

EXECUTIVE SUMMARY

The Neighborhood Preservation and Housing Task Force (NPHTF) was formed to address the multitude of issues facing today's neighborhoods within the City of Raleigh. The NPHTF was charged with both reviewing current issues and concerns facing neighborhoods and with offering recommendations to address the defined issues. From this charge, our mission statement developed:

The mission of this task force is to make recommendations on how to strengthen, support and preserve residential neighborhoods in the City of Raleigh.

The NPHTF was originally comprised of stakeholders from a very broad variety of groups including landlords, students, university representatives, fair housing advocates, homeowners, Latino community advocates and neighborhood representatives.

The NPHTF met from March 13, 2003 to September 10, 2003. Originally charged to accomplish our task in two months, the NPHTF felt that the complexity of the issues deserved greater attention and discussion; an extension was granted by the City Council. The task force met weekly for two-hour meetings, with an alternating biweekly summer schedule for smaller committee meetings during the off weeks. Additionally, two intensive workshops were held at the Healing Place. Representatives from the City's Zoning, Housing Environmental, and Planning departments attended the meetings. RJ Brown of Community Services was moderator for most of the sessions.

NPHTF discussions included many complex neighborhood and housing issues. These included, but were not limited to: licensing, zoning intent and uses, overlay districts, family definition, occupancy limits, the rights and responsibilities of property owners, tenant/landlord relationships, student housing, and the roles and responsibilities of the City of Raleigh. Many of these topics posed challenges that were not fully resolved due to fundamental disagreements over facts and legal questions. After eight months of diligent effort, this is the consensus report of the NPHTF.

The NPHTF also reviewed current Raleigh codes, ordinances, enforcement procedures, and recommendations from the Zoning Enforcement Division and Housing/Environmental Inspections Division including the report prepared for Council entitled "Enforcement of Existing City Codes' Regulations and Possible Alternatives Density". Through this review process and the many detailed discussions among the task force members and representatives from the city departments, it became clear that many issues exist concerning neighborhood preservation and housing. Some of the issues and concerns facing neighborhoods overlapped within the city departments, while others were isolated within one department and not shared with the other. This isolation

among the departments made it apparent that what are one department's concerns is not necessarily an overlapping concern for the other.

Task force members provided data from many cities within North Carolina and across the country (attachment 1) to assist in addressing problems and possible recommendations. Using the Wake County GIS property database, task force members prepared an Excel spreadsheet using 147 neighborhoods in West Raleigh and four neighborhoods in other parts of the city. Charts were created from neighborhoods (attachment 2) that had eight or more tax bill address mismatches in the last ten years, with the assumption made that the mismatch meant a conversion of an owner occupied home to a rental. Positive trend lines in those neighborhoods indicated a rising percentage of conversions. Ground truth verification in several neighborhoods confirmed what the charts displayed, as the number of rentals actually exceeded property tax data. A map was prepared showing the percentage of conversions for neighborhoods in the study area with several exceeding 30 percent rental and a few over 50 percent rental. These results are in electronic form and can be found on the NPHTF web page and 2 CD discs included with the report. Time constraints prevented further study in other parts of Raleigh and since this baseline data will be considered for decisions, the remainder of the neighborhoods in the urban core should be mapped as well. In addition, on August 21, 2003, the NPHTF sponsored a public forum featuring attorney and planner, Dr. Eric Kelly (see biography, attachment 3) who gave a presentation on a study he performed of student housing for the City of Gainesville, Florida. A videotape of this forum is included with the report as well.

Neighborhood preservation and housing demand the full attention and proper resources from the City of Raleigh. The departments within the City of Raleigh charged with addressing quality of life issues, city-wide planning and ordinance and zoning violations are sometimes unaware of problems and issues that fall outside the scope of their respective departments and within the neighborhoods themselves. This, combined with a lack of proper tools, resources, accountability, support, political will, and available budget, continue to undermine the abilities and effectiveness of the departments to do their jobs adequately and efficiently.

