AGENDA
Regular Town Board Meeting
September 7, 2020 - 6:00 PM
TOWN HALL (101 Huntersville-Concord Road)

1. **Pre-meeting**

    1.A. Closed Session - 5:30 p.m. (Janet Pierson)

2. **Call to Order**

3. **Invocation - Moment of Silence**

4. **Pledge of Allegiance**

5. **Mayor and Commissioner Reports-Staff Questions**

6. **Public Comments, Requests, or Presentations** *- Speakers are limited to 3 minutes. The Mayor reserves the right to shorten the time limit for speakers when an unusually large number of persons have signed up to speak. Speakers may not give all or a portion of their time to other speakers.*

7. **Agenda Changes**

8. **Public Hearings**

    8.A. Public Hearing - Proposed Rate Modifications for ElectriCities Customers (Janet Pierson)

9. **Other Business**

    9.A. Petition #TA20-06 ()

10. **Consent**

    10.A. Approval of Minutes - August 3, 2020 (Janet Pierson)

10.B. Resolution - Partner with Habitat to Develop Lots Within Norman Park Subdivision ()

10.C. Southlake Presbyterian Church Escrow Agreement (Janet Pierson)

11. Closing Comments

12. Adjourn

Town of Huntersville
Town Board
September 7, 2020

To: Town Board

From: Janet Pierson, Town Clerk

Date: September 7, 2020

Subject: Closed Session - 5:30 p.m.

EXPLAIN REQUEST:
Closed Session - Consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body to consider and give instructions to the attorney concerning the handling or settlement of the following: Town of Huntersville v. King, et. al (19-CVS-12823, Mecklenburg County Superior Court File)

ACTION RECOMMENDED:
No Action - For Information Purposes

FINANCIAL IMPLICATIONS:

ATTACHMENTS:
None

Town of Huntersville
Town Board
September 7, 2020

To: Town Board

From: Janet Pierson, Town Clerk

Date: September 7, 2020

Subject: Public Hearing - Proposed Rate Modifications for ElectriCities Customers

---

EXPLAIN REQUEST:
Conduct public hearing on proposed rate modifications for Huntersville ElectriCities Customers.

ACTION RECOMMENDED:
Conduct public hearing on Proposed Rate Modifications for Huntersville ElectriCities Customers. (Don Mitchell)

FINANCIAL IMPLICATIONS:

ATTACHMENTS:
1. ElectricPowerPoint

Cost-of-Service/Rate Design Study Results

Presented to the Town of Huntersville

July 20, 2020

The Cost-of-Service Study

- Really a combination of three separate studies:
  - The Accounting Study
    - Develop a multi-year statement of revenue & expenses
    - Determines revenue requirement based on financial goals
  - The Cost-of-Service Study
    - Determines revenue requirement by class
  - The Rate Design Study
    - Uses results of the Cost-of-Service Study to design rates to meet financial goals

Accounting Study

- Annual Report for FY2019 (Test Year)
- Budgets for FY2020 & FY2021
- Power Cost
  - ElectriCities projections
    - Includes 2.5% - 4.0% growth
- Revenue
  - Sales grown at same rate as purchases
  - Growth assigned to res, scs, and mcs

Revenue & Expenses

	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025
Electric Sales Revenue	$20,747,441	$19,899,100	$20,556,694	$21,196,393	$22,284,841	$23,378,994	$24,436,844
Other Revenue	$341,056	$268,000	$233,000	$233,000	$233,000	$233,000	$233,000
Total Revenue	$21,088,497	$20,167,100	$20,789,694	$21,429,393	$22,517,841	$23,611,994	$24,669,844
Power Cost	$15,819,835	$16,917,162	$18,328,220	$19,004,874	$19,621,079	$20,541,460	$21,536,821
NCMPA1 Refund	$0	($2,207,166)	($3,656,000)	$0	$0	$0	$0
Salaries and Benefits	$905,633	$1,308,650	$1,492,449	$1,492,449	$1,492,449	$1,492,449	$1,492,449
Contracted Services	$126,937	$257,500	$291,217	$291,217	$291,217	$291,217	$291,217
Other Operating Expense	$522,644	$644,730	$775,523	$775,523	$775,523	$775,523	$775,523
Debt Payments			$0	$0	$369,873	$369,873	$369,873
System Improvements	$3,276,502	$3,319,343	$3,273,300	$4,222,400	$3,684,000	$2,143,000	$1,603,000
Non-Operating Expenses	$0	$0	$0	$0	$0	$0	$0
Total Cost of Service	$20,651,550	$20,240,219	$20,504,708	$25,786,463	$26,234,140	$25,613,522	$26,068,883
Margins	$436,947	($73,119)	$284,986	($4,357,069)	($3,716,299)	($2,001,527)	($1,399,039)
Cumulative	$436,947	$363,828	$648,814	($3,708,256)	($7,424,555)	($9,426,083)	($10,825,121)
Loan Funds			$0	$3,000,000	$0	$0	$0
Projected Reserves	$2,168,786	$2,095,667	$2,380,652	$1,023,583	($2,692,716)	($4,694,244)	($6,093,282)
Recommended Reserves		$7,610,883	$7,610,883	$7,610,883	$7,610,883	$7,610,883	$7,610,883

Cash Reserves

- Timely payment of bills
- Fund unanticipated costs
- Available for system improvements
- Factor in bond ratings

- Methodology set out in APPA's Finance and Accounting Series

Reserve Calculation

- Operating Expenses (less power costs)
  - 5-year average * 45/365 days
- Power Cost
  - Maximum monthly projected * 45/30 days
- Rate Base
  - Plant net of land * 1%-3%
  - Percent is based on accum depreciation / plant
- System Improvements
  - 5-year average
- Debt Service Payments
  - Maximum annual payment

Recommendations

- Reserves - $7,610,883
- Days of cash on hand
  - Reserves / Cost of Service = 112 days
  - APPA recommends ~120 days
- Rate increase to achieve recommended reserve balance = 12.77%

July 20, 2020 Booth & Associates, LLC 7

Revenue & Expenses w/ Increase

	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025
Rate Increase			12.77%	0.00%	0.00%	0.00%	0.00%
Electric Sales Revenue	$20,747,441	$19,899,100	$23,182,552	$23,862,796	$25,020,238	$26,183,692	$27,308,654
Other Revenue	$341,056	$268,000	$233,000	$233,000	$233,000	$233,000	$233,000
Total Revenue	$21,088,497	$20,167,100	$23,415,552	$24,095,796	$25,253,238	$26,416,692	$27,541,654
Power Cost	$15,819,835	$16,917,162	$18,328,220	$19,004,874	$19,621,079	$20,541,460	$21,536,821
NCMPA1 Refund	$0	($2,207,166)	($3,656,000)	$0	$0	$0	$0
Salaries and Benefits	$905,633	$1,308,650	$1,492,449	$1,492,449	$1,492,449	$1,492,449	$1,492,449
Contracted Services	$126,937	$257,500	$291,217	$291,217	$291,217	$291,217	$291,217
Other Operating Expense	$522,644	$644,730	$775,523	$775,523	$775,523	$775,523	$775,523
Debt Payments	$0	$0	$0	$0	$369,873	$369,873	$369,873
System Improvements	$3,276,502	$3,319,343	$3,273,300	$4,222,400	$3,684,000	$2,143,000	$1,603,000
Non-Operating Expenses	$0	$0	$0	$0	$0	$0	$0
Total Cost of Service	$20,651,550	$20,240,219	$20,504,708	$25,786,463	$26,234,140	$25,613,522	$26,068,883
Margins	$436,947	($73,119)	$2,910,844	($1,690,667)	($980,902)	$803,170	$1,472,771
Cumulative	$436,947	$363,828	$3,274,672	$1,584,005	$603,102	$1,406,272	$2,879,044
Loan Funds			$0	$3,000,000	$0	$0	$0
Projected Reserves	$2,168,786	$2,095,667	$5,006,510	$6,315,843	$5,334,941	$6,138,111	$7,610,883
Recommended Reserves		$7,610,883	$7,610,883	$7,610,883	$7,610,883	$7,610,883	$7,610,883

July 20, 2020 Booth & Associates, LLC 8

Cost-of-Service Study

- Classifies revenue and expenses as consumer, demand, energy, and/or revenue related
- Allocates revenue and expenses to individual rate classes based on cost & load based allocation factors
- Methodology set out in the NARUC's *Electric Utility Cost Allocation Manual* and APPA's *Finance and Accounting Series*

Cost-of-Service Results FY2020

Description	Total System	Residential Service	Small Commercial	Medium Commercial	Medium Industrial	Large Industrial	Lighting Service
Revenues	$20,167,100	$7,863,091	$2,584,931	$2,871,942	$799,370	$5,751,131	$296,635
Expenses							
Power Cost	$16,917,162	$5,277,983	$1,689,242	$2,428,192	$756,860	$6,675,232	$89,654
Salaries and Benefits	$1,308,650	$835,334	$131,048	$91,636	$18,316	$133,552	$98,765
Contracted Services	$257,500	$183,369	$25,384	$11,932	$1,681	$10,982	$24,151
Other Operating Exp	$644,730	$430,903	$65,240	$41,559	$7,853	$56,408	$42,768
Debt Interest	$0	$0	$0	$0	$0	$0	$0
Depreciation Expense	$1,107,678	$730,378	$114,199	$79,199	$15,987	$116,671	$51,244
Subtotal	$20,235,721	$7,457,966	$2,025,113	$2,652,518	$800,698	$6,992,844	$306,582
Income for Return	($68,621)	$405,124	$559,817	$219,425	($1,328)	($1,241,713)	($9,947)
Rate Base	$22,901,627	$15,131,719	$2,411,412	$1,726,682	$359,921	$2,663,065	$608,828
Rate of Return	(0.30%)	2.68%	23.22%	12.71%	(0.37%)	(46.63%)	(1.63%)
Increases to Meet Revenue Requirement and Level Rate of Return	12.25%	14.84%	(12.62%)	(1.60%)	4.89%	27.18%	24.95%

Revenue Projections

Description	Total System	Residential Service	Small Commercial	Medium Commercial	Medium Industrial	Large Industrial	Lighting Service
FY 2019/2020	$19,899,100	$7,757,853	$2,550,868	$2,833,819	$788,809	$5,674,812	$292,940
FY 2020/2021							
Existing Rate Revenue	$20,556,694	$8,146,519	$2,678,099	$2,975,515	$788,809	$5,674,812	$292,940
Increase	**12.77%**	**15.73%**	**(13.38%)**	**(1.70%)**	**5.18%**	**28.81%**	**26.45%**
Revenue w/ Increase	$23,182,552	$9,427,696	$2,319,855	$2,925,044	$829,703	$7,309,830	$370,424
FY 2021/2022							
Existing Rate Revenue	$23,862,796	$9,864,963	$2,426,916	$3,060,960	$829,703	$7,309,830	$370,424
Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Revenue w/ Increase	$23,862,796	$9,864,963	$2,426,916	$3,060,960	$829,703	$7,309,830	$370,424
FY 2022/2023							
Existing Rate Revenue	$25,020,238	$10,608,997	$2,609,044	$3,292,241	$829,703	$7,309,830	$370,424
Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Revenue w/ Increase	$25,020,238	$10,608,997	$2,609,044	$3,292,241	$829,703	$7,309,830	$370,424
FY 2023/2024							
Existing Rate Revenue	$26,183,692	$11,356,638	$2,792,214	$3,524,883	$829,703	$7,309,830	$370,424
Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Revenue w/ Increase	$26,183,692	$11,356,638	$2,792,214	$3,524,883	$829,703	$7,309,830	$370,424
FY 2024/2025							
Existing Rate Revenue	$27,308,654	$12,080,283	$2,969,384	$3,749,030	$829,703	$7,309,830	$370,424
Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Revenue w/ Increase	$27,308,654	$12,080,283	$2,969,384	$3,749,030	$829,703	$7,309,830	$370,424
5-Year Total	$125,557,932	$53,338,576	$13,117,413	$16,552,159	$4,148,513	$36,549,149	$1,852,122
Goal	$125,557,932						
	$0						

July 20, 2020 Booth & Associates, LLC 11

Revenue Projections

Description	Total System	Residential Service	Small Commercial	Medium Commercial	Medium Industrial	Large Industrial	Lighting Service
FY 2019/2020	$19,899,100	$7,757,853	$2,550,868	$2,833,819	$788,809	$5,674,812	$292,940
FY 2020/2021							
Existing Rate Revenue	$20,556,694	$8,146,519	$2,678,099	$2,975,515	$788,809	$5,674,812	$292,940
Increase	3.15%	0.00%	0.00%	0.00%	0.00%	**11.40%**	0.00%
Revenue w/ Increase	$21,203,623	$8,146,519	$2,678,099	$2,975,515	$788,809	$6,321,740	$292,940
FY 2021/2022							
Existing Rate Revenue	$21,843,322	$8,524,363	$2,801,693	$3,113,776	$788,809	$6,321,740	$292,940
Increase	5.58%	**5.75%**	**(3.00%)**	0.00%	**4.15%**	**11.40%**	20.00%
Revenue w/ Increase	$23,061,424	$9,014,514	$2,717,642	$3,113,776	$821,545	$7,042,418	$351,528
FY 2022/2023							
Existing Rate Revenue	$24,180,532	$9,694,406	$2,921,587	$3,349,048	$821,545	$7,042,418	$351,528
Increase	2.31%	**5.75%**	0.00%	0.00%	0.00%	0.00%	0.00%
Revenue w/ Increase	$24,737,961	$10,251,834	$2,921,587	$3,349,048	$821,545	$7,042,418	$351,528
FY 2023/2024							
Existing Rate Revenue	$25,902,201	$10,974,305	$3,126,700	$3,585,705	$821,545	$7,042,418	$351,528
Increase	5.58%	**5.75%**	**(3.00%)**	0.00%	**4.15%**	**11.40%**	20.00%
Revenue w/ Increase	$27,346,657	$11,605,327	$3,032,899	$3,585,705	$855,639	$7,845,254	$421,833
FY 2024/2025							
Existing Rate Revenue	$28,506,606	$12,344,819	$3,225,341	$3,813,719	$855,639	$7,845,254	$421,833
Increase	2.49%	**5.75%**	0.00%	0.00%	0.00%	0.00%	0.00%
Revenue w/ Increase	$29,216,433	$13,054,646	$3,225,341	$3,813,719	$855,639	$7,845,254	$421,833
5-Year Total	$125,566,097	$52,072,840	$14,575,568	$16,837,764	$4,143,178	$36,097,085	$1,839,662
Goal	$125,557,932						
	$8,165						

July 20, 2020 Booth & Associates, LLC 12

Revenue & Expenses w/ Recommended Increases

	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025
Rate Increase			3.15%	5.58%	2.31%	5.58%	2.49%
Electric Sales Revenue	$20,747,441	$19,899,100	$21,203,623	$23,061,424	$24,737,961	$27,346,657	$29,216,433
Other Revenue	$341,056	$268,000	$233,000	$233,000	$233,000	$233,000	$233,000
Total Revenue	$21,088,497	$20,167,100	$21,436,623	$23,294,424	$24,970,961	$27,579,657	$29,449,433
Power Cost	$15,819,835	$16,917,162	$18,328,220	$19,004,874	$19,621,079	$20,541,460	$21,536,821
NCMPA1 Refund	$0	($2,207,166)	($3,656,000)	$0	$0	$0	$0
Salaries and Benefits	$905,633	$1,308,650	$1,492,449	$1,492,449	$1,492,449	$1,492,449	$1,492,449
Contracted Services	$126,937	$257,500	$291,217	$291,217	$291,217	$291,217	$291,217
Other Operating Expense	$522,644	$644,730	$775,523	$775,523	$775,523	$775,523	$775,523
Debt Payments	$0	$0	$0	$0	$369,873	$369,873	$369,873
System Improvements	$3,276,502	$3,319,343	$3,273,300	$4,222,400	$3,684,000	$2,143,000	$1,603,000
Non-Operating Expenses	$0	$0	$0	$0	$0	$0	$0
Total Cost of Service	$20,651,550	$20,240,219	$20,504,708	$25,786,463	$26,234,140	$25,613,522	$26,068,883
Margins	$436,947	($73,119)	$931,914	($2,492,039)	($1,263,180)	$1,966,136	$3,380,550
Cumulative	$436,947	$363,828	$1,295,742	($1,196,297)	($2,459,477)	($493,341)	$2,887,209
Loan Funds			$0	$3,000,000	$0	$0	$0
Projected Reserves	$2,168,786	$2,095,667	$3,027,581	$3,535,542	$2,272,362	$4,238,498	$7,619,048
Recommended Reserves		$7,610,883	$7,610,883	$7,610,883	$7,610,883	$7,610,883	$7,610,883

The Rate Design Objectives

- Rates should yield the revenue requirement
- Rates should be fair and avoid undue discrimination between classes
- Rates should discourage the wasteful use of energy and facilities

Residential Service Rate

Description	Current Rate	Proposed Rate FY21/22	% Increase
Basic Facilities Charge			
Single-Phase	$16.20	$17.40	7.41%
Three-Phase	$16.20	$17.40	7.41%
Energy			
Summer			
All kWh	$0.108970	$0.114940	5.48%
Winter			
All kWh	$0.094440	$0.099610	5.47%
Average Monthly kWh per Consumer	970		
Average Cost per kWh	$0.1175	$0.1242	5.75%

July 20, 2020 Booth & Associates, LLC 15

Residential Rate Comparison

Annual Average

	Huntersville		Increase / (Decrease)	
kWh	Current	Proposed	$	%
50	$21.29	$22.76	$1.48	6.95%
100	$26.37	$28.13	$1.76	6.66%
250	$41.63	$44.22	$2.59	6.23%
500	$67.05	$71.04	$3.99	5.94%
750	$92.48	$97.86	$5.38	5.81%
1,000	**$117.91**	**$124.68**	**$6.77**	**5.74%**
1,250	$143.33	$151.49	$8.16	5.69%
2,000	$219.61	$231.95	$12.34	5.62%
2,500	$270.46	$285.59	$15.13	5.59%
3,000	$321.32	$339.23	$17.91	5.57%
4,000	$423.02	$446.50	$23.48	5.55%
7,500	$778.99	$821.96	$42.97	5.52%

July 20, 2020 Booth & Associates, LLC 16

Small Commercial Service Rate

Description	Current Rate	Proposed Rate FY21/22	% Increase
Basic Facilities Charge			
Single-Phase	$26.77	$26.00	(2.88%)
Three-Phase	$37.48	$36.35	(3.01%)
Demand			
First 30 kW	$0.00	$0.00	
Over 30 kW	$5.72	$5.52	(3.50%)
Energy			
Summer			
First 3,000 kWh	$0.131660	$0.127700	(3.01%)
Over 3,000 kWh	$0.086550	$0.084000	(2.95%)
Winter			
First 3,000 kWh	$0.131660	$0.127700	(3.01%)
Over 3,000 kWh	$0.084720	$0.082200	(2.97%)
Average Monthly kWh per Consumer	3,054		
Average Cost per kWh	$0.1199	$0.1162	(3.00%)

July 20, 2020 Booth & Associates, LLC 17

Small Commercial Service Rate Comparison (Single-Phase)

15 kW

		Huntersville		Increase / (Decrease)	
LF	kWh	Current	Proposed	$	%
10%	1,095	$171	$166	($5)	(2.99%)
20%	2,190	$315	$306	($9)	(3.00%)
30%	3,285	$446	$433	($13)	(3.00%)
40%	4,380	$540	$523	($16)	(2.99%)
50%	5,475	$633	$614	($19)	(2.99%)
60%	6,570	$726	$705	($22)	(2.98%)
70%	7,665	$820	$795	($24)	(2.98%)
80%	8,760	$913	$886	($27)	(2.98%)
90%	9,855	$1,007	$977	($30)	(2.98%)

July 20, 2020 Booth & Associates, LLC 18

Small Commercial Service Rate Comparison (Three-Phase)

100 kW

LF	kWh	Huntersville Current	Huntersville Proposed	Increase / (Decrease) $	Increase / (Decrease) %
10%	7,300	$1,200	$1,162	($38)	(3.16%)
20%	14,600	$1,823	$1,766	($56)	(3.09%)
30%	21,900	$2,446	$2,371	($75)	(3.06%)
40%	29,200	$3,069	$2,975	($93)	(3.04%)
50%	36,500	$3,691	$3,580	($112)	(3.03%)
60%	43,800	$4,314	$4,184	($130)	(3.02%)
70%	51,100	$4,937	$4,789	($149)	(3.01%)
80%	58,400	$5,560	$5,393	($167)	(3.01%)
90%	65,700	$6,183	$5,997	($186)	(3.00%)

Medium Commercial Service Rate

Description	Current Rate	Proposed Rate FY21/22	% Increase
Basic Facilities Charge			
Three-Phase	$140.68	$140.68	0.00%
Demand			
All kW	$6.24	$6.24	0.00%
Energy			
Summer			
First 3,000 kWh	$0.091590	$0.091590	0.00%
Over 3,000 kWh	$0.065270	$0.065270	0.00%
Winter			
First 3,000 kWh	$0.091590	$0.091590	0.00%
Over 3,000 kWh	$0.051180	$0.051180	0.00%
Average Monthly kWh per Consumer	62,250		
Average Cost per kWh	$0.0840	$0.0840	0.00%

Medium Industrial Service Rate

Description	Current Rate	Proposed Rate FY21/22	% Increase
Basic Facilities Charge			
Three-Phase	$357.54	$357.54	0.00%
Excess Demand			
All kW	$2.52		
Maximum Demand			
All kW		$2.03	n/a
On-Peak Demand			
Summer			
All kW	$17.88	$17.88	0.00%
Winter			
All kW	$4.40	$4.40	0.00%
Energy			
Summer			
On-Peak kWh	$0.062580	$0.062580	0.00%
Off-Peak kWh	$0.045730	$0.045730	0.00%
Winter			
On-Peak kWh	$0.055830	$0.055830	0.00%
Off-Peak kWh	$0.041770	$0.041770	0.00%
Average Monthly kWh per Consumer	1,006,745		
Average Cost per kWh	$0.0653	$0.0680	4.14%

Large Industrial Service Rate

Description	Current Rate	Proposed Rate FY20/21	% Increase	Proposed Rate FY21/22	% Increase
Basic Facilities Charge					
Three-Phase	$150.00	$225.00	50.00%	$300.00	33.33%
Excess Demand					
All kW	$1.86				
Maximum Demand					
All kW		$3.94	n/a	$5.40	37.06%
On-Peak Demand					
Summer					
All kW	$14.70	$14.70	0.00%	$14.90	1.36%
Winter					
All kW	$3.57	$3.57	0.00%	$5.00	40.06%
Energy					
Summer					
On-Peak kWh	$0.054310	$0.054310	0.00%	$0.058140	7.05%
Off-Peak kWh	$0.037370	$0.037370	0.00%	$0.040010	7.06%
Winter					
On-Peak kWh	$0.046770	$0.046770	0.00%	$0.050070	7.06%
Off-Peak kWh	$0.032320	$0.032320	0.00%	$0.034600	7.05%
Average Monthly kWh per Consumer	9,039,598				
Average Cost per kWh	$0.0523	$0.0583	11.40%	$0.0649	11.40%

Recommendations

- Spread Increases over a number of years
- Evaluate again before FY2024 increase
  - Growth as expected
  - Updated power cost projections
  - Large industrial managing load
- Complete in-depth lighting analysis

- Questions

- Thank-you

Town of Huntersville
Town Board
September 7, 2020

To: Town Board

From: Janet Pierson, Town Clerk

Date: September 7, 2020

Subject: Petition #TA20-06

EXPLAIN REQUEST:
Consder decision on Petition #TA20-06

ACTION RECOMMENDED:
Decision on Petition #TA20-06, a request by Apartments at the Park, LLC to amend Article 4 - Building Types to add an option to how apartment height is measured and to permit flat roofs. (David Peete)

FINANCIAL IMPLICATIONS:

ATTACHMENTS:
1. TA_20-06_Apt._Height_measurement_-_Final_Action_Staff_Report
2. TA_20-06_Ordinance_-_Apartment_Flat_Roofs__Final_Action_Version_
3. TA_20-06_Ordinance_-_Apartment_Height_Measurement__Final_Action_Version_
4. TA_20-06_Application_ONLY

TA #20-06

Amend Article 4 – Measuring apartment height from "alternative frontages" and flat roofs on apartments.

PART 1: DESCRIPTION

Text Amendment TA #20-06 is a request by Apartments at the Park, LLC to amend Article 4 *Building and Lot Types* of the Zoning Ordinance to define how apartment building height is to be measured from "alternative frontages" and to allow flat roofs on apartments.

