



**Town of Davidson
Board of Commissioners Regular Meeting
Town Hall & Community Center Council Chamber – 251 South Street
Tuesday, October 8, 2024 at 6:00 PM**

I. CALL TO ORDER

II. ANNOUNCEMENTS / PROCLAMATIONS

- a. National Community Planning Month**
- b. Red Ribbon Week**
- c. Breast Cancer Awareness Month**
- d. Indigenous Peoples Day**

III. CHANGES / ADOPTION OF THE AGENDA

IV. PUBLIC HEARING

- a. Resident-Proposed Text Amendments (DPO 4)**
Summary: A resident has proposed text amendments to Chapter 4 of the Davidson Planning Ordinance (DPO) specific to fencing on corner lots.

V. BUSINESS ITEMS

- a. Consider Approval of a Service Contract Between the Development Finance Initiative and the Town of Davidson for Pre-Development Feasibility and Financial Incentive Services for the Development of Town-Owned Land**
Presenter: Alexander Cahill, Affordable Housing & Equity Director
Summary: At the July 9, 2024, Affordable Housing Work Session, Town staff presented an overview of the work that has occurred on the Town-Owned Land Affordable Housing Development process. This overview provided background information on what has occurred in the process to date, provided information on financing and partnerships, provided examples of affordable housing development, and shared the results from the site analysis done by Dewberry Engineering in consultation with Town staff. At the work session, Town staff noted that the next step would be to explore a partnership with the UNC School of Government's Development Finance Initiative (DFI).

Sarah Odio from UNC's Development Finance Initiative will make a presentation on what the organization does, what they have done in the past, and how their support will lead to the solicitation for a development partner, the drafting and signing of development agreements, the alignment and procurement of additional funding sources, and ultimately the construction of rental units on Town-owned land. DFI will also describe how they will build off the Affordable Housing Needs Assessment Implementation Strategy to do a gap analysis of what we have and what we need, and provide data on an annual basis on the state of affordable housing inventory within the Town of Davidson.

Action/Proposed Motion: Motion to Authorize the Town Manager to Enter into a Service Contract Between the Development Finance Initiative and the Town of Davidson in the Amount of \$96,100 for Pre-Development Feasibility and Financial Incentive Services for the Development of Town-Owned Land.

b. Discuss Grant for Police Domestic Violence Investigator Position

Presenter: Philip Geiger, Captain

Summary: The Town of Davidson has been awarded a U.S. Department of Justice Grant to create a domestic violence investigator position in the Police Department to enhance law enforcement and prosecution responses to domestic violence, dating violence, sexual assault, and stalking as part of a coordinated community response. The grant is for \$499,227 with no local match and the town must formally accept the award. The grant fully funds the investigator position and initial startup costs for three years. At the conclusion of the grant period, the cost of the position would be paid for by the town.

Action/Proposed Motion: This item is for discussion only.

c. Discuss Design Review Board Text Amendments

Presenter: Lindsay Laird, Senior Planner

Summary: Over the past few months, staff has researched best practices for Design Review Board (DRB) and Historic Preservation Commission (HPC) procedures in communities across the state. Based on that research and guidance from Town Attorney, we have determined that the DRB should no longer be quasi-judicial. This will require updates to the Davidson Planning Ordinance and DRB bylaws. Making these changes to DRB processes will help to differentiate the two overlapping boards and prepare both for the training/reset planned for January 2025.

Action/Proposed Motion: This item is for discussion only.

d. Consider Approval of the Fiscal Year 2025 Non-Profit Grant Recommendations

Presenter: Leslie Willis, Parks & Recreation Director

Summary: The Board of Commissioners has historically appropriated \$50,000 for non-profit grants as part of the annual budget process. Non-profits serving Davidson residents may apply for funding to support activities that meet a public purpose that the Town government does not directly provide but could if facilities

and staffing were available. Successful applicants must serve Davidson residents. Funding recommendations from the Livability Board will align with the Town's Core Values and the Board of Commissioners' Strategic Plan. Leslie Willis, Parks and Recreation Director will ask for the Board of Commissioners' approval of Fiscal Year 2025 Non-profit Grant Recommendations as discussed previously at the September 24, 2024 board meeting.

Action/Proposed Motion: Motion to Approve the Fiscal Year 2025 Non-Profit Grant Recommendations.

e. Consider Approval of Resolution 2024-27 North Carolina Statewide Mutual Aid and Assistance Agreement

Presenter: Jamie Justice, Town Manager

Summary: North Carolina has a statewide mutual aid and assistance agreement that allows cities and towns to share resources and provide assistance to other communities during disasters. The system was developed after Hurricane Fran in 1996 to provide a uniform agreement for cities and counties to help each other during disasters. The system allows municipalities to access the state's response capabilities without the costs of purchasing, maintaining, and insuring resources. It also provides faster reimbursement from the Federal Emergency Management Agency (FEMA). Town staff is recommending the town approve this agreement so that we will be prepared in the event the town were to deploy resources in response to hurricane Helene or other future disasters.

Action/Proposed Motion: Motion to Approve Resolution 2024-27 Approving the North Carolina Statewide Mutual Aid and Assistance Agreement.

f. Consider Approval of Town Manager Employment Agreement

Presenter: Rusty Knox, Mayor

Summary: The Board of Commissioners reviews and considers amendments to the Town Manager's Employment Agreement annually. The amendments to the agreement will be a salary increase of approximately 5% to the base salary effective October 1, 2024.

Action/Proposed Motion: Motion to approve the amended Town Manager's Employment Agreement effective October 1, 2024.

VI. SUMMARIZE MEETING ACTION ITEMS

Town Manager will summarize items where the board has requested action items for the staff.

VII. ADJOURN



**A PROCLAMATION
National Community Planning Month
October 2024**

WHEREAS, Change is constant and affects all cities, towns, suburbs, counties, boroughs, townships, rural areas, and other places; and

WHEREAS, Planners can help navigate this change with data-driven insights and expertise that provide better choices for how people work and live; and

WHEREAS, Community planning provides an opportunity for all residents to be meaningfully involved in making choices that determine the future of their community; and

WHEREAS, The full benefits of planning require public elected and appointed officials who understand, support, and demand excellence in planning and plan implementation; and

WHEREAS, The month of October is designated as National Community Planning Month throughout the United States of America and its territories, and

WHEREAS, The American Planning Association endorses National Community Planning Month as an opportunity to highlight how planning is essential to every community, and how planners are uniquely positioned to identify solutions to communities' most difficult housing, transportation, and land use questions, and

WHEREAS, The celebration of National Community Planning Month gives us the opportunity to publicly recognize the participation and dedication of appointed planning commission members who have contributed their time and expertise to the improvement of the Town of Davidson; and

WHEREAS, We recognize the many valuable contributions made by the professional community and regional planners of the Town of Davidson and extend our heartfelt thanks for the continued commitment to public service by these professionals.

NOW, THEREFORE, I, Rusty Knox, Mayor of the Town of Davidson, do hereby proclaim the month of October 2024 as Community Planning Month in the Town of Davidson.

Proclaimed this 8th day of October 2024.

Rusty Knox, Mayor



PROCLAMATION Red Ribbon Week

WHEREAS, The National Family Partnership started the Red Ribbon Campaign in 1988 to educate the people of the United States and encourage participation in drug prevention activities; and

WHEREAS, Red Ribbon Week® preserves the memory of Special Agent Enrique “Kiki” Camarena of the Drug Enforcement Administration who served the for 11 years and was murdered in the line of duty in 1985, while engaged in the battle against illicit drugs; and

WHEREAS, Red Ribbon Week® offers citizens the opportunity to demonstrate their commitment to drug-free lifestyles; and

WHEREAS, Red Ribbon Week® will be celebrated in communities across the nation on October 23-31 with the theme of *Life is A Movie, Film Drug Free*; and

WHEREAS, businesses, government, law enforcement, media, health care providers, religious institutions, schools, and other community-based organizations will demonstrate their commitment to healthy, drug-free lifestyles by wearing red ribbons and participating in drug prevention activities; and

WHEREAS, the Town of Davidson further commits its resources to ensure the success of Red Ribbon Week®.

NOW, THEREFORE, I, Rusty Knox, Mayor of the Town of Davidson, hereby proclaim October 23-31, 2024, as **RED RIBBON WEEK®** and encourages citizens of the Town of Davidson to participate in drug prevention education activities, not only during Red Ribbon Week, but also throughout the year, making a visible statement that we are strongly committed to a drug-free lifestyle.

Proclaimed this the 8th day of October 2024.

Rusty Knox, Mayor



PROCLAMATION Breast Cancer Awareness Month

WHEREAS, in 2024, more than 12,700 women in North Carolina can expect to be diagnosed with breast cancer, and over 1,500 likely will die from this disease; and

WHEREAS, North Carolina women have a one-in-eight lifetime risk of developing breast cancer, which is the second leading cause of cancer death for women overall in North Carolina, and which impacts black women at a higher rate than white women; and

WHEREAS, Disparities such as income, education, access to health care, along with stress and racism, are among causes of poor health among minorities on many health measures, leading to a greater need for screening and early detection of breast cancer; and

WHEREAS, The North Carolina Breast and Cervical Cancer Control Program in the North Carolina Department of Health and Human Services provides free or low-cost breast and cervical cancer screenings and follow-up to eligible uninsured or underinsured women; and

WHEREAS, With routine mammogram screening and follow-up testing, the disease can be detected early when it can be most effectively treated and save lives; and

WHEREAS, Awareness of the health information, education, treatment, and support methods available can help individuals find and receive the appropriate care and resources they need to improve their quality of life.

NOW, THEREFORE, I, Rusty Knox, Mayor of the Town of Davidson, do hereby proclaim **October 2024, as Breast Cancer Awareness Month** in the Town of Davidson and urge all citizens to become aware of the impact that breast cancer has on our community and to support the fight against breast cancer.

Proclaimed this 8th day of October 2024.

Rusty Knox, Mayor



PROCLAMATION Indigenous Peoples' Day

WHEREAS, American Indians, who inhabited this continent long before the first contact with European settlers, shared their knowledge, land, and resources, and have continued to play a vital role in the development of American Indian communities, the state of North Carolina and the nation; and

WHEREAS, Indigenous Peoples' Day was first proposed in 1977 by a delegation of Native Nations to the United Nations during an international conference on discrimination against Indigenous populations in the Americas; and

WHEREAS, The North Carolina Commission of Indian Affairs was created in 1971 by the North Carolina General Assembly to advocate for state, local, regional, and national American Indian concerns; and

WHEREAS, The Town of Davidson Mission Statement says our sense of community is rooted in citizens who respect each other; in racial and socioeconomic diversity; and

WHEREAS, The Town of Davidson Core Values states that citizens are the heart of Davidson, so town government will treat all people fairly, with courtesy and respect; and

WHEREAS, a Strategic Plan Goal of Affordable Living, Equity, and Inclusion states we work together to foster a culture of equity, belonging, inclusion, and provide, create, and support opportunities for all. Treat everyone with respect, dignity, and recognize every voice; and

WHEREAS, The Town of Davidson encourages all residents to acknowledge the historic sacrifices of Indigenous peoples, and recognize the contributions of this population to the state and nation.

NOW, THEREFORE, I, Rusty Knox, Mayor of Town of Davidson, do hereby recognize October 14, 2024, as "**INDIGENOUS PEOPLES' DAY**" in the Town of Davidson, and commend its observance to all citizens.

Proclaimed this the 8th day of October 2024.

Rusty Knox, Mayor



TOWN OF DAVIDSON BOARD OF COMMISSIONERS
ORDINANCE 2024-XX

An Ordinance to Address Fencing on Corner Lots

1. TEXT AMENDMENTS

TEXT CHANGES – PROPOSED AMENDMENTS

The following is a list of resident-proposed text changes to the Town of Davidson Planning Ordinance (DPO). The listed changes are proposed to address fencing regulations specific to corner lots.

PROPOSED TEXT CHANGES				
PAGE	SECTION	TITLE	ISSUE	PROPOSED ACTION
SECTION 4 – SITE & BUILDING DESIGN STANDARDS				
4-3	4.3.1.D	FENCES, HEDGES, AND GARDEN WALLS	▫ The current text states that for buildings on corner lots, both façades fronting a street shall be considered a front building line for the purposes of fencing. ▫ Fences forward the front building line are limited to three feet. ▫ Six-foot fences are only permitted behind the front building lines.	▫ Modify the text to allow four-foot fences forward the front building lines. ▫ Eliminate the existing reference to corner lots. ▫ Allow fences on corner lots to be located within three feet of the property line on secondary frontage with landscaping encouraged. ▫ Limit fences on secondary frontages such that they are located no closer than half the depth of the primary structure.

TEXT CHANGES	Old Text: All Planning Areas: Fences, hedges, and/or garden walls located in front of the building line shall be no greater than three four feet in height and fences shall be no more than two-thirds solid. Fences, hedges, and/or garden walls located behind the front building line shall be no greater than six feet in height. Chain link fencing is allowed in rear yards only. Hedges, garden walls, or fences may be built on property lines or as the continuation of building walls. For buildings on corner lots, both facades fronting a street shall be considered a front building line for purposes of fencing, hedges, and garden walls. New Text: All Planning Areas: Fences, hedges, and/or garden walls located in front of the building line shall be no greater than four feet in height and fences shall be no more than two-thirds solid. Fences, hedges, and/or garden walls located behind the front building line shall be no greater than six feet in height. Chain link fencing is allowed in rear yards only. Hedges, garden walls, or fences may be built on property lines or as the continuation of building walls. For buildings on corner lots, fences may be located within three feet of the property line on the secondary frontage. Landscaping is encouraged. Additionally, fences on the secondary frontage shall be placed no closer than half the depth of the primary structure.
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2. PUBLIC PLANS AND POLICIES

Core Values

Citizens are the heart of Davidson, so town government treats all people equally, with courtesy and respect

General Planning Principles

We rely on a unique combination of private property rights and the health of the community as a whole.

- While deeply respecting the rights of private property owners, town government in Davidson sets the rules for implementation of those rights. In so doing, we preserve land values, deal with the larger picture instead of just the immediate neighborhood that the landowner and developer consider, maintain the high quality of life for the new and current residents, and protect the health and safety of our people. This role of government obviously can produce tensions with landowners. We recognize those tensions as an integral part of government.

3. SIGNATURE

Adopted this Xth day of November 2024.

