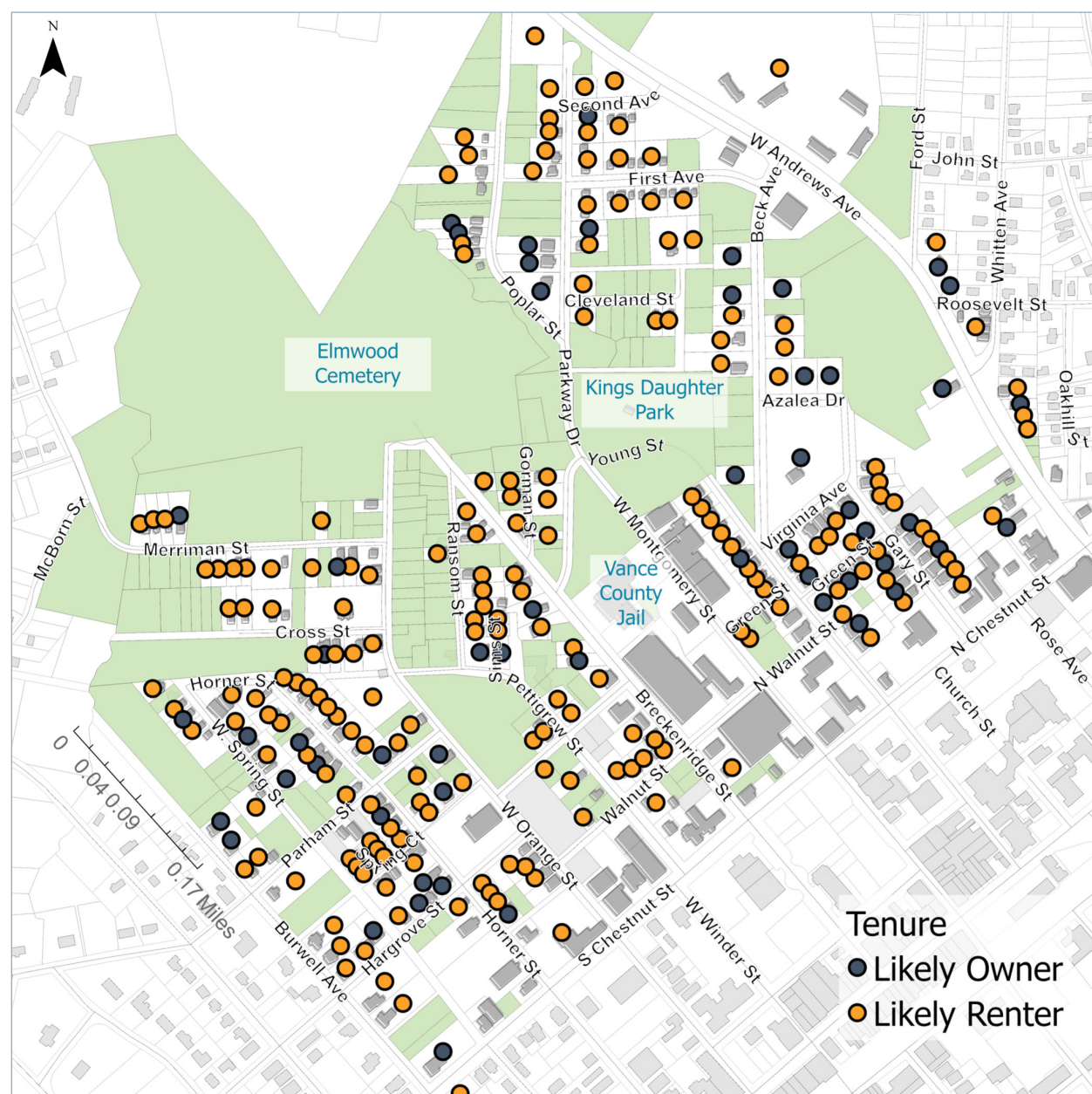
<sup>9</sup> Tenure is predicted by comparing the property owner's mailing address with the physical address of the property. Parcels are considered "likely owner-occupied" in cases where those addresses are the same, and "likely renter-occupied" when they differ. These conclusions are checked against whether a property is owned by an LLC or other type of rental company.

<sup>10</sup> Vacancy is determined by matching residential units with current water utility data. If a property had an active water account as of June 2021, it was considered occupied. Inactive accounts at that time were considered vacant.

Homeowners are distributed fairly evenly throughout the neighborhood, but more than a third of homeowners live west of Orange Street, where deferred maintenance is more prevalent (Figure 11). Current neighborhood conditions are likely contributing to the decline in the number of homeowners in the area.<sup>11</sup> Distressed properties are more likely to bring down adjacent home values, impacting current homeowners' ability to sell the home at or above their purchase price.<sup>12</sup>

**Figure 11:** Housing tenure in the West End

Source: Vance County GIS



<sup>11</sup> Mallach, Alan. "Meeting the challenge of distressed property investors in America's neighborhoods." New York, NY: Local Initiatives Support Corporation (2010).

<sup>12</sup> Ibid.

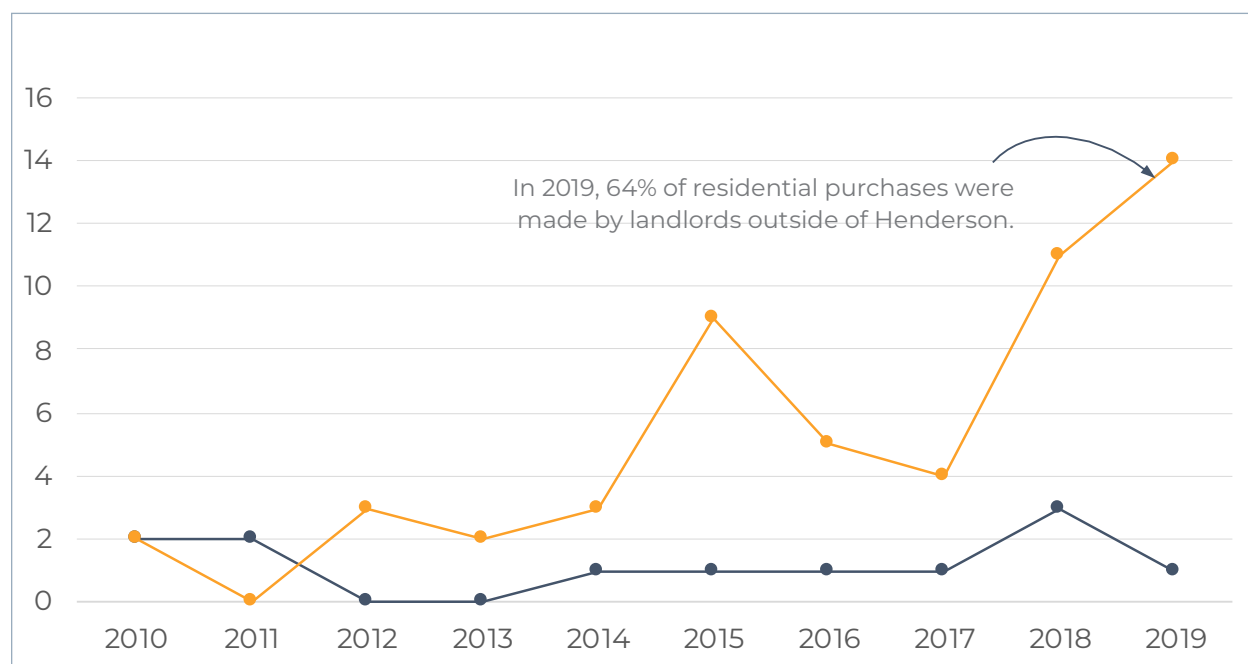
Poor housing quality also impacts the health of the community. Households within the West End Census tract have higher risks of lead exposure.<sup>13</sup> Housing age is the “most established risk factor for lead poisoning” in residential settings.<sup>14</sup> According to tax parcel data, over half of all housing units in the neighborhood were constructed prior to the 1978 ban on lead-based paint. The age and condition of homes in the URA is therefore a critical issue that this plan will attempt to address.

