

CONCORD CITY COUNCIL
2nd WORK SESSION MEETING
May 20, 2025

The City Council for the City of Concord, North Carolina, held the City Council 2nd Work Session on the 3rd floor City Hall Council Chambers located at 35 Cabarrus Ave, W, on May 20, 2025, at 11:00 a.m. with Mayor William C. Dusch presiding.

Council members were present as follows:

Members Present:

Mayor Pro-Tem Andy Langford
Council Member Lori A. Clay
Council Member Betty M. Stocks
Council Member JC McKenzie
Council Member Terry L. Crawford
Council Member Jennifer Hubbard
Council Member John A. Sweat, Jr.

Others Present:

City Manager, Lloyd Wm. Payne, Jr.
City Attorney, Valerie Kolczynski
Assistant City Managers
Various Department Directors

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Mayor Dusch called the meeting to order

Housing Repositioning Presentation

The Housing Director, Della Robinson, introduced Sheila Jones, the Repositioning Consultant.

Ms. Jones presented information regarding the Wilkinson site for affordable homes. Morris Berg, the architect team, has been hired, along with Delk, a residential firm that is specific with HUD guidelines and helps with resident's needs. C.A. Harris, a real estate builder that manages construction, has also been hired.

Ms. Jones stated that Wilkinson Homes was one of the properties being looked at for rental assistance demonstration. She explained that the City will continue to own the properties, and the rental assistance program will require the City have some use restrictions on how the property will be used. The funding that will be used to redevelop Wilkinson homes is a preservation project; it is not to incentivize to do other things.

Key features of the rental assistance demonstration permanent affordability are for 174 units total, 46 are being discussed today. Instead of the public housing subsidy, the City will have HUD paid through contracts and will be guaranteed funding of the project base vouchers. All units that are RAD units must be affordable to public housing residents. The RAD program is a preservation program; it is intended to preserve and create affordable housing.

The tenants have a lot of rights with the rental assistance program. One ensures that no resident living at the site is displaced, every resident will be able to come back, and residents that live there cannot be rescreened. HUD also allows the residents to take their resident advisory counsel with them. Also with the RAD program, the voucher stays with the site, they are not used within the community; however, if the resident has been living in a RAD assisted development for 1 year, the resident can voluntarily request a housing choice voucher at which time the resident goes to the top of the list.

Ms. Jones spoke of ownership. The first phase will be Wilkinson, investors nor third parties are a consideration; however, the City will continue to be the owner of the land and the owner of the real estate. For future phases, HUD will still require the City to maintain a level of ownership.

Council Member McKenzie asked Ms. Jones to go over the 3 phases. Ms. Jones stated, Phase 1 would include 51 townhome units; Phase 2 would be garden style, one – two bedroom units; and Phase 3 would include partnering with WeBuild to construct affordable housing.

The Mayor asked how many units are planned for each phase. Assistant City Manager, Marcella Beam, stated Phase 1 would include 51 units; Phase 2 would include 44 units; and Phase 3 would include 12 units.

Council Member Stocks asked if the units in Phase 3 would be for rent or for purchase. Ms. Jones stated they would be for purchase.

Ms. Jones continued with the ownership and management segment. She stated in Phase 1, 46 units would be subsidized and 5 unsubsidized. She stated RAD requires ownership by the City and managed by the City's Housing Dept. The City will be the contracted administrator for the vouchers. Phases 2 and 3 are open for conversation. They are all unsubsidized now, both phases will not have RAD units and will not have project phase vouchers which means the residents will not receive a deep subsidy to support the rental rate. It will be up to the development team to identify affordable rates for those units in the community.

The Housing Director presented the funding for the RAD presentation. She stated the current annual operating subsidy for calendar year 2024 is \$1,061,756. This funding is to support daily operations. The capital funds for 2024 are \$491,368. These funds are to support big projects, such as replacing HVAC system, plumbing, appliances, etc. and can also be moved over to the operating fund if needed. The current 2024 reserves for the calendar year is \$1,018,020.

Council Member Hubbard asked how we built our reserves and Ms. Jones stated the pro-ration has been higher, meaning a higher pro-ration was given over the amount requested.

Council Member Crawford asked if we have a capital reserve plan for all the units. The Housing Director stated, each year during the City's budget process, staff submits projected project for five years.

The Assistant City Manager stated 46 of the homes will be subsidized and 5 will be affordable units in Phase 1. The square footage will be approximately 1,400 square feet. The other amenities would be the clubhouse, playground, and adding a retention pond. The estimated cost for construction for Phase 1 is \$22,087,200. She explained the funding sources and how much is available. She stated looking at a 20-year average of the 51 units, net operating income would be \$732,639. When looking at the annual debt service coverage over a 20-year period, the estimated cost for the City to pay is \$567,936.