Rusty Knox
Mayor, Town of Davidson

Attest:

Elizabeth K. Shores
Town Clerk

Approved as to form:

Karen Wolter
Town Attorney



Davidson Planning Ordinance (DPO) Chapter 4 Resident-Proposed Text Amendments PUBLIC HEARING

Jason Burdette
Planning Director
October 8, 2024

www.townofdavidson.org

CURRENT DPO: GENERAL SITE DESIGN

DPO 4.3.1.D *Fences, Hedges, and Garden Walls*

All Planning Areas:

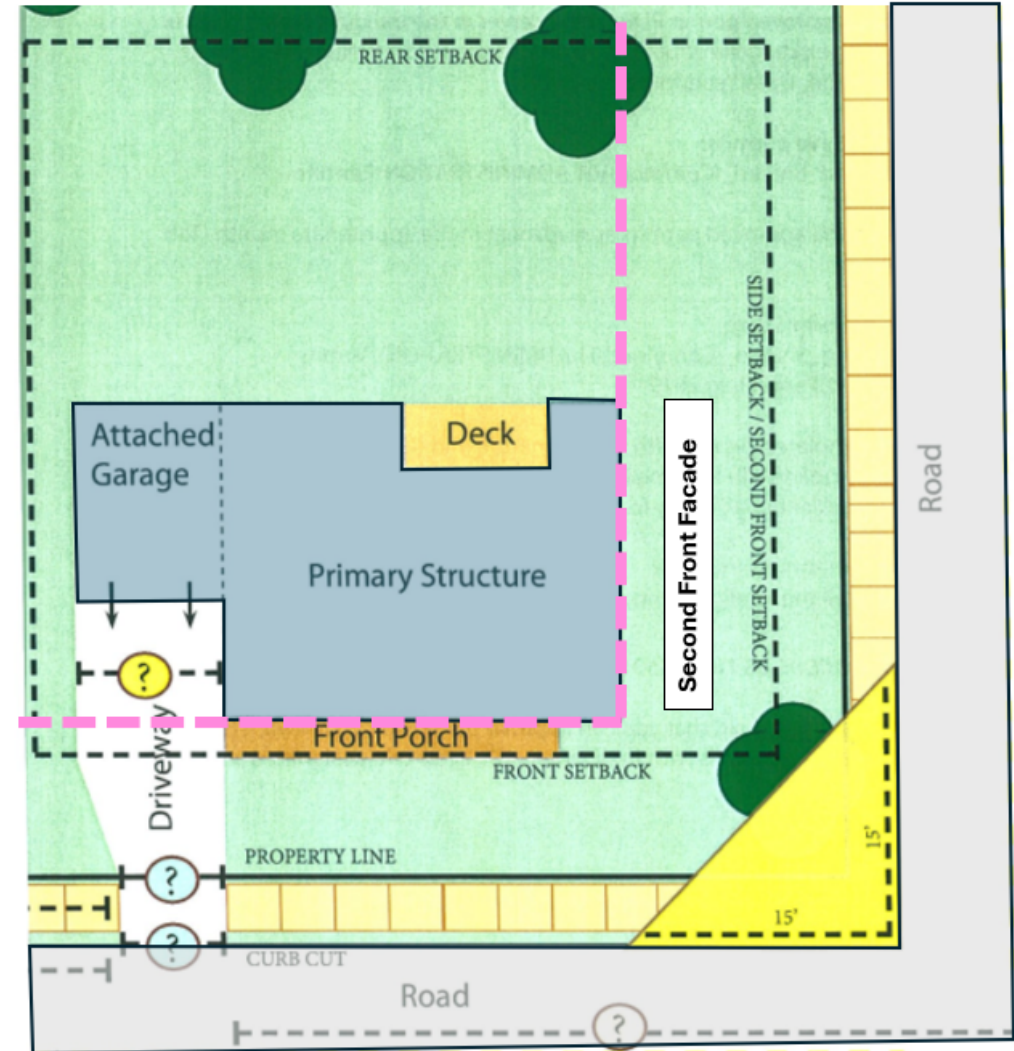
Fences, hedges, and/or garden walls located in front of the building line shall be no greater than **three feet in height** and fences shall be no more than two-thirds solid.

Fences, hedges, and/or garden walls located behind the front building line shall be no greater than six feet in height. Chain link fencing is allowed in rear yards only. Hedges, garden walls, or fences may be built on property lines or as the continuation of building walls. **For buildings on corner lots, both facades fronting a street shall be considered a front building line for purposes of fencing, hedges, and garden walls.**

CURRENT DPO: GENERAL SITE DESIGN

DPO 4.3.1.D

...For buildings on corner lots, both facades fronting a street shall be considered a front building line for purposes of fencing, hedges, and garden walls.



EXAMPLES



EXAMPLES

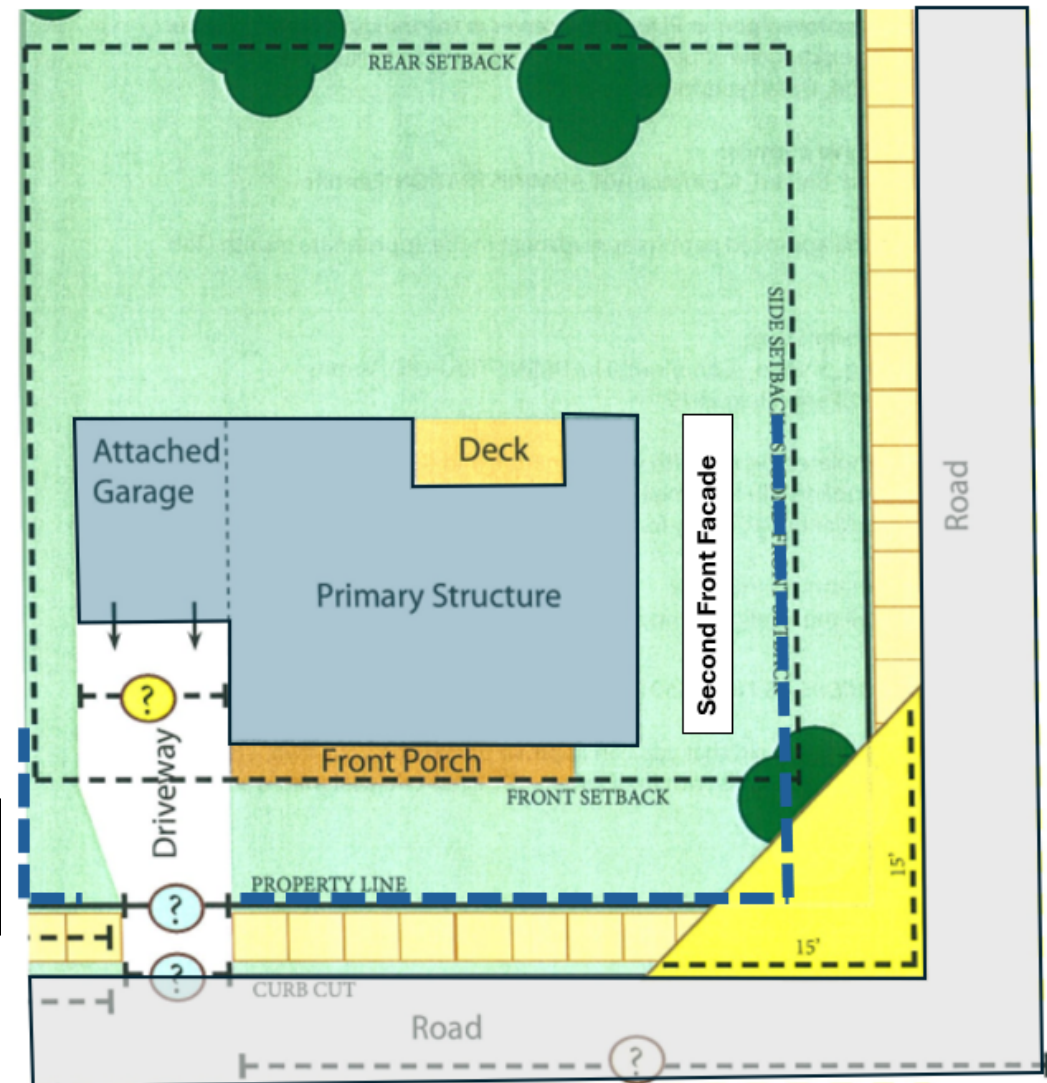


CURRENT DPO: GENERAL SITE DESIGN

DPO 4.3.1.D

...For buildings on corner lots, both facades fronting a street shall be considered a front building line for purposes of fencing, hedges, and garden walls.

Corner Lot:
Permitted Location of a 3' Fence
(Forward the Front Building Lines)



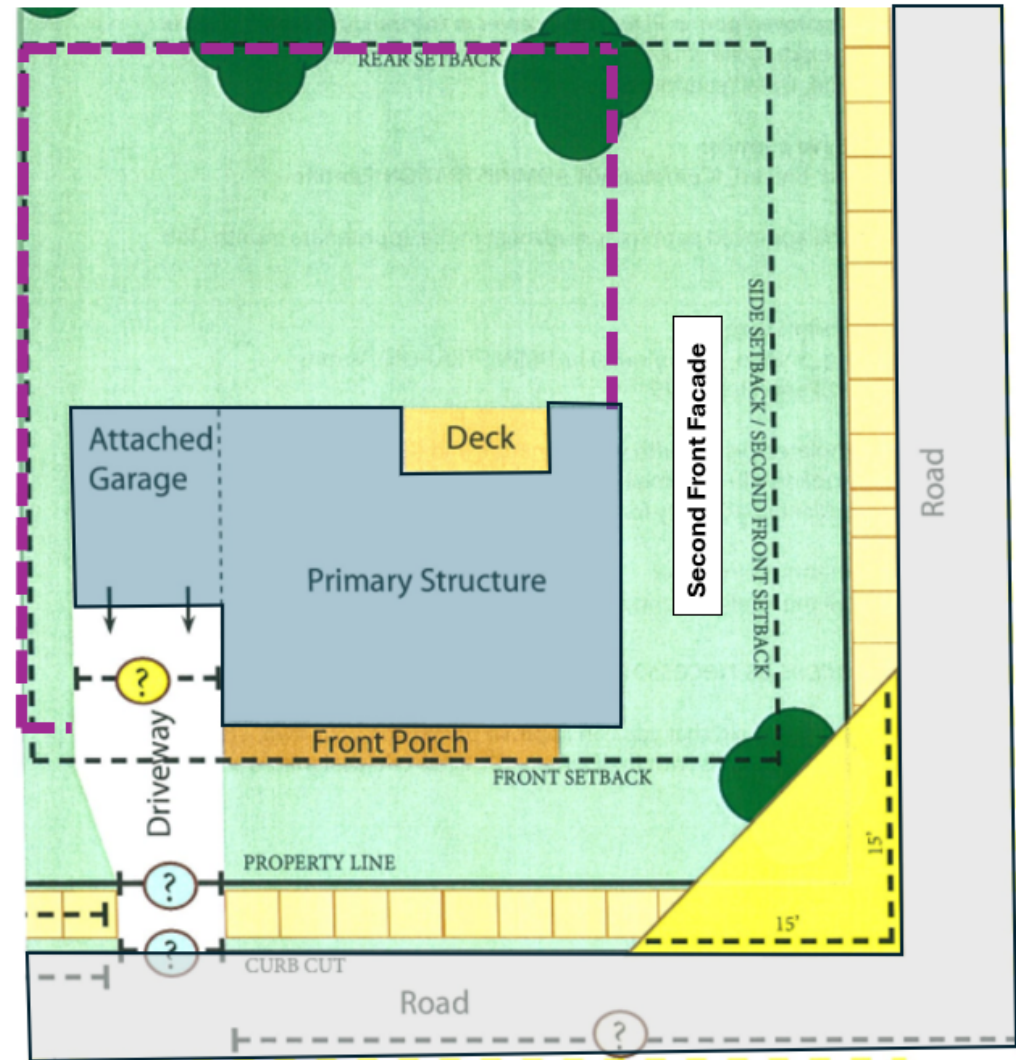
CURRENT DPO: GENERAL SITE DESIGN

DPO 4.3.1.D

...For buildings on corner lots, both facades fronting a street shall be considered a front building line for purposes of fencing, hedges, and garden walls.

Corner Lot:

Permitted Location of a 6' Fence
(Flush or Behind the Front Building Lines)



RESIDENT-PROPOSED CHANGES: SUMMARY

Timeline: 2023/2024

- ★ Non-Compliant Fence Constructed
- ★ Another Resident Inquired re: Compliance
- ★ Town's Code Enforcement is Complaint-Driven
- ★ Property Inspected
- ★ Notice of Violation (NOV) Issued
- ★ Staff Advised Property Owner of Alternative Compliance Methods
- ★ Property Owner Proposed DPO Text Amendment

RESIDENT-PROPOSED CHANGES: SUMMARY

DPO 4.1.3.D: Fences, Hedges & Garden Walls

All Planning Areas:

Fences, hedges, and/or garden walls located in front of the building line shall be no greater than **three four feet in height** and fences shall be no more than two-thirds solid. Fences, hedges, and/or garden walls located behind the front building line shall be no greater than six feet in height. Chain link fencing is allowed in rear yards only. Hedges, garden walls, or fences may be built on property lines or as the continuation of building walls. ~~For buildings on corner lots, both facades fronting a street shall be considered a front building line for purposes of fencing, hedges, and garden walls.~~

Applicant-Proposed Changes

- Allow four-foot fences in the front yard.
- Remove last line from text
- Permit corner lot fences within three feet of property line on secondary frontage. Encourage landscaping.
- Fences on secondary frontage shall be placed no closer than half the depth of the primary structure.

Applicant Justification

- Allow corner lot owners same security/privacy adjoining properties granted
- Create private yard and play spaces

NEXT STEPS

Process: DPO 14.23: Amendments Generated by Petition

- ★ **September 24:** Board of Commissioners FYI
- ★ **September 30:** Planning Board FYI
- ★ **October 8:** Board of Commissioners Public Hearing
- ★ **October 28:** Planning Board Recommendation
- ★ **November 12:** Board of Commissioners Decision

DISCUSSION





Consider Approval of a Service Contract Between the Development Finance Initiative and the Town of Davidson for Pre-Development Feasibility and Financial Incentive Services for the Development of Town-Owned Land

Alexander D. Cahill
Affordable Housing & Equity Director
October 8, 2024

www.townofdavidson.org

Affordable Housing Development

DFI Introduction and Scope of Services Overview



SCHOOL OF GOVERNMENT

Development Finance Initiative



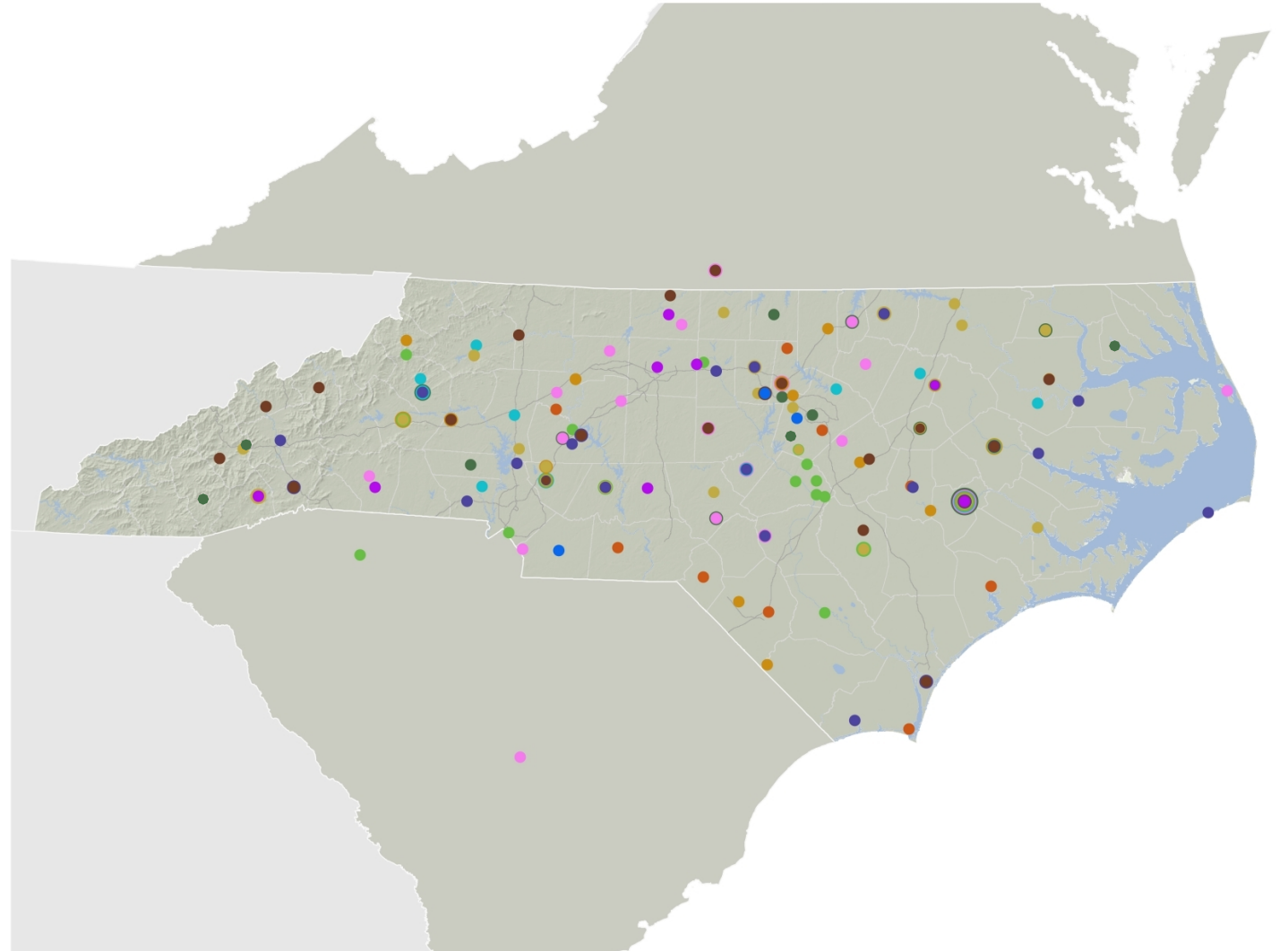
UNC School of Government



UNC Chapel Hill's School of Government is the largest university-based local government training, advisory, and research organization in the United States, and serves more than 12,000 public officials each year.