According to stakeholder interviews with real estate agents, pervasive deferred maintenance also reduces the neighborhood’s ability to attract new homeowners, who are often unable to find housing options that do not require significant financial resources to renovate or maintain.

This challenge is reflected in recent sales between 2010 and 2019, which shows landlords and other rental investors are more actively purchasing properties than homeowners. Stakeholder interviews, combined with the decline of owner-occupied units reflected in the 2019 Census data, suggest landlords or investors converted previously owner-occupied homes into rental units.

**Figure 12: Landlords** are buying more units than **homeowners**

West End Study Area | Source: Vance County Tax Parcel Data



<sup>13</sup> Based on PolicyMap application of [lead exposure risk](#) index developed by Washington State Department of Health.

<sup>14</sup> *A Targeted Approach to Blood Lead Screening in Children, Washington State* (2015). Washington State Department of Health. Available at <https://s3.documentcloud.org/documents/2644455/Expert-Panel-Childhood-Lead-Screening-Guidelines.pdf>.



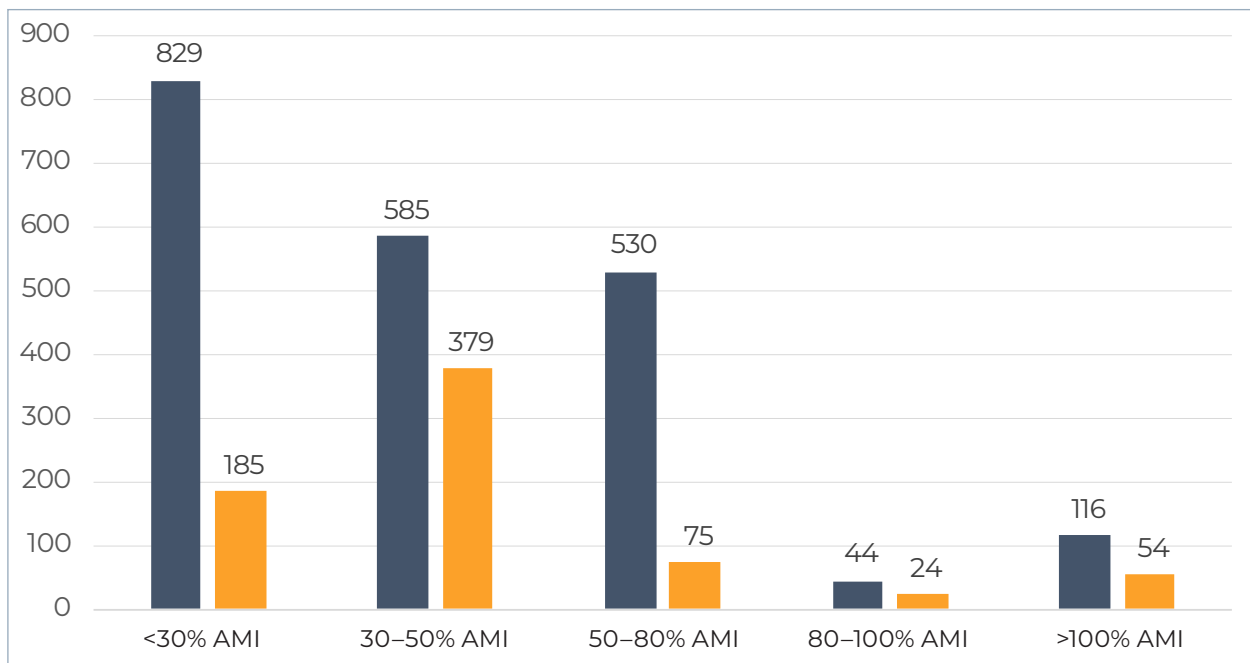
Location of current landlords <sup>15</sup>	Total units	% Deferred maintenance	% Vacant
City of Henderson	107	37%	8%
Regional	15	40%	13%
Triangle	46	46%	7%
Elsewhere in NC	4	75%	0%
Out-of-state	16	38%	19%

Between 2015 and 2019, 65% of rental purchases were made by landlords residing outside the city limits, implying that investors from the region and the Triangle are identifying the West End as a viable option to expand their portfolio.

Although out-of-town landlords make up most recent sales, rental units in the West End are still largely owned by landlords that reside within city limits (57%). Significantly, data indicate that local landlords are less likely to own properties with deferred maintenance than non-local landlords. In addition, local landlords are more likely to own occupied units. Landlords based in the Triangle are the second-largest property owners in the area and are also more likely to own units with deferred maintenance.

**Figure 13:** Cost-burdened **families** and **seniors** by income levels

Vance County | Source: HUD CHAS (2018)



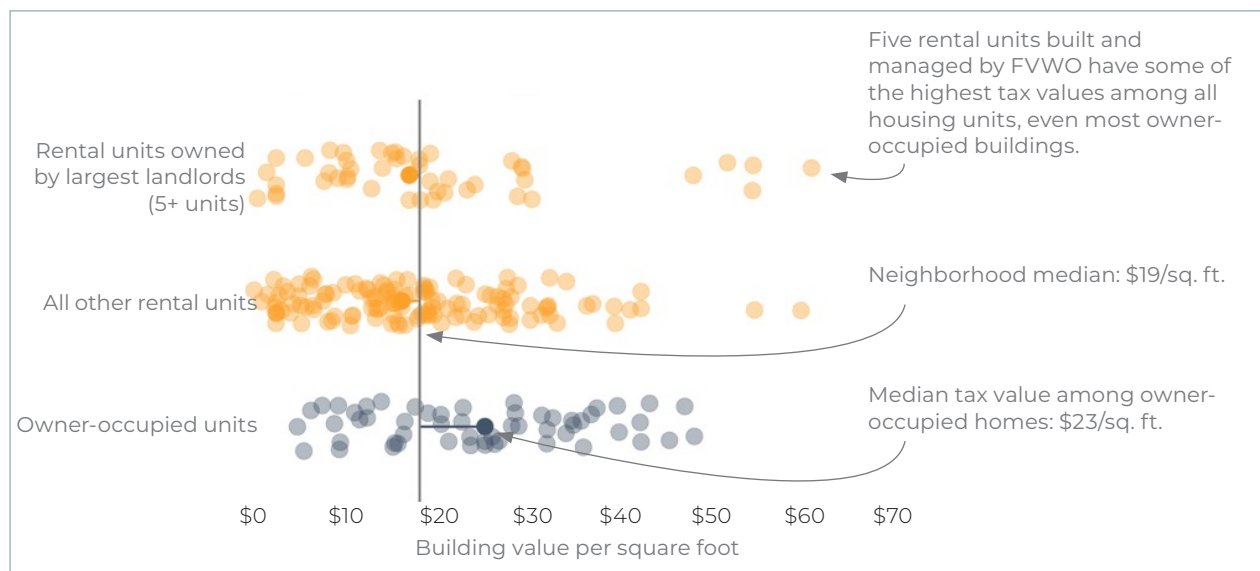
<sup>15</sup> Regional landlords are entities or individuals with mailing addresses in Vance County (but outside the City limits), Granville County, Warren County, or Franklin County. Triangle landlords are entities or individuals with mailing addresses in Durham County, Wake County, or Orange County.

There is a clear need for more affordable rental units in the region. HUD considers households “cost-burdened” when they spend more than 30% of their income on housing-related costs like rent and utilities. Pre-pandemic data shows that over 3,000 renters in Vance County are cost-burdened. The greatest need is among families making less than 30% of the area median income (or \$26,500 for a family of 4)<sup>16</sup> (Figure 13).

Newly developed rental housing not only provides housing options to current residents, but also elevates the tax value of the neighborhood. Figure 14 compares building tax values per square foot between three groups: rental units owned by the largest landlords (5 or more units in the neighborhood), rental units owned by small landlords (less than 5 units in the neighborhood), and units that are likely owner-occupied.<sup>17</sup> While the median tax value of owner-occupied units is about \$4 greater than the neighborhood median, many rental units have a greater tax value per square foot than owner-occupied units. Five rental units built by FVWO are among the highest-valued housing units in the neighborhood. These units—built approximately 10 years ago using federal funds—demonstrate the impact new rental development can have on the neighborhood’s tax base.