NPHTF CONCLUSIONS:

- 1) Quality of life is important for all residents of Raleigh, regardless of the social, economic, familial or ethnic makeup. Together, they create the fabric of our community. A paramount goal for the City of Raleigh should be to establish strategies, policies, and ordinances that recognize the need for a variety of housing options, while simultaneously stabilizing, protecting and enhancing existing neighborhoods. In this context, Raleigh should "encourage growth toward a mix of household types in every neighborhood, and every cluster, so that one-person households, couples,

families with children and group households are side by side.”
Christopher Alexander, A Pattern Language, 1977

- 2) The City of Raleigh should support and encourage the core value of home ownership and recognize the long-term benefit of owner-occupied dwellings as vital to the overall well being of any community. Edwin Henry, President of the Florida Homebuilders Association, says in “Home Ownership’s Social Impacts...” (attachment 4): “Whether you own your own home or rent an apartment is clearly a personal decision based most often on your family, job or financial situation. But if you have a choice, there are now some well-documented reasons why owning your own home can mean positive benefits to your children, your neighborhood and your community.”
- 3) The City of Raleigh must be held accountable for equitable enforcement of its existing laws, codes and ordinances and must provide the necessary tools, political support and resources to conduct enforcement. Raleigh should review its current codes, ordinances, violations, etc. and consolidate them in such a way so that all departments and divisions within the city are operating under the same sets of rules and guidelines and are better able to communicate and enforce violations.
- 4) The Zoning Enforcement Division and the Housing/Environmental Inspections Division have suffered from years of neglect at the expense of taxpayers and neighborhoods. Numerous cities have reported success with licensing as a low cost, efficient and effective tool to address rental-housing problems. A licensing program in Raleigh will fund the necessary tools required by the city inspections departments to provide effective enforcement.
- 5) The process of renting purpose built single family homes, duplexes and single family homes converted to multi-family usage is as much of a business as running larger residential complexes: the scale varies but the basic principles apply. Dr. Eric Kelly states in “Analysis of Issues Regarding Student Housing near the University of Florida” that the conversion of single-family homes to rentals “is clearly a business that many landlords in Gainesville and other university communities have discovered.”
- 6) According to a 1991 study “Impact of Rental Properties on the Value of Single Family Residences” (Journal of Urban Economics 30, 152-166, (attachment 5), Wang, et al sum up their conclusions on page 16: “The accumulation of single-family rental properties in a residential neighborhood seems to have the same negative impacts as the intrusion of apartments or other types of undesired properties. This study demonstrates that there is perhaps a need for city planners, or others, to

regulate the number of single-family rental properties in a given residential neighborhood.” Overlay districts that limit density of rental conversions are an innovative solution to preserve residential neighborhoods. Craig Raborn and Dr. Kelly each cite a variety of ways that overlay districts function depending on the neighborhood and circumstance. If preserving residential neighborhoods is a goal, especially around the urban core where neighborhoods are experiencing a steady rise in conversions, then an overlay district is a vital tool in the process. Kelly cites the following from a New Haven, Ct. symposium: “Homeownership has long been accepted as a stabilizing factor in successful neighborhoods.” He further states, “Homeownership is often a central objective of efforts to bring back blighted neighborhoods.” Finally, “One of the traditional purposes of zoning is to limit population density and the intensity of other uses, to ensure that there is a balance between the impacts of the occupancy and the character of the neighborhood and the capacities of its system.” Overlay districts limiting the number of rentals give residents in neighborhoods an instrument to blunt the detrimental effects of encroaching decay due to increasing rentals. Additionally, the overlay becomes a selling point for available, affordable housing stock, thus making neighborhoods attractive to buyers looking to live in the city – an elusive and primary goal for urban vitality.