Development Finance Initiative (DFI)

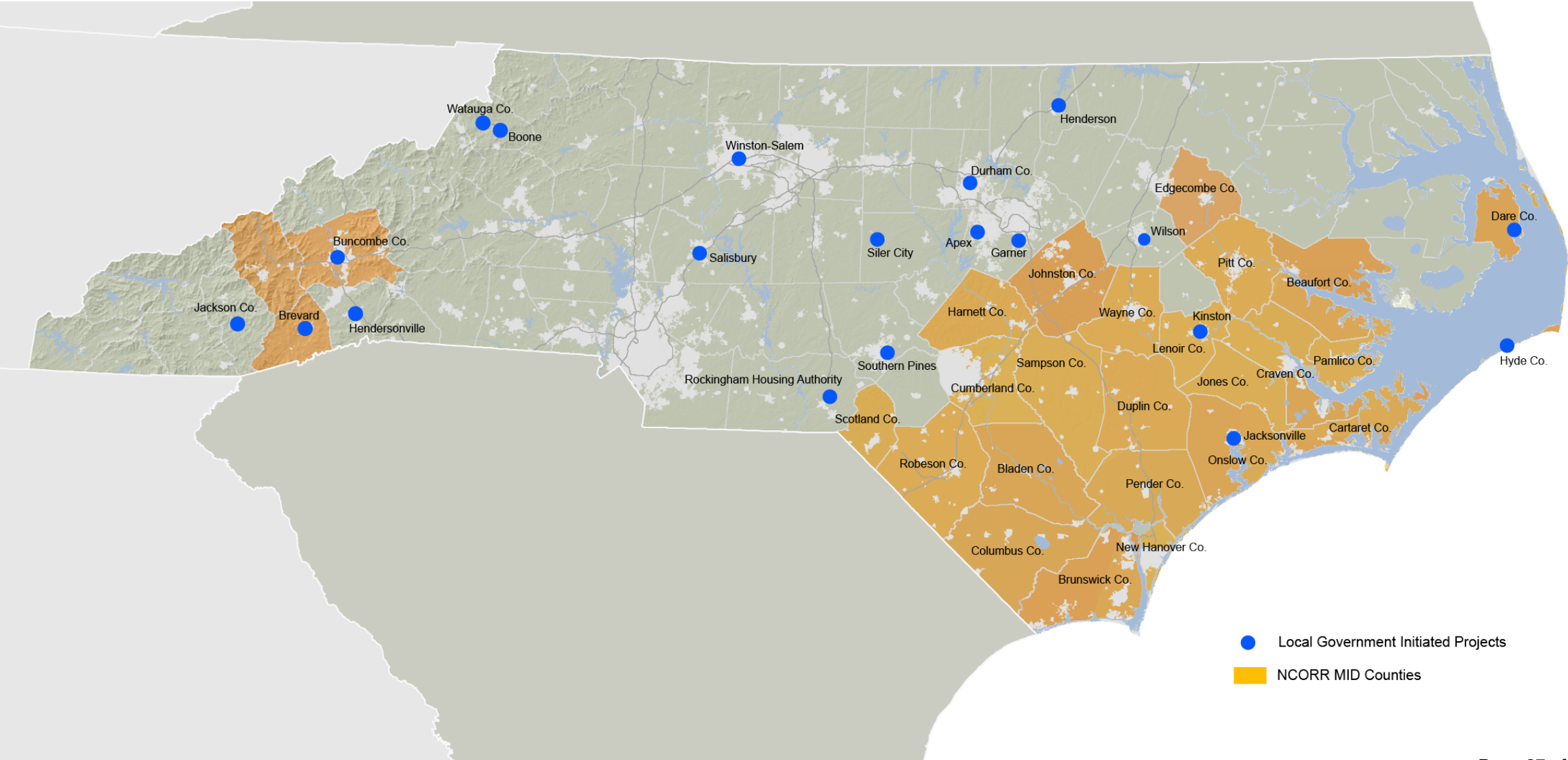
DFI is a program of UNC Chapel Hill's School of Government that advises communities in NC to attract private investment for transformative projects by providing specialized real estate development and finance expertise.



DFI Projects

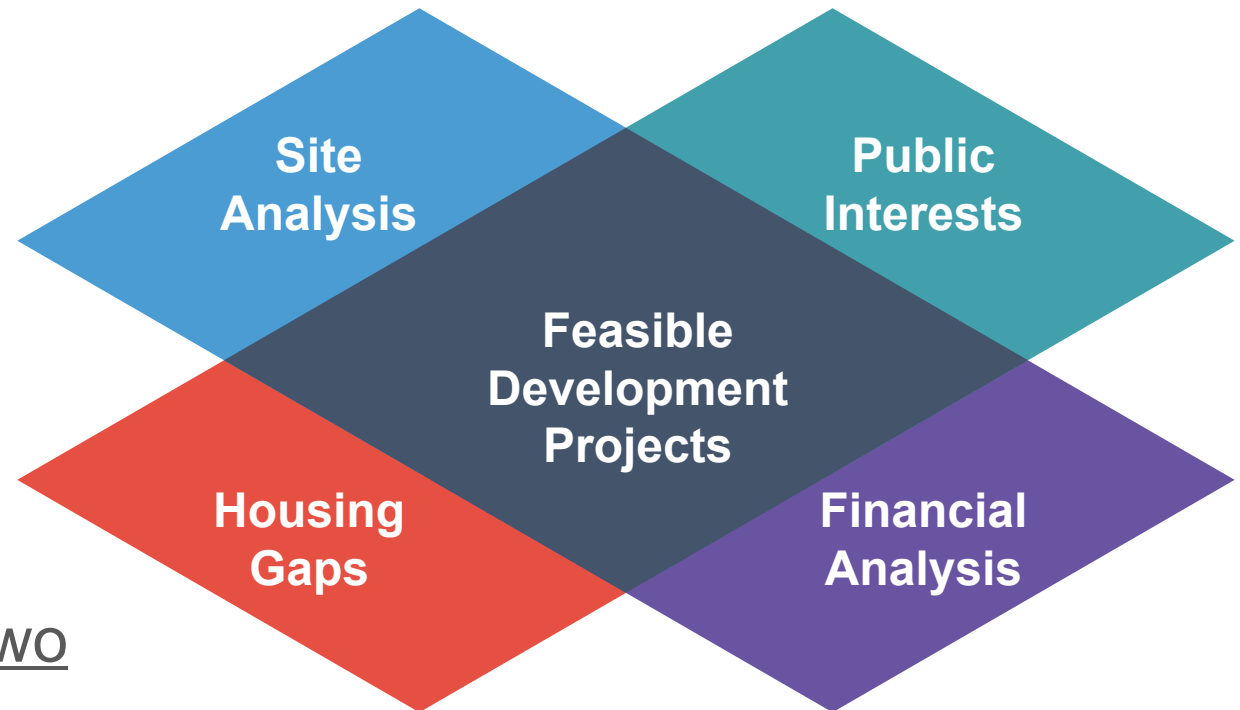


DFI Projects with Affordable Housing



DFI Feasibility Analysis and Pre-Development

- Phase 1: In order to identify affordable housing development opportunities, DFI will conduct:
 - Stakeholder Engagement
 - (High-Level) Pre-Development Feasibility Analysis:
 - Housing Gaps Analysis
 - Site Analysis
 - Financial Analysis
- Phase 2: DFI will conduct detailed site-specific pre-development on two sites:
 - *Goal: Identify development partner(s) to execute on vision*

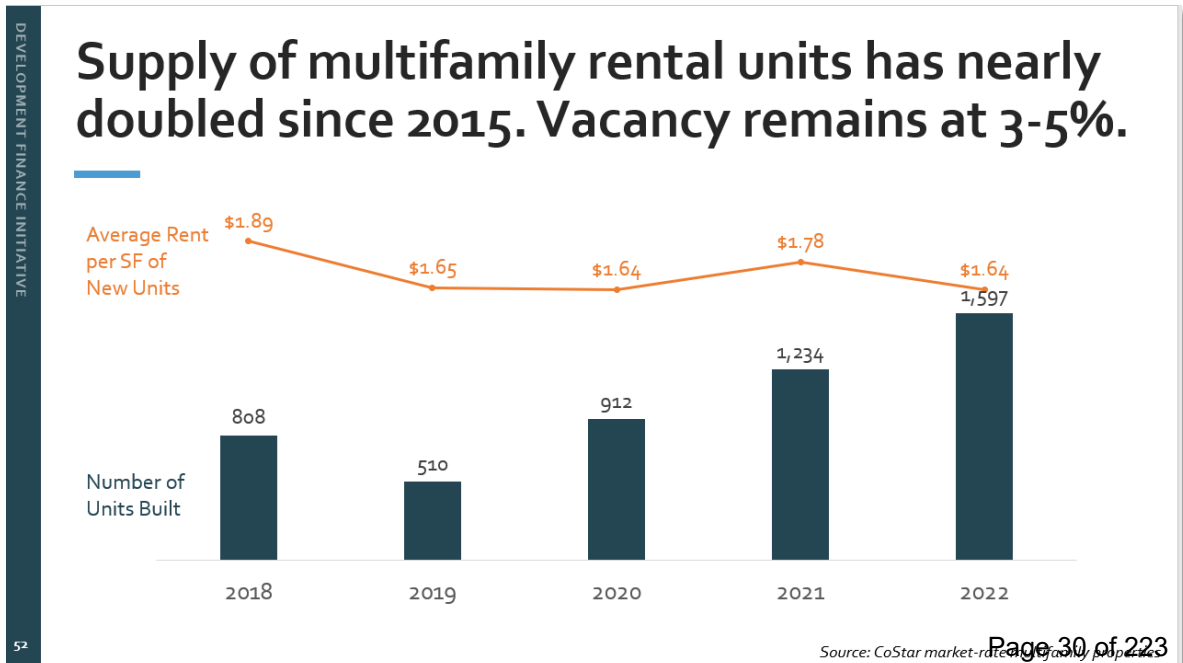
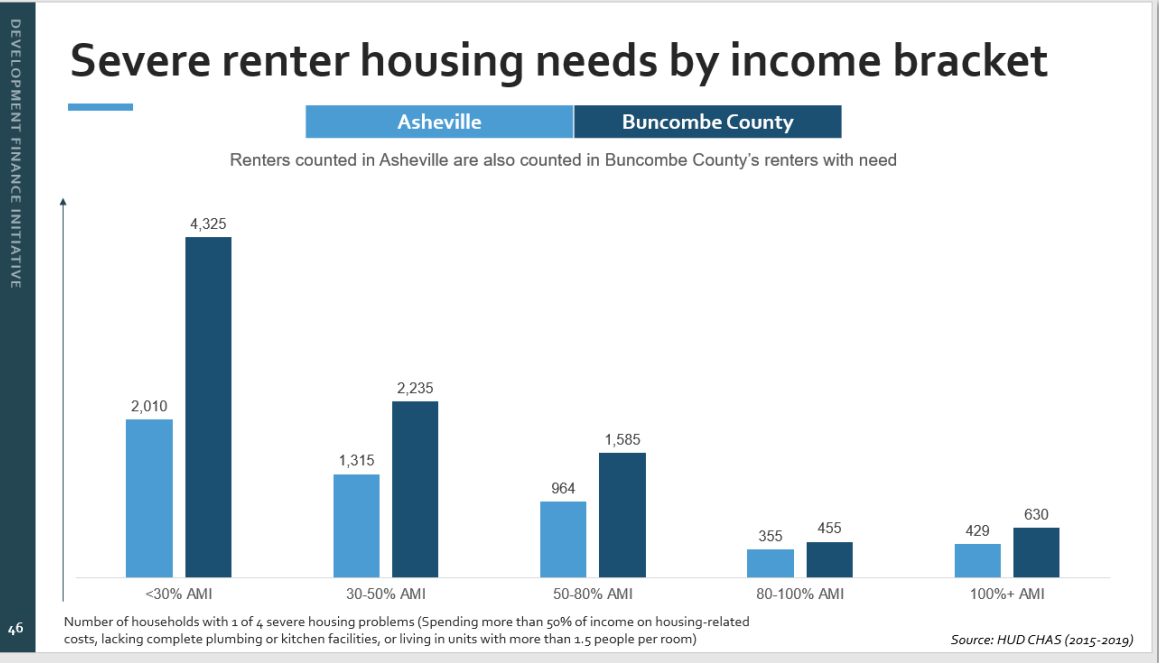


Scope Review: Establish Housing Priorities for Site Identification

- **Community Scan and Stakeholder Engagement**
 - Review current and historic plans, notes from public input sessions and other materials relevant to the redevelopment of the hospital campus.
 - Evaluate demographic and economic projections.
 - Engage with Town staff and elected officials.
 - Meet 1-on-1 or small groups with other key stakeholders (interest groups, advocates, developers, property owners, etc.).
 - Establish affordable housing priorities to guide site selection.