PART 2: BACKGROUND

Apartments at the Park, LLC proposes the following text amendments (see Attachments A & B):

1. Amend Article 4 "Apartment Building" – Permitted Height and Uses – Section 1 as follows:

    a. CURRENT TEXT: "1. Building height shall be measured as the vertical distance from the highest finished grade relative to the street frontage, up to the eaves or the highest level of a flat roof.

    b. PROPOSED TEXT: "1 Building height shall be measured as the vertical distance from the highest finished grade relative to the street frontage, or, if alternate frontage <u>conditions from a portion of a greenway</u> are provided, as permitted under Section 8.1.4, height may be measured from the highest finished grade of the side of the <u>building opposite the greenway</u> alternative frontage, up to the eaves."

    c. **STAFF** PROPOSED TEXT: "1 Building height shall be measured as the vertical distance from the highest finished grade relative to the street frontage, or, if alternate frontage <u>conditions **from the constructed portion of a greenway along or within the project boundary**,</u> are provided, as permitted under Section 8.1.4, height may be measured from the highest finished grade of the side of the <u>building opposite the greenway</u> alternative frontage, up to the eaves."

    d. PLANNING BOARD TEXT: 1. Building height shall be measured as the vertical distance from the highest finished grade relative to the street frontage, <u>or, if alternate frontage conditions **from the constructed portion of a greenway along or within the project boundary**, are provided, as permitted under Section 8.1.4, height may be measured from the highest finished grade of the side of the building opposite the greenway alternative frontage,</u> up to the eaves. <u>If building height is measured from the highest finished grade of the side of the building opposite the greenway alternative frontage, no more than one (1) additional story on the greenway side of the building may result from this arrangement.</u>

2. Amend Article 4 "Apartment Building" – Architectural Standards Principles – Section C as follows:

    a. CURRENT TEXT: "C. Each building should be designed to form part of a larger composition of the area in which it is situated. Adjacent buildings should thus be of similar scale, height, and configuration."

    b. PROPOSED TEXT: "C. Each building ~~should~~ <u>shall</u> be designed to form part of a larger composition of the area in which it is situated. Adjacent buildings should thus be of similar scale, height, and configuration."

c. HOAB PROPOSED TEXT: "C. Each building should ~~shall~~ be designed to form part of a larger composition of the area in which it is situated. Adjacent buildings should thus be of similar scale, height, and configuration."

3. Amend Article 4 "Apartment Building" – Configurations – Section A as follows:

   a. CURRENT TEXT: "A. Main roofs on residential buildings shall be symmetrical gables or hips with a pitch of between 4:12 and 12:12. Monopitch (shed) roofs are allowed only if they are attached to the wall of the main building. No monopitch shall be less than 4:12. All accessory buildings shall have roof pitches that conform to those of the main building."

   b. PROPOSED TEXT: "A. Main roofs on residential buildings ~~shall~~ should be symmetrical gables or hips with a pitch of between 4:12 and 12:12. Monopitch (shed) roofs are allowed only if they are attached to the wall of the main building. No monopitch shall be less than 4:12. All accessory buildings shall have roof pitches that conform to those of the main building. Flat roofs are also allowed."

   ~~c.~~ HOAB PROPOSED TEXT: "A. Main roofs on residential buildings shall ~~should~~ either be flat or symmetrical gables or hips with a pitch of between 4:12 and 12:12. Monopitch (shed) roofs are allowed only if they are attached to the wall of the main building. No monopitch shall be less than 4:12. All accessory buildings shall have roof pitches that conform to those of the main building. ~~Flat roofs are also allowed."~~

For proposed text amendment #1, above, it is important to understand the requirements of Article 8 of the Zoning Ordinance, which states that "any lot on which a building (or buildings) is to be erected or use is to be established shall abut a public street with the following exceptions:"

Article 8.1.4 states that "a site specific development plan may be considered for approval in the TC, NC, NR, R, TR, HC, CB, CI, VS, both TND and TOD districts where residential and/or non-residential lots and/or structures front upon a private courtyard, carriageway, mid-block private alleyway with courtyard, or pedestrian way, or urban open space as defined in Article 7, Part B, where adequate access by emergency vehicles is maintained by way of a street or alley and where the off-street placement of uses does not diminish the orientation of building fronts to the public street."

The elements listed in Article 8.1.4., above, are referred to as "alternative frontages" and offer a publicly oriented replacement for a public street right-of-way. The applicant would like to utilize the "alternative frontage" option, but without being penalized for fronting on a future greenway. Without this amendment, using an "alternative frontage" would reduce the number of units for the apartment building. In other words, if building height is measured from the "alternative frontage", height would be limited to 36 feet for the entire building, but due to a site "dropping down" from the public right-of-way toward a floodplain (where greenways are most commonly located, the parking lot-side of the apartment building would be limited to two stories (or less than 36'). This proposed amendment singles-out greenways as an "alternative frontage" that are most commonly located within floodplains along streams and creeks and therefore tend to be at the lowest elevation of a site. This can lead to different elevations for opposite sides of a building, which would result in either a reduced number of units for an apartment building or excess grading of the site – not with-standing all other applicable environmental regulations for the site.

Proposed text amendments # 2 and 3 (above) both relate to roof pitch. Amendment #2 strengthens the requirement that an apartment building's roofline must respect and blend with "adjacent buildings" and "should be of similar scale, height, and configuration". This requirement is meant to make sure that new apartment buildings or complexes are designed to blend into the existing development style, so that modern, flat-roof buildings are not located next to traditional pitch-roofed buildings, unless some type of mitigation is presented. Text amendment #3 is simply allowing flat roofs for apartment buildings, as they are not permitted by the Ordinance. If an apartment site plan addresses the context of its site with the surrounding development pattern, Staff finds no reason not to allow flat roof apartment buildings.

PART 3: RELEVANT HUNTERSVILLE 2030 COMMUNITY PLAN AND APPLICABLE LONG RANGE PLAN SECTIONS

The following policies of the 2030 Community Plan address these amendments:

> Policy CD-6 – *Architecture and Place Making* – Consistent with Zoning and Subdivision Ordinances (as well as "Town of Huntersville Design Manual") maintain high design standards for development.

PART 4: STAFF RECOMMENDATION

The proposal to amend Article 4 of the Zoning Ordinance to allow apartment building height to be measured from the "alternative frontage of a greenway (per the "PLANNING BOARD PROPOSED TEXT" in Part 2 of this staff report), and to permit apartment buildings to have flat roofs (per the Apartment Building – Configurations HOAB PROPOSED TEXT in Part 2 of this staff report) are recommended by Staff as it is supported by Policy CD-6 of the 2030 Community Plan and (with regard to amendment #1) provides relief where topographic site challenges commonly present themselves. Amending "Art. 4 Apartment Building – Architectural Standards – Principles is not recommended.

PART 5: HUNTERSVILLE ORDINANCES ADVISORY BOARD

The Huntersville Ordinance Advisory Board met on July 9, 2020 and made the following recommendations:

Motion to recommend approval of Text Amendment 20-06 related to Article 4 "Apartment Building" – Permitted Height and Uses – Section 1 as follows: 1. Building height shall be measured as the vertical distance from the highest finished grade relative to the street frontage, or, if alternate frontage conditions from the constructed portion of a greenway along or within the project boundary, are provided, as permitted under Section 8.1.4, height may be measured from the highest finished grade of the side of the building opposite the greenway alternative frontage, up to the eaves." The motion passed unanimously (8-0).

Motion to recommend no change to Text Amendment 20-06 related to Article 4 "Apartment Building" – Architectural Standards Principles – Section C and to recommend amend Article 4 "Apartment Building" – Configurations – Section A as follows: "Main roofs on residential buildings shall either be flat or symmetrical gables or hips with a pitch of between 4:12 and 12:12. Monopitch (shed) roofs are allowed only if they are attached to the wall of the main building. No monopitch shall be less than 4:12. All accessory buildings shall have roof pitches that conform to those of the main building." The motion passed (7-1).

PART 6: PUBLIC HEARING

The Public Hearing was held on Monday, July 20, 2020. No comments were received from the public. Several clarifying questions were asked by Town Board members, which staff responded to with further explanation.

PART 7: PLANNING BOARD RECOMMENDATION

The Planning Board recommended the text amendment for Article 4 – Apartment Height Measurement by unanimous (9-0) vote on July 28, 2020, as follows:

> Motion to Approve TA20-06; Article 4 – Apartment Height Measurement, the Planning Board recommends approval based on the amendment being consistent with the Policy CD-6 of the 2030 Plan and provide relief where topographic challenges present themselves. The Planning Board further requests section 1 proposed text to say, "Building height shall be measured as the vertical distance from the highest finished grade relative to the street frontage, or, if alternate frontage conditions from the

constructed portion of a greenway, along or within the project boundary, are provided, as permitted under Section 8.1.4, height may be measured from the highest finished grade of the side of the building opposite the greenway alternative frontage, up to the eaves, not to exceed more than one-story." With a request that staff coordinate with the Town Attorney to develop the final text to accomplish these parameters prior to the amendment going before the Town Board. It is reasonable and in the public's interest to amend the zoning ordinance because it will encourage activation of urban open space and enhance relationships of buildings to open space by creating a height measurement for buildings that front an open space.

The Planning Board recommended the text amendment for Article 4 – Apartment – Architectural Standards – Configurations, by unanimous (9-0) vote on July 28, 2020, as follows:

Motion to Approve no change to Article 4; Architectural Standards Principal, Section C and recommends amend Article 4; Building Types, Apartment Buildings, Configurations as follows: "Main roofs on residential buildings shall either be flat or symmetrical gables or hips with a pitch of between 4:12 and 12:12. Monopitch (shed) roofs are allowed only if they are attached to the wall of the main building. No monopitch shall be less than 4:12. All accessory buildings shall have roof pitches that conform to those of the main building." The Planning Board recommends approval based on the amendment being consistent with the Policy CD-6 of the Community Plan and allows flexibility for future apartment developments.

PART 8: ATTACHMENTS

Attachment A: Text Amendment Application
Attachment B: Proposed Ordinance Amendment – Height
Attachment C: Proposed Ordinance Amendment - Roof

PART 8: STATEMENT OF CONSISTENCY – TA #20-06

Planning Department	Planning Board	Board of Commissioners
APPROVAL: In considering the proposed amendment, TA 20-06, amending Article 4, of the Zoning Ordinance, the Planning Staff recommends approval based on the amendment being consistent with Policy CD-6 of the 2030 Community Plan and to provide relief where topographic challenges commonly present themselves. It is reasonable and in the public interest to amend the Zoning Ordinance per STAFF PROPOSED TEXT for amendment #1 and per PROPOSED TEXT for amendments #2 and 3, as outlined in Part 2 of this staff report.	**APPROVAL:** In considering the proposed amendment, TA 20 -06, amending Article 4, of the Zoning Ordinance, the Planning Board recommends approval based on the amendment being consistent with Policy CD-6 of the 2030 Community Plan and to provide relief where topographic challenges commonly present themselves. The Planning Board further requests section 1 proposed text to say, "Building height shall be measured as the vertical distance from the highest finished grade relative to the street frontage, or, if alternate frontage conditions from the constructed portion of a greenway, along or within the project boundary, are provided, as permitted under Section 8.1.4, height may be measured from the highest finished grade of the side of the building opposite the greenway alternative frontage, up to the eaves, not to exceed more than one-story." With a request that staff coordinate with the Town Attorney to develop the final text to accomplish these parameters prior to the amendment going before the Town Board. It is reasonable and in the public's interest to amend the zoning ordinance because it will encourage activation of urban open space and enhance relationships of buildings to open space by creating a height measurement for buildings that front an open space. F. Gammon seconded the motion. F. Gammon seconded the motion. The motion passed unanimously (9-0). Motion to Approve no change to Article 4; Architectural Standards Principal, Section C and recommends amend Article 4; Lot & Building Types, Apartment Buildings, Configurations as follows: "Main roofs on residential buildings shall either be flat or symmetrical gables or hips with a pitch of between 4:12 and 12:12. Monopitch (shed) roofs are allowed only if they are attached to the wall of the main building. No monopitch shall be less than 4:12. All accessory buildings shall have roof pitches that conform to those of the main building." The Planning Board recommends approval based on the amendment being consistent with the Policy CD-6 of the Community Plan and allows flexibility for future apartment developments. J. Sny seconded the motion. The motion passed unanimously (9-0).	**APPROVAL:** In considering the proposed amendment, TA 20-06, amending Article 4, of the Zoning Ordinance, the Town Board approves based on the amendment being consistent with Policy CD-6 of the 2030 Community Plan and to provide relief where topographic challenges commonly present themselves. It is reasonable and in the public interest to amend the Zoning Ordinance because…*(Explain)*
		DENIAL: In considering the proposed amendment, TA 20-06, amending Article 4, of the Zoning Ordinance, the Town Board denies based on the amendment being **(consistent or inconsistent)** with **(insert applicable plan reference)** of the Town of Huntersville 2030 Community Plan. It is not reasonable and in the public interest to amend the Zoning Ordinance because….*(Explain)*

AN ORDINANCE TO AMEND ARTICLE 4 BUILDING TYPE / APARTMENT BUILDING – ARCHITECTURAL STANDARDS – CONFIGURATIONS - SECTION A OF THE ZONING ORDINANCE

Section 1. Be it ordained by the Board of Commissioners of the Town of Huntersville that the Zoning ordinance is hereby amended as follows:

> Article 4, Building Type / Apartment Building – Configurations A. Main roofs on residential buildings shall ~~should~~ either be flat or symmetrical gables or hips with a pitch of between 4:12 and 12:12. Monopitch (shed) roofs are allowed only if they are attached to the wall of the main building. No monopitch shall be less than 4:12. All accessory buildings shall have roof pitches that conform to those of the main building.

Section 2. That this ordinance shall become effective upon adoption.

HUNTERSVILLE ORDINANCE ADVISORY BOARD: Recommended Approval on July 2, 2020
PUBLIC HEARING DATE: July 20, 2020
PLANNING BOARD MEETING: July 28, 2020
TOWN BOARD FINAL ACTION: August 17, 2020

AN ORDINANCE TO AMEND ARTICLE 4 BUILDING TYPE / APARTMENT BUILDING – PERMITTED HEIGHT AND USES - SECTION 1 OF THE ZONING ORDINANCE

Section 1. Be it ordained by the Board of Commissioners of the Town of Huntersville that the Zoning ordinance is hereby amended as follows:

Article 4, Building Type / Apartment Building – 1. Building height shall be measured as the vertical distance from the highest finished grade relative to the street frontage, or, if alternate frontage conditions **from the constructed portion of a greenway along or within the project boundary**, are provided, as permitted under Section 8.1.4, height may be measured from the highest finished grade of the side of the building opposite the greenway alternative frontage, up to the eaves. If building height is measured from the highest finished grade of the side of the building opposite the greenway alternative frontage, no more than one (1) additional story on the greenway side of the building may result from this arrangement.

Section 2. That this ordinance shall become effective upon adoption.

HUNTERSVILLE ORDINANCE ADVISORY BOARD: Recommended Approval on July 2, 2020
PUBLIC HEARING DATE: July 20, 2020
PLANNING BOARD MEETING: July 28, 2020
TOWN BOARD FINAL ACTION: August 17, 2020

Text in red written by staff to address motion from Planning Board on July 28, 2020.

Town of Huntersville
NORTH CAROLINA

Text Amendment
Application

Date of Application 4/2/2020

Fee

See Current Town of Huntersville Fee Schedule for Text Amendment to the Zoning/Subdivision Ordinance

Type of Change

_____ New Addition to text of Zoning Ordinance / Subdivision Ordinance / Other

___X__ Revision/Modification to text of Zoning Ordinance / Subdivision Ordinance /

Description of Change

Proposed text amendment will affect the following:

Ordinance(s): see attached Article(s): see attached Section(s): see attached

Current Ordinance

SEE ATTACHED DOCUMENT

Proposed Text

SEE ATTACHED DOCUMENT

Reason for Proposed Change

SEE ATTACHED DOCUMENT

Attach additional pages if needed.

NOTE: If the proposed text amendment effects property located along Hwy 73; is 2000 feet from an adjoining municipality, and/or the Mountain Island and Lake Norman Watersheds, additional peer review is required.

Applicant

Printed Name Apartments at The Park, LLC

☐ Corporation ☒ Limited Liability Company ☐ Trust ☐ Partnership ☐ Other: ____

☐ By signature below, I hereby acknowledge, as/on behalf of (circle one) the applicant my understanding this application will be considered in a quasi-judicial proceeding and that neither I, nor anyone on my behalf, may contact the Board of Commissioners except through sworn testimony at the public hearing.

Apartments at The Park, LLC By: Silver Capital Advisors, Inc., its' Manager

Signature ____ Date 4/2/20

Title By: Larry D. Silver, President and CEO Email gdesantis@silverco.com

Address of Applicant 1001 E. Telecom Drive, Boca Raton, Florida 33431

Property Owner (if different than applicant)

* Printed Name ____

☐ Corporation xLimited Liability Company ☐ Trust ☐ Partnership ☐ Other: ____

☐ By signature below, I hereby acknowledge, as/on behalf of (circle one) the applicant my understanding this application will be considered in a quasi-judicial proceeding and that neither I, nor anyone on my behalf, may contact the Board of Commissioners except through sworn testimony at the public hearing.

Signature ____ Date ____

Title ____ Email ____

Address of Property Owner 1001 E. Telecom Drive, Boca Raton, Florida 33431

* Property owner hereby grants permission to the Town of Huntersville personnel to enter the subject property for any purpose required in processing this application.

Every owner of each parcel included in this application, or the owner (s) duly authorized agent, must sign this application. If signed by an agent on behalf of the Owner, this petition MUST be accompanied by a Limited Power of Attorney signed by the property owner (s) and notarized, specifically authorizing the agent to act on the owner (s) behalf in signing this application. Failure of each owner, or their duly authorized agent, to sign, or failure to include the authority of the agent signed by the property owner, will result in an INVALID APPLICATION. **If additional space is needed for signatures, attach the Town of Huntersville Signature Addendum Form.**

Contact Information

Town of Huntersville
Planning Department
PO Box 664
Huntersville, NC 28070

Phone:	704-875-7000
Fax:	704-875-6546
Physical Address:	105 Gilead Road, Third Floor, Huntersville, NC 28078
Website:	https://www.huntersville.org/228/Planning-Department

Date Received By Planning Department: ____

Staff Initials: ____

Town of Huntersville
Town Board
September 7, 2020

To: Town Board

From: Janet Pierson, Town Clerk

Date: September 7, 2020

Subject: Approval of Minutes - August 3, 2020

EXPLAIN REQUEST:
Consider approving the minutes of the August 3, 2020 Regular Town Board Meeting. (Janet Pierson)

ACTION RECOMMENDED:
Approve the minutes of the August 3, 2020 Regular Town Board Meeting Minutes.

FINANCIAL IMPLICATIONS:
N/A

ATTACHMENTS:
1. 080320DraftForBoard

TOWN OF HUNTERSVILLE
TOWN BOARD MEETING (VIRTUAL)
MINUTES

August 3, 2020
6:00 p.m. – Huntersville Town Hall

PRE-MEETING

The Huntersville Board of Commissioners held a pre-meeting (virtual) hosted at Huntersville Town Hall at 5:15 p.m. on August 3, 2020.

Mayor Aneralla called the pre-meeting to order

GOVERNING BODY MEMBERS VIRTUALLY PRESENT: Mayor Aneralla; Commissioners Melinda Bales, Commissioner Boone, Commissioner Hines, Commissioner Munger, Commissioner Phillips, and Nick Walsh.

Michael Jaycocks, Parks & Recreation Director and Nick Lowe of McAdams & Associates, presented the 2030 Parks & Recreation Master Plan.

PowerPoint attached hereto as Exhibit No. 1.

REGULAR MEETING (VIRTUAL)
TOWN OF HUNTERSVILLE
BOARD OF COMMISSIONERS

The Regular Meeting of the Huntersville Board of Commissioners (Virtual) was hosted at the Huntersville Town Hall at 6:00 p.m. on August 3, 2020.

GOVERNING BODY MEMBERS VIRTUALLY PRESENT: Mayor Aneralla; Commissioners Melinda Bales, Commissioner Boone, Commissioner Hines, Commissioner Munger, Commissioner Phillips, and Nick Walsh.

Mayor Aneralla stated this meeting is being held both in person at the Huntersville Recreation Center on Verhoeff Road as well as livestreamed on Facebook Live. The Board of Commissioners are participating remotely. The public has been invited to attend and comment during the public comments or during any of the public hearings (1) in person at the Huntersville Recreation Center or (2) by telephonic communication in accordance with instructions sent to persons who have registered with the Town Clerk no later than 3 p.m. today. The public may also submit comments by e-mail to the Town Clerk at jpierson@huntersville.org. For public hearings only, e-mailed comments may continue to be submitted until 24 hours after the close of the public hearing.

Mayor Aneralla called the meeting to order.

Mayor Aneralla called for a moment of silence.

Mayor Aneralla led the Pledge of Allegiance.

MAYOR AND COMMISSIONER REPORTS – STAFF QUESTIONS

Commissioner Bales

- Lake Norman Economic Development Corporation currently has 39 projects, 16 of which are in Huntersville. During the month of July, Huntersville had three site visits.

Commissioner Boone

- Next virtual meeting of the Huntersville Ordinances Advisory Board is August 6.
- Announced upcoming Lake Norman Chamber of Commerce events.
- Fire Department is getting ready for hurricane season.
- Police Department has seen increased number of car break-ins over the past couple of weeks.

Commissioner Hines

- Next meeting of Charlotte Regional Transportation Planning Organization is August 19. Received update from NCDOT that they are above cash floor, but are being cautious with that number.

Commissioner Munger

- Attended Black Lives Matter Protest on July 26.
- Next virtual meeting of the Centralina Council of Governments is August 12.
- Local non-profits still need support.

Commissioner Phillips

- Huntersville United Methodist Church has a food pantry and are doing community drive-up meals on Wednesdays for anybody who is in need. CMS nutritional program is shut down until August 17.
- Yesterday was the 12th anniversary of grandfather's death. He is patient zero in the ocular melanoma cluster in the community. Reminded everyone to get their eyes checked once a year.

Commissioner Walsh

- Next virtual meeting of the Public Art Commission is August 12.
- Provided update from Huntersville Chamber of Commerce.

Commissioner Boone requested the Town Manager provide an update on the status of the Dr. Craven house.

Anthony Roberts, Town Manager, stated that numerous calls have been received interested in the house. Preserve Mecklenburg has also expressed interest. The Town Attorney and Assistant to the Manager are working on a process to determine the disposal process for the house. It's probably a 90 to 120 day process.

PUBLIC COMMENTS, REQUESTS OR PRESENTATIONS

None

AGENDA CHANGES

Commissioner Bales removed Item 9.B (Consider extending the contract with North State Development to purchase 2.081 acres +/- on Gilead Road west of Town Center) and Item 10.F (Adopt Resolution to award Commerce Station Sidewalk Project) from the agenda.

Commissioner Walsh made a motion to adopt the agenda, as amended.

Commissioner Bales seconded motion.

Mayor Aneralla called for a roll call vote.

Commissioner Bales – Approve
Commissioner Boone – Approve
Commissioner Hines – Approve
Commissioner Munger – Approve
Commissioner Phillips – Approve
Commissioner Walsh – Approve

PUBLIC HEARINGS

Salem Ridge Road Traffic Calming. Mayor Aneralla called to order public hearing to receive public input on Salem Ridge Road Traffic Calming.

Stephen Trott, Director of Engineering, reviewed request. The Skybrook Homeowners Association initiated request for traffic calming on Salem Ridge Road. Initial speed study results showed that the 85^{th} percentile speed was 32 mph. The Town looks for speeds 31 mph or higher to continue in the process. The neighborhood then completed an awareness campaign of getting the word out about the speeding and trying to get people to slow down. Second speed study results showed the 85^{th} percentile speed still at 32 mph.

Mr. Trott presented two options for speed humps. The first option includes five speed humps and the second option includes four speed humps. The humps would be spread out between 600' and 800'.

Randall Fullerton, 9538 Skybluff Circle, addressed the Board in support of the speed humps to help reduce speeds. *Written comments attached hereto as Exhibit No. 2.*

Craig Sandhaus, 11255 Skytop Drive, President of the Skybrook HOA, addressed the Board in support of the speed humps. Approximately 2 years ago, 49 homes were completed at the end of Salem Ridge Road which added to the volume of traffic. Off-duty police officers were hired to try to slow people down, but people still speed.

Charles Stogner, 11111 Wescott Hill Drive, addressed the Board in support of the speed humps. Witnesses people speeding every morning. The same problem exists on Timbergreen.

Jana Thornburg, 14127 Salem Ridge Road, addressed the Board in support of Option 1 (five speed humps).

Scott Slutzker, 14508 Salem Ridge Road, addressed the Board in support of the speed humps.

Commissioner Bales asked if Salem Ridge received a block length waiver when Skybrook was built.

Mr. Trott indicated he would work with the Planning Department to get that answer.

Commissioner Bales encouraged residents to start reporting any carless or reckless driving to the Police Department so there is a record of it.