- 7) In addition to being the capital city of North Carolina, Raleigh is home to an impressive number of urban colleges and universities. Pressures on neighborhoods and city infrastructure due to increased enrollments and limited supply of on-campus housing are climbing. The City should be forceful in its efforts to engage the colleges and universities in the city. Plans for growth of the student body should be factored in to the transportation, infrastructure and development plans of the city. The need for closer coupling of the City’s plans with universities and colleges is essential. Craig Raborn concludes in “Coping with Colleges: How Communities Address the Problems of Students Living Off-Campus,” *Zoning News*, May 2002 (attachment 6):

“Close cooperation with neighboring universities might offer communities a method to more effectively influence the universities’ development of on-campus housing, plan for spurts in growth in enrollment, and control disorderly student behavior.” Raborn goes on to say, “Cities facing these pressures should not shy away from addressing them in comprehensive plans and other documents. Such preemptive attention will allow these communities to approach the impacts of students living off-campus with appropriate and effective planning solutions, rather than short-term or knee-jerk reactions. University growth is a fact of life of many communities—especially for the next few years—and they will encounter less

trauma and more success if they develop strategies before the pressures are felt.”

- 8) Relief from the problems addressed by the NPHTF will take a comprehensive, creative set of solutions that will address the breadth of situations and concerns of all stakeholders. In Light of the wealth of information available with regard to a possible course of action, Raleigh should adapt ordinances developed in other cities as well as creating solutions specifically for Raleigh. Such a combination of resources would enhance the ability of stake holders and decisions makers to gain a broad perspective and provide remedies in a timely manner.
- 9) The infrastructure impact on neighborhoods in terms of capacity for transportation and traffic, parking, sewer and water, trash, etc. and the burden of these services not only impacts the neighborhoods, but the city as a whole.

Key Recommendations:

- Licensure of single family, non-owner occupied duplex and single family homes converted to multi-family usage.
- Apply Neighborhood Preservation Overlay Districts with a target maximum of 20 percent combined single-family homes for rent and single family homes converted to multi-family usage for rent in any defined neighborhood.
- Consolidation of city codes, ordinances and nuisances.
- Increased enforcement of existing codes, ordinances and nuisances.
- All fees associated with licenses, nuisance, code and housing violations, and inspections will remain within the Zoning Inspections and Housing/Environmental Inspections departments for budgetary purposes.
- Colleges, universities and the City of Raleigh must coordinate efforts to address student housing needs.
- Enlist the services of an outside consultant, such as Eric Kelly, to assist in formalization of the NPHTF proposed solutions.
- Ongoing education and communication with all stakeholders
- The City of Raleigh should encourage homeownership by exploring a variety of options and programs.
- Maintain NPHTF as a permanent advisory group to the city for review of issues facing neighborhoods throughout the city.

NPHTF Recommendations:

Raleigh must ensure and maintain healthy and vital neighborhoods, especially as it relates to the quality of life for all city residents. The city must be held accountable for equitable enforcement of its existing laws, codes and ordinances and must provide the necessary tools, political support and resources to the Zoning Code Enforcement and Housing/Environmental Inspections departments. In the months preceding the formation of the NPHTF the Council was presented with a report entitled “Enforcement of Existing City Codes’ Regulations and Possible Alternatives Density” that the task force used as a resource to help develop our recommendations. In working to achieve consensus within the NPHTF, it is important to note that our recommendations in many instance are not as restrictive as the proposed alternatives developed by the City’s own staff.

License: Each property owner of a purpose built single family detached dwelling unit, non-owner occupied duplex and single family home converted to multi-family usage that is used for rental purposes and engaged in the business of renting will be required to apply for and procure, from the City of Raleigh, a license for the privilege of engaging in such a business.

Each license will include the following certified information: (attachment 7)

- Name and address of property owner or licensed property manager or legal power of attorney
- 24 hours a day/7 days a week local phone contact information and a service address for receipt of mailing
- Occupancy Information: number and names of tenants
- Housing type/rental information
- Accurate Floor Plan and Parking Plan submitted showing adequate infrastructure for planned usage.
- Acknowledgement of receipt of housing code standards, violations and City of Raleigh nuisance and appropriate code violations information and education packet
- Acknowledgement that unit currently meets the City of Raleigh's minimum housing standards and all zoning ordinances. If property does not comply, exceptions must be noted.
- Acknowledgement of receipt of Landlord/Tenant Rights Information Packet