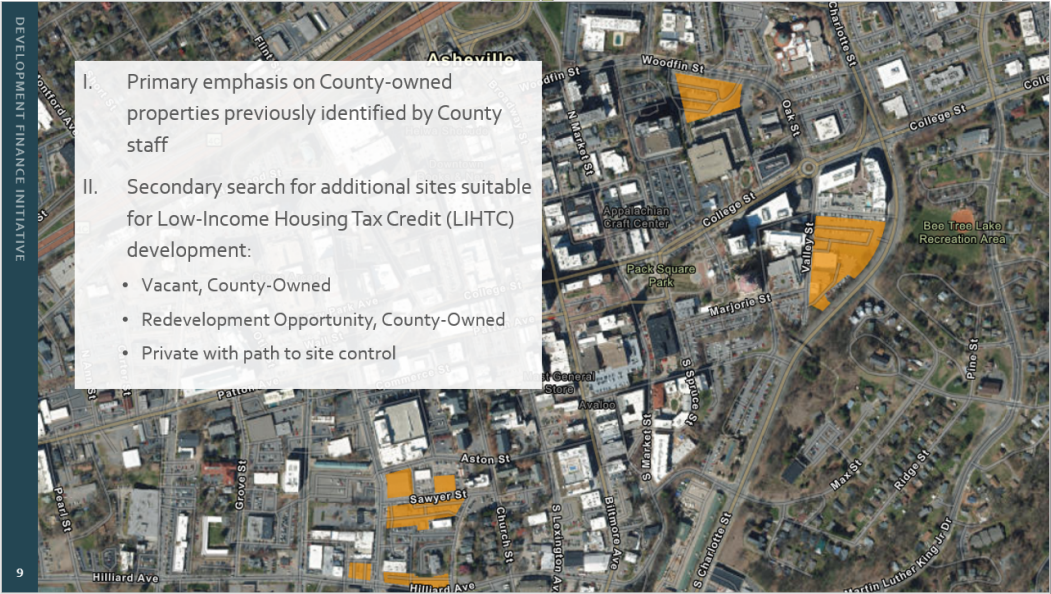
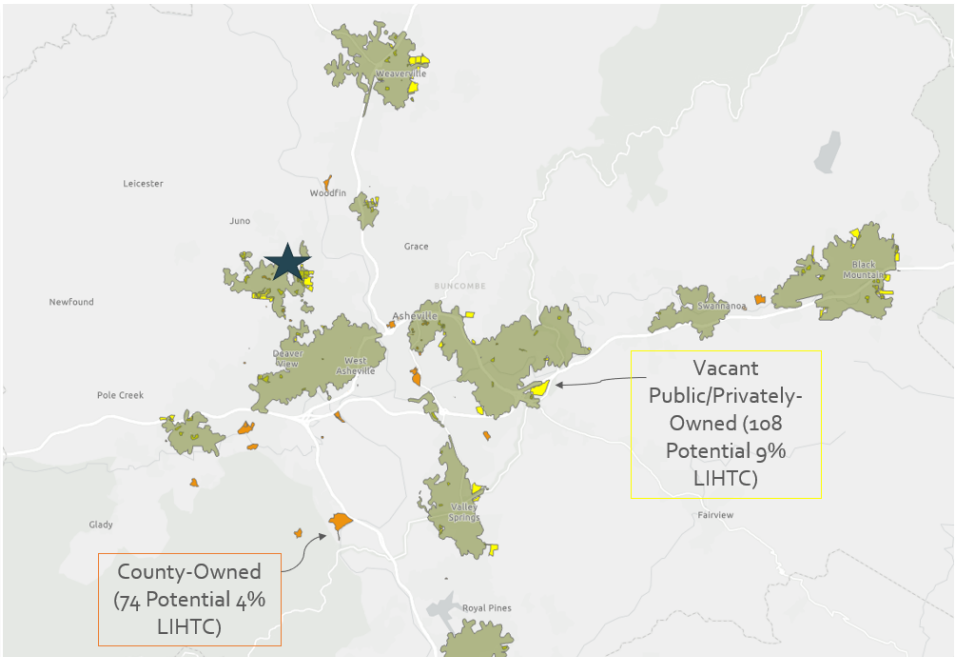
Scope Review: Analyze Housing Gaps

- Community Scan and Stakeholder Engagement
- **Housing Gaps Analysis**
 - Leverage analyses previously conducted by Town to identify gaps in the market by housing type and income bracket.



Scope Review: Identify Suitable Sites

- Community Scan and Stakeholder Engagement
- Housing Gaps Analysis
- **Site Identification**
 - Establish criteria and identify sites that meet local housing priorities and the requirements of private and non-local funding sources, e.g., Low-Income Housing Tax Credit.



Scope Review: Conduct Site Analysis

- Community Scan and Stakeholder Engagement
- Housing Gaps Analysis
- Site Identification
- **High-Level Site Analysis**
 - Test potential density on each site.

DEVELOPMENT FINANCE INITIATIVE

26-46 Valley Street (North Portion)

Est. Unit Count	72 units (4 floors)
Site	1.1 acres with 74 surface spaces

- Site not competitive for 9% LIHTC due to its proximity to the Buncombe County Detention Center
- Would allow for alternative or future use of existing building and southern parcels.
- May limit potential of overall site.



DEVELOPMENT FINANCE INITIATIVE

26-46 Valley Street (Entire Site)

Est. Unit Count	150 units (6 floors)
Site	2.3 acres with 150 surface parking spaces

- Site not competitive for 9% LIHTC due to its proximity to the Buncombe County Detention Center
- Alternative orientation possible with parking structure.
- Existing building is currently occupied.



Scope Review: Model Financial Feasibility

- Community Scan and Stakeholder Engagement
- Housing Gaps Analysis
- Site Identification
- High-Level Site Analysis
- High-Level Financial Analysis
 - Use key market assumptions to estimate potential level of private investment (including debt and equity sources, such as LIHTC), and any additional gap funding needed to develop affordable housing on each site.

Sources							
Source Type	Amount	% of Total	Per Unit	Rate	Term	Amort Period	Service
Primary Loan	15,009,392	25.5%	75,047	7.50%		35	1,214,397
Federal LIHTC Equity	32,768,249	55.6%	163,841	0.92			
Buncombe County Loan		0.0%	-	2%		30	
RPP Award	675,000	1.1%	3,375	2%			
Deferred Developer Fee	675,000	1.1%	3,375	15%			
Other							
Total	49,127,641						
Funding Gap	9,848,158	49,241	per unit				
Development Budget							
Assumption	Unit Type	per Unit	per SF	Total	9% Eligible	4% Eligible	
Acquisition	per acre						
Demolition	10			134,100			
Sitework	500,000	per acre		780,000	175,500	604,500	
Building Cost	176,900	per unit	176,900	35,380,000	7,960,500	27,419,500	
Podium Parking	17,000	per space		2,040,000	459,000	1,581,000	
FF&E	4,000	per unit		800,000	180,000	620,000	
General Requirements	6% of hard costs			2,348,046	528,310	1,819,736	
Contractor Profit	8% of above hard costs			3,318,572	746,679	2,571,893	
Contractor Overhead	2% of above hard costs			826,961	186,066	640,895	
Hard Cost Contingency	5% of above hard costs			2,281,384	513,311	1,768,073	
Total Hard Costs		239,545		47,909,063	10,749,367	37,025,596	

DEVELOPMENT FINANCE INITIATIVE

	Woodfin Lot	52 Coxe	50-52 Coxe	Valley Street (North)	Valley Street (All)	Erwin Hills
LIHTC Program	9%	9%	4%	4%	4%	4%
Total LMI Units	48	80	120	72	150	160
Est. Cost per Unit	\$225,000	\$217,000	\$234,000	\$221,000	\$218,000	\$215,000
Est. Gap Funding Required (not incl. value of land)	--	\$0.8M	\$7.2M	\$4.0M	\$7.6M	\$4.2M - \$7.6M
Est. Gap Funding per Unit	--	\$10,000	\$60,000	\$56,000	\$51,000	\$27,000-\$48,000
Est. Land Value	\$1.8M - \$2.2M Per Acre					\$0.2M Per Acre

Phase 2 will establish site specific guiding public interests that will impact unit mix, density, complementary uses, and gap funding required.

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Scope Review: Prioritize Sites for Phase 2

- Community Scan and Stakeholder Engagement
- Housing Gaps Analysis
- Site Identification
- High-Level Site Analysis
- High-Level Financial Analysis
- **Final Recommendations**
 - Prioritize two sites.
 - Advise on strategy & next steps.

Every site has the potential to support housing in the next five years. What are the high-impact opportunities in the next two years?

The site selected for affordable housing development should:

- Increase the stock of housing for low- and moderate-income households in a mixed-income setting;
- Leverage underutilized publicly owned-properties;
- Capitalize on existing infrastructure, amenities, and access to employment opportunities; and
- Maximize private investment to optimize public investment

Phase 2: Conduct Site-Specific Pre-Development and Identify Private Partner

DEVELOPMENT FINANCE INITIATIVE

				
	52 Coxe Only	Sawyer Street Closure	Land Swap	High-Rise Development
Total Units	130	200	195	413 (200 LIHTC)
Project-Based Vouchers	26	40	39	40
Estimated Costs				
Construction Cost	\$38.5 M	\$59.1 M	\$58.0 M	\$136.2 M
Land Cost	\$2.0 M	\$3.2 M	\$3.2 M	*\$4.5 M
Funding Gap <i>9/4% or 4% only</i>	\$4.2 - \$10.4 M	\$9.8 - \$16.1 M	\$9.2 - \$15.7 M	\$20.2 M
Per Unit	\$32,200 - \$80,200	\$49,200 - \$80,700	\$47,200 - \$80,700	\$100,900

Additional Considerations: Warehouse site can support 70,000 SF space (library or other) in multiple options. Small parcel not utilized is likely valued between \$650K and \$800K. *Market rate developer must purchase property at fair market value.

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SOLICITATION FOR DEVELOPMENT PARTNER PROPOSALS

Affordable Housing on Coxe Avenue | ASHEVILLE | BUNCOMBE COUNTY, NC

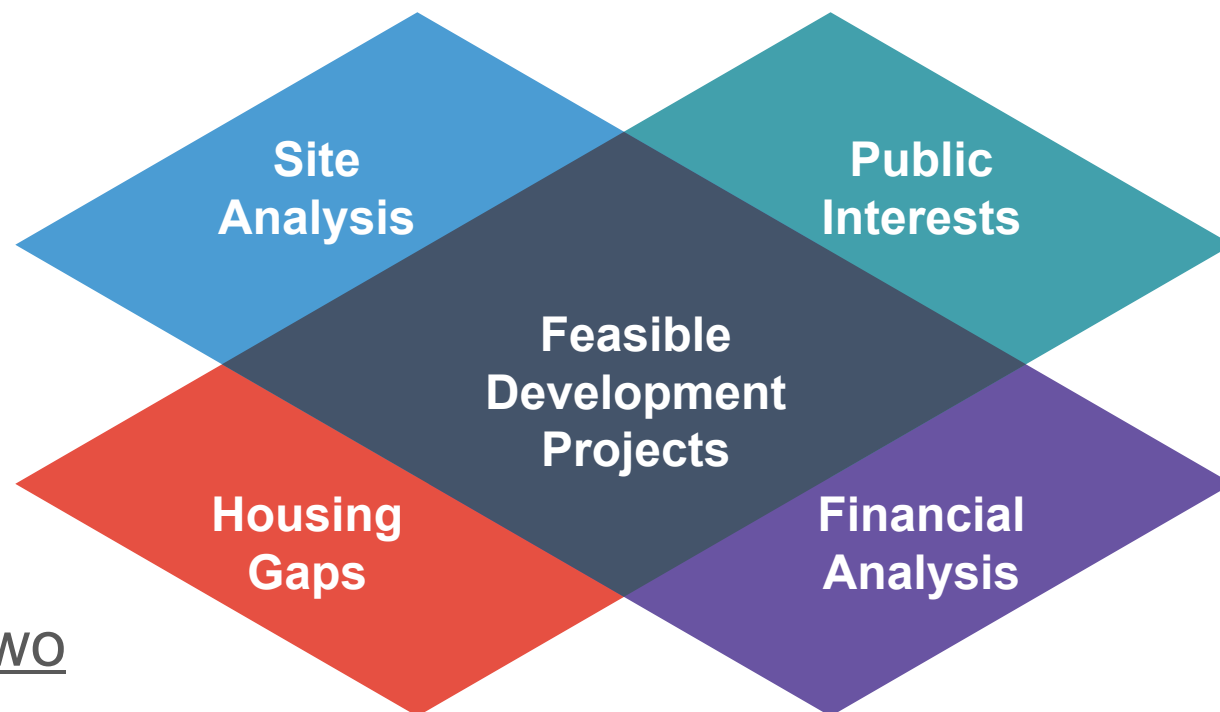


UNC | SCHOOL OF GOVERNMENT
Development Finance Initiative



DFI Feasibility Analysis and Pre-Development

- Phase 1: In order to identify affordable housing development opportunities, DFI will conduct:
 - Stakeholder Engagement
 - (High-Level) Pre-Development Feasibility Analysis:
 - Housing Gaps Analysis
 - Site Analysis
 - Financial Analysis
- Phase 2: DFI will conduct detailed site-specific pre-development on two sites:
 - ***Goal: Identify development partner(s) to execute on vision***



Timeline & Fee

Timeline

Phase 1: *5 months*

Phase 2, through program recommendations: *8 months*

Contract term: *10 years*

Fee (paid by Town)

\$96,100

Development Services Fee (paid by Projects, if successful)

1% of total project costs

SCOPE: Phase 1

Opportunity Site Identification

1. Conduct a community scan, which is an analysis of market-relevant demographic and socioeconomic data, as well as a review of current and historic plans, visioning documents, studies, research, development proposals, conceptual renderings, notes from public input sessions, and other materials relevant to affordable housing development within the Project Area.
2. Complete a housing gaps analysis to support and enhance the Town's unmet needs analysis and advise on the projected new demand for housing affordable to owner and renter households earning 80% of the Area Median Income and below. The analysis will leverage analyses previously completed by the Town. It includes a review of existing housing supply and identifies gaps in the market by housing type and income bracket. Housing types may include single-family rental, subsidized and unsubsidized affordable housing, multifamily rental, single-family ownership, etc., to serve low- and moderate-income as well as very low-income and extremely low-income individuals and households.

SCOPE: Phase 1

3. Establish affordable housing priorities for Project selection in collaboration with the Town and key internal stakeholders.
4. With an emphasis on properties owned by the Town and its partners, identify areas suitable for scattered site, infill, and/or Low-Income Housing Tax Credit (LIHTC) development as defined by the NC Housing Finance Agency's Qualified Allocation Plan (QAP). LIHTC is the largest affordable housing finance program in the country, incentivizing the acquisition, construction, and rehabilitation of private rental housing for low-to-moderate income households. Criteria for site suitability may include proximity to amenities such as a grocery store, pharmacy, and shopping as well as the absence of incompatible uses and negative features that could impede a site's eligibility for key funding sources.
5. For targeted areas identified through the site suitability analysis, collect and analyze relevant data for a parcel analysis to understand current conditions (sales trends, vacancy, land use, ownership, and underutilization) and changes over time.
6. Conduct a high-level site analysis for each potential Project identified, examining publicly available data regarding topography, hydrology, infrastructure, etc. to gain a general understanding of development opportunities and constraints.
7. Conduct a high-level financial analysis for each potential Project in order to make a general determination about the feasibility of affordable housing development on each site.
8. Identify and prioritize key development opportunities based on the pre-development feasibility analysis and the Town's affordable housing priorities and make recommendations related to those sites.

SCOPE: Phase 2

Additional Site-Specific Pre-Development & Solicitation of Development Partner for Two Projects

1. Support staff in community engagement activities, as necessary, to solicit public input as it relates to the Projects
2. Perform a site constraints analysis to determine what the sites can actually support given current conditions and other limitations and to test fit potential development programs for the Projects
3. Conduct a financial feasibility analysis, preparing a financial model (i.e., development budget, operating cash flows, sources of capital, etc.) for the Projects to determine financial feasibility for a private partner and scale of public investment, if necessary
4. Evaluate options for financing and structuring public participation in development or redevelopment, if necessary, including use of development finance tools (tax credits, district designations, etc.)
5. Propose a feasible private development program for each of the Projects and request the Town's approval
6. Provided that the Town approves the development program for one or more Projects as described above in Activity 13, prepare a solicitation for development partners for the approved development program(s) and assist the Town with developing criteria to inform the Town's selection of eventual partner(s)

SCOPE: Phase 2

1. Actively market and discuss each solicitation with qualified development partners with the goal of receiving competitive proposals from qualified developers who are capable of accomplishing the Town's approved development program(s).
2. Support Town officials in development partner selection process by carrying out due diligence of potential partners, preparing investment summaries, and evaluating solicitation responses using the Town's criteria
3. Support the Town in negotiating deal points with the development partner selected to execute each Project's approved development program pursuant to the solicitation. Deal points include development parameters for public-private partnerships and milestones, which are typically memorialized first in a non-binding memorandum before being finalized in a development agreement.