**Figure 14:** Housing Tax Value by Owner Type

Source: Vance County GIS Tax Parcel Data from June 2020



## 2.7 Market Conditions

Trends in the broader market can point to the near-term feasibility of future developments. As one of the largest communities on the edge of a major metropolitan area, Henderson is already seeing or will likely see spillover growth in the near future. Anecdotal evidence from stakeholder interviews suggests households that work in the Triangle and live in Henderson are doing so because of the area’s more affordable housing market. Listening session

<sup>16</sup> HUD Income Limits (2021) <https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn>.

<sup>17</sup> Building values are compared on a square foot basis to control for the size of the home. Large landlords are defined as those that own five or more parcels within the West End URA.

attendees also referred to the future growth in the community by expressing concerns that it will lead to gentrification and displacement of current low-income residents. These concerns are discussed in Section 3.2.

The scope of the neighborhood’s housing challenges is likely too expansive for the city to address unilaterally and will require private market participation. Market conditions such as population growth, home values, and rents often determine the location and sale price of newly constructed or rehabilitated housing. Balancing the pressures of the private market while also delivering housing that is affordable to current residents will be a significant challenge for the Redevelopment Commission over the coming years.

By 2025, approximately 2,000 potential homeowners are anticipated to move into the Henderson region.<sup>18</sup> About 70% of these potential homeowners are likely to have incomes greater than \$75,000.<sup>19</sup> Based on current buying patterns of existing homeowners, most of these higher-earning households will purchase homes over \$200,000.<sup>20</sup> Based on these indicators alone, there is a clear demand for owner-occupied housing in the Henderson region.

The condition of existing housing stock, described in Section 2.6, may not be attractive to new homeowners. Sales from tax parcel data between 2015 to 2020 suggest that current homebuyers and landlords look for different qualities while buying properties. For example, the median size of owner-occupied units sold in the past few years is 1,500 sq. ft, compared to 1,130 sq. ft. for landlord-bought units, suggesting homeowners are often in the market for larger units. Homeowners also tend to buy units that are newer than units purchased by landlords.

Henderson home sales (2015–2020)	Buyer type	
	Homeowner	Landlord
Number of sales	212	390
Median size (sq. ft.)	1,548	1,128
Median sale price	\$118,000	\$39,750
Median year built	1964	1957

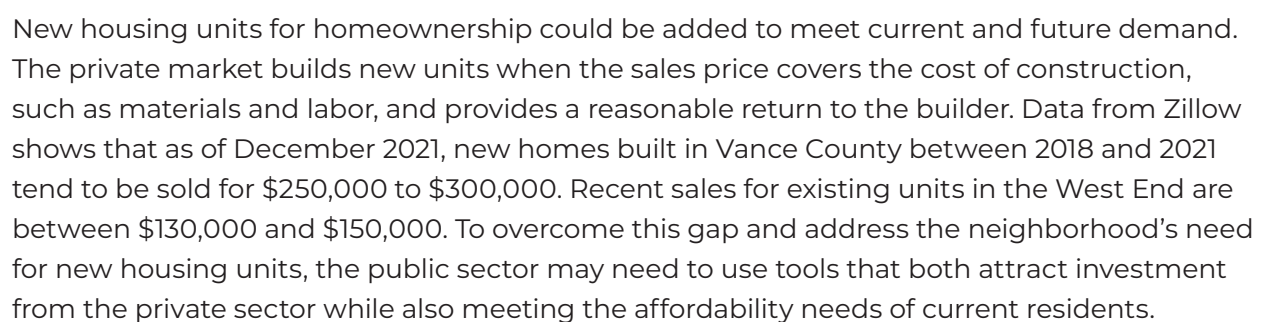
These patterns are also visible when observing where homeowners and landlords purchase property (Figure 15). Based on recent sales data, homeowners are more likely to buy property west of Dabney Drive. Meanwhile, most landlord purchases are east of Dabney Drive, including within the West End. These trends indicate that the neighborhood’s existing housing stock is not attracting new homebuyers.

<sup>18</sup> ESRI Business Analyst (2020–2025).

<sup>19</sup> Ibid.

<sup>20</sup> Home Mortgage Disclosure Act (HMDA) Data. (2017–2019).

Source: Vance County Tax Parcel Data





## 3. Redevelopment Goals and Activities

The redevelopment goals and activities outlined in this section will ultimately guide the Commission's work within the West End and were used to determine which activities the Commission would pursue over the next few years. As described in Section 2.3, the goals were first informed through stakeholder interviews and then shared with the public both online and during a listening session in July 2021. A description of how the goals changed in response to community feedback is provided in Appendix B.

### 3.1 Redevelopment Goals and Activities

Each of the redevelopment goals listed below is accompanied by a *non-exhaustive* list of examples of the types of activities the Commission may choose to pursue. It is possible that some of the listed activities will not be pursued. Likewise, the Commission and the City of Henderson may identify additional activities that are not listed in the Plan but nonetheless advance one or more of the five redevelopment goals listed below.

#### **Goal 1: Increase the quantity, quality, and affordability of the neighborhood's housing stock**

- Engage with private developers to construct affordable multi-family and/or single-family homes based on the needs of the community and the availability of suitable land. Potential development scenarios for both affordable and mixed-income housing are included in Appendix C.
- Explore additional redevelopment opportunities between Cleveland Street and First Avenue.
- Sell or lease publicly owned land to facilitate redevelopment activities.
- Acquire distressed properties or vacant land to support redevelopment activities.
- Request for the City to assess and update the Minimum Housing Code, Public Nuisance Ordinance, and Abandoned Structures Ordinance, or consider code enforcement efforts that are geographically limited to the redevelopment area as authorized by G.S. 160A-512(12).

#### **Goal 2: Promote and preserve affordable homeownership opportunities within the neighborhood**

- Encumber publicly owned land with "covenants, restrictions, and conditions regarding the use of such property" pursuant to G.S. 160A-512(6) and G.S. 160A-514 that will ensure that—after the land is conveyed to private owners—the land is used in a manner consistent with the goals of this Plan.
- Sponsor financial literacy programs and other resources to assist first-time homebuyers.

#### **Goal 3: Increase access to amenities that promote public health and improve connectivity such as green space, sidewalks, groceries, and clinics**

- Collaborate with residents to revitalize Kings Daughters Park by investing in lighting, recreational equipment, shelters, picnic area, and other amenities.
- Invest in walking paths and other improvements to Elmwood Cemetery and surrounding areas.
- Develop new public amenities (such as greenways) on publicly owned land.

- Explore the extension of Parham Street through to Beck Avenue (Figure 16)
- Explore parking options for Vance County Jail along Breckenridge Street

**Figure 16:** Potential road extension for Parham Street

Source: Vance County GIS



**Goal 4: Promote public safety by repurposing or removing abandoned properties, increasing street lighting, implementing traffic-calming measures, and pursuing more community-based collaboration with law enforcement**

- Improve public roads, sidewalks, rights-of-way, and other public facilities.
- Seek update to the UDO (Unified Development Ordinance) to promote private investment in sidewalk development and other expansions to pedestrian infrastructure
- Explore opportunities to address demand for off-street parking around Vance County Jail and other non-residential areas.

- Facilitate collaborative discussions and partnerships between neighborhood residents, community leaders, and law enforcement.
- Use the City's Technical Review Committee<sup>21</sup> to review development proposals in addition to the Redevelopment Commission.

#### **Goal 5: Mitigate displacement of current residents through proactive strategies**

- Encourage and support the rehabilitation of distressed homes through publicly funded home repair programs, partnerships with non-profit organizations, and other activities aimed at preserving the quality of the neighborhood's housing stock.
- Explore estate planning programs to assist residents address problems related to heirs' properties
- Proactively identify alternative housing options (such as hotel stays, Housing Choice Vouchers, or other vacant units) in cases where projects might temporarily or permanently displace residents.
- Seek out and secure funding from state and federal sources (e.g., CDBG-NR, HOME, etc.) to support programs that might *prevent displacement in the case of eviction or issues related to the safety of housing units such as home repair and rehabilitation, rental assistance, longtime homeowner assistance, etc.*
- Engage with local landlords to identify cooperative displacement mitigation measures.