License Regulations:

- Each single family home converted to multi-family usage will require annual inspections – such as in the Raleigh ordinance for rooming houses. Annual license renewal required and update of tenant/contact information as needed
- Each single family detached house and non-owner occupied duplex will require annual license renewal and update of tenant/contact information as needed (no inspection required)
- Licenses are non-transferable

Filing Fees:

- Fees for acquiring a license shall not exceed administrative and processing costs and inspection fees, if required

Penalty Matrix, Fines, Revocation, Suspension and Inspection:

- Failure to acquire a license will result in a \$500.00 fine and/or loss or suspension of privilege
- Providing false, inaccurate certified information on license application will result in a \$500.00 fine and/or suspension of license for 1 year
- Apply a 'point system' to code violations and nuisances (such as with a drivers license)– zero tolerance policy for repeat offenders
- Possible revocation or suspension of all licenses issued to a property owner owning more than one property for repeated violations
- Points are applied for all violations and nuisance citations
- Points acquired by a property can result in inspection
- Violations requiring an inspection will result in an inspections fee (fee to be set according to current minimum permit/inspections fee)
- Offer an appeals process for any violation, revocation or suspension

Parking Requirements:

The HPHTF has reviewed the preliminary Appearance Commission's report regarding parking and believe that it fails to address some of core issues facing neighborhoods. We anticipate making recommendations based on the Appearance Commission's final report.

City of Raleigh Zoning, Housing Code, Zoning and Nuisance Violations: In review of the City of Raleigh's policy and procedures on such ordinances, the NPHTF feels that strong enforcement and strict accountability is an important key to the viability, safety and security for all residents of Raleigh.

Database Development:

- Establish a comprehensive database to consolidate all housing licenses, nuisances, zoning/housing/noise code violations illegal activities, and complaints which can be cross referenced with all city departments responsible for such data, including the police, fire, sanitation, tax, housing, zoning and inspections departments.
- Provide a systematic approach of information for nuisances, zoning/housing/noise code violations from this database for public review

Noise Violations:

- Zero tolerance and citation policy must be applied city-wide
- Ordinance penalties/fees should affect landowners and tenants
- Identify repeat offenders through the cumulative database
- Landlords are subject to penalty under the penalty matrix for repeated citations to the tenant
- All citations issued should be copied to the owner of rental units
- Landlords/responsible party should be called at the 24 hour contact number when a violation occurs
- Convictions issued shall assist rental owner in eviction and if landlord does not pursue eviction, then the rental license could be revoked
- Nuisance provisions for repeat offenders:
 - * With third citation, tenant behavior becomes landlord problem
 - * Add lease addendum to address current laws
 - * Instruct police to provide landowners with sufficient evidence to secure evictions

Abandoned Properties:

Abandoned, boarded and unsafe housing contributes greatly to the degradation and blight of any neighborhood.

- The NPHTF supports the City of Greensboro's ordinance for unsafe housing and proposes that Raleigh adopt the same. The General Assembly of North Carolina Session Law 2003-76, Senate Bill 290

states its purpose as: “An act to clarify that the City of Greensboro may order owners of residential property to repair rather than vacate housing to meet minimum code standards.”

- Vacate and close building time limit shall be reduced to 6 months with a plan submitted for repair.
- If no plan for repair is submitted then house should be recommended for demolition or exercise of eminent domain for economic development and overall well being of the community
- The City needs to maintain properties it owns in accordance with the same standards it enforces on other property owners
- Vacant lots or properties owned by the City of Raleigh should be donated to local non-profits for \$1.00 for construction of owner-occupied affordable housing.
- Incentives offered to local builders to purchase lots at below market value, low interest rate loans for development of affordable owner-occupied housing using CDBG funds.