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Motion: To Authorize the Town Manager to Enter into a Service Contract Between the Development Finance Initiative and the Town of Davidson in the Amount of \$96,100 for Pre-Development Feasibility and Financial Incentive Services for the Development of Town-Owned Land.



Town of Davidson Affordable Housing Needs Assessment



2022

PREPARED BY:



Acknowledgements

Preparation of the Town of Davidson Affordable Housing Needs Assessment was a collaborative process involving numerous town officials, stakeholders, and community members. We are grateful to all those involved for giving their time, talents, and expertise in support of this effort.

Board of Commissioners

Rusty Knox, Mayor
Tracy Mattison-Brandon, Commissioner
Jane Campbell, Commissioner
Matthew Dellinger, Commissioner
Ryan Fay, Commissioner
Autumn Rierson-Michael, Commissioner

Affordable Housing and Equity Board

Michael Dalton
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Mary Kim Folds
Annie Porges
Jayme Sponsel
John Quinn
Mary Walsh
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Laura Belcher, ex officio
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Nonprofit Partners

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Davidson College
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& Engineering
Habitat for Humanity, Charlotte Region
Laura Belcher, President & CEO
Davidson Housing Coalition
Gerald Wright, Executive Director
Margaret Martens, Board Chair
Margo Williams, Chair Emeritus

Development Community

Bayard Development
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Blue Heel Development
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Please note that the data referred to in this document represents the most recent, up-to-date information available from various industry sources and from the Davidson community at the time of this needs assessment. The findings and recommendations are based on research conducted in 2021- 2022 that includes best practices across the field, community surveys, and stakeholder interviews. This document should be used as resource and a tool for decision makers within the Town of Davidson, including town staff and elected officials, to implement and improve practices as they relate to housing affordability in the community.

Introduction

OnPointe Partners was contracted to review the Town of Davidson's Affordable Housing Program and complete the following tasks:

- ❖ Update the 2017 UNC-Charlotte Urban Land Institute Report
- ❖ Identify current and future affordable housing needs within the town and outline next steps to address those needs.
 - Identify other funding sources
 - Provide multiple prioritization and implementation options based upon various levels/sources of funding
- ❖ Recognize the housing strategies and programs provided by the non-profit partners in the community in order to maximize overall outcomes from an affordable housing perspective
- ❖ Prepare and implement a community engagement program including a survey
- ❖ Evaluate seven town owned properties for recommended use regarding unit count, unit housing type, homeownership, rental, and target AMI level for each site.

This report is meant to be a guide to the steps needed to improve Affordable Housing, not to be a strict directive in the Town of Davidson. The project team has endeavored to find solutions that lead to success based on historic operations, industry best practices, current market conditions, and the current status of housing in the Town of Davidson.

About the Firm

OnPointe Partners is a Commercial Real Estate Consulting Firm based in Charlotte, North Carolina. Since 2011, they have consulted, developed, and brokered over three million square feet of Commercial Real Estate. They specialize in market and feasibility studies on various types of Commercial Real Estate to include Mixed Use, Retail, Industrial, Multifamily, and Historic developments.

II. Problem/Needs Assessment

The Town of Davidson seeks solutions to develop a data and context driven Affordable Housing Needs Assessment for guidance and direction in addressing the town's affordable housing needs.

According to MLS Canopy, the Average Home Sales Price in Davidson rose from \$329,000 in 2019 to \$446,100 in 2021. In a recent analysis from Zillow, Davidson's year-over-year home price rose by 28.4% in June 2022. Affordable Housing is more difficult to attain in Davidson for the average buyer and renter than elsewhere in the region. Additionally, the cost to construct and develop affordable housing remains a growing challenge. While the cost of framing lumber has fallen slightly in recent months, it still recorded a 34% year-over-year increase in August¹. Though interest rates have retreated slightly since July 2022, they still remain elevated compared to the last 12 years. In fact, from August 2021 (2.85%) to August 2022 (5.1%), mortgage rates have swelled by 2,250 basis points. This increase in the interest rate adds \$450/month to the mortgage payment of a \$450,000 home.

III. History/Historical Overview

As evidenced by the Core Values statement and Strategic Plan Goals listed below, the Town of Davidson recognizes the importance of affordable housing and equity and seeks to offer affordable housing as a potential next step and solution as the town works towards progress in these critical areas.

Town of Davidson Core Value:

Davidson's historic mix of people in all income levels and ages is fundamental to our community, so town government will encourage opportunities, services, and infrastructure that allow people of all means to live and work here.

Town of Davidson 2022-23 Strategic Goal:

AFFORDABLE LIVING, EQUITY & INCLUSION: Work together to create a culture of belonging, address our past inequities, provide opportunities for all, treat everyone with respect and dignity and recognize every voice.
- Prioritize and implement recommendations from the Affordable Housing Plan

According to **City-Data**, the estimated median house or condo value in Davidson in 2017 was \$466,123. This value has increased over three years. Suffice it is to say that the current sales prices of homes far exceed what low-income and moderate-income households can afford.

Rents for apartments in Davidson have also far exceeded what a low-to-moderate income wage earner can afford. The median gross rent of all properties in 2017 was \$1,166. Current rents at one of the arguably more 'affordable' apartment complexes in town range from \$1240 - \$1830 for a one-

¹ Data is from Fastmarkets RSI American Forestry Report, August 5, 2022.

bedroom unit and \$1450 - \$2240 for a two- bedroom unit. These rents and home prices make it very difficult to truly afford to live in Davidson.

Since the 1990s, affordable housing in Davidson has been facilitated by nonprofit organizations using tax credits and other federal and state subsidies, including the Davidson Housing Coalition and Habitat for Humanity. The town has also had a mandatory inclusionary zoning (IZ) program in place since that time. The IZ mandate has generated over 80 single family units and rental apartments to date. The town has used funds generated through the IZ program, referred to as payment-in-lieu funds, to enhance affordable housing in a multitude of ways, including purchasing six naturally affordable homes, partnering with a developer to produce new units, providing down payment assistance, and helping with critical repairs to existing homes.

To help address the affordable housing concern in Davidson, UNC-Charlotte Urban Institute conducted a housing needs assessment in 2017. The purpose of the study was to review the housing needs of the town within the context of population, employment trends, rising housing and land values, and community concerns and to provide an assessment of the state of affordable housing in Davidson.

While the study helped to clearly identify the need for more affordable units in town, it did not set forth any recommendations for how the town might go about practically achieving its stated goals to help preserve housing affordability for residents. The 2017 assessment was a highly effective tool that better enabled the project team developing this Plan to approach the housing affordability question with greater context and nuance and allowed them to focus on deeper and meaningful engagement and creating more impactful next steps for the town.

IV. Methodology

The project team, with assistance and oversight from Town of Davidson staff, developed a robust methodology for approaching this important work. They created a detailed plan for community outreach and engagement, creating a comprehensive but approachable survey for community members to complete, connecting with key nonprofit and developer stakeholders, and offering numerous opportunities for community and board feedback throughout the process.

V. Community Outreach & Engagement

There was a great deal of effort to get the community engaged in the process, particularly to complete a comprehensive survey to collect data on the community's needs and impressions about affordable housing in Davidson. As it relates to the survey, the response rate and sample size are more than adequate to be considered statistically significant and the results are reflective of the true pulse of the community.

Below please find further information about the approach:

Outreach & Engagement Summary

LiveDavidson Survey & Community Meetings

In support of the LiveDavidson Survey and Community Meetings, the project team partnered with the Town of Davidson Communications Department, area nonprofits and businesses, and local volunteers to share information about the effort and help amplify the message. The Town of Davidson publicized information about the survey and community meetings, sent word out about LiveDavidson repeatedly via the town's email platform, and shared that information on their website and social media platforms. The project team specifically focused on the target audience, defined below, and focused extra efforts to engage that segment of the Davidson community.

Survey Details:

Survey Launch - March 14, 2022

Survey Completion - April 18, 2022

Total Respondents – 752

Housing & Equity Board Meeting Details:

Board Meeting December 16, 2021

Sub Committee Meeting March 17, 2022

Board Meeting March 22, 2022

Sub Committee Meeting April 28, 2022

Sub Committee Meeting May 10, 2022

Three (3) Community Meetings Details:

In Person Community Meeting #1	Ada Jenkins	February 27, 2022	Attendance 31
In Person Community Meeting #2	St. Albans	March 30, 2022	Attendance 22
In Person Community Meeting #3	Ada Jenkins	May 12, 2022	Attendance 21

Promotion

February 7, 2022

March 14, 2022

May 12, 2022

May 12, 2022

- | | |
|------------------------|------------|
| ➤ LinkedIn Engagement | 222 |
| ➤ Twitter Engagement | 46 |
| ➤ Facebook Engagements | 218 |

Outreach & Engagement for Survey & Meetings

- | | |
|--|----------------------------|
| 1. Online Virtual Town Annual MLK Jr Program Promotion | <i>Jan 17, 2022</i> |
| 2. In Person Flier Outreach Survey Promotion | <i>Feb 9, 19, 27, 2022</i> |
| 3. In Person Flier Outreach for Community Meeting #1 | <i>Feb 19, 27, 2022</i> |
| 4. In Person Pop Up Raeford's Barber Shop | <i>February 12, 2022</i> |
| | Engaged 18 |
| 5. In Person Pop Up Ada Jenkins Loaves & Fishes Distribution | <i>March 9, 2022</i> |
| | Engaged 22 |

Target Audience

The project team understood that some key points of view essential to the success of the engagement efforts would come from neighborhoods, where internet access is not guaranteed, and COVID-19 remained a top concern. As a result, Davidson College volunteers went door-to-door for in-person engagement with West Davidson residents which could happen safely outside and might better inform citizens of the LiveDavidson effort. The volunteers also brought paper copies of the survey for people to complete and transcribed the data by hand to ensure it could be evaluated with other community data.

It was also crucial to engage employees who work for the Town of Davidson, as well as other businesses in town. Input from workers in Davidson would be critical for the project team to provide more accurate findings that could help the town take steps forward with regards to housing affordability in the future.

Diversity & Equity Outreach

Outreach efforts included Fliers, Facebook, Constant Contact, Email Blasts, Online News & Events

- Bridge Program & Special Literacy Coordinator
- Ada Jenkins Center Economic Mobility /Impact and Engagement
- Connections that Count/Conexiones que Cuentan
- Contacto Servicios de Alcance
- Latino Outreach Services
- Community Bookshelf
- Reading In Color
- Senior Outreach Services
- Davidson K-8 School
- Prosperausa.org
- Davidson College Hispanic Community Program
- Charlotte Mecklenburg Library | Davidson Branch Library
- Davidson College CIVIC ENGAGEMENT
- Davidson Cornelius Child Development Center
- Eliminate the Digital Divide (E2D)
- DavidsonLearns.org

Public Notice outreach efforts included Fliers, Facebook, Twitter, LinkedIn

- Davidson Village Network
- Davidson Farmers Market
- Hopewell Baptist Church
- Davidson United Methodist Church
- Livable Meck
- North Harbor Club
- Main Street Books
- Milk Bread
- Summit Coffee
- Gethsemane Baptist Church
- Reeves Temple A.M.E. Zion Church
- St. Albans Episcopal Church
- Columbus Chapel A.M.E. Zion Church
- Concord /Harrisburg /Mooresville /Davidson NC Vendors
- Cornelius Today
- News of Davidson
- North Mecklenburg News
- The Patch
- QCity Metro
- Small Business Consortium

VI. UNC-Charlotte Housing Needs Assessment (2107) Update

The update to the 2017 UNC-Charlotte Urban Land Institute Report provided key insight into the Town of Davidson's demographics, real estate market, and housing affordability.

As of the most recent data available from the American Community Survey, the Town of Davidson has an older population with a median age of 37.2 years compared to 34.2 for the City of Charlotte. Davidson's percentage of white residents rose from 80% in 2014 to 86% in 2019. No other racial demographic saw a percentage increase. In terms of persons living where they work, only 9% of people who live in Davidson also work in Davidson. This was the lowest percentage of the peer group (which consisted of Davidson, Charlotte, Cornelius, Huntersville, and Mooresville). Davidson's median household income (\$124,853) is the highest of the peer group and is 48.3% higher than Charlotte's median household income.

Davidson's real estate market boasts a substantially higher median occupied home valuation (\$448,300) than the peer group. Recent data indicates that median single-family home sales over the last year reached \$575,000 in Davidson. Homes priced between \$463,000 and \$633,000 were the largest single segment of home sales. Of the 413 single-family sales transactions over the last year, only 28 were affordable at 50% to 80% of AMI (Area Median Income) between \$47,000 and \$75,000 per year.

Housing affordability is a prevalent issue in Davidson's rental market. Davidson's median rent over the last 180 days was \$2,180/month. Of the 49 rental transactions recorded in MLS (Multiple Listing Service), only 17 were affordable at 50% to 80% of AMI. 52.7% of rental households are paying more than 30% of their income to rent. In other words, more than half of the rental households in Davidson are considered unaffordable. The largest segment of renters in Davidson has incomes at 50% or below AMI. For example, a single person making 50% of AMI can reasonably afford a rent rate of \$825/monthly. A family of 4 making 50% of AMI can reasonably afford a rent rate of \$1,177/monthly. A family of 4 making 80% of AMI can reasonably afford a rent rate of \$1,883/monthly.

In 2019, 868 households in Davidson were technically unaffordable. That number is expected to reach 1,027 by 2026. When examining the projected need for affordable housing by AMI level, **more than half** of the anticipated need for renters (281 households) will be at the **lowest** AMI level. This means that the greatest need will be at the AMI level that will be the most difficult to address. The next largest segment for renters is in the 30% to 50% of AMI category. For homeowners, the two lowest AMI categories (below 30% and 30% to 50%) are expected to have identical needs in 2026 at 157 households.

Please refer to [Appendix B: UNC-Charlotte Update Supplemental Materials](#) for more data and to the [Appendix A: Glossary](#) for term definitions.

Area Median Income

The Department of Housing and Urban Development (HUD) calculates income limits (based upon median income) for its income eligible programs. In the discussion of area median income (AMI), it is important to understand how the income levels are defined. An equally important component is understanding which occupations are at the various levels of AMI.

Charlotte-Mecklenburg Income Limit Summary (FY 2022)								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Extremely Low (30%)	\$19,800	\$22,600	\$25,450	\$28,250	\$32,470	\$37,190	\$41,910	\$46,630
Very Low (50%)	\$33,000	\$37,700	\$42,400	\$47,100	\$50,900	\$54,650	\$58,450	\$62,200
Low (80%)	\$52,750	\$60,300	\$67,850	\$75,350	\$81,400	\$87,450	\$93,450	\$99,500
Middle (120%)	\$79,125	\$90,450	\$101,775	\$113,025	\$122,100	\$131,175	\$140,175	\$149,250

https://www.huduser.gov/portal/datasets/il.html#2022_data

*100% AMI for a single person is \$66,000 And a family of four is \$94,200

Methodology for Davidson Calculations

The calculation of the mortgage payment assumes a 30-year mortgage, 5.1% interest rate, and a 20% down payment. It should be noted that the median down payment is currently 12%, nationally. That figure falls to 6% for people between the ages of 22 to 30 years old.²

Occupations at AMI Levels

For important information about what types of jobs individuals who qualify at the various AMI levels, please see Appendix C [here](#).