Mr. Trott confirmed for Commissioner Hines that the only difference between Option 1 and Option 2 is Option 1 has one additional speed hump, and that all procedures were followed by the community and the Town. Mr. Trott noted that the community took the extra effort of hiring off-duty police officers.

Commissioner Hines asked Mr. Trott what his recommendation was.

Mr. Trott stated the Town could approve to put in the four speed humps and then if needed come back and add the fifth speed hump or just go ahead and put in the five.

Commissioner Munger questioned if the golf club factors into the equation.

Mr. Trott noted that Salem Ridge is not used as a route to the golf course.

Commissioner Walsh asked what the approximate cost was per speed hump.

Mr. Trott noted the last time they were bid out it was in the $3,000 to $4,000 range.

Mayor Aneralla reminded everyone that comments on this public hearing will be accepted via email for the next 24 hours.

E-mail comments received attached hereto as Exhibit No 3.

There being no further comments, Mayor Aneralla closed the public hearing.

OTHER BUSINESS

Stewart Agreement Amendment – 2040 Community Plan Update. An amendment has been prepared for Town Board approval for the 2040 Community Plan contract with Stewart, the primary consultant for the project. The request is for approval of an amount not to exceed $20,000. The purpose of the contract amendment is primarily to improve public outreach during the COVID-19 pandemic. On-site meetings now have to be conducted virtually, digital advertising of 2040 Plan products should be bolstered, and staff recommends that a newsprint copy of the upcoming draft plan be delivered to every household in Huntersville. These are all items that were not anticipated when the original contract was approved in September 2019. The amendment also provides flexibility to conduct in-person or virtual meetings in the future, depending on health and safety conditions in our community. Staff will endeavor to use amendment funding only as necessary to successfully complete the 2040 Plan.

Commissioner Walsh made a motion to adopt the amendment to the Stewart Agreement for the 2040 Community Plan update.

Commissioner Bales seconded motion.

Mayor Aneralla called for a roll call vote.

Mayor Aneralla was experiencing technical difficulties and Commissioner Bales took the roll call vote.

Commissioner Walsh – Approve
Commissioner Boone – Approve
Commissioner Munger – Approve
Commissioner Hines – Approve
Commissioner Phillips – Approve
Commissioner Bales – Approve

Agreement attached hereto as Exhibit No. 4.

Mayor Aneralla rejoined the meeting.

Ordinance – North Mecklenburg C&D Landfill. The Town has received an Application for a new franchise to extend the life of the North Mecklenburg Construction and Demolition Landfill located at 15300 Holbrooks Road. All franchises must be adopted at two regular meetings of the Town Board. Tonight's meeting is the first meeting at which the Board is being asked to consider approving the application and adopting an ordinance to grant the franchise. A public hearing is scheduled for August 17, 2020 on this extension. After the public hearing, the Board will have to again vote to approve the ordinance to grant the franchise.

Angela Beeker, Town Attorney, noted that a Special Use Permit was granted in 2016. The area where they are going to be operating a Materials Recovery Facility (MRF) was included in the Special Use Permit, but is not required to be part of the franchise. The facility site plan shows the land that will be within the franchise going forward and a summary of their expansion. There are two parcels that they are asking to have annexed into the Town as part of this process. Tonight is the first reading of the franchise agreement and ordinance. Franchises require that they be adopted at two meetings, so you have to adopt this twice before it becomes effective. On August 17 you will host a public hearing on this franchise agreement and ordinance. A notice of that was published in the paper so at that time you would also be asked to take a second vote on the franchise and ordinance and then you would also be calling the public hearing for those annexation areas. In September you would have your public hearing on annexation and also then take action on the annexation.

Commissioner Bales made a motion to adopt ordinance to grant a franchise for the operation of the North Mecklenburg Construction & Demolition Landfill.

Commissioner Phillips seconded motion.

Commissioner Munger requested his written questions along with the responses be made a part of the record. *Questions/Responses attached hereto as Exhibit No. 5.*

Commissioner Munger noted one of the questions was how many full-time positions are offered, how many part-time, what is the mean and median salaries. The response received was there’s eight full-time positions and one part-time position. The mean salary being approximately $111,000 and the median salary being approximately $71,000 so these are obviously some fairly well paying jobs and I certainly appreciate that. Another thing I asked staff was about property valuation over time on this particular property and one of the things I noticed is previously they were valued at $2.8 million and $1.3 million approximately and they have gone down to $1.8 million and $400,000. In 2020 the Town collected approximately $5,444 property tax and the prior year the Town collected approximately $12,700. I'm trying to figure out what exactly this facility brings to Huntersville. What is the benefit that we are getting of having this facility in Huntersville.

Mike Griffin said the biggest thing is the growth of North Meck is extensive and it's going to continue to be great. If our facility is not there the truck traffic on a daily basis would be tremendously more because they would have to go to facilities in the Ballantyne area or Cabarrus County. The question asked about the number of employees, that's just specific to the landfill. We'll soon open a MRF which will have more employees.

Commissioner Munger questioned if the Town receives any fee or funds as a result of granting the franchise.

Mr. Griffin noted the Town does not receive any fees. Separate from the franchise, North Mecklenburg Landfill does have a 20 year standing relationship with the original neighbors on Holbrooks that we share 25 cents for every ton that comes in that they use for neighborhood improvements and scholarships.

Mayor Aneralla called for the roll call vote.

Commissioner Bales – Approved
Commissioner Boone – Approved
Commissioner Hines – Approved
Commissioner Munger – Approved
Commissioner Phillips – Approved
Commissioner Walsh – Approved

Ordinance attached hereto as Exhibit No. 6.

CONSENT AGENDA

Commissioner Bales made a motion to approve the Consent Agenda. Commissioner Hines seconded motion.

Mayor Aneralla called for a roll call vote.

Commissioner Bales – Approve
Commissioner Boone – Approve
Commissioner Hines – Approve
Commissioner Munger – Approve
Commissioner Phillips – Approve
Commissioner Walsh – Approve

The following items on the Consent Agenda were approved.

1. Minutes of the July 20, 2020 Regular Town Board Meeting.
2. Tax Refund Report from Mecklenburg County. *Tax Refund Report attached hereto as Exhibit No. 7.*

3. Budget amendment appropriating General Fund Balance in the amount of $42,450 to Engineering and Design Account for Ferrelltown Parkway.
4. Resolution approving construction contract with Recreation Ventures, Inc. dba Court One. *Resolution attached hereto as Exhibit No. 8.*
5. Resolution approving construction contract with Country Boy Landscaping, Inc. *Resolution attached hereto as Exhibit No. 9.*

CLOSING COMMENTS

None

CLOSED SESSION

Commissioner Walsh made a motion to go into closed session to consider the qualifications, confidence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee.

Commissioner Hines seconded motion.

Mayor Aneralla called for the roll call vote.

Commissioner Bales – Approve
Commissioner Boone – Approve
Commissioner Hines – Approve
Commissioner Munger – Approve
Commissioner Phillips – Approve
Commissioner Walsh – Approve

Upon return from closed session, there being no further business, the meeting was adjourned.

Approved this the _____ day of ________________, 2020.

Town of Huntersville
Town Board
September 7, 2020

To: Town Board

From: Janet Pierson, Town Clerk

Date: September 7, 2020

Subject: Resolution - Partner with Habitat to Develop Lots Within Norman Park Subdivision

---

EXPLAIN REQUEST:
in October of 2019, the Town Board adopted a Resolution to partner with Our Towns of North Mecklenburg Iredell Habitat for Humanity to develop a housing project for lots owned by the Town located in Norman Park Subdivision. Earlier this year, our Towns merged into Habitat for Humanity of Charlotte Inc. with the surviving entity now known as Habitat for Humanity of the Charlotte Region. Attached is a new Resolution to proceed with the partnership with the surviving entity, Habitat for Humanity of the Charlotte Region. The plan to be carried out by HHCR is substantially the same as that previously approved by the Twon Board for Our Towns.

ACTION RECOMMENDED:
Consider Adopting Resolution to Partner with Habitat for Humanity of the Charlotte Region Inc. to Develop a Housing Project for Lots Within Norman Park Subdivision Owned by the Town of Huntersville.

FINANCIAL IMPLICATIONS:
Conveyance of asset (lots) in exchange for the provision of affordable housing in Huntersville.

ATTACHMENTS:
1. HabitatHabitat_Norman_Park_Project_2019
2. HabitatResolution_regarding_Norman_Park_lots_with_Habitat_of_Charlotte_Regio n
3. HabitatSigned_Resolution_to_Partner_with_Habitat_-_Norman_Park_Subdivision
4. HabitatExhibit_A_Part_2_2020_Family_Services_Policy_Manual__002_
5. HabitatExhibit_A_Part_I__HHCR_Norman_Park_Plan_2020

Our Towns Habitat for Humanity®

Building **strength, stability** and **self-reliance** *through* **shelter.**

October 9, 2019

Mr. Anthony Roberts, Huntersville Town Manager

P.O. Box 664
Huntersville, NC 28070

Mr. Roberts:

Thank you for sharing your draft resolution concerning the Town of Huntersville's desire to partner with Our Towns Habitat on a housing project (as defined in N.C.G.S. 157-3(12)) for the Norman Park lots. We look forward to returning to Norman Park, where we have constructed quite a few homes in recent years. Paragraph 4 of the resolution outlines various expectations for the project plan. Following are comments on how we can/will comply with each.

a. The proposed number of affordable housing units to be provided:

The resolution specifies 12 lots owned by the town. Our Towns Habitat previously met with Jack Simoneau, Huntersville Planning Director on July 9, 2019 concerning zoning standards applicable in Norman Park. Pairs of the lots in question will need to be combined to form lots adequate to meet current zoning standards. Consequently, we anticipate a total of 6 homes may be constructed as part of the project.

b. Whether the housing units will be purchased or leased:

The current plan is to sell the homes to Persons of Low or Moderate Income, as defined in 157-3(15a) (15b). Separately, we are also currently partnering with Hope House Foundation and the Ada Jenkins Center to rehab/construct additional transitional housing in North Mecklenburg. It is possible that Our Towns Habitat could subsequently approach the town to repurpose one or two of the homes to help meet that critical need as well.

c. The eligibility of households to purchase or lease the housing units to be provided based on household income:

The family's gross income, adjusted for household size must be greater than 35% of Area Median Income, but less than 80%, as determined by HUD. In recent years the vast majority of our homeowners have had household income below 60%. I have attached a copy of our Homeowner Selection Guidelines for your reference.

d. The affordability level of the housing units as a percentage of household income:

As a policy, we will not place someone in a home if the total housing costs, including expected utilities, exceed 33% of gross income, or if total long-term debt payments exceed 40%.

e. The sources of funding for the construction of the housing units:

Habitat enjoys a mix of public and private funding sources. Public funding programs include SHOP, HOME, and CDBG. Private funding originates within corporate and faith community partners, as well as several local foundations. In addition, Our Towns Habitat conducts ongoing community fundraising from individuals and other local organizations. We also operate three profitable thrift stores that contribute to our affordable housing ministry. The specific mix of funding varies for each home, and will not be known in detail on any given home until we are prepared to begin construction. We have attached a copy of our 2019 Community Impact Report for your reference, where you can find additional information on various funding sources of Our Towns Habitat.

f. Timing and phasing of construction of the housing units:

We anticipate completing at least the first two Norman Park homes in our fiscal year ending June 30, 2021, and the next two no later than June 30, 2022. Timing of the last two is uncertain until their road frontage is paved.

g. The process to be used to identify and verify eligibility of persons to purchase or lease the housing units:

Please refer to the attached Homeowner Selection Guidelines. In addition to these guidelines, applicants also go through a rigorous credit underwriting process (including credit bureau reports, income and employment verification), and criminal background checks. There is also a lengthy waiting period (currently two years) during which they must complete at least 400 hours of "sweat equity" volunteering, and also complete personal financial training.

h. The proposed control period (number of years) for which the housing units must be used to benefit low to moderate income families:

Our standard "period of affordability" deed restriction is 10 years, unless a more restrictive period is required by a funding source being used.

i. The method to ensure that the housing units will be used to benefit low-moderate income for the entirety of the control period:

Recorded deed restrictions, and a right of first refusal upon resale.

j. The methodology that will be used by Habitat to ensure that the rental rates of sale price of the units will be at the lowest possible rates, consistent with

providing decent, safe and sanitary dwelling accommodations as required by N.C.G.S. § 157-29:

All newly constructed homes receive an independent appraisal prior to closing with the homeowner, and the purchase price never exceeds appraised value. Additionally, our income guidelines discussed above ensure that no homeowner is put into a "cost burdened" situation where their housing costs exceed 33% of their gross household income. Our Towns Habitat provides affordable mortgages at 0% interest. If necessary, homes are discounted below our cost and below appraised value to ensure their affordability for the homeowner.

k. The methodology that will be used by Habitat to ensure that the revenues derived from the sale or rental of the housing units will not be used to support other activities of the Town or Habitat as required by N.C.G.S. § 157-29:

Our Towns Habitat constructs and sells decent, safe, and sanitary homes, and receives 0% mortgages in return. Over time, as payments are collected on the mortgages, they are plowed back into the operation of Our Towns Habitat, including the construction of other future homes. There is no linkage to any other programs operated by the Town of Huntersville.

l. The methodology that will be used by Habitat to prevent the fraudulent rental or purchase of the Habitat Lots.

Applicants must have lived in North Mecklenburg, or Iredell County for a minimum of one year before their initial application will be accepted. At that point, all applicants go through a rigorous and lengthy (two additional years) application and qualification process. This process includes in-person interviews, credit underwriting, employment verification, criminal background checks, and several hundred hours of documented volunteering before they are placed in a home.

Anthony, if there is any additional information that you, your staff or the Commission requires, just let us know. We have been building affordable homes in North Mecklenburg since 1988, and are eager to continue in Norman Park next year.

Best Regards,

Mike Price

Mike Price

Vice President of Operations

Our Towns Habitat for Humanity

Homeowner Selection Guidelines

Exceptions to these guidelines may be made by the Homeowner Selection Committee on a case by case basis due to the applicant's situation or special circumstances.

1. Need for Adequate Housing:

An applicant must demonstrate a need for adequate shelter. This criterion will be satisfied if, the applicant lives with any of the following conditions:

A. Irreparable: Current shelter has on-going problems with the heating system, water supply, sewer, electricity, bathroom(s), kitchen, building structures that are not repairable by the family and the landlord is not willing to fix.

B. Unsafe Shelter: Current shelter is unsafe; e.g., an unavoidable danger to children, physical environment contains irremovable hazardous or toxic materials (e.g., mold, lead, etc.), no ready means of egress from bedrooms.

C. Overcrowding: Overcrowded housing; e.g., more than two children per room, adults sharing a room with children, school-age children of different sexes sharing a room.

D. Unsafe Neighborhood: The current neighborhood is unsafe; drugs, violence, etc.

E. Subsidized Housing: Applicant is currently living in government subsidized housing, which has a waiting list of families to receive public assisted housing. Note: accepting a applicant living in assisted housing that opens a housing unit for a family on a waiting list helps meet the affiliate's vision to eliminate substandard housing.

F. Temporary Housing: Applicant is living in temporary housing.

1. The applicant has temporary living arrangements with relatives or friends and has demonstrated that they cannot afford fair market rents/ownership.

2. The applicant is living in a transitional/subsidized housing facility or motel and has demonstrated that they cannot afford fair market rents/ownership.

3. The applicant is living in a house that is in the process of being condemned, sold or moved and has demonstrated that they cannot afford fair market rents/ownership.

4. The applicant, through no fault of their own, is losing its lease, certificate or voucher and has demonstrated that they cannot afford fair market rents/ownership.

G. Cost Burdened: Applicant housing is cost burdened, housing expenses (i.e. rent) exceed 33% of gross monthly income, or housing expenses plus normal utility payments exceed 33% of gross monthly income.

2. Ability to Pay for a Habitat Home

An applicant must demonstrate the ability to pay for a Habitat home. This criterion will be satisfied if the applicant meets the following requirements:

A. Gross Income: The applicant must have a gross income of at least 35 percent of median family income for the community based upon the current HUD Income Guidelines.

B. Stable Employment: The applicant must have a current, stable, verifiable income; i.e., stable job or income history of at least 1 year (breaks in employment, etc. will not disqualify an applicant if they are temporary in nature and applicant can show stability of income). A job with a temporary agency may be considered as stable employment if employment with agency has been for a minimum of 12 consecutive months, the average monthly gross income during the prior 12-month work history meets Our Towns Habitat minimum income criteria, and the temporary agency confirms the likelihood of continued employment is favorable.

1. Only applicant members 18 and older who will be living in the home will have their employment/income considered. (Note: All applicant members whose income is used to qualify for the loan must be listed as co-applicants for the loan.)

2. Supplementary income, e.g. child support, part-time work, will be considered as long as it can be demonstrated that it has been consistently received and is not likely to be discontinued within the next 3 years.

C. Payment History: The applicant must have demonstrated the ability to make regular monthly payments for rent, utilities, and/or other credit obligations. Credit report reviews will be performed for all applicant members whose income is used to qualify for the home. Timeliness of payments, charge offs, delinquent, or defaulted accounts are the key considerations for determining the applicant's ability to meet credit obligations.

D. Payment Ability: The applicant must have the ability to pay monthly housing costs (mortgage payment, taxes, insurance, and utilities) along with their current debt.

1. The monthly housing costs including utilities should not be greater than 33% of gross income (exceptions to this limitation may be made by the Board of Directors on the basis of household size or special circumstances).

2. Current long-term debt payments (including anticipated Habitat housing costs and monthly re-payment of collections and judgments) should not be greater the 40 % of total income. Long term debt payments are those likely to extend beyond twelve months. The applicant is allotted 12 months to pay off collections and judgments. Up to $5000.00 of medical debt ONLY is excluded.

E. Employment Eligibility: An applicant must submit proof of employment eligibility in the United States, i.e. each applicant must present proof which satisfies criteria on the INS I-9 form. If an applicant cannot prove I-9 eligibility, that income is not counted toward the minimum income guideline required; however, that income is counted toward the maximum income guideline in order to verify need for housing.

Approved by Homeowner Selection Committee on February 7, 2018
Approved by HFHI on

Note: For applicant that do not have a permanent residency card, verification of I-9 eligibility must be current at time the application has been submitted. Verification will also be done prior to the final board approval.

F. Bankruptcy/Foreclosure: An applicant whose credit report reveals a bankruptcy or foreclosure may be approved if:

1. They can prove the bankruptcy was discharged or foreclosure occurred at least 2 years prior to submitting their application.

2. Credit Report must show a clean credit status (pays within 30 days of payment due) for any credit account established after bankruptcy/foreclosure.

3. There cannot be any current collections, judgments, or repossessions following the bankruptcy/foreclosure, (Excluding up to $5000.00 of medical debt ONLY.)

G. Application Review Guideline: The committee does not review the applications where the income is above or below $200 from guidelines or debt to income ratio is above 45%.

3. Willingness to Partner with Habitat

An applicant must demonstrate a willingness to partner with Habitat for Humanity. This willingness may be satisfied by the following:

A. Application: In looking at an applicant's willingness to partner with Habitat we look at the eagerness demonstrated by the family through their:

- initiative to obtain an application and fill it out completely,
- providing all necessary documentation at application and on an ongoing basis as required,
- expressing a desire to make one of the communities we serve their permanent home,
- providing complete and honest answers to questions raised during the interviewing and HIP process, and
- their willingness to allow credit, criminal background checks and employer/landlord reference evaluations

B. Criminal Record: The applicant must not have any criminal arrest record that poses a likely risk to their ability to partner with Habitat, with special attention to felony convictions and convictions for violent crimes. All felony convictions, including disciplinary action (restrictive probation, etc.) must be completed at least three years prior to the acceptance of an application. When felonies are on report we will discuss with subcommittee if it's questionable. This will be looked at case by case.

1. Ordinarily, no applicant or applicant member with a conviction for a sexual offense will be accepted.

2. No applicant will be considered if an applicant member over 16 years old in the house hold has been convicted of a drug related felony offense within the past five years.

C. Community: The applicant must have lived or worked in the Huntersville, Cornelius, Davidson, or Iredell County communities for a minimum of one year immediately before their application will be accepted.

D. Separated/Divorced Applicant: If an applicant is or has been married and is either separated from or divorced from their spouse, the applicant must either:

1. Present a copy of a written separation agreement in which their spouse relinquishes any and all of their rights in any real property that the applicant purchase after the separation agreement has been signed. If a written separation agreement has not been signed, then the applicant's spouse must sign the deed of trust/mortgage so that Habitat's security interest in the property is not affected.

2. Present a certified copy of the divorce decree and any separation agreement incorporated into the decree.

E. Marital Status Affidavit: All families will be required to sign a Marital Status Affidavit at Closing. If an applicant fails to meet these requirements, the applicant will be deemed to have failed their partnering agreement. All separation agreements and divorce papers must be received by the office prior to the end of the scheduled HIP Class.

F. Partnership: Willingness to partner is further demonstrated during the HIP process by the applicant home buyers:

- active participation in the HIP classes,
- completion of required sweat-equity hours as stated in the partnership papers signed by all families selected and outlined below,
- their efforts to resolve all adverse credit and/or debt situations such that their ability to pay is not adversely affected, and
- notifying a Homeowner Services staff member of any material changes in their situation which may affect their application

Sweat Equity Requirements	
Category	**Hours**
Partnering with others phase	150 minimum
• Homebuyer financial fitness classes	25
• Habitat Restore	25
• Pre-construction (working on someone else's house)	100
Home construction phase	250 minimum
• Fiscal therapy (per household)	50
• Construction (your home)	100

Approved by Homeowner Selection Committee on February 7, 2018
Approved by HFHI on

Sweat Equity Requirements	
Category	**Hours**
• Other hours (grades, babysitting, family & friends, events, speaking engagements, elective education classes)	100
Total hours	400 minimum

4. Ineligibility

A applicant is ineligible for Our Towns Habitat for Humanity home loan if:

A. **Income Too High:** The family's maximum household gross income is more than 80% of median family income for the community based on household size.

B. **Assets:** The applicant has an asset, such as a bank account, land or home, which could be used towards a down payment on a conventional mortgage or to repair existing housing.

C. **Continued Employment:** There can be no specific information obtained during employment verification process, which indicates the applicant's job is likely to be discontinued within the next three years.

EQUAL HOUSING OPPORTUNITY

Our Towns Habitat for Humanity is an equal housing opportunity provider. We are pledged to the letter and spirit of U. S. policy for the achievement of equal housing opportunity throughout the nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.

Our Towns
Habitat
for Humanity®

community impact report

fiscal year 2019

ɹilding homes, communities and hope...in fresh, new ways.

: Towns Habitat has been building homes, communities l hope in North Mecklenburg and Iredell Counties for ɜe decades now, serving more than 690 families with .sing they can afford. And you've been building right ıgside us.

he past year, you have helped us construct 14 new homes, ɹring that 46 adults and children have a safe, decent place ıy their head at night. With your support, we completed Poole Place neighborhood in Cornelius – a 13-year project : yielded 61 homes. Women Build volunteers dedicated the ı Women Build Home and the 11th is already in process. rches across our region raised their hammers and raised bar on their commitment to affordable homes by funding e than three new homes.

r generosity helped us make critical repairs to homes of or citizens and others to help them stay in a home they by making it safe, secure and able to stand up to our th Carolina weather.

helped us raise more than $178,000 at Our Towns .gural Builder's Bash gala and Hopebuilder's events in ɜsville and the greater Lake Norman area.

onating your quality household items and shopping for ains, you supported ReStores in Cornelius, Mooresville Statesville, which funded nearly five homes last year.

'e celebrate our 31st birthday this fall, we're working to ɜ families in more ways than ever.

ɜxample, sometimes a family working to achieve a more sustainable housing solution needs a decent place to live while on that path. Hope to Home is a new, collaborative effort by Our Towns Habitat, The Ada Jenkins Center, and the Hope House Foundation to provide lasting solutions to housing instability through education, supportive services and in some cases, transitional housing.

In 2019, Our Towns Habitat awarded the first Build Your Career Scholarship to a student who grew up in a Habitat home. This rising college senior will be the first generation in her family to complete a college degree and she plans to use it to help others.

Through our partnership with E2D-Eliminate the Digital Divide, every Our Towns Habitat family received a laptop computer at their home dedication, ensuring that their children have access to critical, at-home technology to help them succeed in school and beyond.

So, while some people think of us as a construction company or a ReStore or a great place to volunteer, you have helped Our Towns Habitat become those things and more. Your partnership as volunteers, donors, board members, homeowners and community partners is helping to make the vision of decent, affordable housing for everyone a reality across all Our Towns. Thank you!