Housing Code Violations:

- Structures found in violation of City of Raleigh Minimum Housing Standards will receive one initial inspection and one follow-up inspection. Additional inspections will require an inspections fee (fee is according to current new construction inspection fee)
- Current penalty charges will remain in effect

Public Nuisance Violations:

- For each cited nuisance, the property owner will be charged an administrative fee *
- First Violation will not result in a fine
- Second violation will result in a \$150.00 fine
- Third violation will remain a \$300.00 fine

Trash Receptacles:

- All containers, including refuse, recyclables and yard waste, must be placed adjacent to the street no earlier than the day before collection is scheduled and must be returned to the side or rear of the residence by the day after collection.
- All containers must be labeled with the street address and unit number.
- Items that will not fit in the container must be scheduled for special collection.

Public Nuisance Vehicles:

- Owners of vehicles found in violation will be charged an administrative fee*
- A \$100.00 towing fee will be charged for all nuisance vehicles that require the City of Raleigh tow services

Vehicle Zoning Violations:

- Properties cited for having more than one unlicensed vehicle will be charged an administrative fee*

Parking Requirements:

The NPHTF has reviewed the pending Appearance Commission's report regarding parking and believe that it fails to address some core issues that we believe need to be included. These issues include sufficiency of on-site parking for the intended usage, stacking requirements, street requirements for on street parking, etc. The NPHTF would like to continue to have some input into parking requirements that may not be addressed by Appearance Commission recommendations. We anticipate making recommendations based on the final Appearance Commission report.

Properties Requiring Inspection:

The following conditions shall be present when an inspection is required (except that which is required under the Rental License)

- Neglected Property
- Properties with no utility service
- A signed petition made by five neighboring residents requesting inspection
- Evidence of violations which constitute nuisance conditions, public nuisance
- Notification from Police Department
- Request of Occupant

* Fee to be set according to administrative costs, not to be less than \$25.00

Fair Housing Commission:

- The City of Raleigh needs to provide adequate resources so that the Fair Housing Commission and associated City staff are able to enforce all existing Fair Housing laws

Housing Code Improvements:

- Continue the work the Housing/Environmental Inspections Division is doing to assure the City of Raleigh's Housing Code meets the minimum standards requirements used by other major North Carolina municipalities.

Education and Communication:

Education and communication are critical components to the success of any long-term goals and solutions involving neighborhood preservation and housing within the City of Raleigh. Proper implementation, oversight and sustainability of the NPHTF recommendations must include commitment on the part of the City of Raleigh and other neighborhood and housing preservationists and stakeholders to assist in the overall education and communication effort.

City of Raleigh:

The City of Raleigh must provide resources and assistance to all parties involved in the rental housing market. We recommend that the city take the following actions:

- 1) Establish a staff position to address issues related to rental housing, especially off campus student housing. This staff person should maintain contacts and develop programs with the student governments, student housing departments of our colleges and universities, landlords that service this market and the students who rent in the city. This office will provide information regarding laws, ordinances and city policies that may affect landlords, neighborhoods, renters and students renting off-campus. Materials shared with the stakeholders and this service should be posted on the City of Raleigh web page and other appropriate city mailings and written literature.
- 2) Provide a web based tool that provides information about properties and their zoning/building code compliance status and history. Prospective tenants could access this information to see if violations currently exist or if a history of violations exists. This will assist interested tenants in seeking quality housing and provide incentives for owners not to be repeat violators.
- 3) Provide landlords, trade groups and other rental owners with up to date housing and code enforcement data. Periodically update all information and solicit input from owners on how other city services could help them with problem situations such as prompt evictions.
- 4) Empower the Raleigh Fair Housing Commission to provide adequate representation to renters and education to property owners.
- 5) Establish a long-term role of the Neighborhood Preservation and Housing Task Force to monitor the implementation of these recommendations and work through issues that arise in the future.
- 6) Continue to fund the successful Neighborhood College program and as part of that program encourage and educate Neighborhood Association leaders in setting up Neighborhood Association cooperatives to buy

properties that could be converted to rental and reconvert rental properties back to owner occupied.