## **3.2 Additional concerns raised by residents**

This section provides an overview of what topics were not initially reflected in the draft goals but were raised during the July 2021 listening session and incorporated into the goals in Section 3.1

### **MISTRUST STEMMING FROM PRIOR DEMOLITION WITHOUT REBUILDING**

Listening session attendees who were West End residents often referenced the city's past Urban Redevelopment Area efforts, which resulted in the demolition of homes along Orange Street and Ransom Street between 2006 and 2010. Some attendees expressed their belief that the earlier redevelopment effort was a deliberate attempt to replace longtime residents, and they expressed a concern that this current planning process has a similar intent.

### **LACK OF CITY INVESTMENT IN THE NEIGHBORHOOD**

Listening session attendees discussed other ways they felt the city had not addressed their needs. When discussing topics related to green space, for example, attendees were quick to recall Kings Daughters Park and its historic role as a community gathering and recreational space, but they felt that the park had been left to fall into disrepair and no longer offered recreational opportunities. Attendees also noted a lack of urgency in maintaining or removing dead trees, lack of streetlighting, and inadequate traffic enforcement measures.

<sup>21</sup> The Technical Review Committee is made up of public officials from various City departments including Recreation and Parks, Fire and Rescue Department, Development Services, the Police Department, Public Works, and others. Committee members review development proposals and provide feedback relevant to the mission of their respective departments.

## FEAR OF GENTRIFICATION AND DISPLACEMENT

Underpinning many of the comments shared by community members was a concern that redevelopment activities would result in gentrification of the neighborhood. That is, new amenities or development projects would be marketed towards new, higher-income residents, and existing residents would eventually be pushed out. Listening session attendees stressed that redevelopment activities should not result in the displacement of current residents. For example, attendees suggested that new projects should not be built in place of occupied housing, and code enforcement should not be implemented in a way that displaces current renters. While attendees were generally supportive of demolishing long-abandoned buildings, they expressed concern that new construction would come at the expense of currently occupied housing.

## 4. Code Enforcement

Effective code enforcement has the potential to improve the quality and livability of the neighborhood's housing stock and reduce the negative impacts of nuisance properties. As outlined below, the Redevelopment Commission therefore recommends the City of Henderson to rigorously enforce the city's Minimum Housing Code. As of June 2021, the city is updating its Minimum Housing Code to raise housing quality standards across the City. Enforcement of the updated Minimum Housing Code can serve as a key tool in achieving the goals of this plan.

### **Recommendation 1: Adopt a “Fix It Up, Pay It Up, Give It Up” approach to code enforcement**

The Redevelopment Commission recommends that the city utilize a “Fix It Up, Pay It Up, Give It Up” approach to code enforcement.<sup>22</sup> Under this approach, a property owner is notified of a code violation and given the opportunity to present their case in a hearing before the city's code enforcement officer. Following the hearing, the inspector may order the owner to repair, alter, or improve the property to bring it into compliance with the city's Minimum Housing Code. If the owner fails to comply with the inspector's order, the inspector may submit an ordinance to the City Council ordering the work to be completed by the city. Although building inspectors are generally authorized to order the demolition of buildings in extreme cases; the Commission strongly suggests that demolition should only be used by the city as a last resort or if required by law.

Under this recommended approach, the cost of any work ordered by the City Council would be a lien on the property and all other real property of the owner located within the city limits except for the owner's primary residence.<sup>23</sup> The filing and collection of any such liens is governed by Article 10 of Chapter 160A of the General Statutes. The city would have the right to pursue all options legally available to it to collect on any such lien—including foreclosure proceedings.

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22 Abdelazim, Tarik. Mulligan, C. Tyler. McLaughlin, Christopher B. *Implementing a Coordinated Approach to Address the Systemic Causes of Vacancy and Abandonment in High Point, North Carolina*. Center for Community Progress. November 2016. <https://www.highpointnc.gov/DocumentCenter/View/7023/CCP---TASP-report>.

23 N.C.G.S. §160D-1129(i)(2).



## Recommendation 2: Phase Code Enforcement Efforts to Conserve Limited Resources

Because of the limited resources available to the city, the Redevelopment Commission recommends phasing code enforcement efforts across different subareas in the URA. In general, priority should be given to areas that are most heavily impacted by inadequately maintained homes.

**Figure 17:** Map of potential code enforcement phases

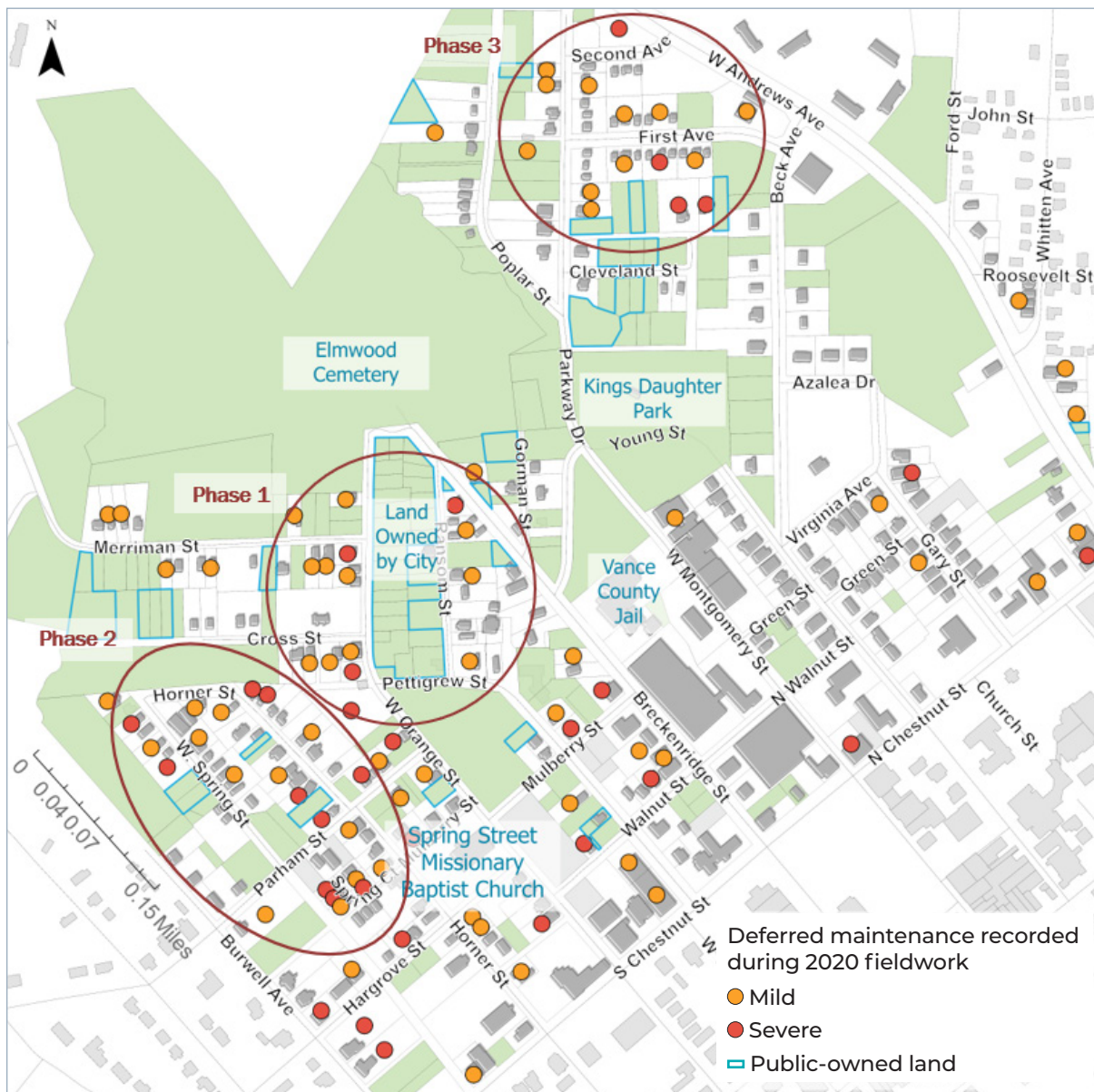


Figure 17 provides an example of a potential enforcement schedule based on three phases of code enforcement. Under this proposal, city staff would first focus resources on the URA's core blighted area, which includes the vacant parcels owned by the Redevelopment Commission along Ransom and Orange Street. The city would then shift available resources to focus on two other areas that are characterized by high concentrations of distressed

properties. The second phase focuses on the southwest corner of the URA, with priority given to Horner Street and Spring Court. The final phase focuses on homes along First Avenue.