Blessings,

Chris Ahearn

Chris Ahearn
CEO

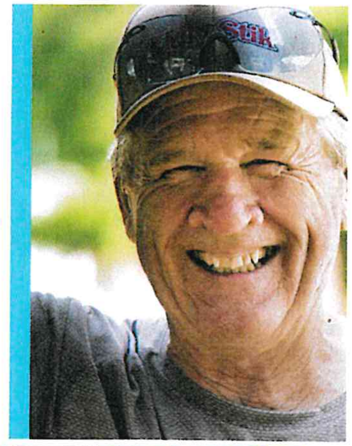
Our Towns
Habitat
for Humanity®

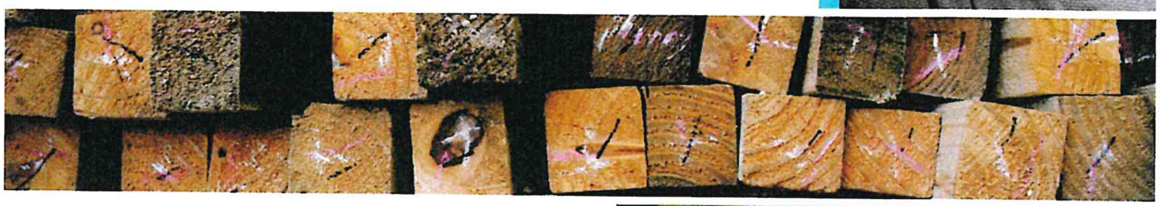
2

IMPACT STATISTICS

40 families served in our community

73 individuals served internationally





112 individuals completed homebuyer education classes

Average monthly mortgage payment for Our Towns homeowners:

$575

Average monthly rent in North Mecklenburg & Iredell Counties:

$900

I was so blessed to be a part of the Habitat Homeowners program, it has truly changed my life as well as my children's lives. I am now a homeowner. My home is clean and safe for my girls, which is a blessing in itself. Both of my girls are in great health now thanks to Habitat.

- Tara, Our Towns Habitat Homeowner

I'm so excited to host the weekly prayer service at my new home to praise God for making a way for me to be a homeowner with the help of Our Towns Habitat For Humanity.

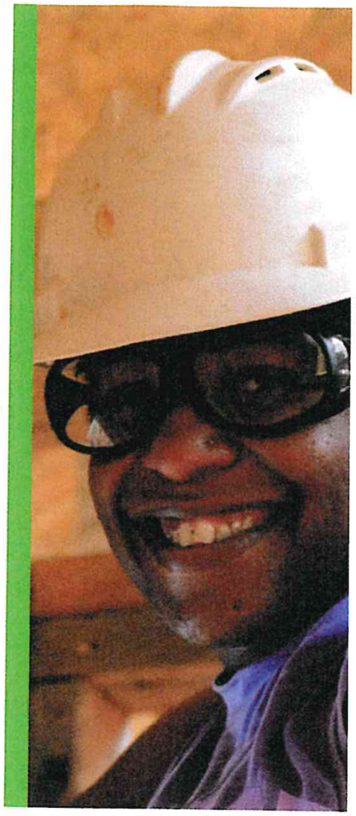
- Melissa, Our Towns Habitat Homeowner

4

NEW & REPAIRED HOMES

14

new homes constructed



1,439

new home construction volunteers

↓

16,531

new home construction volunteer hours

↓

$399,885

total value of new home construction volunteer labor

26

Critical Repairs completed

5,600

Sweat Equity hours complete by new home buyers

5

SCHOLARSHIP RECIPIENT 2019

Thanks to the generosity of founding donors Bill and Donna Kenney, the "Build Your Career" scholarship program launched in January of 2019 for qualified students living in an Our Towns Habitat for Humanity home. This scholarship program provides up to $2,000 in scholarship funds each year to one or more eligible students.

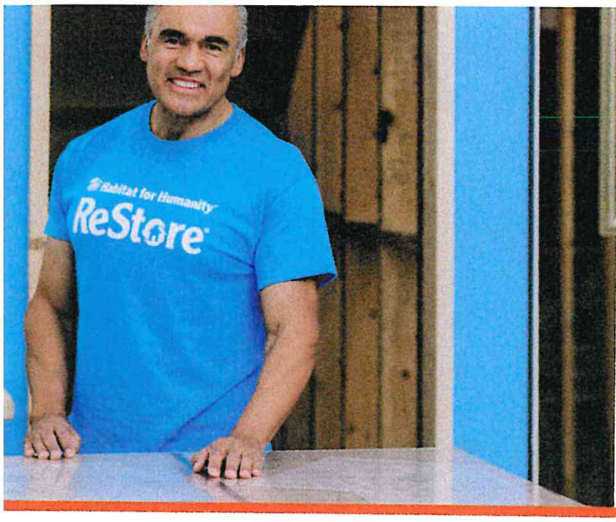
The inaugural recipient of the Build Your Career Scholarship is Shaniya Turner.

"I remember moving a lot as a child and having to switch schools. One of the best days of our lives as a family was when we got the news that we would be getting our very own home. A habitat home. I remember being so full of excitement at being able to finally move out of my grandmother's home where my mother, sister and I were all sharing a bedroom. Habitat for Humanity not only provided my family with our first home, but it is also the only home that we have ever lived in...

Upon graduating from the University of North Carolina at Greensboro, I plan to begin working at a nonprofit organization that deals with housing. I want to work as a case manager for homeless families so that I can help them create plans on how to get back on their feet and into permanent homes. I know first-hand how important shelter and stability are in a family, and I look forward to working with families through their hardships to find the light at the end of the tunnel. As a first generation college student, I am so excited to leave my mark on the community through my work with housing and homeless populations. I hope that my hard work and dedication will motivate my younger sister to go to college and find her own passion, just like I have found mine."

– Shaniya Turner

6



RETAIL OPERATIONS

5

homes funded by profit from retail operations

432

ail volunteers

27,466

retail volunteer hours

$664,403

total value of retail volunteer labor

1,764

estimated tons of donated household goods diverted from landfills

7

Our Towns Habitat partnered with Davidson College in the spring of 2019 to complete a study on the positive long-term impacts of Habitat homeownership. The results show empirically what we've always believed: the benefits of an affordable home go beyond shelter. Habitat homes bring improvements in financial stability, employment, education and health.

the homeowners

291 mailed surveys | **61** homeowner responses {21% response rate}

34% Cornelius | 30% Mooresville | 13% Statesville | 11% Davidson | 1% Huntersville | <1% Troutman

average time in Habitat home: **10.1 years**

since moving into their Habitat home...

45.5% believe employment is more stable

80% believe they are in better financial shape

60.9% feel child is performing better in school

"To be a homeowner really changed my life. I don't have to worry about being evicted and not being able to pay my low mortgage compared to rent I used to pay."

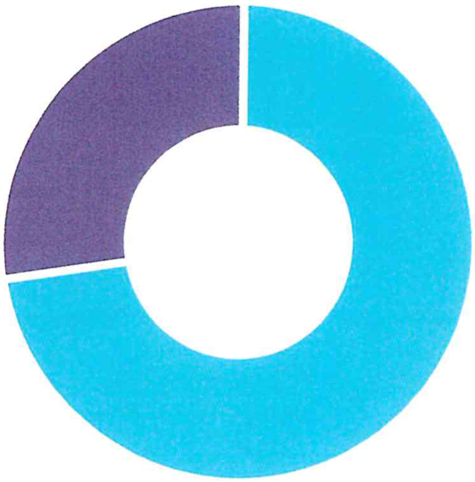
50.8% believe family is in better health

75.5% reported being able to meet expenses

8

FINANCIAL STATEMENT

for fiscal year ending June 30, 2019



$2,712,460

Annual Resources Available for Housing Ministry

$1,968,110
Donations, grants & housing loans

$744,350
Contribution to Housing Ministry from Operations

- **$802,350** – *homeowner mortgage payments*
- **$564,064** – *retail net income*
- **$107,976** – *misc. operational income*
- (**$730,040**) – *less operations expenses*

{ DID YOU KNOW...? }

- **87 cents** of **every dollar** Our Towns Habitat receives **goes directly back into its programs.**
- Our Towns Habitat **homeowners** have paid $**2,797,445** in property taxes since 2001.

OUR DONORS

Thank you to the generous donors and community partners who made it a priority to make an investment in Our Towns Habitat in fiscal year 2019 (July 1, 2018 – June 30, 2019)!

We are so grateful for the unwavering support of individual donors and those providing in-kind gifts & services.

$106,588 in in-kind contributions

such as...

- *auction items*
- *land & property*
- *professional services*
- *construction materials*
- *gift cards*
- *& much more!*

$1,292,332 in individual contributions

that's equal to 10 houses!

COMMUNITY PARTNERS

$75,000+

First Presbyterian Church Mooresville
First Presbyterian Church Statesville
Habitat for Humanity International - SHOP Grant
Lowe's Companies, Inc.
Mecklenburg County - CDBG
Merancas Foundation, Inc.
Town of Mooresville
United Way of Central Carolinas

$50,000 - $74,999

Elevation Church
The Leon Levine Foundation
Thrivent Financial
The Town of Davidson

$20,000 - $49,999

Ausura Charitable Trust
Bank of America
Davidson College Presbyterian Church
Davidson United Methodist Church
The Sherwin Williams Co / Valspar Co
Trinity Episcopal Church
Wells Fargo
Williamson's Chapel United Methodist Church

$10,000 - $19,999

Bethel Presbyterian Church
Brown Brothers Harriman Trust Company, N.A.
Crosland, Inc.
Grace Covenant Foursquare Church
Greenworks Tools
I-77 Mobility Partners
Iredell County Community Foundation
Publix Super Markets Charities, Inc.
Saint-Gobain

$5,000 - $9,999

Cecile G. Ebert Charitable Foundation
The Cove Church
Duke Energy Foundation
JCB Urban Company, Inc.
Metrolina Greenhouses
Mt. Zion United Methodist Church
Prospect Presbyterian Church, Inc.
Rocky Mount United Methodist Church
St. Mark Catholic Church
St. Patrick's Episcopal Church
Whirlpool Corporation

$1000 - $4999

A&B Crane LLC
America's Home Place
Bentz and Associates
BNY Mellon Corporation's Community Partnership
Broad Street United Methodist Church Statesville
The Cashion Family Foundation
Central United Methodist Church
CertainTeed
Christ Community Church Mooresville
Coca-Cola Bottling Co. Consolidated
Community in Christ Lutheran Church
Cotiviti USA, LLC
The David E. Maguire Foundation, Inc.
Davidson College
Donna Moffett, LLC
Dow Chemical Co.
The Duke Endowment
Employers Advantage, LLC
Housing Opportunity Foundation
Huber Technology
Huntersville Happy Hour Rotary C
IBM Employee Services Center
Kewaunee Scientific
Layton's Tree and Crane Service
Mechanix Wear
Milton H. Callner Foundation
Mooresville Glass & Mirror Co., In
North Mecklenburg Woman's Clul
Owens Corning Sales, LLC
Peoples Bank
Peter T. Meletis Charitable Fund
Piedmont Insurance Associates, I
Positec USA, Inc.
Quinnipiac University
Radiant Life Fellowship
Southwire
Square D / Schneider Electric
Statesville Brick Co.
St. Albans Episcopal
St. Luke Greek Orthodox Church
St. Mark's Lutheran
St. Therese Catholic Church
TIAA-CREF
Truist
United Methodist Foundation
United Way of the Greater Lehigh \
University of the Sciences

//

YOU *make an immeasurable difference to Our Towns Habitat and your community as a whole. All the annual reports in the world will never truly be able to capture your impact!*

Our Towns
Habitat
for Humanity®

20310 N Main Street | Cornelius, NC 28031

704.896.8957

12

Resolution of the Board of Commissioners for the Town of Huntersville to Partner with Habitat for Humanity of the Charlotte Region, Inc., To Develop a Housing Project for Lots Within Norman Park Subdivision Owned by the Town of Huntersville

WHEREAS, the legislature for the State of North Carolina, in N.C.G.S. § 157-2 has:

1. Declared that the provision of safe and sanitary dwelling accommodations to persons of low income are public purposes for which public monies may be spent and that it is in the public interest that work on such projects be instituted as soon as possible; and
2. Made a legislative determination that the provision of services and programs authorized by Chapter 57 of the North Carolina General Statutes, Housing Authorities and Projects, is necessary and in the public interest; and
3. Declared that "there is a serious shortage of decent, safe and sanitary housing in North Carolina that can be afforded by persons and families of moderate income . . . and that in undertaking such programs a housing authority is promoting the health, welfare and prosperity of all citizens of the State and is serving a public purpose for the benefit of the general public"; and

WHEREAS, N.C.G.S. § 160A-456(b) authorizes the Town of Huntersville to exercise any of those powers granted to a municipal housing authority in Chapter 157 of the North Carolina General Statutes; and

WHEREAS, on or about October 21, 2019, the Town Board of Commissioners adopted a Resolution naming Our Towns of North Mecklenburg-Iredell Habitat for Humanity, Inc. as the Town's Agent in carrying out the Town's authority to carry out the powers of a municipal housing authority as allowed by N.C.G.S. § 157-9 (the "2019 Resolution"); and

WHEREAS, the 2019 Resolution authorized the Town Manager to enter into a contract for the sale of certain lots in Norman Park Subdivision owned by the Town of Huntersville for the development of a project to provide affordable housing to low-to-moderate income level residents within the Town of Huntersville; and

WHEREAS, subsequent to the adoption of the 2019 Resolution, Our Towns of North Mecklenburg-Iredell Habitat for Humanity, Inc., merged into Habitat for Humanity of Charlotte, Inc., now known as Habitat for Humanity of the Charlotte Region, Inc, ("HHCR"), the surviving corporation; and

WHEREAS, HHCR will continue the work of Our Towns of North Mecklenburg-Iredell Habitat for Humanity, Inc. to build affordable housing units for homeownership in North Mecklenburg County, including Huntersville; and

WHEREAS, HHCR has submitted a plan substantially the same as the plan submitted by Our Towns of North Mecklenburg-Iredell Habitat for Humanity, Inc., for an affordable housing project in Huntersville, utilizing the lots owned by the Town of Huntersville located within Norman Park Subdivision, that were conveyed to the Town in that deed recorded in Deed Book

10935 at Page 421 of the Mecklenburg County Registry, said lots being more particularly described as follows:

> Lots 53 and 54, Block E of Norman Park Subdivision as shown on Map Book 11 at Page 63, Mecklenburg County Registry;
>
> Lots 1,2,23,and 24, Block F of Norman Park Subdivision as shown on Map Book 10 at Page 321, Mecklenburg County Registry;
>
> Lots 13 and 14 in Block G of Norman Park Subdivision as shown on Map Book 10 at Page 321, Mecklenburg County Registry;
>
> Lots 11, 12, 13 and 14, Block H of of Norman Park Subdivision as shown on Map Book 10 at Page 321, Mecklenburg County Registry (all 12 lots collectively "Norman Park Lots"); and

WHEREAS, as part of the 2019 Resolution, the Town Board of Commissioners made certain findings as to the necessity of affordable housing in the Town, and based on those findings the Town wishes to continue the partnership that began in 2019 with Our Towns of North Mecklenburg-Iredell Habitat for Humanity, Inc., with the surviving corporation, HHCR;

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The Town Board of Commissioner finds that there is a lack of affordable housing for low-moderate income families, as defined in N.C.G.S. § 157- 3(15a and 15b) within the Town of Huntersville. The Whereas clauses above, and the Whereas clauses of the 2019 Resolution are specifically incorporated herein as findings.
2. The Town Board of Commissioners, on behalf of the Town of Huntersville, wishes to exercise the powers of a municipal housing authority contained within N.C.G.S. Chapter 157 with respect to the Norman Park Lots, to develop a housing project for the Norman Park Lots to provide affordable housing to low-moderate income level residents within the Town of Huntersville.
3. The Town Board of Commissioners wishes to designate HHCR as the Town's agent in developing and managing a housing project for the Norman Park Lots to benefit low to moderate income families within the Town of Huntersville.
4. HHCR has submitted a letter, with attachments, outlining a plan for a housing project for the Norman Park Lots, substantially similar to that approved in the 2019 Resolution, attached to this Resolution as Exhibit A, and incorporated herein by reference (the "Plan". The Plan includes, at a minimum the following:
    a. The proposed number of affordable housing units to be provided;
    b. Whether the housing units will be purchased or leased;
    c. The eligibility of households to purchase or lease the housing units to be provided based on household income;
    d. The affordability level of the housing units as a percentage of household income;
    e. The sources of funding for the construction of the housing units;
    f. Timing and phasing of construction of the housing units;

g. The process to be used to identify and verify eligibility of persons to purchase or lease the housing units;
h. The proposed control period (number of years) for which the housing units must be used to benefit low to moderate income families;
i. The method to ensure that the housing units will be used to benefit low-moderate income for the entirety of the control period;
j. The methodology that will be used by HHCR to ensure that the rental rates of sale price of the units will be at the lowest possible rates, consistent with providing decent, safe and sanitary dwelling accommodations as required by N.C.G.S. § 157-29;
k. The methodology that will be used by HHCR to ensure that the revenues derived from the sale or rental of the housing units will not be used to support other activities of the Town or HHCR as required by N.C.G.S. § 157-29; and
l. The methodology that will be used by HHCR to prevent the fraudulent rental or purchase of the Norman Park Lots.
m. Such other terms as deemed appropriate or necessary by HHCR and/or the Town Manager (or designee).

5. The Plan is approved by the Town Board of Commissioners. It is acknowledged that the Homeowner Selection Guidelines that are attached as part of Exhibit A will be voted on by HHCR after the date of this Resolution. If the approved Homeowner Selection Guidelines as adopted by HHCR are substantially modified from those in Exhibit A, HHCR shall be required to bring the modifications back to the Town Board of Commissioners for approval. HHCR shall provide a copy of the final approved Homeowner Selection Guidelines to the Town, which shall be attached to and made a part of this Resolution.
6. The Town Board designates HHCR as the Town's agent for purposes of constructing and managing the housing project for the Norman Park Lots.
7. The Board authorizes the Town Manager to approve and enter, on behalf of the Town, a Real Estate Agreement ("Agreement") providing for such construction and management of the housing project for the Norman Park lots by HHCR as the non-monetary consideration for the conveyance of the Norman Park lots to HHCR, and to carry out the terms of contract including but not limited to:
    a. Closing on the conveyance of the Norman Park lots to HHCR in accordance with the terms of the Agreement;
    b. Execution of a deed conveying the Norman Park lots to HHCR, subject to such restrictions as deemed necessary by the Town Manager to carry out the intent of this Resolution. The Town Clerk and Town Attorney are also authorized to perform such actions as may be necessary to enter into and carry out the terms of the Agreement, closing on the conveyance of the Lots, and subsequent oversight and performance of the Agreement by the Town.
    c. Providing oversight of the budgets for the construction and management of the project, including the sale price of the homes.

d. Approval of the methodology used to ensure that the lots continue to benefit low-to-moderate income families for at least ten (10) years.

A summary of this Resolution shall be published at least 10 days before closing on the conveyance of the lots.

8. This Resolution is not a contract.

Resolved this the ____ day of August, 2020.

ATTEST:

______________________________	______________________________
Janet Pierson, Town Clerk	John Aneralla, Mayor

Approve as to Form:

____
Town Attorney

Resolution of the Board of Commissioners for the Town of Huntersville to Partner with Our Towns of North Mecklenburg-Iredell Habitat for Humanity, Inc., To Develop a Housing Project for Lots Within Norman Park Subdivision Owned by the Town of Huntersville

WHEREAS, the legislature for the State of North Carolina, in N.C.G.S. § 157-2 has:

1. Declared that the provision of safe and sanitary dwelling accommodations to persons of low income are public purposes for which public monies may be spent and that it is in the public interest that work on such projects be instituted as soon as possible; and
2. Made a legislative determination that the provision of services and programs authorized by Chapter 57 of the North Carolina General Statutes, Housing Authorities and Projects, is necessary and in the public interest; and
3. Declared that "there is a serious shortage of decent, safe and sanitary housing in North Carolina that can be afforded by persons and families of moderate income . . . and that in undertaking such programs a housing authority is promoting the health, welfare and prosperity of all citizens of the State and is serving a public purpose for the benefit of the general public"; and

WHEREAS, N.C.G.S. § 160A-456(b) authorizes the Town of Huntersville to exercise any of those powers granted to a municipal housing authority in Chapter 157 of the North Carolina General Statutes; and

WHEREAS, pursuant to the United States Department of Housing and Urban Development, the median family income for 2019 for the Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area, of which Huntersville is a part, is $79,000; and

WHEREAS, in arriving at the $79,000 MFI, the USHUD applied a 1.0629 COP Inflation Factor to the 2016 FMI of $74,283; and

WHEREAS, Chapter 157 defines persons of low income as persons within a household, the annual income of which, adjusted for family size, is not more than 60% of the local area median family income as defined by the most recent figures published by HUD, which for Huntersville would equal $47,400 for 2019; and

WHEREAS, Chapter 157 defines persons of moderate income as persons deemed by the Town to require assistance on account of insufficient personal or family income taking into consideration, without limitation, their total familial income, size, eligibility for federal housing assistance, and cost and condition of housing available; and

WHEREAS, the Town Board of Commissioners deems persons of moderate income to be those persons within a household, the annual income of which, adjusted for family size, is not more than 80% of the local area median family income as defined by the most recent figures published by HUD, which for Huntersville would equal $63,200; and

WHEREAS, the 2018 North Mecklenburg Demographic and Housing Assessment Study ("Housing Study") performed by the UNC Charlotte Urban Institute, contracted for by the Lake Norman Economic Development Commission, found that in 2016, twenty five percent of the households in Huntersville had an income of less than $50,000; and

WHEREAS, the Housing Study found that between 2012 and 2016, 17% of all homeowners and 40% of all renters in Huntersville were cost-burdened households (cost of housing exceeds 30% of income); and

WHEREAS, the opinions of the stakeholders interviewed as part of the Housing Study that were most consensual were that:

1. The workforce and low to middle-low income seniors are most in need of affordable housing opportunities;
2. Affordable housing must be subsidized; and
3. The provision of land at "no-cost" or "reduced-cost" is the most effective subsidy that the Town could provide for affordable housing.

WHEREAS, the Town of Huntersville owns lots in Norman Park Subdivision that were conveyed to the Town in that deed recorded in Deed Book 10935 at Page 421 of the Mecklenburg County Registry, said lots being more particularly described as follows:

> Lots 53 and 54, Block E of Norman Park Subdivision as shown on Map Book 11 at Page 63, Mecklenburg County Registry;
>
> Lots 1,2,23,and 24, Block F of Norman Park Subdivision as shown on Map Book 10 at Page 321, Mecklenburg County Registry;
>
> Lots 13 and 14 in Block G of Norman Park Subdivision as shown on Map Book 10 at Page 321, Mecklenburg County Registry;
>
> Lots 11, 12, 13 and 14, Block H of of Norman Park Subdivision as shown on Map Book 10 at Page 321, Mecklenburg County Registry (all 12 lots collectively "Norman Park Lots"); and

WHEREAS, N.C.G.S. § 157-9 provides that, when carrying out the powers of a municipal housing authority, the Town may designate an entity to act as its Agent in carrying out the Town's authority; and

WHEREAS, Our Towns of North Mecklenburg-Iredell Habitat for Humanity, Inc., ("Habitat") builds affordable housing units for homeownership in North Mecklenburg County, including Huntersville; and

WHEREAS, the Board of Commissioners for the Town wishes to designate Habitat as its agent for developing the Norman Park Lots as a housing project as defined in N.C.G.S. § 157-3(12);

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The Town Board of Commissioner finds that there is a lack of affordable housing for low-moderate income families, as defined in N.C.G.S. § 157- 3(15a and 15b) within the Town of Huntersville. The Whereas clauses above are specifically incorporated herein as findings.
2. The Town Board of Commissioners, on behalf of the Town of Huntersville, wishes to exercise the powers of a municipal housing authority contained within N.C.G.S. Chapter 157 with respect to the Habitat Lots, to develop a housing project for the Habitat Lots to provide affordable housing to low-moderate income level residents within the Town of Huntersville.
3. The Town Board of Commissioners wishes to designate Habitat as the Town's agent in developing and managing a housing project for the Norman Park Lots to benefit low to moderate income families within the Town of Huntersville.
4. Habitat has submitted a letter, with attachments, outlining a plan for a housing project for the Norman Park Lots to be brought back to the Town Board of Commissioners for approval. The plan includes, at a minimum the following:
    a. The proposed number of affordable housing units to be provided;
    b. Whether the housing units will be purchased or leased;
    c. The eligibility of households to purchase or lease the housing units to be provided based on household income;
    d. The affordability level of the housing units as a percentage of household income;
    e. The sources of funding for the construction of the housing units;
    f. Timing and phasing of construction of the housing units;
    g. The process to be used to identify and verify eligibility of persons to purchase or lease the housing units;
    h. The proposed control period (number of years) for which the housing units must be used to benefit low to moderate income families;
    i. The method to ensure that the housing units will be used to benefit low-moderate income for the entirety of the control period;
    j. The methodology that will be used by Habitat to ensure that the rental rates of sale price of the units will be at the lowest possible rates, consistent with providing decent, safe and sanitary dwelling accommodations as required by N.C.G.S. § 157-29;
    k. The methodology that will be used by Habitat to ensure that the revenues derived from the sale or rental of the housing units will not be used to support other activities of the Town or Habitat as required by N.C.G.S. § 157-29; and
    l. The methodology that will be used by Habitat to prevent the fraudulent rental or purchase of the Habitat Lots.
    m. Such other terms as deemed appropriate or necessary by Habitat and/or the Town Manager (or designee).
5. The Plan as outlined in Habitat's letter, including attachments, is approved by the Town Board of Commissioners. The Town Board designates Habitat as the Town's agent for purposes of constructing and managing the housing project for the Norman Park Lots.