Universities & Colleges:

The universities and colleges in the City of Raleigh must maintain good communication with the communities and neighborhoods that support their off campus housing needs. The Universities and Colleges have a responsibility to the neighborhoods and to their students to assist in their transition from living in their family home to living in rental properties in Raleigh. We recommend that area universities and colleges with a large number of students living off campus do the following:

- 1) Establish and publicize a staff position and/or department of off-campus housing to assist students, landlords, the city and residents. This will help students with locating good rental options, executing fair and reasonable leases and learning how to be good and accountable residents of the city. Good examples are the programs at UNC Wilmington, the University of Pennsylvania and Georgetown University.
- 2) Assist groups within the school community to join in this process. The student government should be actively engaged with the university to help the students secure housing and adjust to life out from the dorm or home setting. Information and resources from the city and rental industry should be channeled to the students, landlords and neighborhoods in a coordinated manner.
- 3) Commit to participate with the Raleigh police and/or City Enforcement departments on calls and issues that involve students when requested.
- 4) Provide for a process so that students who are repeatedly involved in off campus nuisances are educated and/or disciplined with the appropriate school judicial procedure. Any consequences for offenses should be similar for on-campus and off-campus behavior.
- 5) Encourage staff and faculty to consider living closer to campus. Maintain good information about areas close to the university or college and connect prospects with current residents for information about the neighborhoods.
- 6) Work with primary and secondary schools near campus to provide assistance with programs, mentors or other volunteer efforts; such as takes place at Fred Olds and Wiley Schools. Expand the efforts to help build better neighborhoods near campus.

Trade Associations:

Trade associations must take responsibility and educate their members in ways to maintain their rental properties in such a manner so that rental properties contribute to the overall quality of neighborhoods. We recommend they do the following:

- 1) Under the recommended licensure program the trade associations will assist the city to contact all owners of rental property and distribute the most current information regarding codes, ordinance and policies. Assist in the distribution of sample forms and lease agreements to help all parties understand what they should be doing to improve and maintain our housing stock. Coordinate this effort with city efforts to provide consistent information and avoid duplication.
- 2) Encourage responsible property ownership through seminars, continuing education and pride of profession among its members. Develop a minimum management standards manual to help small owners operate properties in a first class manner.
- 3) Establish web based and written materials to better inform industry as to the laws and professional practices conducted by most members. Draft suggestive rules and regulations that will encourage responsible occupancy by tenants.
- 4) Establish a volunteer opportunity for owners to provide renters with evidence that the unit is in compliance with all city codes and has been inspected for minimum housing standards. Occupancy limits, rules and regulations, and emergency contact information could be posted on the premises to inform users about expectations of the landlord.
- 5) Attract and train realtors that will focus on the sale of properties for owner occupancy in the neighborhoods that currently contain a high percentage of rental units. Emphasis should be placed on affordability, proximity to major employers, built-up areas that are not subject to dramatic new development, more limited school reassignments, quick access to transit, shopping and city services. Many newcomers today are accustomed to urban settings. There is an opportunity to market these neighborhoods as socially/ economically diverse, yet stable enough to have a positive long-term future.

Citizens Advisory Councils & Neighborhood Associations:

Citizens' Advisory Councils (CAC) and Neighborhood Associations (NA) should serve all members of the community. They should strive to meet the needs of all residents whether they are homeowners, renters or landlords. Neighborhood Churches are a powerful force within their community and provide a positive tool for community involvement. A neighborhood that works together will become a more effective advocate for positive change.

- 1) Ask CAC and NA to approach major landlords in the area to establish a working dialogue to address issues without city intervention. Work on creative solutions for the issues that affect all members of neighborhoods. Execute plans to bring change and create better working relationships.
- 2) Ask all CACs to assist neighbors and neighborhood associations in reviewing the housing conditions and occupancy makeup in their neighborhoods. If needed, submit a report to the city inspections department on issues and locations that present problems to the adjoining neighbors.
- 3) Contact renters in the neighborhood to welcome them and invite their participation in official CAC business. Provide helpful information to new residents about services from the city, emergency contacts, CAC contacts, etc.
- 4) Neighborhood Association (NA) leaders need to be educated and encouraged to assist members in setting up NA cooperatives to buy properties that potentially could be converted to rental and reconvert rental properties back to owner occupied.