### **Recommendation 3: Mitigate Displacement**

In all cases where occupied homes are foreclosed upon by the city, the city should work with local partners to ensure existing tenants are not displaced. Renters should be given the opportunity to renew leases when properties change ownership. The City should also commit to sponsoring community engagement initiatives to help educate tenants on their rights to healthy housing.

### **Recommendation 4: Establish a Targeted Area for Periodic Inspections**

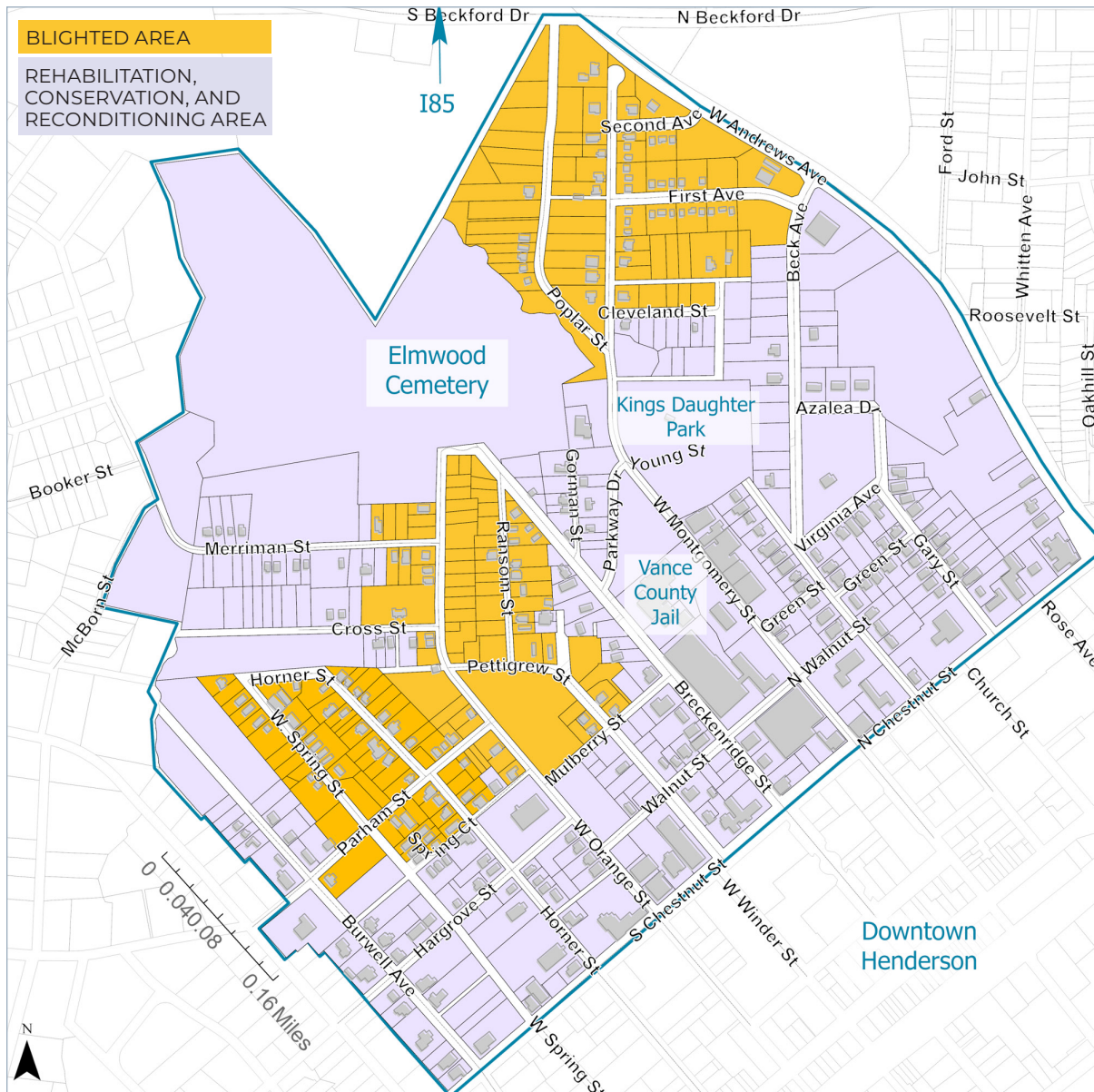
If the city experiences significant impediments to identifying code violations through the code enforcement policy described in the preceding recommendations, it may consider designating the URA's core blighted area as a "targeted area" and develop a program of periodic inspections for all homes within the area. The targeted area reflects the revitalization strategy outlined in this plan because the area is the most severely burdened by distressed homes, has been the focus of several years of public redevelopment efforts, and is intended to have the highest priority for future redevelopment activity in the URA.

In order to implement this recommendation, the city will need to satisfy all of the procedural requirements laid out in N.C.G.S. §160D-1207(b). As enumerated in N.C.G.S. §160D-1207(b), the City of Henderson will need to do each of the following in order to designate the targeted area:

1. Provide notice to all owners and residents of properties in the affected area about the periodic inspections plan and information regarding a legislative hearing regarding the plan.
2. Hold a legislative hearing regarding the plan.
3. Establish a plan to address the ability of low-income residential property owners to comply with minimum housing code standards.

Once the targeted area and periodic inspections program are finalized, any code violations identified by inspectors would be addressed using the "Fix It Up, Pay It Up, Give It Up" approach as authorized by state and local law and described in the preceding recommendations.

**Figure 18:** Potential blighted area to be designated as a “targeted area”



## 5. Plan Implementation

### 5.1 Redevelopment Controls

As the Redevelopment Commission works to achieve the goals of this plan, it will abide by all relevant local, state, and federal laws. In addition, the following continuing controls will be instrumental in ensuring that all parties involved in redevelopment efforts in the URA work towards achieving the redevelopment goals.

- The City of Henderson Municipal Code and Zoning Ordinance.
- Covenants, restrictions, and conditions placed on properties conveyed by the Commission to private parties.
- Development agreements and other contractual agreements between the Commission and private developers.

## 5.2 Relocation Plan

In keeping with the Redevelopment Goals of this Plan, the Commission intends to avoid activities that directly result in the displacement of URA residents. However, it is possible that a limited amount of displacement will be unavoidable. In such circumstances, the City of Henderson and the Commission will provide assistance as authorized by state law.

If a resident of the URA is forced to relocate due to certain activities associated with this Plan, he/she may be eligible for relocation assistance pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

For any individuals not legally entitled to relocation assistance, the City and the Commission will make all reasonable efforts to offer assistance in identifying appropriate housing and, if needed, apply for public housing benefits.

## 5.3 Statement of Cost

The proposed redevelopment activities contained herein will be financed primarily through Community Development Block Grant funds, HOME funds, American Rescue Plan funds, revenues from past rehabilitation and construction activities, future grant sources, City of Henderson funds, and private capital sources.

The costs listed below are estimates based on 2021 cost estimates. Changes to construction costs, availability of labor, market conditions, improvement size, or layout of proposed projects could all affect the final cost estimate.

Approximate Costs:

- Kings Daughter Park improvements: \$50,000–\$400,000 (pending improvement type)
- Construction of approximately 30 new residential units: \$2.25 million–\$5.4 million
  - ▶ 1,200 sq. ft.
  - ▶ \$120 to \$150 cost per sq. ft.
- Rehab of distressed 75 residential units: \$5 million–\$5.7 million
  - ▶ Mild distress: \$50 cost per sq. ft.
  - ▶ Severe distress: \$100 cost per sq. ft.