6. The Board authorizes the Town Manager to approve and enter, on behalf of the Town, a Real Estate Agreement ("Agreement") providing for such construction and management of the housing project for the Norman Park lots by Habitat as the non-monetary consideration for the conveyance of the Norman Park lots to Habitat, and to carry out the terms of contract including but not limited to:
   a. Closing on the conveyance of the Norman Park lots to Habitat in accordance with the terms of the Agreement;
   b. Execution of a deed conveying the Norman Park lots to Habitat, subject to such restrictions as deemed necessary by the Town Manager to carry out the intent of this Resolution. The Town Clerk and Town Attorney are also authorized to perform such actions as may be necessary to enter into and carry out the terms of the Agreement, closing on the conveyance of the Lots, and subsequent oversight and performance of the Agreement by the Town.
   c. Providing oversight of the budgets for the construction and management of the project, including the sale price of the homes.
   d. Approval of the methodology used to ensure that the lots continue to benefit low-to-moderate income families for at least ten (10) years.

   A summary of this Resolution shall be published at least 10 days before closing on the conveyance of the lots.
7. This Resolution is not a contract, and nothing herein shall be binding upon the Town Board of Commissioners nor Habitat unless and until a contract is entered into between the Habitat and the Town pursuant to the authority of the Town Manager as specified hereinabove, consistent with the terms of this Resolution.

Resolved this the 21st day of October, 2019.

ATTEST:

Janet Pierson, Town Clerk

Town of Huntersville 1873 North Carolina

John Aneralla, Mayor

Approve as to Form:

Angela Beeker, Town Attorney

Exhibit A Part 2

2020
FAMILY SERVICES DEPARTMENT
POLICY MANUAL

Family Services Department Mission Statement

THE FAMILY SERVICES TEAM WORKS IN PARTNERSHIP WITH FAMILIES, THE COMMUNITY AND THE ENTIRE STAFF OF HABITAT FOR HUMANITY IN RECRUITING, TRAINING AND SUPPORTING FAMILIES THROUGH HOMEOWNERSHIP TO HELP IMPROVE THEIR QUALITY OF LIFE SO THAT THEY CAN GROW INTO ALL THAT GOD INTENDED.

Approved

Habitat Charlotte Family Services Policy Manual - Table of Contents

		Page
POLICY 1	HOMEOWNER PARTNER SELECTION	3
Appendix 1.1	Military Veterans Selection	4
Appendix 1.2	Homeowner Partner Selection Details	5
Appendix 1.3	Repair Program Selection and Application Policies	12
POLICY 2	SEXUAL OFFENDER REGISTRY CHECK	16
POLICY 3	CRIMINAL BACKGROUND CHECK	19
POLICY 4	FAMILY SUPPORT	22
Appendix 4.1	GRIEVANCE	25
POLICY 5	SALE OF THE HOUSING UNIT	26
POLICY 6	MORTGAGE LOAN SERVICING	29
POLICY 7	MORTGAGE ORIGINATION	32
POLICY 8	EQUAL TREATMENT of HABITAT HOMEBUYERS – GIFTS	34
POLICY 9	TRANSITIONAL HOUSING	35
POLICY 10	HOME REPURCHASE	36
POLICY 11	FAMILY RELOCATION	37

1.0 Purpose

The purpose of this policy is to define Habitat Charlotte's homeowner partner selection criteria as well as to emphasize that Habitat Charlotte complies with the provisions of federal housing law and Habitat International requirements.

2.0 Policy

Federal Laws

Habitat for Humanity of Charlotte, Inc (HFHC) must comply with the Fair Housing Act (FHA) and all Fair Housing Laws, the Equal Credit Opportunity Act (ECOA), the Fair Credit Reporting Act (FCRA), the Privacy Act of 1974, the Americans with Disabilities Act (ADA), the Real Estate Settlement Procedures Act (RESPA) from the U.S. Department of Housing and Urban Development (HUD), the Federal Trade Commission (FTC) and any local applicable laws.

NEED FOR HOUSING: HFHC defines "need" as families who are paying more than 30% of their gross monthly income towards rent, living in overcrowded conditions, living in subsidized or public housing, living in sub-standard conditions, or credit score less than 650 (or no credit score). Families must meet at least one of the "need" conditions in order to qualify in this area.

ABILITY TO PAY: HFHC makes all reasonable efforts to serve applicants whose gross incomes fall between 30% - 80% of HUD Area Median Income (AMI) for Mecklenburg County at the time of the Initial Application. Income of the entire household must be disclosed on the application. Additionally, the lowest HFHC mortgage payment for their family size and their total monthly debt servicing cannot exceed 40% of their gross monthly income (Debt-to-Income Ratio).

All delinquent debt with the exception of medical collections must be paid off prior to approval, move-in and closing. Medical collections must not exceed $10,000. Outstanding debt, other than car loans, secured loans and student loans, must be less than $1,000. Applicants will be required to participate in various educational activities and continue to meet ability to pay requirements throughout the process.

WILLINGNESS TO PARTNER: Homeowners-in-Process are required to work a minimum of 21 hours of Sweat Equity a month. The minimum amount of hours is 250 for existing homes and 300 for a new home. While helpers are allowed to work alongside HIPs and contribute to the overall total of sweat equity hours, an applicant must be present and working alongside a helper. Hours must be completed prior to moving into the home. Each applicant must work a minimum of 50 hours of construction sweat equity.

All household members 16 years old and older must pass a criminal background check and sex offender registry check based on a risk scorecard. Families must maintain stable employment (if employed) and rental history. All families must be legal U.S. residents.

DESELECTION: Families will be deselected only in the event of demonstrated fraud on the application, failure to complete requirements set forth in the Family Participation Contract, negative change in financial condition that would significantly impact the ability to pay, or presence on a sexual offender database.

Appendix 1.1 MILITARY VETERANS SELECTION

The **Veterans Initiative** would make concessions for employment, and rental history. Habitat Charlotte will give priority consideration for Transitional Housing to military veterans based on availability of housing.

Employment
We will count active duty military service as a part of employment history as long as the service ended within the last 24 months and the discharge was other than dishonorable. When military service is used in qualifying an applicant, we will require the applicant to be on the current job at least 6 months at the time of application and can be considered for approval by the Homeowner Selection Committee after 12 months on the current job.

Rental History
Military veterans are required to have at least 12 months of living independently and paying rent on time prior to Homeowner Selection Committee approval. We will count rental history while a veteran was on active duty only if the veteran actually paid rent/mortgage and as long as we are able to verify it. Previous rental history prior to the veteran serving on active duty will be considered if it was within the last 5 years and we are able to verify it. Priority Transitional Housing will be considered for veterans who do not currently meet rental history requirements. If a transitional house is available and the veteran seems to meet most of the other requirements, we will give them priority to rent a home from us for 12 months to meet the rental history requirement prior to them being approved.

Appendix 1.2 HOMEOWNER PARTNER SELECTION DETAILS

Need For Housing

Applicants must demonstrate one or more of the following to be considered for homeownership:

1. Cost-burdened—paying more than 30% of gross income on rent
2. Overcrowded—adults sharing rooms with children, school-age children of opposite sex sharing a room, more than 2 people sharing a room
3. Living in subsidized or public housing
4. Living in sub-standard conditions, as defined by HUD guidelines
5. Be unable to qualify for other/conventional mortgage financing (defined as credit score < 650 or no credit score)

Ability to Pay

I. INCOME/CREDIT SITUATION AT THE TIME OF INITIAL APPLICATION

INCOME CRITERIA

- An applicant will be considered whose gross income falls between **30% - 80%** of the HUD Gross Area Median Income (AMI) for Mecklenburg County at the time of the Initial Application. Income of the entire household must be disclosed on the application. Pay Raises after the Initial Application Review will not automatically disqualify an applicant, but decreases in income that causes and applicant to fall below the income requirement will be a disqualifying factor. All eligible income for all applicants (excluding pay raises), must continue to meet minimum criteria through the Final Underwriting phase.

- Applicants making less than 30% Gross AMI will not be considered, unless they are qualified participants of the Charlotte Housing Authority's HAP (Housing Assistance Payment) Voucher program.

- **Overtime, bonus, and incentives pay** will be excluded from the initial calculation of gross income.

- Income calculation for 10-month employees will be calculated as earned over 12 months.

- Only income earned by the individuals who will be on the deed will be considered toward qualifying for the Habitat Homebuyer program.

- If adults (regardless of relation to the applicant) whose names will not be on the deed will be living in the home, their income will not be considered toward qualifying for the Habitat Homebuyer program but may be considered for special government funding programs.

- Non-earned income such as court-ordered child support, SSI (survivor benefits and disability), Work First, retirement income, etc., will be evaluated regarding stability and likelihood of continuation for the next 5 years from date of application approval (3 years from estimated closing date). Child support must be stable for at least 12 months leading up to application approval. In order to count SSI as a part of the income, the applicant or co-applicant's name must be listed as the beneficiary or caregiver for the recipient.

DELINQUENT DEBT

- Applications will not be considered if the applicant family has more than $1,200 in non-medical delinquent debt. Applicants with up to $1,200 in delinquent debt must pay the debt off within 90 days of application or they will be asked to reapply when they have reduced the debt to $0. All delinquent debt must be down to $0 before final underwriting approval.

  Medical collections must total less than $10,000 at all times during the application process and Homeowner-In-Process stages.

OUTSTANDING DEBT

- Applicants will not be considered if they have more than **$1,000** in outstanding debt <u>excluding</u> car loans, student loans, and other secured debt. Monthly payments on car loans, student loans, and other secured debt will be factored into the monthly debt servicing calculations to determine debt-to-income ratio.

- Applicants will ***only*** be considered if the lowest monthly Habitat mortgage payment for their family size and total monthly debt servicing expenses combined is ***less*** than **40%** of their gross income. (Debt-to-Income Ratio). Debt servicing expenses is the amount of money used each month to pay things such as credit card debt, car payments, student loans, furniture payments, Child support payments, loans or any other revolving credit debt.

  If the lowest Habitat mortgage payment for an applicant's family size is more than 30% of their monthly gross income, HFHC will subsidize the mortgage up to the amount of the lowest monthly mortgage payment.

- Student loan payment will not be counted against monthly debt if it is deferred, or in forbearance (12 months). If it is not deferred, the actual monthly payment or income-based payment will be factored into debt-to-income ratio.

Typically, only debt with <u>12 months or more remaining</u> to pay off will be counted towards monthly debt servicing. Debts lasting less than 12 months must be included if the amount of the debt will affect the borrower's ability to pay the mortgage during the months immediately after loan closing, especially if the borrower will have limited or no cash assets after loan closing.

****<u>HUD Policy on Projected Obligations</u>****

If a debt payment, such as a student loan, is <u>scheduled to begin within 12 months of the mortgage loan closing</u>, the lender must include the anticipated monthly obligation in the underwriting analysis, unless the borrower provides written evidence that the debt will be deferred to a period outside this timeframe. Similarly, balloon notes that come due within 1 year of loan closing must be considered in the underwriting analysis.

BANKRUPTCY

- If an applicant has been in bankruptcy, the bankruptcy must have been discharged fully or Chapter 13 plan completed. The applicant must have re-established good credit (or chosen not to incur new credit obligations) and demonstrated an ability to manage financial affairs. A **minimum of 2 years** must have lapsed between discharge of the bankruptcy and the application. An application will be considered in 12 months if the applicant is able to document extenuating circumstances beyond his/her control and that his/her current situation is such that the events leading to the bankruptcy are not likely to recur and has since exhibited an ability to manage financial affairs. All necessary documentation must be submitted with the application.

II. CREDIT SITUATION AT TIME OF (FINAL UNDERWRITTING)

DELINQUENT DEBT

An application will not be pre-approved if an applicant has more than **$0** in total collections, judgments, charged off accounts, and/or accounts that are past due. They must reduce the delinquent debt within 60 days or the application will be declined. They may reapply after they have been able to reduce their debt level to meet our requirements. All delinquent debt must remain at $0 through underwriting and pre-approval. Medical debt must still be at or below $10,000.

OUTSTANDING DEBT

An application will not be pre-approved if an applicant has more than $1,000 in unsecured outstanding debt, excluding car and/or student loan balances, and/or other secured debt; and if their debt payments exceed 40% of their gross monthly income.

III. CREDIT SITUATION AT THE TIME OF <u>SELECTION AND CLOSING</u>

DELINQUENT DEBT

All delinquent debt must remain at **$0** before selection of a lot, move-in or purchase of an existing home.

OUTSTANDING DEBT

Applicants will not be able to select a lot, move in, or close if they have more than $1000 unsecured outstanding debt, excluding car and/or student loans, and if their debt payments exceed 40% of their gross income.

IV. CREDIT SITUATION AT THE TIME OF <u>MOVE-IN & CLOSING</u>

DELINQUENT DEBT

All delinquent debt must remain at **$0** before selection of a lot, move-in or purchase of an existing home.

OUTSTANDING DEBT

Applicants will not be able to select a lot, move in or close if they have more than $1000 unsecured outstanding debt, excluding car and/or student loans, and if their debt payments exceed 40% of their gross income.

**Habitat Charlotte staff reserves the right to make adjustments to loan terms prior to closing due to factors such as changes in a family's household makeup, employment, income, and/or debt.

Willingness to Partner

I. MARITAL STATUS

All married persons are encouraged to file a joint application and to hold title to the property as co-owners. If a married person chooses not to file a joint application, one of the following must occur.

1. Have obtained a notarized and recorded Free Trader Agreement; **or**
2. Have obtained a binding separation agreement duly recorded in the local registry providing for a release or waiver of the spouse's marital interest in any property acquired after the recording of the separation agreement; **or**
3. Have obtained a final decree of divorce; or
4. The spouse not intending to be a co-borrower on the mortgage loan, must still sign the deed of trust at closing.

II. LEGAL RESIDENCY

An applicant must have lived or worked in Charlotte or Mecklenburg County for a minimum of 12 months prior to application. Applicants who don't meet this requirement, will be referred to a Habitat affiliate in their local area.

An applicant must be a **Legal Resident** of the United States at the time of application. These are the documents we will consider as proof of legal residency in the U.S.:

Birth Certificate - Shows proof that individual was born in U.S.

I-94 Arrival/Departure Record- Shows that individual left their country and arrived in the U.S. legally. This card has an expiration date that may be extended. The card has an expiration date or will acknowledge that the individual may stay in the U.S. indefinitely.

Resident Alien Card (Green Card) - Shows that individual is in a position to apply for permanent legal residency in the U.S. This card has an expiration date (usually 5 years from the date that the individual physically came into the U.S.). The individual may apply for permanent residency after the 5-year period.

Special Naturalization Provisions - Provisions covering special classes of persons whom may be naturalized even though they do not meet all the general requirements for naturalization. Such special provisions allow: Wives or husbands of U.S. citizens to file for naturalization after 3 years of lawful permanent residence instead of the prescribed 5 years;

A surviving spouse of a U.S. citizen who served in the armed forces to file his or her naturalization application in any district instead of where he/she resides; and Children of U.S. citizen parents to be naturalized without meeting certain requirements or taking the oath, if too young to understand the meaning. Other classes of persons who may qualify for special consideration are former U.S. citizens, servicemen, seamen, and employees of organizations promoting U.S. interests abroad.

Note: More information may be found on the U.S. Citizenship and Immigration Services website (http://uscis.gov).

III. RENTAL HISTORY

Applicants must demonstrate an ability to manage the financial obligations of maintaining a home for a minimum of 12 of the last 18-consecutive months prior to application.

- Applicants must demonstrate a stable rental history. If an applicant has been living in the current residence for less than 1 year, he/she must provide the address of his/her previous residence and the name, address, and telephone number of the previous landlord/rental agent. He/she must have a positive rental reference from both places.
- Applicants must demonstrate the ability to pay rent on time. An applicant with more than 20% of rent payments made late within the past 12 months will be declined. An applicant may reapply when he/she can show 80% on-time payments in the past 12 months.
- In the absence of 12 months of rental history in the last 18 months, an applicant may demonstrate a history of financial responsibility by scoring at least 50 points on the Financial Responsibility Checklist.

FINANCIAL RESPONSIBILITY CHECKLIST

minimum point requirement = 50 points		
Has applicant had a lease in his/her name for at least 6 months in the last 18 months? [required: copy of lease and no balance owed (per credit report) if lease has ended]	YES NO	25 0
Does applicant have at least $1400 in savings? (required: past 90 days bank statements, showing balance of $1400 for at least last 60 days)	YES NO	25 0
Does applicant have a credit score of at least 680?	YES NO	25 0
Does applicant have proof of having contributed at least $250 to rent payment for 12 of last 18 months? (required: cancelled checks, bank statements showing draft, money order receipts, or payment receipts showing name)	YES NO	25 0
Has applicant had at least 1 bill in his/her name <u>or</u> proof of payment for last 12 of 18 months? (required: cancelled checks, bank statements showing draft, money order receipts, or copy of bill showing name and status of bill being current)	YES NO	25 0
	TOTAL:	

Other NOTES

- Selection is not limited to first time homebuyers.

- Applicants who currently own a home will not be considered unless it is shared ownership through inheritance. Other situations will be considered on a case by case basis.

- Applicants who own land/property that is not a home will be considered but HFH will not be obligated to build on that property.

- HFH Charlotte homeowners will only be served once in our homebuyer program unless the applicant previously served as a co-applicant and is no longer on the deed and 5 years have passed since the original purchase prior to a new application being submitted.

- Ownership of a mobile home will not be considered ownership of a home as long as the applicant does not own the property/land where the mobile home resides. Ownership would be construed as a deed of trust for the property in the applicant's name.

- Applicant and co-applicant are not required to live together prior to application but both must demonstrate financial stability by meeting the rental history requirements.

- At the time of application, all persons that will be living in the house must be listed on the application. Adding persons for the sole purpose of increasing house size will not be permitted. House size will be determined based on the need of the family at the time of application and at the discretion of the Family Services Department. *Considerations may be made on a case by case basis if there is proof of a permanent change in the family makeup prior to lot selection.*

- If an applicant has family members still living in another country and those family members plan to relocate to the U.S. and become part of the household, the applicant must provide documentation showing that those family members are in process of relocating to the U.S. and the applicant must meet the income requirements that includes those family members as occupants of the home. In this case, house size will be determined at the discretion of the Family Services Department.

- An application will be considered stale and void 6 months from applicant's signed attestation.

IV. EMPLOYMENT/NON-EARNED INCOME HISTORY PRIOR TO PRE-APPROVAL

An applicant must have an Employment History of at least **2 consecutive years** and is required to be employed by their current employer for at least 12 months prior to **underwriting pre-approval**; unless they are receiving non-earned income as defined in Section I. Income/Credit Situation At The Time Of Initial Application: Income Criteria.

An **exception** to the above may be made if the applicant has changed jobs during the 12 months prior to underwriting pre-approval if the job change was due to cut backs, better pay, better benefits, or other valid reasons determined by Habitat staff on a case-by-case basis. The applicant (s) must be employed in the new job for a minimum of 6-months at the time of underwriting pre-approval.

No temporary employment will be considered to meet the employment criteria.

If a gap in employment has occurred in the last 24 months, we will still consider the application as long as there was only 1 gap which was less than 60 days, and the applicant has been on the current job for at least 1 year.

V. EMPLOYMENT CHANGES AFTER APPROVAL:

If there is a job loss after approval, at least 1 member who will be on the deed must meet income requirement for the household. Applicants must be on the new job at least three months and must be permanent hire.

No employment with a temp agency will be considered suitable employment. Applicants will be given 6 months to find suitable employment before they will be asked to reapply.

If the applicant left the job for better pay or benefits, the application will be considered after 3 months on the job and positive verification.

If the applicant or co-applicant is out of work for any extended period of time for any reason, the process will be put on hold until they return to work and can provide adequate pay stubs verifying proof and stability of income. Applicants will be given 6 months to go back to work or find suitable employment.

All of the adult family members who will be on the deed must meet these employment requirements including part-time jobs. All individuals in the household over 18 years of age must be working, in school, have young children at home, disabled, or have other valid reasons for not being employed outside the home which will be evaluated on a case-by-case basis by Habitat staff. All children under 16 must be in school and Habitat may request that a parent obtain written attendance records from a child's school on school letterhead and/or permission from the parent or guardian to verify school attendance.

Appendix 1.3 REPAIR PROGRAM SELECTION and APPLICATION POLICIES

All HCHR policies and criteria must be in compliance with Federal and North Carolina regulations and laws at all times and are subject to immediate change and implementation without the Family Selection Committee or Board of Directors approval. Staff, Volunteers, and Board members must be notified of any changes within 30 days.

NEED FOR REPAIRS

Critical Need

Applicants must have a critical need for repair, defined as one of the following:

- failed or rotted floor system
- plumbing leak that will result in structural damage
- electrical hazard
- roof replacement or repair
- termite and/or rot damage
- HVAC replacement, upgrades
- handicap accessibility (limited to exterior ramp access and bathroom accessibility)

Inspection & Estimates

Construction staff will conduct an assessment of the property to determine whether there is a need for critical repairs and feasibility for inclusion in the Critical Home Repair program

Property Requirements~~:~~

- The property must be located within the City limits of Charlotte or Pineville. Properties in non-incorporated areas will be considered on a case-by-case basis.
- The building must be a Single-Family home (we will not repair duplexes, townhouses, multifamily, mobile homes, or sheds).
- The building must be at least 10 years old.
- The tax value of the building cannot exceed $175,000.
- The applicant must be the owner of the property as listed on the title.
- The applicant must occupy property as the primary residence.
  - Exception: An exception may be allowed for families that have been displaced within 18 months from the date of the application. Acceptable reasons for being displaced would be due to health and/or safety issues in the home.
- Deed/Title must show ownership for a minimum of 2 years.

Title requirements~~:~~

- Partner Families financing payments over 5 years: The applicant MUST own the home or be the sole beneficiary of a living trust which holds title to the property. Revocable Trusts and Life Estates will be reviewed on a case-by-case basis.
- Partner Families not financing payments: Titles including Life Estates, Living Trusts, and Revocable Trusts will be allowed since the repair project is contract work and is not secured by a mortgage where the homeowner must have property signing rights.
- The applicant (s) cannot own multiple properties.
- The property must not be in danger of foreclosure process.
- The property must not be more than 90 days delinquent on mortgage payments, nor have liens on the property that are more than 2 years delinquent.

<u>Insurance Requirements</u>
The homeowner must provide documentation of homeowner's insurance or construction insurance prior to work beginning on the home unless the homeowner is unable to obtain insurance due to the condition of the home.

ABILITY TO PAY

HFHC makes all reasonable efforts to serve homeowners whose gross household income is no more than 80% of the HUD Median Income for Mecklenburg County. Income of the <u>entire household</u> must be disclosed on the application. All income will be considered regardless of length of time received.

<u>Repayment Criteria</u>
Partner Families will be charged a program fee based on the homeowner's income. The program fee will be waived for homeowners earning up to 30% of area median income.

Homeowners who earn 60% or less of the area median income will be charged at a subsidized rate. Their program fee will be broken into 12 monthly payments to be paid off within 1 year.

Homeowners who earn 61-80% of the area median income may qualify to finance the program fee at 0% interest over 5 years. The homeowner will sign a promissory note and Deed of Trust. If they choose not to finance, they will receive a 25% discount on the program fee for paying in full at the time the repair work is complete.

Homeowners who earn 61-80% of the area median income who do not qualify for financing will be placed on hold after the construction assessment. They will be given 6 months to pay their program fee before the repair work begins. They will receive a 25% discount on the program fee for paying in advance of the repair work.

Targeted outreach populations, such as Veterans, will be charged the lowest, subsidized program fee.