Financial Incentives and Enhancing Housing:

Changes in city ordinances and enforcement are one facet of neighborhood preservation. In an effort to promote home ownership and a positive change within the City of Raleigh's neighborhoods, the NPHTF recommends that the following city programs/codes be strengthened or enacted.

Low Interest Primary Loans:

- The city operates a number of loan programs to encourage home ownership. These programs are targeted, in general, at lower cost homes and, in many cases, for first time buyers. These programs must be continued and the city should aggressively pursue funding from the Federal and State Governments as well as foundations to encourage home ownership. Further, the city should continue to work with banks, credit unions and other lenders to ensure an adequate pool of capital to provide for buyers that may not qualify under some of the existing city program

Rehab loans for owner occupants:

- The city has a number of programs working with Community Development Block Grants to provide assistance to city residents for the rehabilitation of homes within the city. There are a number of programs to provide such assistance in emergencies, to the elderly and individuals and families at or below 80% of the median family income for the city. These programs should be better publicized and visibility promoted by city leaders.

Neighborhood Preservation Overlay District:

- In order to achieve the target maximum of 20 percent single-family homes and converted single-family homes for rent in any defined neighborhood, the city shall create and enact a Neighborhood Preservation Overlay District. This will be a plan-driven, neighborhood specific option for residential neighborhoods that will pass constitutional scrutiny. It is highly recommended that a professional consultant be hired to facilitate this process.

Government Worker Incentives:

Many of the State's and Raleigh's employees cannot afford to buy a house within Raleigh. Housing costs have risen out of the reach of many government workers, particularly in a time of governmental budget retrenchment.

- The city should re-examine its program for encouraging city workers to acquire homes within the city limits; more resources should be made available for such a program and the city leaders should be highly visible in supporting such an effort. The city should further promote some relationship with the State Government to encourage state workers to live within the city where they are working.
- One such potential program is to offer Police Officers and Firefighters homes owned by the City to live in rent-free for two years in redevelopment areas. The Officer or Firefighter will be required to spend twenty-four off-duty hours a month in their community focusing on crime prevention, neighborhood pride, etc. After two years, the officer is eligible to purchase the home from the city.
- Another such program should be to enable any city employee to qualify for a loan provided their household income is less than 80% of the median household income.

Appropriate financial incentives must be made available to attract long term commitments from residents and investors to stay or move into designated neighborhoods. Public funds are available for large inner city projects and urban gentrification attracts private capital funds to inner city areas. Few sources are available to serve the first tier neighborhoods that are currently

experiencing decline. Programs should reward long term residency, physical property improvements as well as leverage for any public funds used.

- For properties in designated areas, improvements by homeowners and landlords could receive city tax abatement for any increases in tax value as a result of those improvements
- Develop a city sponsored secondary mortgage fund for improvements made by the homeowner structured with repayment terms that provide incentive for long term residency
- The City, Universities, Colleges and major employers in central Raleigh should design incentive plans to encourage employees to stay in Raleigh and reside near their place of employment
- Solicit local banks to provide loan pools for homeowners in certain districts of the city. Explore ways the city could help underwrite those loans to make them more attractive banks. Swap-outs of bad loans or second mortgages that could give the city cure rights on defaulted loans are examples that might make banks more willing to consider such a program
- Attract a private equity pool to fund qualified buyers that receive below rate financing for a percentage of the appreciation of the property. Loans would contain a share to the investor at sale or at the end of a given period of time. Toronto Canada has started such an effort
- The City should turn over acquired properties faster to private hands. Acquire properties aggressively where needed and turn them back to the private market for rehabilitation
- Discourage long term assembly of multiple vacant tracts in a threatened and deteriorated neighborhood
- Raleigh should seek City or private loan pools to assist neighborhood associations or ownership entities comprised of property owners in a neighborhood that wish to acquire run down properties, make improvements and return them to a more desirable home for resale. Such loans should be designed with a low market interest rate with no or little closing costs.