Additional redevelopment activities identified as possible avenues to achieve the goals set forth in this Redevelopment Plan include but are not limited to: home repair, green space development, new construction, park improvements, and traffic calming measures. Potential sources of funding for these activities may include but are not limited to:

- Community Development Block Grants (CDBG): Neighborhood Revitalization, Urgent Repair, and Single Family Rehab are potential sources
- Foundation funding
- Grant funds
- Tax Increment Financing
- General Fund

## 5.4 Procedure to Make Changes to the Redevelopment Plan

Modifications to this plan may only be made in accordance with the procedures defined in N.C.G.S. §160A-513. The Commission may modify this Redevelopment Plan at any time provided that, if modified after the sale of real property in the redevelopment project area, the modifications must be consented to by the redeveloper of such real property or their successor, or their successors in interest affected by the proposed modification.

After this plan has been approved by the City Council, any proposed modifications or amendments that will substantially change the plan must be approved in the same manner as the plan was originally adopted, including:

1. Review and approval by the Redevelopment Commission
2. Review and recommendation of the Planning Board
3. Ten (10) days published notice and a public hearing
4. Adoption by the City Council for the City of Henderson.

# Appendices

## Appendix A. Listening Session Facilitator Guide

*The following notes were provided to facilitators to help guide small group discussion for the July 2021 listening session.*

1. Hand out the feedback forms.
2. Introduce yourself.
3. Set brief ground rules: *Be respectful, stay on topic, let everyone participate.*
  - a. Remind the group that everyone will have an opportunity to share but time is limited. If someone has already expressed what you feel, please state “I agree with [Name]” and add any differences in your opinion but do not repeat what has already been said.
  - b. Hand out the feedback forms
4. For **each** goal (5 goals plus “what’s missing?”)
  - a. Ask: “What do you think of the following **draft** URA goals? and read the goal to the group.
  - b. Clearly label the goal at the top of each flipchart sheet.
  - c. Direct participants to take a minute to jot down their thoughts on the feedback form or just think about the goal (1.5 minutes)
  - d. Ask participants to share their thoughts with the group. Set an alarm for 8 minutes.
  - e. If no one speaks up, start by calling on individuals that seem interested but may be hesitant to go first.
  - f. If the conversation stalls, use one of these follow-up questions:
    - i. Do you think this goal represents your vision for the neighborhood? Why or why not?
    - ii. How would you say it differently?
    - iii. How important is this goal to you compared to the others? (Keep the conversation on this goal and don’t let it veer into discussion on another one.)
  - g. If the conversation remains stalled, proceed to the next goal. You do not need to use all the time if the group is not interested in discussing it.
  - h. Review the feedback briefly at the end of the period (1 minute)
5. Staff will call the end of the breakout session and will ask each group to post their notes on designated walls. Staff will explain that at the end of the meeting, participants will have an opportunity to review notes from the other groups and make additional notes on their feedback forms.

### GUIDE TO THE URA GOALS:

The goals below will help guide the Redevelopment Commission’s efforts to revitalize the neighborhood. While goals are meant to be general, community members may want to discuss more specific tools that could be used to accomplish those goals. For example, increasing the quality of the housing stock could be accomplished through more stringent code enforcement. In addition to capturing views on the goals themselves, discussion about tools on how to reach those goals are also helpful for developing the plan.

### THE URA PLAN SHOULD:

1. Increase the quantity, quality, and affordability of the neighborhood's housing stock.
  - Also ask: How would you feel about housing that's more dense? E.g. 2–3 stories, multifamily, apartment housing.
  - Also ask: Is it important to have a diversity of income and housing types?
2. Promote and preserve affordable homeownership opportunities within the neighborhood.
3. Build stronger connections between the neighborhood and downtown Henderson.
4. Increase access to amenities that promote public health such as green space, trails, groceries, or clinics.
5. Promote public safety by removing or repurposing abandoned properties, increasing street lighting, and other changes to the built environment.
6. What's missing?
  - ▶ Definitions: This question is an opportunity to bring back any topics that were brought up earlier but did not fit with the goals you were discussing. Facilitators should lead with those ideas.

## Appendix B. Community Feedback on Draft Redevelopment Goals

### **Draft Goal 1: “Increase the quantity, quality, and affordability of the neighborhood’s housing stock”**

Many attendees of the July 22, 2021, listening session expressed that the neighborhood suffered from a lack of high-quality housing options but had different opinions for why housing is undermaintained. Some expressed that renter-occupied housing was more likely to be dilapidated than owner-occupied housing and felt that renters had less incentive to maintain the properties.

Others disagreed on the root causes of the lack of high-quality rental housing, and emphasized that landlords, not renters, were ultimately responsible for the state of their housing units. Some attendees went on to say that landlords intentionally avoided making necessary repairs because they rarely faced consequences from the city or were not concerned with the wellbeing of their tenants. Landlords participating in the listening session expressed that they lacked sufficient funds to make repairs.

Some groups discussed the local government’s role in regulating housing quality through code enforcement. Small groups also raised concerns that stricter code enforcement might force renters to be displaced. Some attendees explained that landlords often keep their tenants on month-to-month leases and choose not to renew when ordered to make repairs by the city.

While attendees agreed that making improvements to the current housing stock should be a priority within the URA, there was less consensus on whether new units should be built in the neighborhood. Attendees that opposed the construction of new rental housing were opposed to “more of the same” low-quality housing options already prevalent in the neighborhood. Other attendees were more vocal on the need for more units and referred to renters’ struggle of finding housing in the area. These attendees were also likely to reference the need for affordable rental units for households that lacked sufficient income to qualify for a mortgage or make home repairs.

Attendees who advocated for more affordable housing options—both rental and homeownership—often wanted to know the level of affordability that new units would bring. Attendees felt that transparent definitions of “affordable” would be essential to the discussion going forward.

### **Draft Goal 2: “Promote and preserve affordable homeownership opportunities within the neighborhood”**

Attendees expressed a need for more resources for both current and prospective homeowners. Attendees said that existing homeowners often struggled to make essential repairs, especially if the occupants were elderly and on a fixed income. Attendees noted that elderly homeowners were likely to struggle with uneven floors and other fall hazards.

According to some attendees, prospective homeowners face several barriers to purchasing a home such as a lack of quality supply, lack of access to affordable loans, sufficient credit scores, and lack of general education about the homebuying process. Attendees suggested several tools for first-time homebuyers such as educational and financial literacy programs, down payment assistance, or other forms of financial assistance. Some wished to see the



“sweat equity” approach often used by Habitat for Humanity more widely available in the neighborhood. Others suggested a “rent-to-own” model for households that struggled to attain traditional mortgage financing.

### **Draft Goal 3: “Build stronger connections between the neighborhood and downtown Henderson”**

Attendees generally expressed that they either felt disconnected with events in downtown Henderson, or that there was not enough downtown activity to justify a goal within the URA process. They also felt that they feel uninformed about downtown events or other programs despite living in walking distance. Attendees felt that the city could more actively advertise events in the neighborhood through pamphlets, on water bills, online, or through church outreach. Some attendees also expressed that even if they were informed about events, downtown could offer a greater range of programs for residents. For example, some suggested using McGregor Hall more regularly for community-oriented programming.

When discussing access to downtown, attendees were more likely to talk about sidewalk connectivity or public transit access within the neighborhood.

### **Draft Goal 4: “Increase access to amenities that promote public health such as green space, trails, groceries, or clinics”**

Attendees generally agreed that access to green space and other public health strategies should be part of the neighborhood’s revitalization efforts. West End attendees regularly brought up the state of Kings Daughters Park as an example of an amenity in need of public resources. Attendees discussed their own memories of the park as a popular gathering place for neighbors and expressed frustration at the park’s deterioration over time. Some attendees noted that there were few places for children to play outside and that new recreational facilities were often located in other parts of the city and inaccessible by foot. Attendees stressed that the city should invest in public spaces it already has, rather than create new green spaces.

Attendees also discussed more general ways the city could invest in the built environment and infrastructure of the neighborhood, including sidewalk improvements, tree maintenance, or community gardens. Transportation was another common theme when discussing this goal. Attendees felt that groceries, clinics, or other wellness-related amenities were often inaccessible through public transportation.