Homeowner Income	Program Fee	MonthlyPayment	
	Subsidized	*for 12 months*	
=30%	$0	$0	
31-35%	$900	$75	
36-40%	$1,080	$90	
41-45%	$1,260	$105	
46-50%	$1,440	$120	
51-55%	$1,620	$135	
56-60%	$1,800	$150	
	Financed	*for 60 months*	*Paid in Full / In Advance*
61-65%	$4,500	$75.00	$3,375.00
66-70%	$6,000	$100.00	$4,500.00
71-75%	$7,500	$125.00	$5,625.00
76-80%	$9,000	$150.00	$6,750.00
	Subsidized	*for 12 months*	
Targeted Outreach	$900	$75	

<u>Credit Criteria for Financing</u>: Credit will be assessed for each title holder to determine eligibility for 5 year financing. To qualify for financing, applicants must meet the following criteria:

- Debt-to-Income Ratio - Any mortgage, auto, student loan payments and total monthly debt servicing expenses (i.e. credit card payments), cannot exceed 50% of the homeowner's monthly gross income.
- Bankruptcy – If the applicant (s) have had a bankruptcy, it must be discharged at least two (2) years prior to application. *An application will be considered twelve (12) months after bankruptcy if the applicant is able to document extenuating circumstances beyond his/her control. All necessary documentation must be submitted with the application.
- Delinquent Debt - Have no more than $10,000 in total Collections, Judgments, and/or Charged-Off accounts..
- Outstanding Debt - Have no more than $10,000 in Outstanding and Unsecured Debt. Unsecured/Outstanding Debt is debt other than auto loans, mortgage, secured loans and student loans. Auto, Mortgage, and Student Loan payments will be calculated toward the Debt-to-Income ratio calculation.
- Medical Debt - Medical Debt will not be considered for program participation.

WILLINGNESS TO PARTNER

<u>Family Requirements:</u> Partner Families must be willing to partner with Habitat by meeting the following requirements:

- Applications must be returned fully completed, signed, and with all requested documentation included. The application will automatically be declined if this condition is not met.
- All household members living or staying at the property must be listed on the application.
- The Partner Family must be able to understand the program guidelines and requirements. The homeowner must be able to understand legal documents or have another responsible adult acting as their Power of Attorney. The homeowner must be 18 years old or older.
- The Partner Family must notify Family Services staff of any changes to household members or income, which may or may not affect whether the family can continue in program.
- If it is discovered that the Partner Family has provided any false or fraudulent information at any time during the Home Repair Process (from application through repairs), the Partner Family will automatically be deselected and disqualified indefinitely from the Critical Home Repair Program.
- Criminal Background: All household members over the age of 16 years old must consent to a criminal background check. **See Policy 3 Criminal Background Check** for the policy, procedure, and disqualification criteria.

<u>Commitment to the Community</u>

- Habitat Charlotte is responsible to the community to help preserve neighborhoods and has a fiduciary responsibility to its donors to make the best use of their funds. As such Partner Families must commit to a drug-free environment. If anyone in the household is under the influence of alcohol or illegal drugs while Habitat is in the home, the Partner Family will immediately be dropped from the program.

<u>Community Service Requirement</u>

- Partner Families must complete 75 hours of Community Service by the time the repair work on their home is complete.
- Community Service does not have to be completed by volunteering with Habitat.
- Homeowners do not have to complete all of the hours on their own. Hours will be counted for up to 2 people working at the same time.
- An exception to this requirement can be made at the discretion of Habitat staff if the Partner Family is physically unable to do Community Service and has no one able to volunteer on their behalf.

Period of Affordability

- To protect our investment in affordable housing, Partner Families are required to maintain their home as affordable housing for a period of affordability after the repairs on their home have been completed. During this Period of Affordability:
  - The house may only be used as the principal residence of the homeowner and/or their successors and assigns.
  - The property may only be sold, transferred, or conveyed to a low-income person or family (defined by HUD as a family having a combined household yearly income that does not exceed 80% of the area median income).
- The homeowner must sign a Promissory Note, a Deed Restriction, or other document (determined by the primary funding source for their repairs) agreeing to these terms for the duration of the period of affordability.

Disqualification and reapplication:

- Any application can be disqualified if any of the above criteria are not met. Once the criteria are met, the homeowner (s) is welcome to reapply and proceed with the application process. There is no time limit for reapplying.

APPLYING TO BE SERVED MORE THAN ONCE

Allowable Timeline

- Homeowners may re-apply five years after initial work was completed.

Eligible Repairs

- Applicants must have a new concern and a critical qualifier.
- We will not make additional repairs to any item that was repaired in the initial work (as indicated by original job scope/work complete), unless the need is as a result of a construction defect in original repair work performed (as determined by construction staff).
  - Exception: If the repair work is funded by a grant that requires certain repairs be made, this requirement will supersede this policy.

Financial Criteria

- Homeowners re-applying for HCHR must have no outstanding balance on previous HCHR payments. Their pervious loan must be paid in full or written off.
- Homeowners re-applying for HCHR service who had 3 or more late payments in last 2 years of their previous payment term will not be eligible to finance payments during the 2nd service.

The selection of families are served by Habitat for Humanity is done by the Family Selection Committee using these criteria in a way that does not discriminate on the basis of race, sex, color, age, handicap, religion, national origin, family status or marital status, or because all or part of income is derived from any public assistance program.

EQUAL HOUSING OPPORTUNITY

Policy 2 Sex Offender Registry Check

1.0 Purpose
As a ministry, Habitat for Humanity of Charlotte values the safety of children, our employees, volunteers and the families we serve. We want to take prudent measures to protect our human and material resources.

2.0 Policy
Habitat for Humanity of Charlotte requires that sex offender registry checks be conducted for all potential partner families, board members, employees and key volunteers, and in particular, those who may have unsupervised contact with a child, the elderly or persons with disabilities. Habitat for Humanity of Charlotte reserves the right to recheck sex offender status at any time during the homebuilding process, course of employment and/or service.
Any person who does not consent to a sex offender registry check will not be permitted to become a partner family, work and/or volunteer with Habitat for Humanity of Charlotte.

2.1 Disqualification Criteria
A sex offender registry finding may disqualify an applicant from homeownership or service with Habitat for Humanity of Charlotte. In determining eligibility, Habitat for Humanity of Charlotte uses a points system to rank the level of risk and in its sole discretion, may consider several factors, including without limitation, 1 or more of the following:

- nature of the conviction and whether children were involved;
- time elapsed since the offense;
- age of the candidate when the illegal activity occurred;
- number of convictions (if more than 1);
- any information produced by the person, or produced on the person's behalf demonstrating rehabilitation and good conduct;
- whether partnering with the applicant would pose risk to the organization;
- whether the state's public policy encourages homeownership of persons who have been convicted of crimes;
- the nature of the build, i.e., proximity of houses, mixed use communities, etc.; and/or
- any other factor that the affiliate deems relevant to the decision.

2.2 Examples of Disqualification Warranted
If a person withholds information or falsifies information pertaining to a sex offense, the person may be disqualified from further consideration. Utilization of the points system will determine disqualification. Disqualification may extend to any partner family member.

Habitat for Humanity of Charlotte will make good faith efforts to comply with the following procedures when conducting sex offender checks:

- utilize the National Sex Offender Public Website (http://www.nsopw.gov) as a resource and check all states in which the person has resided for the last ten (10) years;
- ensure all recruitment information, applications, announcements, and descriptions state the partner family relationship requires a sex offender registry check;
- seek prior written approval (even if not required by law);
- notify the individual under consideration that their status is conditioned on successful completion of the sex offender registry check, and that falsification of information submitted may be cause for corrective action, up to and including dismissal and/or elimination from the homeownership program; and/or
- review sex offender registry checks that reveal convictions and determine within a reasonable time whether such convictions disqualify individuals from family partnership.

4.0 Denial of Application, Termination or Reassignment

Based on any or all of the criteria outlined in this policy, Habitat for Humanity of Charlotte may, in its sole discretion, decide that a partner family will be denied homeownership.

Practical Tips

- Limit the people who view the sex offender registry check results to a "need-to-know" basis.
- Provide an opportunity for the applicant to supply information that refutes the charge, i.e., disposition from the court.
- Limit the number of business days in which an individual may provide evidence of the inaccuracy of a sex offender registry check report.
- Sex offender registry checks are only 1 part of the partner family and/or onboarding process.

APPLICANT ____

Sex Offender Status (Ability to Partner)

Risk to Partnership: 15=HIGH10=MODERATE 5=LOW 0=LITTLE OR NO RISK

10 0	A. Applicant or family member registered on the sex offender registry? Yes (10 pts)
15 0	B. Life Registration? Yes (15 points) No (0 points)
15 10 5 0	C. Time since registered: Less than 2 years (15 points) 3-5 years (10 points) 6-10 years (5 points) More than 10 years (0 points)
10 0	D. Off Probation/Supervision? No (10 points) Yes (0 points)
	E. History of repeat offenses? **If yes, immediate disqualification.**
	Restrictions on where offender can live? **If yes, immediate disqualification.**
	Nature of offense: Offense with a child? **If yes, immediate disqualification.**
15 10 5 0	H. Nature of offense: Assault with minor (any degree) (15 points)
	First degree Assault (15 points)
	Second, Third, Fourth Degree Assault (10 Points)
	Sexual Misconduct w/minor (10 points)
	Sexual Misconduct (5 points)
	Misconduct with minor—proximate age (0 points)
	I. Designated as sexual predator: **Immediate disqualification.**
Total:______	**(<u>Maximum</u> of 30 to Qualify)**

Policy 3 Criminal Background Check

1.0 Purpose

As a ministry, Habitat for Humanity of Charlotte values the safety of children, our employees, volunteers and the families we serve. We want to take prudent measures to protect our human and material resources.

2.0 Policy

Habitat for Humanity of Charlotte requires that criminal background checks be conducted for all potential partner families. Habitat for Humanity of Charlotte reserves the right to recheck criminal backgrounds at any time during the homebuilding process.

Any person who does not consent to a criminal background check will not be permitted to become a partner family with Habitat for Humanity of Charlotte.

2.1 Disqualification Criteria

A previous conviction may disqualify an applicant from homeownership with Habitat for Humanity of Charlotte. In determining eligibility, Habitat for Humanity of Charlotte uses a points system to rank levels of risk and in its sole discretion, may consider several factors, including, without limitation, the:

- nature of the conviction and whether children were involved;
- time elapsed since the offense;
- age of the candidate when the illegal activity occurred;
- number of convictions (if more than 1);
- any information produced by the person, or produced on the person's behalf demonstrating rehabilitation and good conduct;
- whether partnering with the applicant and/or candidate would pose a risk to the organization;
- whether the state's public policy encourages homeownership of persons who have been convicted of crimes;
- the nature of the build, i.e., proximity of houses, mixed use communities, etc.; and/or
- any other factor that Habitat Charlotte deems relevant to the decision.

2.2 Examples of Disqualification Warranted

If a person withholds information or falsifies information pertaining to previous convictions, the person may be disqualified from further consideration. Disqualification will be determined based on the points system. All occupants of the home, 16 years old and older, will have a background check conducted.

Habitat for Humanity of Charlotte reserves the right to weigh disqualification criteria on a case-by-case basis and to make selection decisions in its sole discretion. Disqualification may extend to any partner family member. Support Centers.

Procedure

Habitat for Humanity of Charlotte will make good faith efforts to comply with the following procedures when conducting criminal background checks:

- check all states in which the person has resided for the last 10 years;
- ensure all recruitment information, applications, announcements, and descriptions state the position or partner family relationship requires a criminal background check;
- seek prior written approval in accordance with applicable laws, and in particular, where third party vendors are retained to conduct criminal background checks;
- notify the individual under consideration that their status is conditioned on successful completion of the criminal background check, and that falsification of information submitted may be cause for corrective action, up to and including dismissal and/or elimination from the homeownership program; and/or
- review criminal background checks that reveal convictions and determine within a reasonable time whether such convictions disqualify individuals from positions and/or family partnership.

4.0 Denial of Application, Termination or Reassignment

Based on any or all of the criteria outlined in this policy, Habitat for Humanity of Charlotte may, in its sole discretion, decide that a partner family will be denied homeownership.

Practical Tips

- Comply with the Federal Fair Credit Reporting Act requirements if a third-party vendor is used to conduct the background checks. Review the HFHI Legal Advisory for more information: http://my.habitat.org/kc/download-detail/g32e58/HFHI-Legal-Advisory--Denial-for-Credit-Reasons-under-Fair-Credit-Reporting-Act-FCRA-Jan-2013.
- Limit the people who view the criminal background check results to a “need-to-know” basis.
- Provide an opportunity for the applicant to supply information that refutes the charge, i.e., disposition from the court.
- Limit the number of business days in which an individual may provide evidence of the inaccuracy of a criminal background check report.
- Criminal background checks are only 1 part of the partner family and/or on-boarding process. Affiliates may also perform reference checks, verify prior employment, obtain copies of licenses or certificates required for the specific position, and conduct credit checks when appropriate.

CRIMINAL STATUS (Ability to Partner)

Risk to Partnership: 15=HIGH 10=MODERATE 5=LOW 0=LITTLE OR NO RISK

10 0	A. Applicant convicted of a crime? Yes (10 pts) No (0 pts)
5 0	B. Applicant charged with a crime? Yes (5 pts) No (0 pts)
15 10 5 0	B. Age of applicant at time of commission of the crime: <16 years old (0 pts) 16-17 years old (5 pts) 18-20 years old (10 pts) 21 years or older (15 pts)
15 10 5 0	C. Time since conviction/charge: Less than 2 years (15 points) 3-5 years (10 points) 6-10 years (5 points) More than 10 years (0 points)
10 0	D. Off Probation/Supervision? No (10 pts) Yes (0 pts)
15 10 5 0	E. Nature of offense: Felony (15 pts) Gross Misdemeanor (10 pts) Misdemeanor (5 pts) Petty misdemeanor (0 pts)
10 0	F. More than one conviction? Yes (10 pts) No (0 pts)
0 -5	H. Is there evidence of rehabilitation, i.e., Certificate of Rehabilitation or Good Conduct? Fine paid/Restitution? Voluntary Dismissal? Yes (-5 pts) No (0 pts)
Total:______	**(Maximum of 50 to Qualify)** **Comments:**

Policy 4 FAMILY SUPPORT

1.0 Purpose

To ensure that systems and policies are in place at Habitat for Humanity of Charlotte, Inc. to effectively support, guide and encourage each homeowner to a successful home buying and owning experience.

2.0 Policy

Habitat for Humanity of Charlotte, Inc. has the human resources and mechanisms to provide for quality "family support." The minimum program features include:

- **Homeownership process** that is organized, easily understood and communicated to everyone in the affiliate, including approved applicants. The process is explained to approved applicants and a contract is signed upon approval. Pertinent information and resources are available in alternative languages when appropriate.

- **Letter of acceptance or Family Participation Contract** that is used to provide all approved applicants an orientation to expectations and next steps. The document must be signed by each homebuyer and the affiliate. The letter will include a Basic House Description, which outlines in writing the features that will be included in the home to be built or renovated.

- **Broad-based homebuyer education program** (delivered either by the affiliate or by a community-based strategic ally) that would include pre- purchase counseling. Families are required to attend a series of Homeowner-In-Process (HIP) classes totaling more than 30 hours of various topics aimed at successful homeownership.

- **Sweat equity program** with clearly defined minimum requirements of sweat equity hours and a system to track and report hours completed.

- **Grievance procedure** to resolve conflicts and is communicated to all. Clear channels of communication and decision-making processes exist to effectively and confidentially address issues as they arise.

Sweat Equity, Education, and Lot/House Selection

A. Sweat Equity

Homeowners-in-Process are required to work a minimum of 21 hours of Sweat Equity a month. The minimum amount of hours is 250 for existing homes and 300 for a new home. While helpers are allowed to work alongside HIPs and contribute to the overall total of sweat equity hours, an applicant must be present and working alongside a helper. Hours must be completed prior to moving into the home. Each applicant must work at least 50 hours of construction sweat equity, unless funding program requires more.

If a Homeowner-in-Process is unable to complete their sweat equity requirement due to physical limitation, Family Services staff may approve a proxy on a case-by-case basis.

B. Education
Each partner family will attend a required series of HIP classes at a designated dates and times or equivalent if partner family is unavailable at the designated dates and times.

They will attend required financial counseling sessions as determined by Habitat.
Each partner family will participate in at least one counseling session with designated non-profit credit counselor, or more if required by Homebuyer Education Coordinator.

[1]Self-help Homeownership Opportunity Program (SHOP)
SHOP awards grant funds to eligible national and regional non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based home-ownership programs for low-income persons and families. SHOP funds must be used for eligible expenses to develop decent, safe and sanitary non-luxury housing for low-income persons and families who otherwise would not become homeowners. Homebuyers must be willing to contribute significant amounts of their own sweat equity toward the construction or rehabilitation of their homes.

C. Lot /Home Selection
Homeowners in Process can select an existing house or a lot upon which to build a new house when they have worked at least 75 hours of Sweat Equity and meet the following requirements: have no bad debts; any outstanding debts are less than $1000; income that is at least 30% of the HUD median income per family size; and have been on current job for at least 3 months. Family Services staff reserve the right to adjust the Sweat Equity requirement by 25 hours as needed based on available inventory.

Homeowners in Process will be able to choose from up to 8 lots/houses before making a selection. Once 8 lots/houses have been made available for a HIP to choose from, and he or she has not found a satisfactory option, he or she may either wait for at least 4 new selections to come available or for 6 months whichever occurs first. At this point, a HIP must either choose a lot/house or be de-selected from the program (eligible to reapply in 1 year). If a HIP is uninterested in seeing a lot/house available for selection for any reason, that house/lot still counts as one of the 8 available options.

Homeowners in Process must make a $200 deposit to confirm their selection of a lot / house. These funds are applied towards closing costs but are not refundable if HIP drops out or is de-selected from the HFHC homeownership program.

D. House Size - see Appendix 4.5

E. Finish Details
HIPs building a new home may choose up to $1500 in additional options which is included in the house price and may choose to pay for other options if they wish. Existing homes may have more limited options than new homes based on the scope of work to be performed. HIPs must pay for any additional options prior to the start of construction. Certain handicap accessibility modifications are made to house plans upon request. Extra costs for handicap accommodations can be included with the cost of the house and do not need to be paid for in advance.

F.Construction Schedule
HIPs are presented with a House Start Letter with construction schedule for their home as soon as possible following lot / house selection. HIPs who have chosen an existing house may not receive such a letter / schedule as planning for an existing house is more short-term.

G. Sales Contract
HIPs are presented with a Sales Contract, Good Faith Estimate and other required documents as soon as possible following selection of a house / lot. HIPs who have chosen to purchase an existing house may not receive documents until renovations and appraisal have been completed.

H. Closing
HIPs must have no bad debts (excluding medical debts) and have less than $1000 in outstanding debts in order to go to closing. They must have sufficient income (at least 30% of the HUD median income per family size) and have been on their current job for at least 3 months at the time of closing. [Closing and Servicing; see Policy 6.]

I.De-Selection
Families may be de-selected at any time prior to closing only in specific situations. If any of these circumstances arise, the matter will be investigated by Family Services Staff and thoroughly documented in the individual HIP's file:

- demonstrated fraud on the application,
- failure to complete requirements set forth in the letter of acceptance,
- negative change in financial condition which would significantly impact the ability to pay, and /or
- presence on a sexual offender database.

HIPs who are de-selected for fraud or presence on a sexual offender database would not be eligible to re-apply. Otherwise, they would be eligible to re-apply after 1 year. De-Selection due to a change in a HIP's financial condition would be a last resort only after the affiliate has worked with them to the fullest extent possible.

3.0 Rationale
Family Support is critical to the success of the Habitat home ownership model. Therefore, when first affiliated, each U.S. HFH Affiliate is required to have in place a Family Support Program. It is the cornerstone of an effective long-term homeownership program. In addition, expanding research in the homeownership industry points to the need for pre- and post-purchase counseling to assist low- and very low-income buyers achieve success.

Supporting resources:
Affiliate Operations Manual: Family Support, Understanding Issues in Family Support Paper HFHU e-courses: Overview of Family Support and Principles of Family Support

Appendix 5.1 Sample Letter of Acceptance
Appendix 5.2 Family Participation Contract
Appendix 5.3 Time Card
Appendix 5.4 Lot Selection
Appendix 5.5 House Size
Appendix 5.6 Finish Details
Appendix 5.7 House Start Letter
Appendix 5.8 Other Homeownership Support Programs/Activities

D. House Size

HOUSE SIZE POLICY

Household size	**Bedrooms**
Single adult or couple with no children	2
Single adult or couple with 1 child	3
Single adult or couple with 2 children	3
Single adult or couple with 3 children	4
Single adult or couple with 4 children (children of the same gender who are under 13 yrs old and fewer than 4 yrs apart in age could be required to share a room)	4
Single adult or couple with 5 or more children	5
Single adult or couple with 4 children where age (13 or over), age difference (4 yrs or more apart), or gender doesn't allow sharing	5

Ages of children = age 6 months from date of lot selection

House sizes for households with multiple adults or adults who are not married will be considered on a case-by-case basis

Appendix 4.1

GRIEVANCE Procedures

1.0 Purpose

To establish a documented procedure that our homeowners can follow if they have differences with staff or policy that need to be addressed.

2.0 Policy

A. Homeowners, Homeowners-in-Process, Transitional Housing Participants and applicants to the Habitat for Humanity program may at any time file a grievance with Habitat for Humanity of Charlotte.

B. If any partner family or individual feels that a conflict has occurred that needs attention or resolution from the staff at Habitat for Humanity, they should file a grievance with the VP, Family Services. The grievance should be in writing or in person to the VP, Family Services, and should contain all pertinent information, including the specific incident, the date, time, and persons involved.

C. The VP, Family Services will respond within one week to the person or persons filing the grievance.

D. The VP, Family Services will make all attempts possible to resolve the conflict with the homeowner and any other party that may be involved. This may occur by phone, writing or in-person meetings.

E. If the conflict is not resolved with the VP, Family Services, the grievance may be taken to the President/CEO or Board of Directors of HFHC in order to resolve the conflict.

F. All grievances, responses, and final resolutions will be documented in the home-owner's file.

3.0 Rationale

Trust and respect between the Habitat staff and its homeowners is critical to the continued success of this organization.

Policy 5 Sale of the Housing Unit

1.0 Purpose

The purpose of this policy is to clarify rules for transfer of title and servicing of mortgages.

2.0 Policy

2.0.1 Sales Price

The Sales Price of HFHC housing unit is its Fair Market Value (FMV), except when applicable laws or funding program requirements require a different methodology. An independent appraisal will be obtained for each unit to determine the FMV.

2.0.2 Affordability

Mortgages will be structured to be affordable to the homeowner with the use of down payment assistance programs and mortgage terms up to 30 years. The total initial monthly mortgage payment will not exceed 30% of the homeowner's monthly gross income and total debt servicing including the mortgage will not exceed 40% of the homeowner's gross monthly income.

2.0.3 Finance of Certain Closing Costs

The sum of all mortgages originated in connection with the purchase and sale of the home will not exceed the FMV except to the extent of customary and reasonable closing costs that are financed. HFHC does not finance closing costs.

2.2 Structuring the Sale

2.2.1 Timing of Title Transfer

Title to the home must be transferred upon occupancy or within a specified time after occupancy. The specified time must be in writing. Reasons for title not being transferred upon occupancy may include timing of funding sources, negative changes to the family's ability to pay or other unforeseen circumstances. HFHC reserves the right not to facilitate the application to additional funding sources if the purchaser fails to provide items necessary for application by specified due dates.

2.2.2 Marketable and Insurable Title

A title search is performed and an owner's title insurance policy is issued; HFHC agrees to provide insurable title to the purchaser upon closing.

2.2.3 First Right to Purchase

HFHC has a Right of First Refusal written into the deed restrictions to allow for us to match any bona-fide offer to repurchase the property. We consider all offers to repurchase.

2.2.4 Shared Appreciation

HFHC incorporates a Shared Appreciation Clause attached to the warranty deed at closing with similar verbiage to the following:

Shared Appreciation:
In the event the property shall be sold (including, without limitation, any foreclosure sale, or transfer by deed in lieu of foreclosure, or sale to satisfy a judgment lien, tax lien or assessment lien, or any similar proceeding), refinanced or otherwise encumbered by Grantee, there shall be due and payable to Grantor, in addition to the then unpaid principal balance under the Notes (as defined below) and any other then unpaid sums secured by the property, a share of the Appreciation in Value (as defined below) of the property as interest hereunder.

Such share and such Appreciation in Value shall be computed as follows:

a) From the proceeds of sale net of normal sales and closing costs or from the proceeds of a new mortgage loan shall be subtracted the ownership basis of Grantee, which shall be the sum of the initial purchase price of the property to Grantee and the cost of such improvements as shall be approved in writing by Grantor and paid for by Grantee. The difference, if any, is the Appreciation in Value. Notwithstanding the foregoing, the entire proceeds of any secondary or junior mortgage loan shall be deemed Appreciation in Value.

b) If such a sale, refinancing or encumbrancing shall occur within five years from the date of the Deed to which this exhibit is attached, all of such Appreciation in Value shall be payable to Grantor. After five years from the date of said Deed, Grantee shall be entitled to retain that percentage of the Appreciate in Value, if any, equal to 4% per full year of ownership. For example, if ownership has been held for 10 full years from the date of the Deed to which this exhibit is attached, Grantee shall retain twenty percent (20%) of the Appreciation in Value. The balance of the Appreciation in Value shall be due and payable to Grantor and any remaining proceeds of sale (after payment of the balance of the Notes) shall be retained by Grantee or otherwise disbursed in accordance with applicable law.