30% to 50% of AMI (\$28,000 to \$47,000)

At 30% to 50% AMI for a family of four, households could afford a housing payment of \$1,178 per month. Anything beyond that price is considered unaffordable. In the 49 rental transactions recorded in MLS, only one was affordable at 30% to 50% of AMI. In addition, of the 413 single-family sales transactions, three were affordable at this AMI level. Occupations at the AMI 30% to 50% of AMI include:

- ❖ Medic Employee (EMT)
- ❖ Office Assistant
- ❖ Maintenance Tech (Town Public Works)
- ❖ Group Fitness Instructor
- ❖ Equipment Operator
- ❖ Firefighter

² Information available at: <https://www.nar.realtor/sites/default/files/documents/2021-home-buyers-and-sellers-generational-trends-03-16-2021.pdf>

Occupations at 50% to 80% of AMI (\$47,000 to \$75,000)

At 50% to 80% AMI for a family of four, households could afford a housing payment of \$1,875 per month. Anything beyond that price is considered unaffordable. In the 49 rental transactions recorded in MLS, 17 were affordable at 50% to 80% of AMI. In addition, of the 413 single-family sales transactions, 28 were affordable at this AMI level. Occupations at 50% to 80% of AMI include:

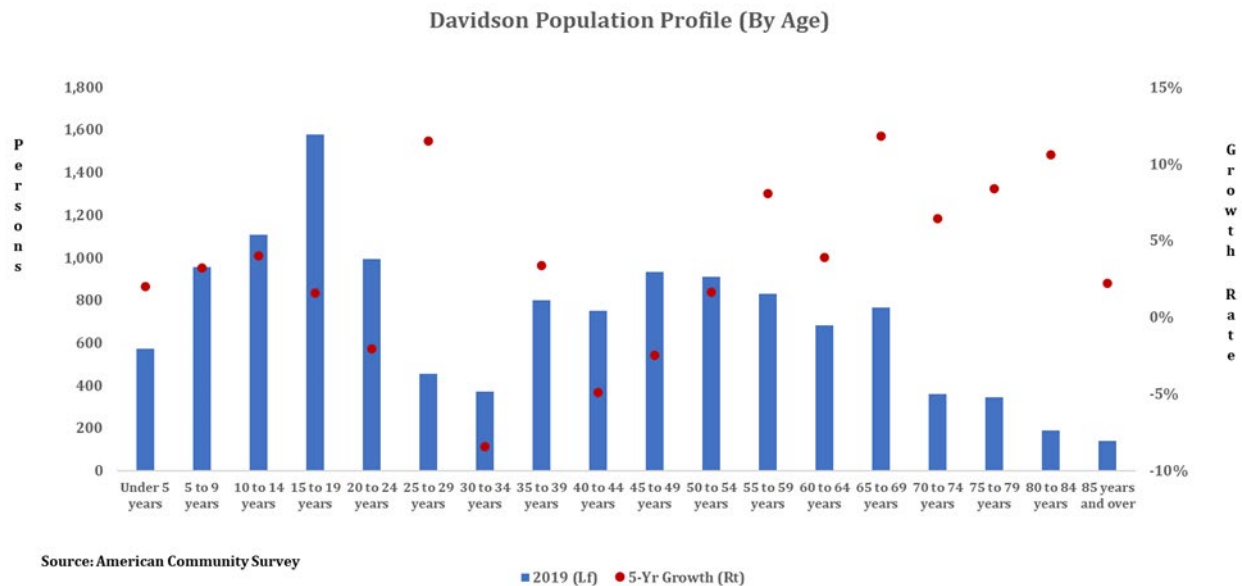
- ❖ Fire Captain
- ❖ Police Officer, Sergeant, Lt
- ❖ Parks and Rec Program Manager
- ❖ Financial Operations Supervisor
- ❖ Teacher
- ❖ Planner

Occupations at 80% to 120% of AMI (\$75,000 to \$113,000)

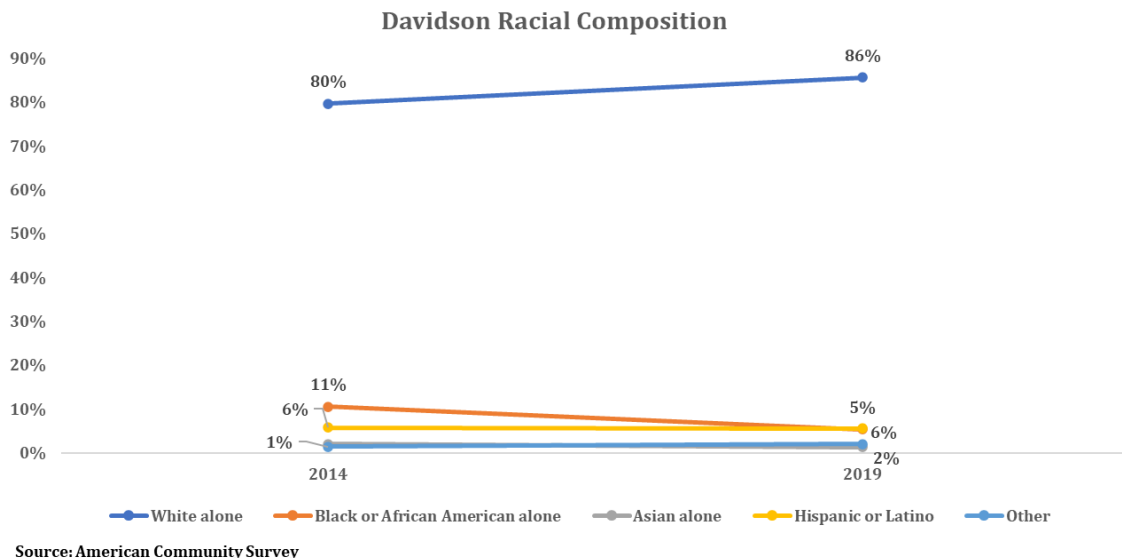
At 80% to 120% AMI for a family of four, households could afford a housing payment of \$2,825 per month. Anything beyond that price is technically unaffordable. In the 49 rental transactions recorded in MLS, 37 were affordable at 80% to 120% of AMI. In addition, of the 413 single-family sales transactions, 114 were affordable at this AMI level. Occupations at 80% to 120% of AMI include:

- ❖ Parks and Recreation Director
- ❖ Public Works Director
- ❖ Project Manager
- ❖ Planning Director
- ❖ HR Director
- ❖ Civil Engineer
- ❖ Professors
- ❖ Construction Manager

Area Demographics

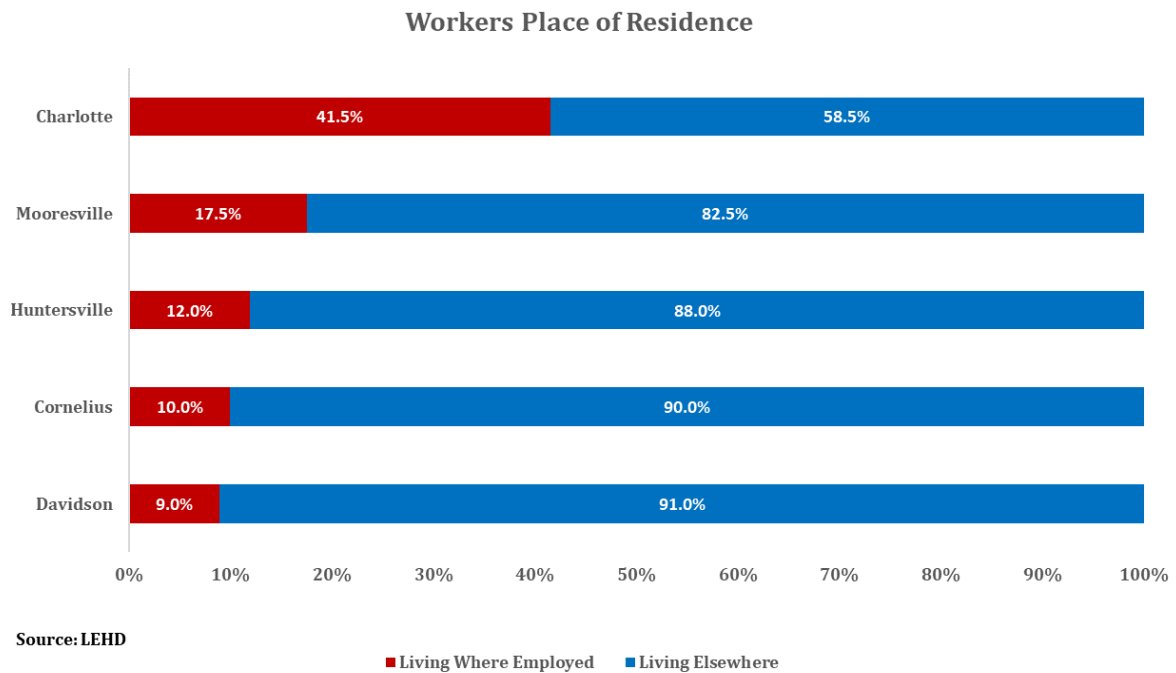


Davidson's largest population group is the 15- to 19-year-old age bracket. A smaller age group, the 25- to 29-year-olds was among the fastest-growing. The town also saw a contraction in some of the "prime working age brackets" over the last five years. Most notably, the 40- to 44-year-old and 45- to 49-year-old age brackets have both contracted considerably since 2014. The right side of this chart is also telling. Most of Davidson's fastest-growing age are in the older age brackets. Davidson's median age is 37.2 years old compared to 34.2 years for the City of Charlotte.

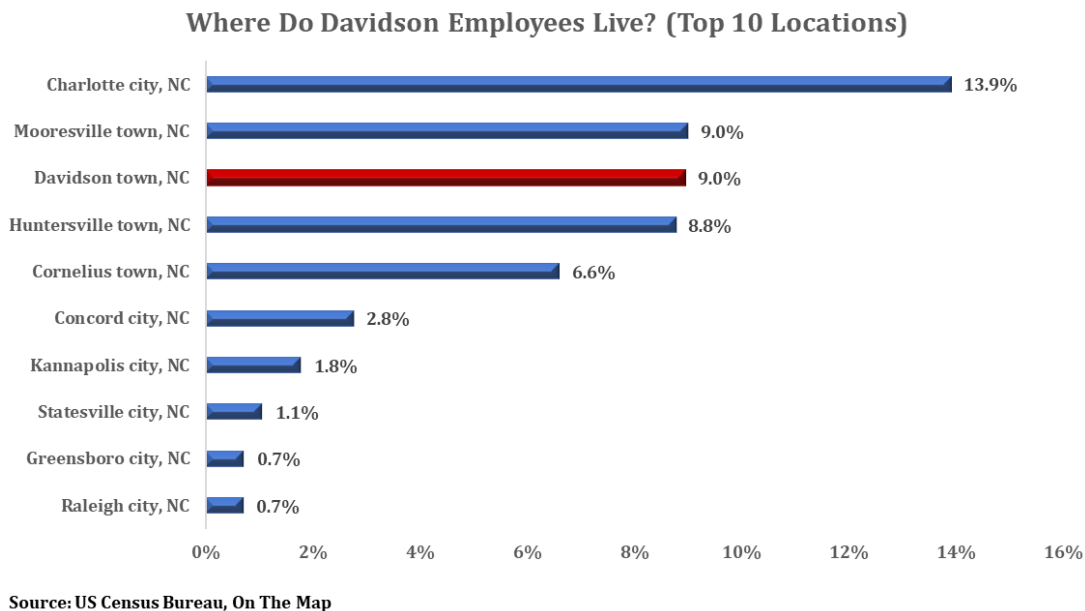


The population of Davidson is predominantly white. In the last five years, the town's composition of white residents increased from 80% to 86%. The percentage of Hispanic residents remained unchanged, and the percentage of Black residents fell dramatically from 10.5% to 5.4%.

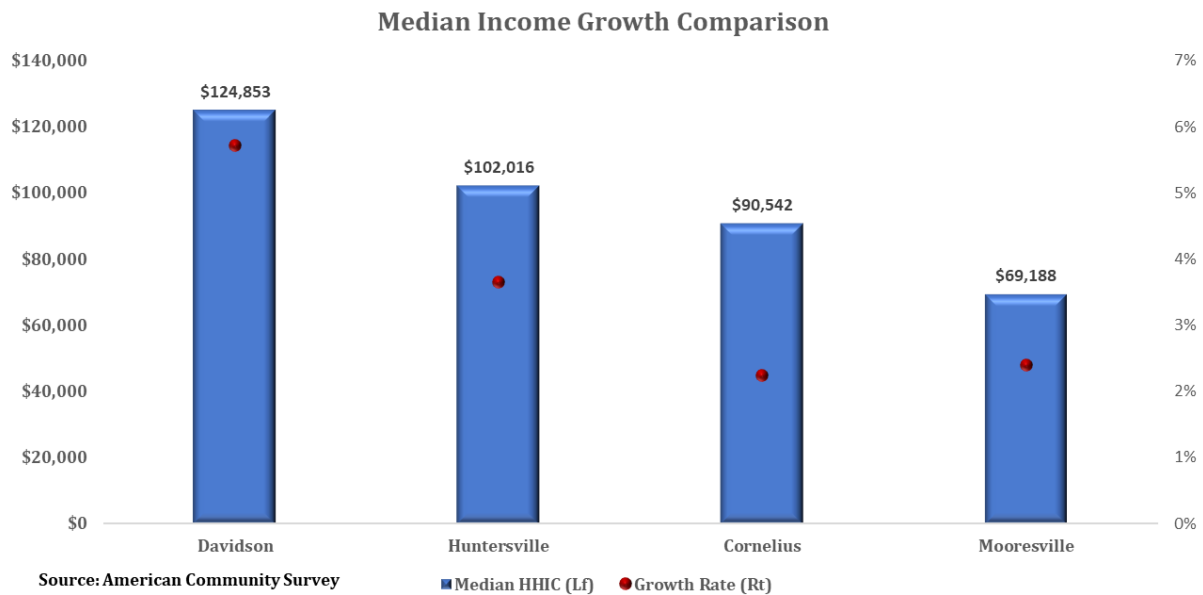
Commuting and Worker Residence



Davidson has the lowest percentage of people living where they are employed as compared to its peer group. While some of this dynamic could be driven by the lack of affordable housing, it is common to see this where smaller geographies are near a larger core city like Charlotte. Note that Mooresville has the highest number of workers living where they work relative to Davidson, Cornelius, or Huntersville. However, Mooresville is also the farthest away from Charlotte, which indicates that proximity (and commuting) likely influences this dynamic.



Income and Housing Cost



The Town of Davidson has the highest median household income of its peer group of Charlotte, Cornelius, Huntersville, and Mooresville. In fact, Davidson's household median income is 48.3% higher than Charlotte's area median income. Moreover, Davidson's household median income also has the highest 5-year compound annual growth rate (5.7%) of the comparison areas. According to data from the American Community Survey, 60.4% of Davidson households earn at least \$100,000 per year, while 40.6% of Davidson households earn less than \$100,000.

For more details about Household Income Decomposition, please see the chart in [Appendix B](#).

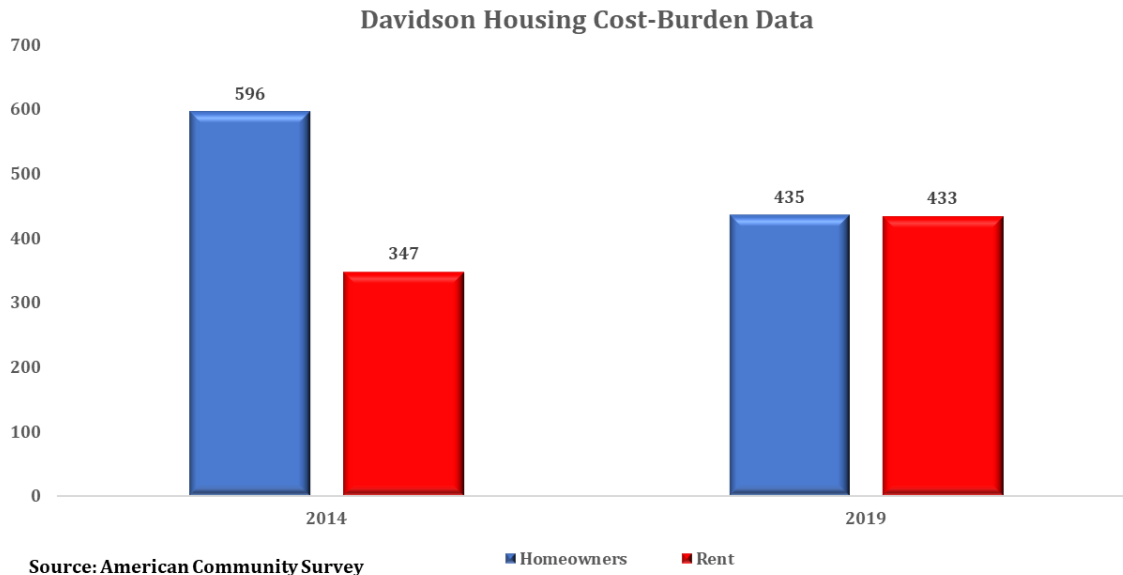
The Town of Davidson also finds itself in a challenging situation in terms of housing types, home valuation, gross rent paid, and more. Full information including charts and explanations may be found in [Appendix B](#).