Council Member McKenzie wanted clarification the \$567,936 would be the City's debt to build Phase 1. The Assistant City Manager stated that was correct. She also stated it is estimated at \$200 per square foot.

The Assistant City Manager stated in Phase 2 the units will not be subsidized. She also stated 46 units in Logan Homes and 60 units in Mary Chapman were also contrasted in the 1950's and are also future rehab projects. They do not anticipate them being a full rehab, but they are similar to the condition as Wilkinson and will cost approximately \$20-25 million per site. The 22 units in Larkhaven were constructed in 1996 and may be the other location to be a full rehab.

Council Member Crawford wanted clarification that only Phase 1 would be \$8 million debt, The Assistant City Manager confirmed that was correct. The City Manager added that

none of the debt services for Phase 1 or any of the subsequent projects is included the proposed FY25/26 budget and should the Council wish to move forward, it will need to be acted upon quickly.

The Housing Director mentioned the Wilkinson properties have plumbing issues, HVAC problems, environmental concerns, mildew and mold, and construction issues.

Council Member Clay asked if HUD could come and shut a unit down, Ms. Jones stated that there is an inspection every 1-2 years and if HUD felt the unit was unsafe, based on their criteria, they would eliminate the subsidy.

Questions were asked regarding the proposed FY25/26 budget and how much funding would be needed for the project.

The Assistant City Manager stated Morris Berg gave an estimate of \$1 million for architecture and engineering at the Wilkinson site. The City Manager stated if Council wanted to move forward with this, he would request a budget amendment and move forward with the design. After July 1st, when the new budget is effective, \$800,000 will be set aside for affordable housing and have \$1 million to replenish back in the fund balance, or otherwise it will come out of fund balance.

Council Member Crawford asked if the funding could be taken from the City reserves. the City Manager said that would be a Council decision to make.

Council Member McKenzie stated the Council needs to consider Phases 2 and 3 as well. Ms. Jones stated there would be other options for Phase 2 and 3 once Phase 1 is complete because the City has met the benchmark for HUD.

Council Members McKenzie and Crawford both stated they were concerned about the funding for this project.

It was the consensus of the Council to discuss this topic further at the June 10th City Council Work Session.

Sewer Allocation Policy Amendment

The Engineering Director, Jackie Deal, presented two options for a sewer allocation policy amendment. Option 1 would be to remove the attribute table. The applicant would still provide the information as it will not change how it is recorded in the packet, but it would provide flexibility. Option 2 would be to keep the attribute table and to change it to “yes” or “no” instead of “positive” or “negative”. The policy also needs to state, “or in accordance with applicable State Statutes”. This change is in response to State legislation. The verbiage has been eliminated about the positive attributes and summarizes the fact finding as: “the information provided by the applicant in fact regarding the project will be used by the City Council in determining allocation”.

It was the consensus of the Council to choose Option 2.

The City Attorney stated this policy change will come back to Council for a formal vote at the June 10th City Council meeting.

Route Change for Streetlight 5K/Fun Run

The Parks and Recreation Director, Sheila Lowry, presented the July 11th race map. In 2023 and 2024, the race was moved to Union Street and the turnaround at Tribune due to some safety concerns that allowed cars to move southbound. The change for 2025 is to have the start/ finish line back on Union Street, turn around at R. Brown McAllister, and have the festival downtown. The request is to close all of Union Street. Fire, Police and EMS support this closure. Letters and door hangers were sent to houses on Union Street to let them know Union Street will close at 6:45 am.

Approve Receipt of 25K Grant from CHA for McGill Project

The Community Development Manager, Mary Carr, stated the City currently has a contract with Cabarrus Health Alliance (CHA). She stated the Grant funds that would be used for the McGill project and in partnership with Forest Hills United Methodist Church for food access in the community.

A motion was made by Council Member Crawford and seconded by Council Member Sweat to approve the funding—the vote: all aye.

Approve ABC Board Travel Policy

The City Manager stated each year the City should adopt the travel policy for the ABC Board. He stated nothing has changed in the policy since last year.

A motion was made by Mayor Pro-Tem Langford and second by Council Member Sweat to approve the ABC Board Travel Policy—the vote: all aye.

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There being no further business to be discussed, a motion was made by the Mayor Pro-Tem Langford and seconded by Council Member Crawford to adjourn the meeting.

William C. Dusch, Mayor

Kim J. Deason, City Clerk