2.2.5 Certain Prohibited Transfer Techniques
Contracts for deed, land contracts, installment land contracts and their equivalent are prohibited.

2.3 Closings and Record Retention

2.3.1 Supervision
All HFHC closings must be supervised by a NC licensed attorney or other real estate professional who is licensed to perform real estate closings in NC.

2.3.2 Pre-Closing and Closing Disclosures
All appropriate steps are taken to ensure the partner family has received and has reasonable opportunity to understand all relevant information describing the sale and financing. Interpreters are utilized for families with limited English-speaking abilities. All pre-closing and closing requirements are adhered to.

2.3.3 Privacy—In compliance with The Privacy Act of 1974, Habitat for Humanity of Charlotte is committed to keeping applicants' information private. We recognize the importance homeowners place on their privacy and confidentiality. While new technologies allow us to more efficiently serve our customers, we are committed to maintaining privacy standards that are synonymous with our established and trusted name.

1. When collecting, storing, and retrieving applicant, homeowner-in-process, tenant, or homeowner data – such as tax returns, pay stubs, credit reports, employment verifications, and payment histories – internal controls are maintained throughout the process to ensure security and confidentiality. We collect non-public personal information about applicants from the following sources:

    - information received on applications or other forms;
    - information about transactions with us, our affiliates, or others, and
    - information received from a consumer credit reporting agency and public records including background checks.

2. Habitat for Humanity Charlotte employees and volunteers are subject to a written policy regarding confidentiality, and access to applicant data is restricted to staff and volunteers on a need-to-know basis. Information is used for lawful business purposes and is never shared with third parties without applicants' consent, except as permitted by law. Habitat for Humanity has no affiliates or marketing experts with whom we share personal information.

2.3.4 Records Retention- Habitat for Humanity of Charlotte's Family Services Department must archive the following records either electronically or hard copy. The records to be retained should include but are not limited to:

• Minutes from committee meetings	permanently
• Family Selection applications (not chosen)	25 months past decision
• Family Selection applications (in program)	permanently
• Contracts, mortgages, notes and leases (expired)	4 years after obligations end
• Contracts still in effect, including family selection	permanently
• Correspondence (general)	2 years
• Correspondence on legal matters	permanently
• Deeds, mortgages, bills of sale	permanently
• Delinquency letters to homeowners	permanently part of their file
• Insurance policies for homeowners	permanently
• Sweat equity logs	25 months
• Scrapbooks, photo albums (electronic or hard copy)	permanently
• Mortgage Year End Closeout and Borrower Ledger Cards	permanently

Policy 6 Mortgage Loan Servicing

1.0 Purpose

The purpose of this policy is to outline requirements and standards for mortgages originated and/or serviced by HFHC.

2.0 Policy

2.1 Legal Requirements and Governance

HFHC is committed to providing affordable mortgage financing to all HFHC homebuyers.

2.1.1 HFHC staff and board of directors must have a complete understanding of the affiliate's delinquency, default, loss mitigation and foreclosure policies and procedures and those policies and procedures must be reviewed and approved annually.

2.1.2 HFHC staff must understand and be aware of Consumer Finance Protection Bureau (CFPB) rules and regulations.

2.1.3 HFHC must be aware and comply with all federal, state and local laws regarding mortgage servicing.

2.1.4 HFHC must have board-approved policies that govern all aspects of mortgage servicing to include loss mitigation options and foreclosure activities.

2.1.5 ***Closing Procedures and File Storage/Security***

1. Closings are supervised by either an attorney or another qualified, state-recognized real estate professional. HFHC utilizes properly recorded, enforceable mortgages or other appropriate security interests in place, with marketable title transferred to the homeowner. Closings must be conducted in compliance with applicable state and federal law.

2. HFHC will convey insurable title to the homeowner at closing. The original warranty deed will be transferred to the homeowner.

3. HFHC must maintain originals of the promissory note and mortgage document or trust deed. Documents must be kept in a centrally located fireproof safe, in a secure location that is accessible by an appropriate number of Habitat for Humanity representatives. HFHC must maintain copies of all other recorded documents. See Policy 1, Privacy / Record Retention.

4. Only authorized personnel will have access to the mortgage servicing database.

B. Mortgage Servicing

1. HFHC may service its own mortgages or may outsource to a third-party servicer. Loan servicing fees may be passed along to the homeowner to help cover the cost of servicing but those fees may not be marked up above the actual cost. The homeowner's initial monthly payment, including loan servicing fees must not exceed 30% of the homebuyer's gross income.

2. HFHC must comply with Real Estate Settlement Procedures Act (RESPA). RESPA requires certain disclosures prior to closing, escrow requirements and other notices.

3. Habitat Charlotte must have board-approved policies and procedures that meet all legal requirements set forth for the state of North Carolina and Charlotte. That policy should have definite times after which the loan is called and Habitat Charlotte may foreclose.

4. All payments are due on the 1st day of each month. A payment is "late" if it is not received by the 1st day of each month. A late fee of 4% of the principal is assessed if the payment is not received by the 16th day of the month in which it is due. If the 16th day falls on a Sunday or holiday, then the late fee will be assessed if the payment is not received by the end of the first business day after the 16th. Late fees will continue to be assessed monthly until the account is brought current. Management reserves the right to waive late fees at any time on a case by case basis.

5. A $10 fee is charged for checks or ACH payments that are returned due to insufficient funds (NSF). Homeowners will be suspended from paying with checks or ACH if they have two returns for NSF within 12 months and will be required to submit money orders or certified bank funds only.

C. Mortgage Delinquency/Foreclosure

The following is action to be taken on past due accounts that do not have payment plans in place or have failed to adhere to the payment plans. Accounts will be monitored and collection efforts will continue on a minimal basis as long as the homeowner is on a plan and is abiding by the plan and/or communicating with us on a plan.

Written plans are not required if the homeowner has a verbal agreement to bring the account current within 60 days. Details of the verbal agreement will be annotated in the mortgage servicing database.

All Habitat Charlotte Loans are reported to the credit bureau monthly regardless of the status.

Stage One

First Late Notice (15 Days Late): Late notices are sent by the Mortgage Servicing Department between the 16th day and the 18th day of the month to those who have not made their payment for the month that is due.
Second Late Notice (25 Days Late): A second late notice is sent to remind the homeowner that we still have not received their payment and that their account will be reported to the credit bureau.
Payment Received Less Than Amount Due: If the homeowner continues to send less than total amount due, a letter is mailed to inform them that future payments may be returned if the total amount due is not paid or if payment arrangements are not made. Management reserves the right to return a payment to the homeowner in an attempt to have them communicate with us on a plan to bring their account current.

Stage Two

(31 Days Late): The account is reported to the credit bureau.

First 60-Day Letter (40-45 Days Late): Stronger delinquency notices are sent to all homeowners who failed to bring the account current or failed to make payment arrangements. The homeowner is also reminded that their negative payment history has been reported to the credit bureau. They are asked to call the office immediately to make payment arrangements. Phone calls continue.
Second 60-Day Letter (45-50 Days Late): Stronger delinquency notices are sent to all homeowners who failed to bring the account current or failed to make payment arrangements. This letter informs them of the amount past due and offers an opportunity to discuss options. Phone calls continue.

Stage Three

Pre-Demand Letter (61 Days Late): Another letter will be sent regular mail . This letter includes the date by when the customer became delinquent and also informs them of risks and expenses associated with the delinquency and possible legal action. It also provides for the account history of the previous 6 months since the account was current. Phone calls are also being made.

Demand Letter (75 Days Late): Another letter will be sent via First Class and Certified Mail. This letter lays the groundwork to initiate foreclosure. Homeowner will be offered an opportunity to call to discuss options and will also be referred to foreclosure prevention counseling agencies.

Stage Four

91+ Days Late: The account is referred to an attorney to begin foreclosure unless there is a verbal or written plan in place to bring the account current within 90 days or on a track for loan modification. Loans in bankruptcy, with scheduled disability hearings or under review for foreclosure prevention funds are handled on a case-by-case basis.

Policy 7 MORTGAGE ORIGINATION

1.0 Purpose

The purpose of this policy is to outline requirements for origination of mortgages by HFHC.

2.0 Policy

2.1 Who may originate and hold mortgages on Habitat housing units?

2.1.1 The first mortgage may be originated by HFHC or a third-party lender.
2.1.2 Subordinate soft second or third mortgages will not be pledged or sold.
2.1.3 Third-party subsidy providers are permitted to originate and hold the subordinate mortgages.

2.2 Mortgage Origination Legal Requirements and Governance
2.2.1 Habitat Charlotte complies with laws and regulations that are governed by the Consumer Finance Protection Bureau (CFPB).

2.3 Origination of First Mortgages– HFHC provides homebuyers with an affordable mortgage based on their income so that the monthly mortgage payment (including property taxes, homeowner's insurance, association dues/fees and interest if applicable) is no more than 30% of the homeowner's total monthly income at the time of sale.

Mortgages will either be originated by third-party lender and carry below market interest rates, or mortgages will be originated by HFHC if third-party financing is not available. All mortgages are subject to a maximum term of 30 years, and will fully amortize over the stated terms; there will be no balloon payments.

2.4 Mortgage Origination of Soft Subordinate Mortgages– Soft second or other subordinate mortgages should be used to cover the remaining balance of FMV after senior mortgages. HFHC will track soft mortgages via a mortgage servicing system with balances being provided to borrowers periodically. Action to collect or to forgive any portion of the mortgages will only be taken based on the language outlined in the note and/or deed of trust.

2.5 Loan to Value Ratio– Combined loan to value ratio will not exceed 100%.

2.6 Mortgage Insurance– HFHC may require mortgage insurance if the loan to value ratio exceeds 80% but may not do so if the value is below 80%.

2.7 Leveraging– In the event of mortgage leveraging, HFHC will include language that requires the purchasing entity to notify HFHC of a default by the borrower and must have the ability to substitute or purchase the non-performing loan back from the entity.

Fair Housing Act ("FH Act") "Equal Housing Lender" sign must be posted wherever you meet with families. [FH Act]

FH Act "Equal Housing Opportunity" logo must be on all applications, advertisements and marketing materials. [FH Act]

Must provide access to applications at times other than open houses. [ECOA/FH Act]

If applications provided electronically, ensure compliance with Electronic Signatures in Global and National Commerce-E-Sign Act (Federal E-Sign Act).

No unfair, deceptive, misleading, or abusive advertisements, marketing or promotional materials. [UDAAP and TILA]

No written or oral statements to applicants or prospective applicants that would discourage on a prohibited basis a reasonable person from making or pursuing an application. [ECOA]

Equal Credit Opportunity Act ("ECOA")

Unfair, Deceptive or Abusive Acts or Practices ("UDAAP")

Truth in Lending Act ("TILA")

http://portal.hud.gov/hudportal/documents/huddoc?id=928.1.pdf

http://portal.hud.gov/hudportal/HUD?src=/library/bookshelf11/hudgraphics/fheologo

http://my.habitat.org/kc/download-detail/3f5ef/Legal-Advisory---Mortgage-Rules-and-Regulations *(see Electronic Signatures in Commerce-E-Sign Act section)*

Policy 8 EQUAL TREATMENT OF HABITAT HOMEBUYERS

1.0 Purpose

To require that Habitat Charlotte implements a policy of equal treatment of Habitat homebuyers to ensure, at a minimum, that Internal Revenue Service laws governing donations to non-profit entities are not violated.

2.0 Policy

Habitat Charlotte must provide equal treatment of Habitat homebuyers to encourage equitable treatment of partner families and to ensure that HFHC will not receipt as a "donation" any gift made to a particular individual or family by a third party.

A. Prior to closing, donors may provide no personal gift or value to a homeowner in excess of $100. No contribution receipt will be provided to the donor for any such gift donation.

B. After closing, Habitat Charlotte will discourage personal gifts to be made by donors to homeowners with the exception of small gifts on special occasions such as holidays, birthdays, etc. HFHC will not be involved in any ongoing relationship between the sponsor and family and will not provide a donation receipt for any personal gifts.

3. 0 Rationale

As outlined in *Affiliate Operations Manual: Family Selection* regarding gifts, "Habitat for Humanity builds relations and fosters generosity. Our program, however, can be undermined when a house sponsor or other partner seeks to add an amenity to the house that is not a part of Habitat Charlotte's basic house design. Major appliances, rooms of new furniture or other expensive gifts may give the impression that Habitat is running a lottery and could bring about ill feelings among other Habitat homeowners, or create a relationship of dependence and excessive expectations.

In addition, gifts beyond the "dollar value limitation" and/or given to a particular individual or family may not be legally tax deductible due to their hyper-specificity. Habitat Affiliates potentially threaten their tax-exempt status — or the tax-exempt status of Habitat for Humanity International — by receipting as donations gifts that are not specified to Habitat Charlotte but to an individual or particular family instead.

Supporting resources:

Affiliate Operations Manual: Family Support; 4.2, Gift Policy

Policy 9 TRANSITIONAL HOUSING

Habitat Charlotte does not currently offer this program as a part of its services.

Habitat Charlotte may be able to offer a short-term rental solution to assist pre-approved families facing displacement while progressing in the HIP process.

Policy 10 HOME REPURCHASE

1.0 Purpose

The purpose of this policy is to define clear and fair provisions under which HFHC will consider repurchase of homes it sells to homebuyers and shall make these provisions known to the homebuyer prior to the initial sale of the home.

2.0 Policy

Habitat for Humanity of Charlotte will consider repurchase of Habitat homes from families on a case-by-case basis. Primarily the decision will be based upon the financial feasibility on behalf of HFH Charlotte. Factors to consider will be the remaining mortgage balance, cost of the house, physical condition of the house and the ability to resell the house to another family. Habitat Charlotte will consider all offers for repurchase and a decision will be made by the VP, Family Services and VP, Construction Operations.

Policy 11 FAMILY RELOCATION

1.0 Purpose

The purpose of the Family Relocation Policy is to set criteria for offering alternative housing to families who have been victims of violent crime at their Habitat homes within the first 6 months of move-in.

2.0 Policy

A family who **previously had a new house built or had moved into an existing house**, would be allowed to **move to a different existing house based on availability.** Habitat Charlotte reserves the right to decide where the new location would be based on affordability and inventory.

Criteria for Consideration:

- 2 or more break-ins or other violent crimes at the residence within the first 6 months of move-in.
- Recommended safety measures such as alarm system activation did not solve the problem.
- Violence, harassment or serious threats by a neighbor.
- Family has police reports to prove that crime has been reported.
- There is no evidence that the crimes are instigated by relationships of the homeowner, friends, family members or acquaintances.
- Finances including mortgage payments must be in satisfactory status.
- Other situations may be approved by Senior Staff.

Timeline:

Family must choose an option within 30 days of staff deciding that they would be allowed to relocate.

The option to move the family to a different house would only be offered once.

Appeal of Decision:

A family may not appeal a decision on choice of locations available for replacement housing.

A family may appeal a decision if they are denied the option to relocate. The appeal must be in writing to the VP, Family Services.

3.0 Rationale

A lot of time has been invested by the family and staff in preparing for homeownership. In situations where families are dealing with issues regarding their safety, we feel that it is important to offer them another opportunity for homeownership. The ability to approve qualified families is becoming more and more difficult due to the economy and therefore, we think it is a good idea to spend the extra effort in working with those that we've already approved. Family's financial status must be in good standing at the time of our decision to allow them this opportunity.

<u>Disclaimer:</u>

This policy is only in effect as long as there are existing houses in inventory.

Family will be responsible for all additional closing costs.

Staff will work closely with community police to address neighborhood problems before moving another family into the house that has been vacated.

Habitat for Humanity® of the Charlotte Region
3816 Latrobe Drive
Charlotte, NC 28211
704.376.2054
habitatCLTregion.org

Exhibit A Part 1

June 9, 2020

Mr. Anthony Roberts, Huntersville Town Manager

P.O. Box 664
Huntersville, NC 28070

Mr. Roberts:

Thank you for sharing your draft resolution concerning the Town of Huntersville's desire to partner with Habitat for Humanity of the Charlotte Region on a housing project (as defined in N.C.G.S. 157-3(12)) for the Norman Park lots. We look forward to returning to Norman Park, where we have constructed quite a few homes in recent years. Paragraph 4 of the resolution outlines various expectations for the project plan. Following are comments on how we can/will comply with each.

a. The proposed number of affordable housing units to be provided:

The resolution specifies 12 lots owned by the town. Habitat Charlotte Region previously met with Jack Simoneau, Huntersville Planning Director on July 9, 2019 concerning zoning standards applicable in Norman Park. Pairs of the lots in question will need to be combined to form lots adequate to meet current zoning standards. Consequently, we anticipate a total of 6 homes may be constructed as part of the project.

b. Whether the housing units will be purchased or leased:

The current plan is to sell the homes to Persons of Low or Moderate Income, as defined in 157-3(15a) (15b). Separately, we are also currently partnering with Hope House Foundation and the Ada Jenkins Center to rehab/construct additional transitional housing in North Mecklenburg. It is possible that Habitat Charlotte Region could subsequently approach the town to repurpose one or two of the homes to help meet that critical need as well.

c. The eligibility of households to purchase or lease the housing units to be provided based on household income:

The family's gross income, adjusted for household size must be greater than 30% of Area Median Income, but less than 80%, as determined by HUD. In recent years the vast majority of our homeowners have had household income below 60%. I have attached a copy of our Homeowner Selection Guidelines for your reference.

d. The affordability level of the housing units as a percentage of household income:

As a policy, we will not place someone in a home if the total housing costs, minus expected utilities, exceed 30% of gross income, or if total long-term debt payments exceed 40%.

e. The sources of funding for the construction of the housing units:

Habitat enjoys a mix of public and private funding sources. Public funding programs include SHOP, HOME, and CDBG. Private funding originates within corporate and faith community partners, as well as several local foundations. In addition, Habitat Charlotte Region conducts ongoing community fundraising from individuals and other local organizations. We also operate three profitable thrift stores that contribute to our affordable housing ministry. The specific mix of funding varies for each home, and will not be known in detail on any given home until we are prepared to begin construction. We have attached a copy of our 2019 Community Impact Report for your reference, where you can find additional information on various funding sources of Habitat Charlotte Region.

f. Timing and phasing of construction of the housing units:

We anticipate completing at least the first two Norman Park homes in our fiscal year ending June 30, 2021, and the next two no later than June 30, 2022. Timing of the last two is uncertain until their road frontage is paved.

g. The process to be used to identify and verify eligibility of persons to purchase or lease the housing units:

Please refer to the attached Homeowner Selection Guidelines. In addition to these guidelines, applicants also go through a rigorous credit underwriting process (including credit bureau reports, income and employment verification), and criminal background checks. Applicants must also complete at least 300 hours of "sweat equity" volunteering, along with the completion of personal financial training.

h. The proposed control period (number of years) for which the housing units must be used to benefit low to moderate income families:

Our standard "period of affordability" deed restriction is 45 years, with the stipulation that the affordability period resets upon each sale or transfer, unless a more restrictive period is required by a funding source being used.

i. The method to ensure that the housing units will be used to benefit low-moderate income for the entirety of the control period:

Recorded deed restrictions, and a right of first purchase giving Habitat of the Charlotte Region the first opportunity to either repurchase or match a bona-fide offer upon resale.

j. The methodology that will be used by Habitat to ensure that the rental rates of sale price of the units will be at the lowest possible rates, consistent with providing decent, safe and sanitary dwelling accommodations as required by N.C.G.S. § 157-29:

All newly constructed or renovated homes receive an independent appraisal prior to closing with the homeowner, and the purchase price never exceeds appraised value. Additionally, we provide affordable mortgages and other necessary subsidies to ensure that no homeowner is put into a "cost burdened" situation where their housing costs exceed 30% of their gross household income.

k. The methodology that will be used by Habitat to ensure that the revenues derived from the sale or rental of the housing units will not be used to support other activities of the Town or Habitat as required by N.C.G.S. § 157-29:

Habitat Charlotte Region constructs and sells decent, safe, and sanitary homes, and issues affordable below-market mortgages in return. Over time, as payments are collected on the mortgages, they are plowed back into the operation of Habitat Charlotte Region, including the construction of other future

Habitat for Humanity® of the Charlotte Region

strength.
stability.
self-reliance.
shelter.

homes. There is no linkage to any other programs operated by the Town of Huntersville.

l. The methodology that will be used by Habitat to prevent the fraudulent rental or purchase of the Habitat Lots.

Applicants must have lived in North Mecklenburg for a minimum of one year before their initial application will be accepted. Applicants go through a rigorous and lengthy (two additional years) application and qualification process. This process includes in-person interviews, credit underwriting, employment verification, criminal background checks, and several hundred hours of documented volunteering before they are placed in a home.

Best Regards,

Christopher B. Barton

Christopher B. Barton,
Director of Land Acquisition & Development

Town of Huntersville
Town Board
September 7, 2020

To: Town Board

From: Janet Pierson, Town Clerk

Date: September 7, 2020

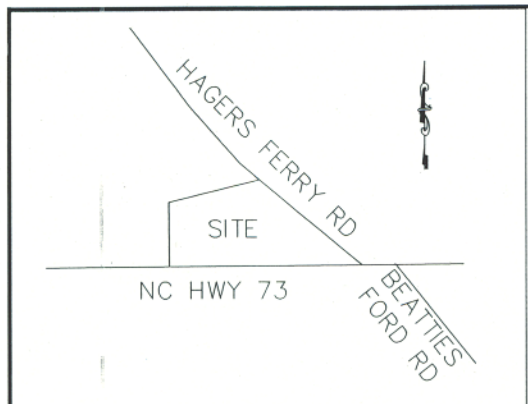
Subject: Southlake Presbyterian Church Escrow Agreement

EXPLAIN REQUEST:
The Board is requested to approve the attached escrow agreement with Southlake Presbyterian Church, Inc., to guarantee the completion of 200 feet of sidewalk along Sam Furr Road, pending completion of the Hwy 73 project by NCDOT.

ACTION RECOMMENDED:

FINANCIAL IMPLICATIONS:
$28,000 to be held in escrow

ATTACHMENTS:
1. southlakeExhibit_A
2. southlakeESCROW_AGREEMENT_Southlake_Christian_Academy



VICINITY MAP **** NO SCALE

IMPERVIOUS AREA SUMMARY

NOTE: NEW IMPERVIOUS AREA DOES NOT EXCEED THE IMPERVIOUS AREA PREVIOUSLY APPROVED BY THE TOWN OF HUNTERSVILLE VIA APPROVED COMMERCIAL SITE PLAN DATED 01/23/01, BY ENVIRONMENTAL DESIGN.

TOTAL ACREAGE: 13.53 ACRES
TOTAL ACREAGE OUTSIDE OF R/W=11.62 ACRES

BASED UPON PREVIOUSLY APPROVED PLANS AND EXISTING CONDITIONS:
BUILDINGS YET TO BE BUILT= 0.98 ACRES
SIDEWALK YET TO BE BUILT= 0.061 ACRES
EXISTING IMPERVIOUS AREA= 3.74 ACRES

NEW BUILDINGS = 0.33 ACRES
NET NEW SIDEWALK = 0.025 ACRES
TOTAL NEW IMPERVIOUS AREA AFTER COMPLETION OF NEW BUILDING =0.35 ACRES

TOTAL IMPERVIOUS AREA AFTER COMPLETION OF NEW BUILDING= 3.74AC + 0.35AC.=4.09 AC. = 35.2%

TOTAL IMPERVIOUS AREA APPROVED/PERMITTED PREVIOUSLY =5.86 ACRES=50.43%

SO, IMPERVIOUS AREA PROPOSED IS LESS THAN IMPERVIOUS AREA PERMITTED VIA COMMERCIAL SITE PLAN APPROVED 01/23/01 BY ENVIRONMENTAL DESIGN. ONCE NEW SCHOOL IS BUILT, SITE WILL BE AT 70% OF WHAT WAS ORIGINALLY PERMITTED. THEREFORE EX. BMP POND IS OVER SIZED FOR THE EXISTING CONDITIONS.

NOTE: REQUIRED TREES AND OTHER CODE MINIMUM LANDSCAPE HAVE BEEN INSTALLED AS PART OF COMMERCIAL SITE PLAN APPROVED 01/23/01

BUILDING WALL PACKS MUST CONFORM TO REQUIREMENTS.

TOTAL OF 214 EXISTING ON-SITE PARKING SPACES (8 OF WHICH ARE ACCESSIBLE)
ADDITIONAL NEW PARKING SPACES ARE NOT REQUIRED

ALL BACKFLOW PREVENTERS SHALL BE SCREENED WITH AN OPAQUE LANDSCAPE SCREEN PER TOWN OF HUNTERSVILLE REQUIREMENTS

ENVIRONMENTAL DESIGN CALCULATIONS FROM APPROVED PLANS 1/23/01

TOTAL ACREAGE:	13.53AC.
ACREAGE OUTSIDE R/W	11.62AC.
DISTURBED AREA:	11.18AC.
EXISTING IMPERVIOUS AREA:	1.48AC.
EXISTING IMPERVIOUS AREA TO BE REMOVED	0.34AC.
PROPOSED IMPERVIOUS AREA:	4.69AC.
PROPOSED PARKING	1.85AC.
PROPOSED SIDEWALKS	1.15 AC.
PROPOSED BUILDINGS	1.69AC.
TOTAL IMPERVIOUS AREA	5.86AC.
PERCENT IMPERVIOUS	50.43%

EX. BMP POND WAS DESIGNED FOR 5.86AC. OF IMPERVIOUS.