Housing Cost-Burden

The following snapshot summarizes the dynamics of Davidson's real estate market as of April 8, 2022. Less than 7% of single-family homes are affordable at 80% of AMI.

Davidson Real Estate Conditions				
Property Type	Low	High	Median Price	Affordable at 80% AMI
Single-Family	\$123,000	\$2,800,000	\$575,000	6.8%
Multi-family	\$185,000	\$1,120,000	\$390,000	28.5%
Rental	\$925/Mo	\$4,500/Mo	\$2,180/Mo	34.7%

Source: Canopy MLS



The issue of housing affordability (illustrated by the graphic above) is more prevalent in the rental sector. In fact, the data in the graphic translates into 52.7% of rental households paying more than 30% of their income to rent. In other words, more than half of the rental households in Davidson are considered unaffordable.

Need for Affordable Housing

While a need for affordable housing is generally known and accepted within the Town of Davidson, there is a crucial question to determine the precise need based on this moment in time. Quantifying the need will play a direct role in decisions regarding zoning, strategy execution, and other factors.

The table below (Davidson Income and Housing Composition) is a calculation of the historical and projected need for affordable housing. This historical data comes from the American Community Survey (ACS). The historical ACS data shows the number of households that are paying more than 30% of their household income to housing. Generally, housing is considered affordable if a household does not spend more than 30% of their pre-tax gross annual income on rent and utilities. Based on the findings, 17% of households with a mortgage would be considered unaffordable. For rental units, the figure is even more striking, as 52.7% of rental households are paying more than 30% of their household income for housing, making it unaffordable for those residents. As a note, this figure refers to just a mortgage or rental payment as well, it does not include utilities. The total amount of utilities and rent combined is typically included in the recommended 30% threshold. Thus, with potentially even more than 17% and 52.7% of Davidson's residents currently living in a housing situation that is considered unaffordable, there is clearly a need for additional affordable housing in town.

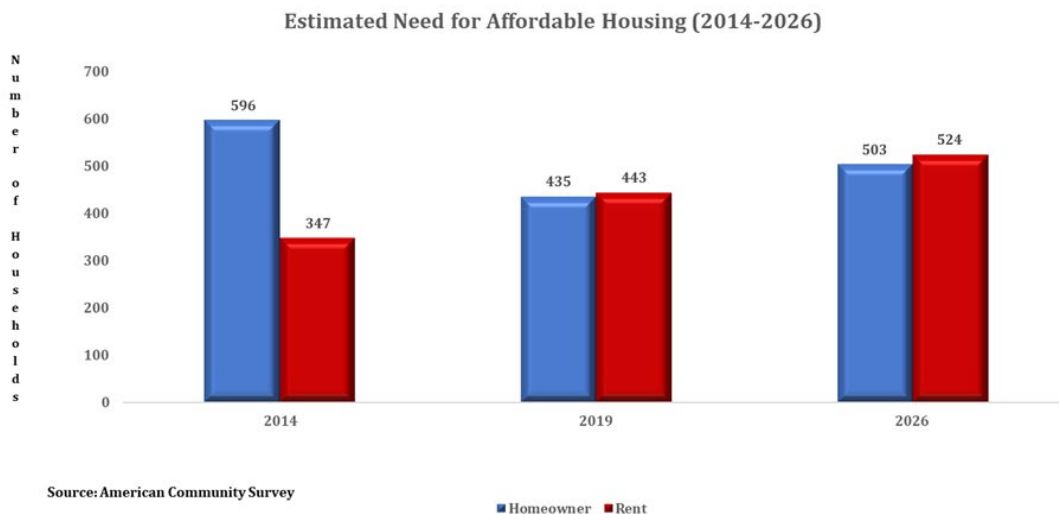
Davidson Income and Housing Composition		
Housing Units with a Mortgage		
Mortgage as a % of Income	No. of Households	% of Households
Less than 20.0 percent	1,554	60.9%
20.0 to 24.9 percent	386	15.1%
25.0 to 29.9 percent	178	7.0%
30.0 to 34.9 percent	88	3.4%
35.0 percent or more	347	13.6%
Rental Units		
Rent as a % of Income	No. of Households	% of Households
Less than 15.0 percent	154	18.3%
15.0 to 19.9 percent	153	18.2%
20.0 to 24.9 percent	61	7.3%
25.0 to 29.9 percent	29	3.5%
30.0 to 34.9 percent	94	11.2%
35.0 percent or more	349	41.5%

Source: American Community Survey

For this Needs Assessment, a forecast of Davidson households was utilized, and a trend analysis applied to the historical data to calculate the projected need for affordable housing units by occupancy type. The analysis indicates that the need for affordable housing will increase, but there are different dynamics in play for each property type.

For owner-occupied housing, the analysis indicates that the number of cost-burdened units will increase (435 in 2019 to 503 by 2026). For rental units, the analysis indicates that cost-burdened units will continue to rise (443 in 2019 to 524 by 2026). Rental units will continue to be the affordable units in highest need over owner-occupied properties, and the difference between the levels of need in each of these categories doubles by 2026.

The following chart illustrates the historic and estimated need for rental and owner-occupied affordable housing:

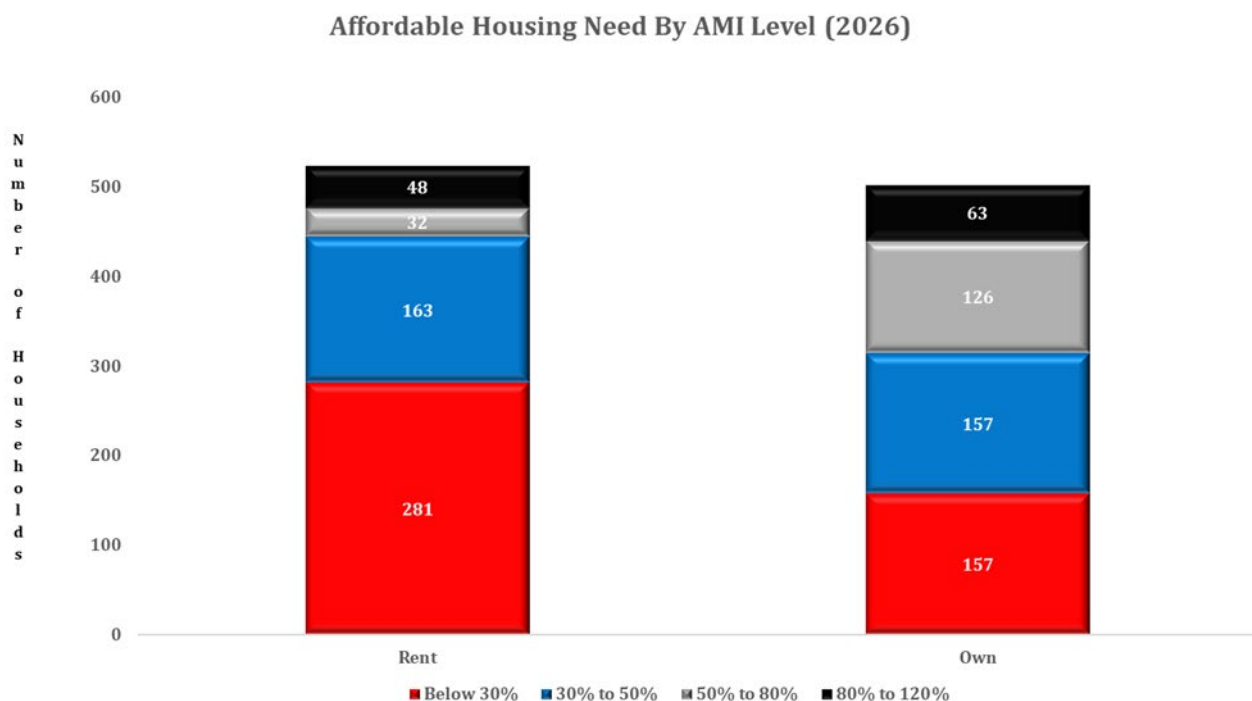


Gaining insight into the affordable housing need by AMI level will also be a key component in deciding what type of housing to build, as well as the strategies needed for the financial viability of the affordable housing real estate endeavor.

Of the 524 rental properties needed, it is estimated that over half of them may be needed by those whose household income places them in below 30% AMI. Nearly 30% of the projected rental need also falls in the 30-50% AMI level. Combined, this means that of the 524 rental properties that are estimated to be needed, nearly 85% of those should be for individuals and/or families whose household income falls under 50% AMI.

Of the 503 owner-occupied households projected to be required by 2026, the estimated need is largely balanced between the three lowest AMI ranges (Below 30%, 30%-50%, and 50%-80%), and the 80-120% AMI range need will sit at about half that of the others.

The following chart illustrates the projected need for affordable housing in 2026 by AMI level.



The data provided in this Needs Assessment will hopefully help guide strategies used and decisions made by the Town of Davidson to increase its housing affordability. With such a fast-moving real estate market, it is recommended that the data and projected needs are updated regularly to ensure the town is operating with the most accurate information. Additionally, it is important to note that although the data above provides the most up-to-date and carefully calculated projections, the project team also recognizes that town leaders must balance affordable housing needs with other town values, initiatives, and budget priorities.

VII. Live Davidson Survey Results

Introduction and Executive Summary

OnPointe worked with the town to develop a community survey concerning the topic of housing affordability. These survey results will help town officials gain insight into community sentiment, affordable housing metrics, and also actions that are desired by the community regarding addressing the affordable housing issue.

The survey was conducted over a 5-week period with significant outreach ahead of and during the survey. The survey was posted on the Town of Davidson's website, on flyers at various community locations (via a QR code), and also on multiple social media platforms. A total of 752 people took part in the survey. The survey was statistically significant at a 95% confident level with a 3% margin of error.

According to the survey, 36% of respondent households earned greater than \$150,000 per year. 83% of households earning between \$50,000 and \$75,000 indicated that housing affordability is "Very important". Results indicate that 52% of households earning between \$100,000 and \$150,000 housing affordability is "Very important". Of survey respondents 78.5% were white and 8.7% were black.

Sixty two percent of respondents had positive comments regarding housing affordability. These were the most mentioned positive words or sentiments: Afford/affordable (129 mentions), community (38 mentions), teachers (25 mentions), and reasonable (19 mentions). Sixteen percent of respondents had negative comments regarding affordable housing. These were the most mentioned negative comments: Crime (nine mentions), Section 8 (eight mentions), cheap (six mentions), subsidized (six mentions), and higher taxes (five mentions).

A total of 78.5% percent of survey respondents found Davidson to be unaffordable. While 74% of households making over \$100,000 per year say that Davidson is unaffordable, 3.9% of homeowners are housing cost burdened and 34% of renters are housing cost burdened.

Pursuing grants (420 selections) and public-private partnerships (400 selections) were the most popular measures to facilitate affordable housing. Townhomes (ranked first) and single-family homes (ranked second) were the most popular housing types for affordable housing.

To see the full list of survey questions and responses, please see [Appendix D](#). Data analysis is also available in [Appendix D](#) immediately following the survey results.

VIII. Interviews with Nonprofits and Developers

The project team identified several key stakeholders in town who are leaders in the nonprofit and development community. It would be critical to hear feedback from these important groups to be able to best offer creative solutions to ensure housing affordability in Davidson. The list of stakeholders is provided in [Appendix E](#).

Every individual and organization the team interviewed was in support of affordable housing in the Town of Davidson. The overall sentiment reflected a high interest in doing their part to make affordable housing efforts successful in Davidson.

Some common themes emerged from these conversations:

- Town staff not fully understanding the real estate development community and what it takes to get an affordable project completed
- The rising cost of housing and how it affects providing affordable housing
- Payment-in-lieu funds and how they are being currently used
- Payment-in-lieu funds policy not constructive as it stands
- Zoning constraints and the inability to make adjustments that would add to the profitability of a project.
- The belief that there are not enough funds available to support making a project successful for affordable housing
- Donation of town-owned land to reduce the overall cost of projects
- Continuing the old way of operation instead of looking for new solutions

The interviews and subsequent discussions led to several valuable suggestions, many of which have been incorporated into the Recommendations portion of this Needs Assessment.

IX. Property Analysis

Town staff identified eight properties for analysis by OnPointe as potential locations for affordable housing. The following information is not intended to be a direct recommendation to utilize these properties. Further analysis is needed, including the considerations listed below.

Development Constraints

The following must be completed on all properties to determine the exact number of affordable units that can be constructed on the property, in addition to unit mix and construction type.

Typically, this is a part of the development process.

- Survey
- Soil testing
- Architectural design
- Market analysis and financial feasibility

The following are zoning and construction restrictions from the Davidson Planning Ordinance (DPO) that may limit the number of units that can be developed on a specific property, thereby limiting the number of affordable units for a given project. Additionally, these restrictions vary from parcel to parcel.

- Lake Norman Watershed Overlay District
- Height restrictions
- Local Historic District
- Village Infill Overlay District
- Frontage requirements (i.e. street or pedestrian way)
- Open space requirements
- Alley requirements
- Building type requirements

The cost of housing construction and land acquisition is constantly rising. Based on current market conditions, it should be expected that these costs will continue to rise and present challenges for creating affordable housing. Currently, the average cost of construction is approximately \$145 per square foot. This amount is calculated based on a unit size of a 1,500 square foot home. This value does not consider land acquisition, legal, soft or rezoning costs. The Town of Davidson is one of the wealthiest municipalities in the State of North Carolina, which exacerbates the cost of developing affordable housing. It is expected that to have a diverse community, the need and burden of providing affordable housing is an even greater challenge for the Town of Davidson.

Analysis of Town-Owned Properties

The following properties were evaluated as sites for potential future affordable housing. The following presents findings from the analysis.

West Davidson Properties (202 and 144 Mock Rd.)

Parcels: 00323521, 00323511

Size: +/-0.385 ac.

Zoning: Village Infill Planning Area (VIP), Village Infill Overlay District (Red); Lake Norman Critical Watershed Overlay

Current Land Use: Two single-family homes

Built Environment Context: Single-family homes

Topography: Relatively flat



Source: Mecklenburg County, Polaris 3G

Findings: Townhome units (3-4) would maximize the affordable housing development potential on these parcels. No rezoning required.

Additional Considerations:

- Village Infill Overlay District (Red): 35' maximum height permitted
- Lake Norman Critical Watershed Built-Up Area (BUA) limits
- Maximum impervious: 24%; Maximum impervious if engineered stormwater used: 50%; Exceeding any of these amounts would require BUA (built-upon area) Averaging approval from the Watershed Review Board/Board of Adjustment
- Alley access required for townhomes if garages included
- Open space requirements (10%, of which 5% must be park/public space)
- Historic Designation: Both 202 and 144 Mock Rd are noncontributing to the National Register Historic District
- Potential future expansion of Local Historic District to this neighborhood
- Consideration of existing homes on this site, explore potential for moving and rehabilitating these structures

Development Process: Master Plan (DPO Section 14.6)

Consultants/Partners Required: Surveyor, Engineer, Builder/Developer

2. **Armour Street Theater Properties (N/A, 307 and 313 Armour Street)**

Parcels: 00327565, 00327507, 00327511

Size: +/-0.618 ac.