### **Draft Goal 5: “Promote public safety by removing or repurposing abandoned properties, increasing street lighting, and other changes to the built environment”**

Attendees agreed that addressing public safety should be a core goal of the URA plan and endorsed the goal’s focus on addressing safety by removing or repurposing abandoned properties and increasing street lighting. Apart from these strategies, attendees wanted more traffic-calming measures implemented throughout that neighborhood and discussed how speeding vehicles made it hard for children to play or move through the neighborhood. Some suggested installing speed bumps, sidewalks, and other tools for slowing the speed of traffic.

When discussing these concerns, attendees also felt that the police could play a more active role in promoting public safety in the neighborhood. Many felt that the police are not often present in the neighborhood or only drive through occasionally. Attendees said they wanted the police to be more engaged in the neighborhood by either walking or biking during rounds or taking steps to engage with residents. Some attendees also discussed restarting a neighborhood crime watch program.

Following input from the listening session on the draft goals discussed above, key changes were made to the URA's goals:

- Draft Goal 3 was removed, and Draft Goal 4 was changed to Goal 3 and added the language “improve connectivity.”
- Draft Goal 5 was changed to Goal 4 and amended to reflect the community's desire for increased collaboration with law enforcement.
- A new Goal 5 was solely focused on avoiding/mitigating displacement was added to the plan.

## Appendix C. Orange Street Redevelopment

Fifteen years ago, the Redevelopment Commission acquired and cleared dozens of blighted parcels in the West End, as shown in Figure 19. This plan builds on the work of the prior Redevelopment Commission by examining options for the redevelopment of this land for housing.

**Figure 19:** Map of potential site for Orange Street Redevelopment

Source: Vance County GIS



As an initial step, this Plan recommends redevelopment of the 3.78 acres of land owned by the Commission between Ransom Street and West Orange Street. To maximize the potential redevelopment opportunities presented by this site, the Redevelopment Commission should consider a collaboration with Spring Street Church, which owns a 2.8-acre undeveloped parcel that could be included as part of a future project. The Commission should also

continuously explore additional sites within the URA that could support development that furthers the goals of this plan.

The Commission should acquire additional parcels of land within the URA if doing so will facilitate the development of housing or otherwise further the goals of this plan.

The Commission may only exercise the right of eminent domain when the property to be taken is a “blighted parcel” as defined by N.C.G.S. §160A-503(2a).

## **I. PRELIMINARY DEVELOPMENT SCENARIOS AND SITE PLANS**

This plan includes three preliminary development scenarios and site plans that represent the range of Orange Street redevelopment projects that could serve as feasible anchors for redevelopment in the West End. These three development scenarios illustrate the possibilities for the site and were created based on current market conditions. The number of units, square footage of units, sales prices, rental rates, and layout of the sites will evolve based on community feedback, market conditions, and/or deliberations with private development partner. The proposed scenarios do not require any changes to the existing street layout.

It should be noted that sale of Commission-owned property is governed by G.S. 160A-514. Such property must ordinarily be sold through one of the allowable competitive bidding processes found in Article 12 of G.S. Chapter 160A. An exception for sale of property to charitable nonprofits at fair market value is available. An important feature of a redevelopment commission is that it may convey property through a competitive bidding process and also impose conditions on the sale to ensure that the buyer will use the property in accordance with the redevelopment plan. Ordinarily, imposing such conditions on sale would not be permitted (*Puett v. Gaston County*).

This plan provides development details for Commission-owned property to enable the Commission to impose conditions on sale to ensure its goals are achieved. In particular, sale of Commission-owned land for affordable housing units would necessarily need to impose conditions on sale, pursuant to G.S. 160A-514, to ensure that any developer who purchases the land will complete construction or rehabilitation of housing units and manage those units consistent with one or more of the three scenarios below within two years of conveyance to the developer, or the property shall revert back to the Commission. Control/affordability periods for any property so conveyed should be no less than 10 years for homeownership projects and no less than thirty years for rental projects. When appropriate in the judgment of the Commission, property for multifamily rental could be ground-leased to the developer (rather than fee conveyance) with the goal of achieving perpetual affordability.

## Scenario 1: Single-Family Homes (Low Density)

**Figure 20:** Map of potential development under Scenario 1



### Scenario 1 highlights:

- 53 single-family homes
  - ▶ 19 affordable units sold to households earning no more than 60% AMI<sup>24</sup>
  - ▶ 34 market rate units
- Incorporates Redevelopment Commission-owned land and land owned by Spring Street Church
- Range of private investment: \$10.9 million–\$11.9 million
- Range of funding gap required: \$1.6million–\$2.6 million

<sup>24</sup> In 2021, a family of four making 60% AMI could reasonably afford to purchase a home worth \$140,000.



## Scenario 2: Multifamily Homes (Medium Density)

**Figure 21:** Map of potential development under Scenario 2



### Scenario 2 highlights:

- 15 quadplexes with 60 total units
- All two-bedroom units affordable for households at 50% AMI<sup>25</sup>
- Estimated monthly rent and utility cost of \$658 for 2-bedroom units
- Range of private investment: \$5.5 million–\$6.5 million
- Range of funding gap required: \$3.5 million–\$4.5 million

<sup>25</sup> In 2021, 50% AMI for a renter household of four was \$29,250. This would mean rent and utilities for that household would be about \$658 a month.

### Scenario 3: Multifamily Homes (High Density)

**Figure 22:** Map of potential development under Scenario 3



#### Scenario 3 highlights:

- 100 total units
- Mix of 2-bedroom and 3-bedroom units affordable for households at 50% AMI<sup>26</sup>
- Incorporates Commission-owned land and land owned by Spring Street Church
- Range of private investment: \$10 million–\$11 million
- Range of funding gap: \$4 million–\$5 million

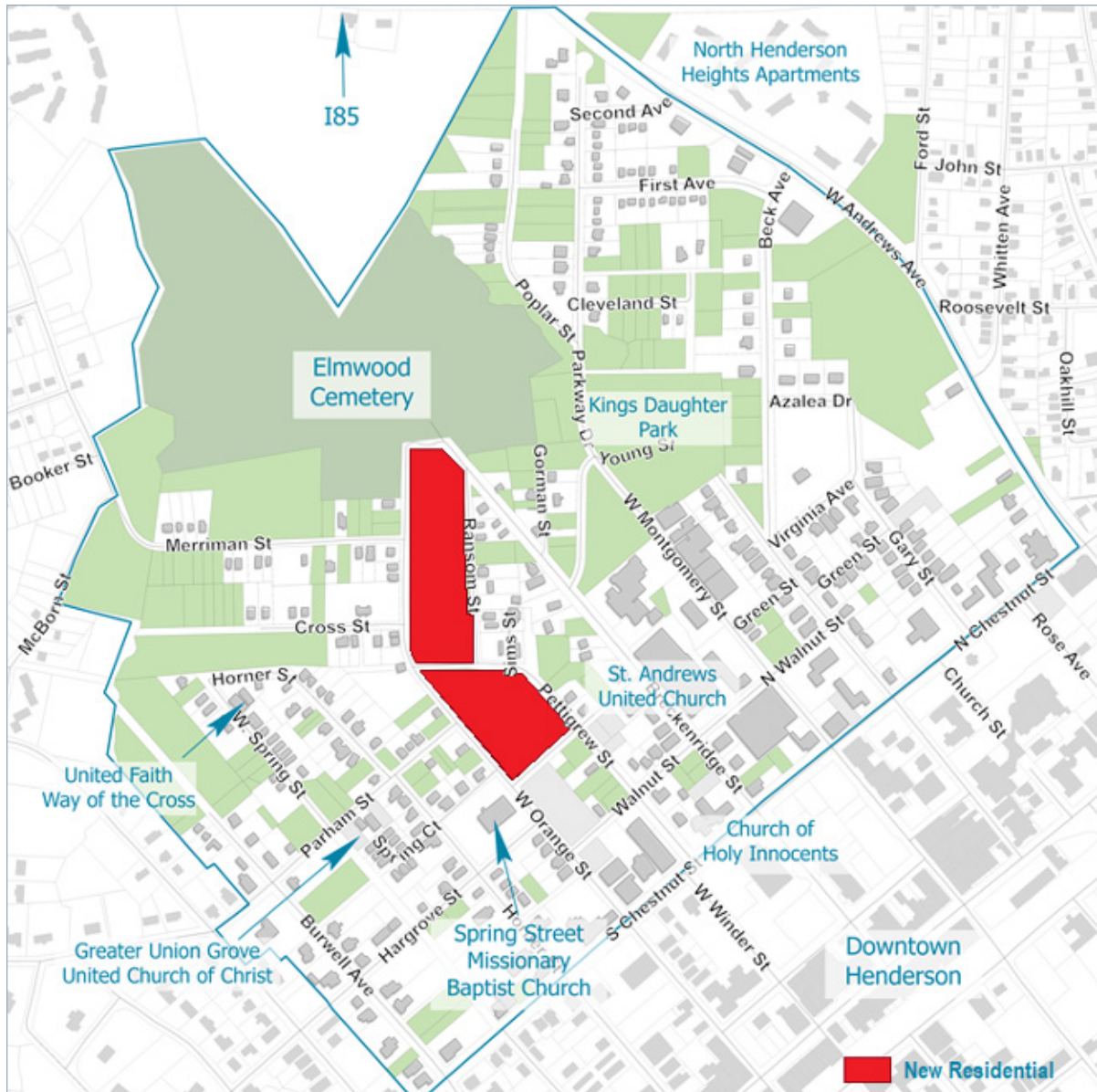
<sup>26</sup> In 2021, 50% AMI for a renter household of four was \$29,250. This would mean rent and utilities for that household would be about \$658 a month.