SITE SUMMARY

Zoning: GR, MIL-O, PA-1 High Density Option
Setbacks: front-0' TO 25' rear-50' side-8' cor. side-NA
Disturbed area = 0.59 acres. so no erosion control permit required.
Tax Parcel #: 00101106; 00101111; 0010115; 0010116
Street Address: 13901 NC. Hwy 73, Huntersville, NC 28078
Watershed Designation: Mountain Island PA-1 (High Density)
Owner: South Lake Presbyterian Church
Existing and Proposed Property Use: Civic
Plans Prepared By: Dowell & Company, PC 704-660-9697
Survey Prepared By: Dowell & Company, PC 704-660-9697
Site located in Lemley twsp. Mecklenburg county North Carolina.

BUILDING SUMMARY

Project Timeline: Building to be built by Sept. 1st, 2007
Building Type: Civic Building
Building to have 3 floors each floor having-10,582 sq.ft. x 3 = 31,746 sq ft.

BUILDING AND LOT TYPES ARTICLE 4 (HUNTERSVILLE STANDARD NOTES)

Lot Type / Civic Building
Vehicular Circulation / Pedestrian Access
1. For buildings set up to the sidewalk, upper level balconies and bay windows may encroach a maximum of 5'-0" the sidewalk.
2. For buildings set back from the sidewalk, balconies, stoops, stairs, open porches, bay windows and awnings are permitted to encroach into front setback area up to 8'.
3. Main pedestrian access to the building is from the street. Secondary access may be from parking areas.

Building Placement/Parking/Vehicle Access
1. Buildings shall be placed on the lot within zone represented by the hatched area (see Huntersville Zoning Ordinance). In most cases, the building to line will range from 0' to 25' behind street ROW. Special site conditions such as topography, pattern of lot widths, or setbacks of existing buildings permit a larger setback.
2. Parking shall be located to the rear of the building; sideyard parking shall occupy no more than 25% of the primary frontage line and shall not be placed in any sideyard abutting an intersecting street. Where dimensions of existing lots restrict placement of parking behind buildings, the limitations on side yard parking may be modified.
3. A planting strip or defined plaza should be provided to relate the building to the street.
4. Generally, building and street facades must extend parallel to frontage property lines.
5. Points of permitted access to the parking indicated by arrows (see Huntersville Zoning Ordinance sketch).
6. Hedges, garden walls, or fences may be built on property lines or as the continuation of building walls. A garden wall, fence, or hedge (min. 3' in height) shall be installed along any street frontage adjacent to parking areas.
7. Parking areas on adjacent lots shall be connected wherever practicable.
8. Trash containers shall be located in a rear parking area (see Parking Regulations).
9. Mechanical equipment at ground level shall be placed on the parking lot side of building away from buildings on adjacent sites and shall be screened from view by an opaque screen.

HUNTERSVILLE GENERAL NOTES:
-Mechanical equipment at ground level shall be placed on the parking lot side away from buildings on adjacent sites and shall be screened from view with an opaque screen.
-Street level Windows should be untinted. Tinted glass with a minimum visual light transmittance factor of 35 is permitted. Mirrored or reflective glass in not permitted in any location.
-Traffic control plans showing signage and pavement markings shall be prepared in accordance with the guidance of the manual on uniform traffic control devices. The developer is responsible for the initial installation of the devices or markings and the maintenance thereof until the public accepts the street for maintenance.
-Dumpsters shall be set on a concrete bed and shall be hidden by an opaque fence or wall of sufficient height to screen the bin and any appurtenances, but not less than 6' in height.
- Whenever used, fences and walls should be constructed to match the architectural detail of the building(s).
-All mechanical and rooftop equipment shall be screened from view with an opaque screen.
-All signs shall be permitted separately.

DEDICATION OF RIGHT-OF-WAY

30' (HAGERS FERRY RD)
50' (NC HWY 73) ______ Feet from the centerline of the road to be dedicated as Right-of-Way to NCDOT (if it is a state road) or the Town of Huntersville (if it is a town road) prior to issuance of building permits.
If dedicating Right-of-Way, a recorded plat will need to be reviewed and approved by the Town of Huntersville prior to issuance of building permits.

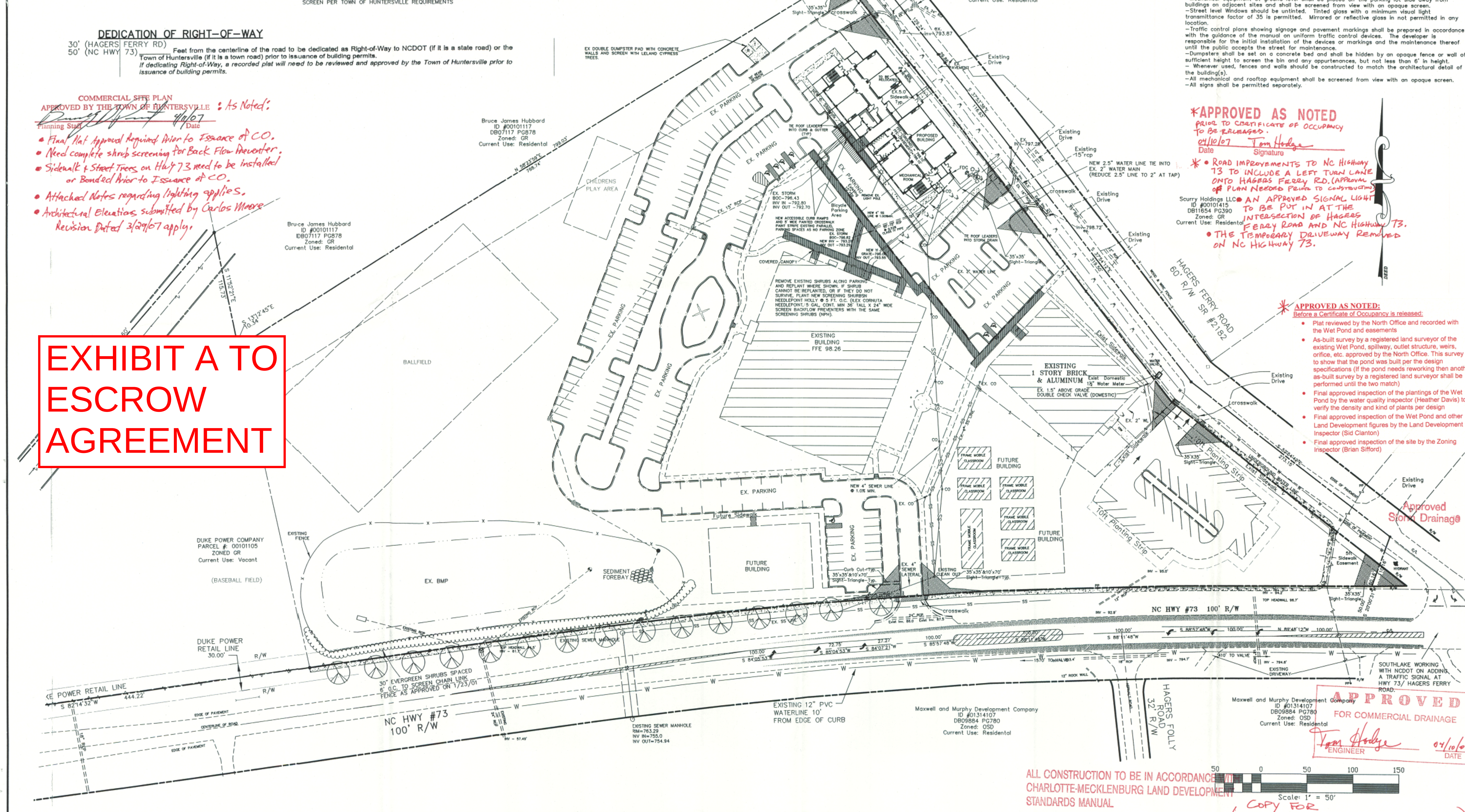
COMMERCIAL SITE PLAN
APPROVED BY THE TOWN OF HUNTERSVILLE : As Noted:
Planning Staff 4/11/07 Date

- Final Plat Approval Required Prior to Issuance of CO.
- Need complete shrub screening for Back Flow Preventer.
- Sidewalk & Street Trees on Hwy 73 need to be installed or Bonded Prior to Issuance of CO.
- Attached Notes regarding lighting applies.
- Architectural Elevations submitted by Carlos Moore Revision Dated 3/29/07 apply.

*APPROVED AS NOTED
PRIOR TO CERTIFICATE OF OCCUPANCY TO BE RELEASED.
04/10/07 Tom Hodge
Date Signature

* • ROAD IMPROVEMENTS TO NC HIGHWAY 73 TO INCLUDE A LEFT TURN LANE ONTO HAGERS FERRY RD. (APPROVAL OF PLAN NEEDED PRIOR TO CONSTRUCTION)
• AN APPROVED SIGNAL LIGHT TO BE PUT IN AT THE INTERSECTION OF HAGERS FERRY ROAD AND NC HIGHWAY 73.
• THE TEMPORARY DRIVEWAY REMOVED ON NC HIGHWAY 73.

*APPROVED AS NOTED:
Before a Certificate of Occupancy is released:
- Plat reviewed by the North Office and recorded with the Wet Pond and easements
- As-built survey by a registered land surveyor of the existing Wet Pond, spillway, outlet structure, weirs, orifice, etc. approved by the North Office. This survey is to show that the pond was built per the design specifications (If the pond needs reworking then another as-built survey by a registered land surveyor shall be performed until the two match)
- Final approved inspection of the plantings of the Wet Pond by the water quality inspector (Heather Davis) to verify the density and kind of plants per design
- Final approved inspection of the Wet Pond and other Land Development figures by the Land Development Inspector (Sid Clanton)
- Final approved inspection of the site by the Zoning Inspector (Brian Sifford)



APPROVED
FOR COMMERCIAL DRAINAGE
Tom Hodge 04/10/07
ENGINEER DATE

ALL CONSTRUCTION TO BE IN ACCORDANCE WITH CHARLOTTE-MECKLENBURG LAND DEVELOPMENT STANDARDS MANUAL

COPY FOR (TOWN OF HUNTERSVILLE)

EXHIBIT A TO ESCROW AGREEMENT

ENGINEER
NORTH CAROLINA PROFESSIONAL SEAL 16292 ENGINEER DOUGLAS L. DOWELL JR.
4/6/07
RJN
DRAWN BY:
12/11/06
DATE PREPARED

REVISIONS	
NO: 1	1/22/07 MECK COUNTY
NO: 2	2/14/07 MECK COUNTY
NO: 3	3/6/07 TOWN OF HUNTERSVILLE
NO: 4	4/2/07 TOWN OF HUNTERSVILLE

SHEET 1 OF 5
JOB NUMBER 06579
SCALE Horz: 1"=50' Vert:

(13901 N.C. HWY 73, HUNTERSVILLE, N.C. 28078)
SITE PLAN OF
SOUTH LAKE CHRISTIAN ACADEMY
CAMPUS ADDITIONS & RENOVATIONS
TOWN OF HUNTERSVILLE, LEMLEY TWSP., NORTH CAROLINA

OWNER:
SOUTHLAKE CHURCH
P.O. BOX 2325
CORNELIUS, NC. 28031
704-948-9317

DOWELL & CO., P.C.
Engineering • Surveying • Planning
344 Rolling Hill Road Suite 103 • P.O. Box 3504 • Mooresville, N.C. 28117
(704) 660-9697 (704) 664-5177 Fax
EMAIL: leiland7896@aol.com

Computer File: 06579/06579REV6/SITE

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Agreement") is made as of the _____day of July 2018, by and between the TOWN OF HUNTERSVILLE, a North Carolina Municipal Corporation ("Town") and SOUTHLAKE PRESBYTERIAN CHURCH, INC., , a North Carolina Nonprofit Corporation ("Southlake").

RECITALS

1. Southlake is the present owner and Southlake of the property located at 13820 Hagers Ferry Road, Huntersville, North Carolina, also identified as Tax Parcel No.: 001-101-11. The project is known as the Southlake Christian Adacemy – Hager's Ferry Classroom Addition ("Project").
2. The Site Development Plan ("Plan") was approved by the Town of Huntersville Planning Department on April 11, 2007, upon application of Southlake. A copy of the Plan is attached hereto and incorporated by reference as Exhibit A.
3. The Plan approval contained, among other conditions, for the Southlake to install a sidewalk on the Project tract along NC Highway #73, running the length of the Project tract. There remains to be constructed +/- 200 feet of the required sidewalk ("Required Improvements"). The Required Improvements are shown on the attached Exhibit A, with their approximate location being shown on Exhibit B, attached hereto and incorporated by reference.
4. There is a Transportation Improvement Project, #U-5765, by the North Carolina Department of Transportation ("NCDOT") that will widen NC Highway #73, and will provide a sidewalk within its right of way. The parties hereto have agreed that rather than requiring Southlake to make the installations prior to Project #U-5765, it is preferable for Southlake to escrow with the Town an estimated equivalent amount of money, so that Southlake can coordinate the Required Improvements in relation to the NCDOT project. If Southlake is unable, for any reason, to make said Required Improvements, Town, either alone or in conjunction with others, may make the Required Improvements as it determines would be in the best interests of the Town and users of the Required Improvements.
5. The amount of funds to be placed into the Escrow Account have been determined by the Future Sitework (in Escrow) Cost Estimate, a copy of which is attached hereto as Exhibit C, and incorporated herein by reference, and shall be utilized as hereinafter set forth.

AGREEMENT

Accordingly, all parties do hereby agree as follows:

1. Southlake shall deliver to the Town upon execution of this Agreement the sum of $28,000.00, according to the Future Sitework (in Escrow) Cost Estimate, to be held by the Town in an escrow account (the "Escrow Account").
2. Town, acting as Escrow Agent, shall deposit the funds into an immediately accessible account in a bank or other investment depository. The funds in the Escrow Account may be held, at Town's discretion, in an account which may include other escrowed funds, but shall be separately identified. Any interest earned thereon shall remain in and become part of the Escrow Account, and will be attributed to the project proportionate to each project's contributions to the fund. The choice of the depository shall be that of the Town. Town shall incur no liability or responsibility for such choice, or the amount of return or interest on the account, if any.

3. At such time as Town determines, in its sole and absolute discretion, that it is appropriate and practical to construct the Required Improvements in coordination with, or immediately prior to NCDOT and its Project #U-5765, Southlake shall make such Required Improvements. Town may release the Escrow Funds to Southlake once Town reasonably determines that the Required Improvements will be completed according to the plans. If Southlake fails to make such Required Improvements and in coordination with NCDOT, then Town, may use the funds in the Escrow Account to make such Required Improvements. The final decision as to the timing of the installation of the Required Improvements shall be in the Town's. In making its decision the Town shall consider whether Project #U-5765 has been abandoned or extended past the current TIP date. Southlake shall install the Required Improvements no later than six (6) months after notice from Town.
4. Notwithstanding all of the terms and provisions stated in this Agreement, if the Required Improvements have not been constructed within ten (10) years from the effective date of this Agreement for any reason, then Town shall have the option of utilizing the funds held in escrow to construct the Required Improvements or refunding the escrowed funds to Southlake.
5. Southlake grants to Town, or its designee, permission to enter upon the premises, and a temporary construction easement for the installation of the Required Improvements, said temporary easement to expire ten (10) years and six months after the effective date of this Agreement.
6. The Required Improvements include The Required improvements include the installation of approximately 200 lineal feet of 5 ft. concrete sidewalk located along NC Highway 73 extending between the two entrances into the campus, as well as all mobilization, grading, backfilling, seeding and mulching and erosion control measurements necessary to install these improvements, all of which is more specifically identified on the attached Exhibit A.
7. To the extent that any portion of the funds placed in the Escrow Account deposited by Southlake are not needed to install the Required Improvements, Town shall refund the unused portion to Southlake. If Town performs the work, or causes it to be performed, Town may utilize such funds in the Escrow Account to reimburse itself for the cost or to pay any contractor it engages to perform the work.
8. This Agreement shall be governed by and construed according to the laws of the State of North Carolina. The sole venue for any dispute or litigation arising hereunder shall be a State or Federal court sitting in Mecklenburg County, North Carolina.
9. E-Verify. Southlake certifies that it currently complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes, and that at all times during the term of this Agreement, it will continue to comply with these requirements. Southlake also certifies that it will require that all of its subcontractors that perform any work pursuant to this Agreement to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. Violation of this section shall be deemed a material breach of this Agreement.
10. Iran Divestment Act Certification. As of the date of this Agreement, Southlake certifies that it is not listed on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58 and that Southlake will not utilize any subcontractor found on the State Treasurer's Final Divestment List. All individuals signing this Agreement on behalf of Southlake certify that they are authorized by Southlake to make this certification.
11. Divestment from Companies Boycotting Israel Certification. As of the date of this Agreement, Southlake certifies that it is not listed on the Final Divestment and Do-Not-Contract List – Restricted Companies Boycotting Israel created by the State Treasurer pursuant to N.C.G.S. 147-86.81 and that Southlake will not utilize any subcontractor found on the State Treasurer's Final Divestment and Do-

Not-Contract List. All individuals signing this Agreement on behalf of Southlake certify that they are authorized by Southlake to make this certification.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SOUTHLAKE PRESBYTERIAN CHURCH, INC.

By: ________________________________

Its: ________________________________

ATTEST:

TOWN OF HUNTERSVILLE

____
Janet Pierson, Town Clerk

____
Anthony Roberts, Town Manager

(SEAL)

THIS INSTRUMENT HAS BEEN PREAUDITED IN THE MANNER REQUIRED BY THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT:

____
Pattie Ellis, Finance Director

APPROVED AS TO FORM:

____
Town Attorney

EXHIBIT A

APPROVED SITE DEVELOPMENT PLAN

[ATTACH COPY]

Exhibit B to the Escrow Agreement Between the Town of Huntersville and Southlake Presbyterian Church, Inc.

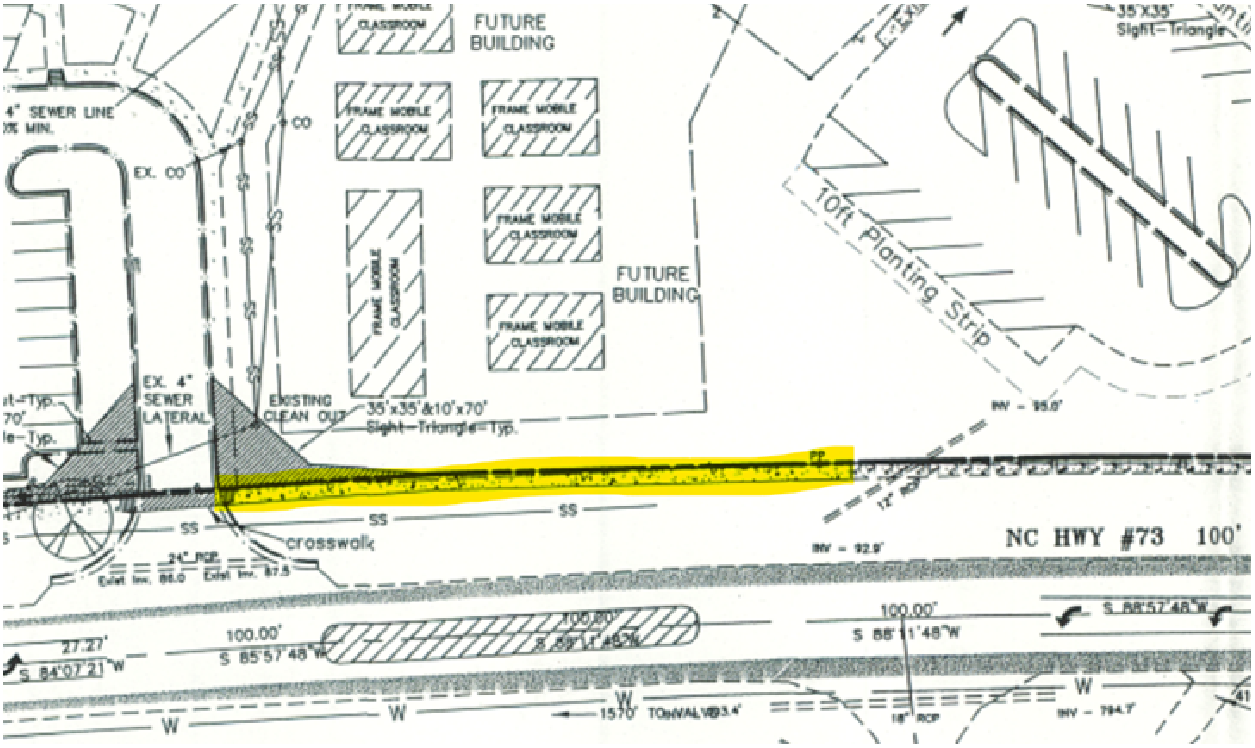


Fig. 1 Excerpt from the Plan. Required Improvements shown in yellow.

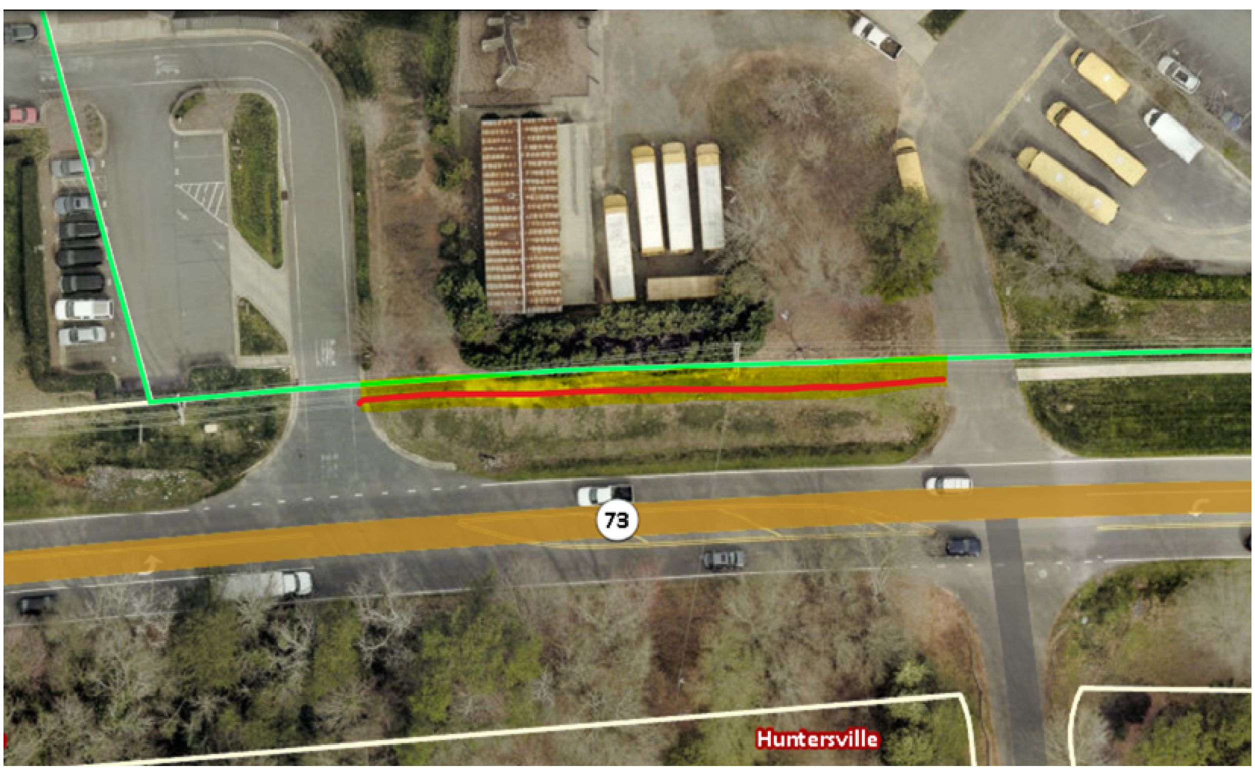


Fig. 2 Aerial view of Required Improvements. Required Improvements shown in red.

EXHIBIT C

COST ESTIMATE

1. Mobilization – Lump Sum = $3000
2. Grading – Lump Sum = $16,000
3. 200 LF of 5’ concrete sidewalk at $30/LF = $6,000
4. Backfilling/seeding/mulching – Lump sum = $1000
5. Erosion control – Lump sum = $2000

Total: $28000