## II. PROPOSED ZONING AND LAND USES

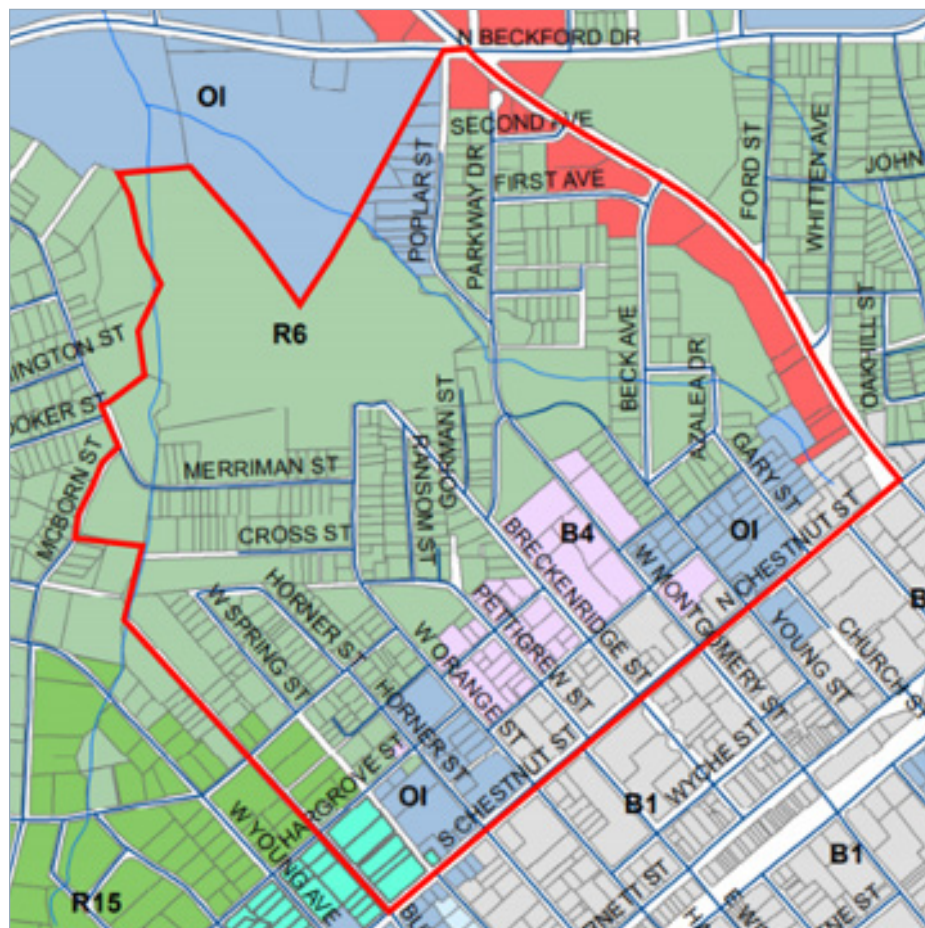
The proposed land uses, population densities, land coverage, and building intensities in the URA will remain consistent with the existing standards for the area as laid out in the Henderson Zoning Ordinance. No significant changes to zoning are anticipated for any of the proposed development scenarios outlined in this Appendix. Likewise, no changes to the existing street layout will be required to support the proposed development activities.

**Figure 23:** Map of anticipated changes to land uses



As of June 2021, the West End Redevelopment Area included the following zoning districts: B2, B4, OI, R6, and R8. Pursuant to Article 300A, §310A of the City of Henderson Zoning Ordinance, multi-family residential development is permitted as a special use in zones B4, OI, R6, and R8. Duplexes and single-family homes are permitted in OI, R6, and R8 zones. (Figure 24)

**Figure 24:** Map of current zoning conditions with West End



### III. ESTIMATED COST AND FINANCING

#### Orange Street Redevelopment

The assumed primary source of private financing for the two multifamily Orange Street Redevelopment scenarios is the federal Low Income Housing Tax Credit (“LIHTC”). The Orange Street Redevelopment project is unlikely to be competitive for the more valuable 9% tax credits per the 2021 NCHFA Qualified Allocation Plan. This is because the condition of the neighborhood and the site’s close proximity to the Vance County jail will deduct site scoring points when a perfect score is almost always needed for 9% tax credits. As such, potential developers may be required to secure funding through the noncompetitive 4% LIHTC program (as opposed to the competitive 9% LIHTC program). The cost estimates below assume that the Orange Street Redevelopment would serve households making 50% AMI.

The 4% LIHTC program has the potential to provide a significant amount of the capital required to fund any of the proposed development scenarios. However, some amount of additional funds will likely be required to attract a private development partner for an affordable housing development in the West End. It is anticipated that, for any of the development scenarios, the funding gap will be resolved—in part or in full—by public investment at the state or local level. The gaps are based on current market conditions (2021) and therefore subject to change.

	Estimated development costs	Estimated funding gap
Scenario 1: Single-Family Homes (Mixed Affordability)	\$12.5–\$13.5 million	\$1.6–\$2.6 million
Scenario 2: Medium-Density Multifamily	\$9–\$10 million	\$3.5–\$4.5 million
Scenario 3: High-Density Multifamily	\$14–\$15 million	\$4–\$5 million



## Appendix D. Statutory Requirements in the Redevelopment Plan (G.S. 160A-513(d))

- The boundaries of the area, with a map showing existing uses of the real property therein
  - ▶ Section 2.1 and Section 2.6
- A land use plan of the area showing proposed uses following redevelopment
  - ▶ Section 2.6
- Standards of population densities, land coverage and building intensities in the proposed redevelopment
  - ▶ Section 2.6
- A preliminary site plan of the area
  - ▶ Appendix C describes potential site plans.
- A statement of the proposed changes, if any, in zoning ordinances or maps
  - ▶ No changes required
- A statement of any proposed changes in street layouts or street levels
  - ▶ Section 3.1
- A statement of the estimated cost and method of financing redevelopment under the plan; provided, that where redevelopment activities are performed on the basis of annual increments, such statement to be sufficient shall set forth a schedule of the activities proposed to be undertaken during the incremental period, together with a statement of the estimated cost and method of financing such scheduled activities only
  - ▶ Section 6.3
- A statement of such continuing controls as may be deemed necessary to effectuate the purpose of this Article
  - ▶ Section 6.1
- A statement of a feasible method proposed for the relocation of the families displaced
  - ▶ Section 6.2