Zoning: Village Infill Planning Area (VIP), Lake Norman Critical Watershed Overlay

Current Land Use: Former church used as a community theater; informal gravel parking lot

Built Environment Context: Duplexes and single-family homes

Topography: Relatively flat



Source: Mecklenburg County, Polaris 3G

Findings: Townhomes and mixed-income development. Four new townhome units could be constructed for mixed-income buyers. Three new affordable housing units could be constructed inside the former church. No rezoning required.

Additional Considerations:

- Lake Norman Critical Watershed Built-Up Area (BUA) limits
- Maximum impervious: 24%; Maximum impervious if engineered stormwater used: 50%; Exceeding any of these amounts would require BUA (built-upon area) Averaging approval from the Watershed Review Board/Board of Adjustment
- Open space requirements (10%, of which 5% must be park/public space)
- Alley access required for townhomes if garages included
- Historic Designation: None, however the church building (ca 1960) is located adjacent to the existing National Register Historic District and could be considered for future inclusion
- Adaptive reuse of historic church building
- Davidson Community Players currently has a long-term lease with the town for use of the church building

Development Process: Master Plan (DPO Section 14.6)

Consultants/Partners Required: Surveyor, Engineer, Builder/Developer

3. New Town Hall Parcel and Adjacent Parcel (251 and 235 South Street)

Parcels: 00071319, 00701320

Size: +/-3.01 ac.

Zoning: Village Infill Planning Area (VIP), Village Infill Overlay District (Green)

Current Land Use: 251–Former school building and accessory gym; Currently under construction for new town hall and community center;

Built Environment Context: Single-family homes

Topography: Relatively flat with significant drop in elevation bisecting the site; topography falls off toward water course at far eastern border of site



Source: Mecklenburg County, Polaris 3G

Finding: Townhomes and mixed-income development could be appropriate here. Analysis suggests that 21 townhomes could be built on this site. Street frontage requirement could present challenges. Street or pedestrian way connecting Hillside Drive to Cathey Street would help facilitate maximizing affordable housing potential on this site. No rezoning required.

Additional Considerations:

- Village Infill Overlay District (Green): 32' maximum height permitted
- 235 South Street is not a town-owned parcel. It was included in this analysis as the current owner has expressed interest in using the parcel to support affordable housing
- Alley access required for townhomes if garages included
- Frontage requirement on street or pedestrian way
- Open space requirements (10%, of which 5% must be park/public space)
- Potential connection between Hillside Drive and Cathey Street
- Topography and Post-Construction buffer surrounding water course
- Historic Designation: Existing school (1948) and accessory gym (1937) are designated historic landmarks and are contributing to the National Register Historic District. Though not currently part of a local historic district, these parcels could be considered for future inclusion.

Development Process: Master Plan (DPO Section 14.6)

Consultants/Partners Required: Surveyor, Engineer, Builder/Developer, Owners of 235 South Street

4. **Pump House Properties (865 South Street)**

Parcels: 00704202A (Davidson), 00704202B and 00704205 (Cornelius)

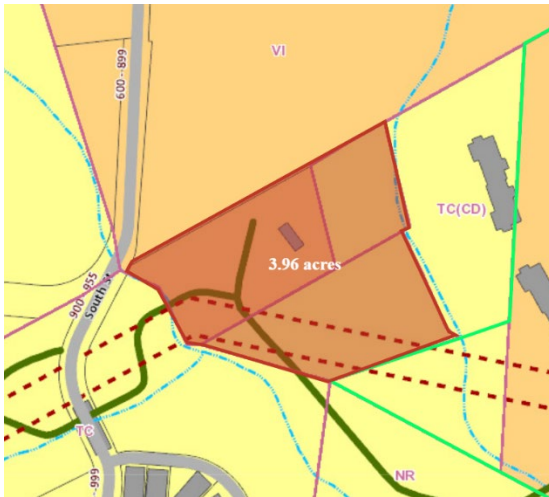
Size: +/-3.96 ac.

Zoning: Village Infill Planning Area (VIP) – Davidson; Town Center –Cornelius

Current Land Use: Former sewer pump station currently used as Town of Davidson Parks and Recreation offices

Built Environment Context: Davidson K-8 School, The Pines at Davidson (senior living retirement community; Kincaid Trail Greenway; power line easement; single-family homes (Cornelius)

Topography: Relatively flat; Parcel 007202B falls off toward water course



Source: Mecklenburg County, Polaris 3G

Findings: Townhomes and mixed-income development. Twenty-one townhomes could be constructed. No rezoning required but rectifying municipal boundaries with Cornelius is imperative.

Additional Considerations:

- Surface Water Improvement Management (SWIM) buffers surrounding water courses
- Open space requirements (10%, of which 5% must be park/public space)
- Alley access required for townhomes if garages included
- Access easement through Davidson K-8 School site
- Frontage requirement on public street or pedestrian way
- Historic Designation: None
- Consider adaptive reuse of Pump House building

Development Process: Master Plan (DPO Section 14.6)

Consultants/Partners Required: Surveyor, Engineer, Builder/Developer, Cornelius

5. **Potts-Sloan Properties (120 and 228 Sloan Street, N/A, 100 and 109 Potts Street)**

Parcels: 00325309, 0032510, 00325311, 00325313

Size: +/-1.79 ac.

Zoning: Village Infill Planning Area (VIP); Village Infill Overlay District (Red); Lake Norman Critical Watershed Overlay

Current Land Use: Mostly vacant; one vacant home

Built Environment Context: Single-family residential; Future Potts-Sloan-Beaty roadway

Topography: Sloped with stream through the middle of the site



Source: Mecklenburg County, Polaris 3G

Findings: This site presents a unique set of circumstances. The long-planned Potts-Sloan-Beaty roadway connector will bisect the site. Given this, it is recommended to wait until construction is completed before exploring development opportunities on this site. However, townhomes or single-family homes would be most appropriate here with newly found street frontage.

Additional Considerations:

- Alignment and construction of the Potts-Sloan-Beaty connector
- Village Infill Overlay District (Red): 35' maximum height permitted
- Lake Norman Critical Watershed Built-Up Area (BUA) limits
- Maximum impervious: 24%; Maximum impervious if engineered stormwater used: 50%; Exceeding any of these amounts would require BUA (built-upon area) Averaging approval from the Watershed Review Board/Board of Adjustment
- Open space requirements (10%, of which 5% must be park/public space)
- Post-Construction buffers surrounding water courses
- Alley access required for townhomes (if garages included) or single-family homes on lots 60' wide or less
- Frontage requirement on public street or pedestrian way
- Historic Designation: 228 Sloan St is noncontributing to National Register Historic District due to heavy alteration. Though not currently part of a local historic district, these parcels could be considered for future inclusion.
- Rehabilitation of a portion of the Torrence House

Development Process: Master Plan (DPO Section 14.6)

Consultants/Partners Required: Surveyor, Engineer, Builder/Developer

6. **Public Works Parcels (206 Potts Street, 213 Gamble Street, N/A, and 215 Crane Street)**

Parcels: 00325221, 00325220, 00325222, 00325213

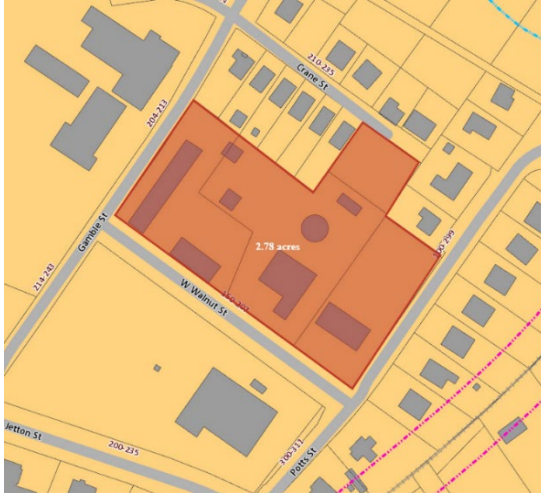
Size: +/-1.79 ac.

Zoning: Village Infill Planning Area (VIP); Lake Norman Critical Watershed Overlay

Current Land Use: Former and existing Public Works Department offices and facilities

Built Environment Context: Single-family residential; Ada Jenkins Center; AT&T building

Topography: Flat



Source: Mecklenburg County, Polaris 3G

Findings: The long-planned Potts-Sloan-Beaty roadway connector would flank the eastern border of the site. Additionally, the Public Works Department would need to be relocated. However, 26 townhomes would be most appropriate here. Single-family homes would be appropriate on Crane Street.

Additional Considerations:

- Alignment and construction of the Potts-Sloan-Beaty connector
- Surrounded by Village Infill Overlay District (Red): 35' maximum height permitted
- Lake Norman Critical Watershed Built-Up Area (BUA) limits
- Maximum impervious: 24%; Maximum impervious if engineered stormwater used: 50%; Exceeding any of these amounts would require BUA (built-upon area) Averaging approval from the Watershed Review Board/Board of Adjustment
- Alley access required for townhomes (if garages included) or single-family homes on lots 60' wide or less
- Open space requirements (10%, of which 5% must be park/public space)
- Relocation of Public Works Department (estimated \$7.9 million)
- Historic Designation: Buildings associated with the Davidson Water Treatment Plant Complex are contributing to the National Register Historic District. This includes the main office (ca. 1948), water tower (ca. 1948), and water treatment tank (ca. 1948).
- Costs associated with site remediation and consider adaptive reuse of main water plant building

Development Process: Master Plan (DPO Section 14.6)

Consultants/Partners Required: Surveyor, Engineer, Soil Testers (Phase 1), Builder/Developer

7. **Town Center Properties [A] (Multiple Parcels with No Physical Address)**

Parcels: 00325807, 00325823, 00325817, 00325834, 00325822, 00325826, 00325827, 00325809

Size: +/-1.48 ac.

Zoning: Village Center (VC) and Village Commerce (VCOMM) Planning Areas; Lake Norman Critical Watershed Overlay; Local Historic District

Current Land Use: Existing public parking, tot lot playground, Downtown Gathering Space

Built Environment Context: Downtown commercial district; Town Hall

Topography: Gently sloping towards Jackson Street



Source: Mecklenburg County, Polaris 3G

Findings: A multi-story, mixed-income apartment building could be constructed on parcels facing Jackson Street using built-upon-area averaging to secure additional impervious allocation. Four-story storefront buildings are permitted in the Village Commerce Planning Area fronting Jackson Street. Approximately 45 apartment units could be accommodated in a four-story building.

Additional Considerations:

- Reconfigure downtown public parking
- Recent public infrastructure project: Downtown Gathering Space
- Historic Designation: Located in both the National Register and Local Historic Districts. Construction in the Local Historic District requires a Certificate of Appropriateness (COA) from the Historic Preservation Commission (HPC)
- Lake Norman Critical Watershed Built-Upon Area (BUA) limits
- Maximum impervious: 24%; Maximum impervious if engineered stormwater used: 50%; Exceeding any of these amounts would require BUA (built-upon area) Averaging approval from the Watershed Review Board/Board of Adjustment
- Open space requirements (5%, of which 5% must be park/public space)
- Storefront building requirements (i.e. transparency)

Development Process: Individual Building (DPO Section 14.9)

Consultants/Partners Required: Surveyor, Engineer, Builder, Historic Preservation Commission

8. Town Center Properties [B] (111 N. Main Street, NA, 156 Jackson Street)

Parcels: 00325705, 00325726, 00325725

Size: +/-0.70 ac.

Zoning: Village Center (VC) and Village Commerce (VCOMM) Planning Areas; Lake Norman Critical Watershed Overlay; Local Historic District

Current Land Use: Existing Post Office Plaza with public art; public parking

Built Environment Context: Downtown commercial district

Topography: Flat



Source: Mecklenburg County, Polaris 3G

Findings: A multi-story apartment building could be constructed on parcels facing Jackson Street using built-upon-area averaging to secure additional impervious allocation. Four-story storefront buildings are permitted in the Village Commerce Planning Area fronting Jackson Street. Approximately 20 apartment units could be accommodated in a four-story building.

Additional Considerations:

- Reconfigure downtown public parking
- Historic Designation: Located in both the National Register and Local Historic Districts. Construction in the Local Historic District requires a Certificate of Appropriateness (COA) from the Historic Preservation Commission (HPC)
- Lake Norman Critical Watershed Built-Up Area (BUA) limits
- Maximum impervious: 24%; Maximum impervious if engineered stormwater used: 50%; Exceeding any of these amounts would require BUA (built-upon area) Averaging approval from the Watershed Review Board/Board of Adjustment
- Open space requirements (5%, of which 5% must be park/public space)
- Storefront building requirements (i.e. transparency)

Development Process: Individual Building (DPO Section 14.9)

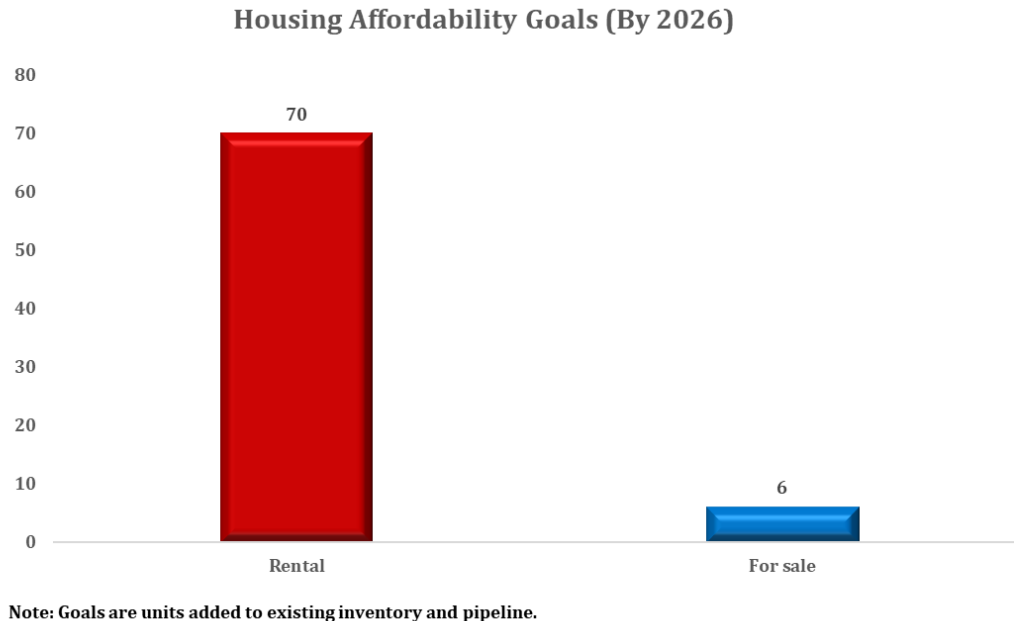
Consultants/Partners Required: Surveyor, Engineer, Builder, Historic Preservation Commission

X. Recommendations

This Needs Assessment is intended to be a guide for the Town of Davidson in setting the direction for the town's Affordable Housing efforts. The Needs Assessment intends to offer goals for the town to look toward in the future, based on the current data and trends, as well as recommendations that can help inform how the town can achieve more housing affordability for its residents. This section highlights specific goals based upon current data, public feedback, and market trends. Funding options and policy recommendations are also included as a means to achieve increased housing affordability for current and future Davidson residents.

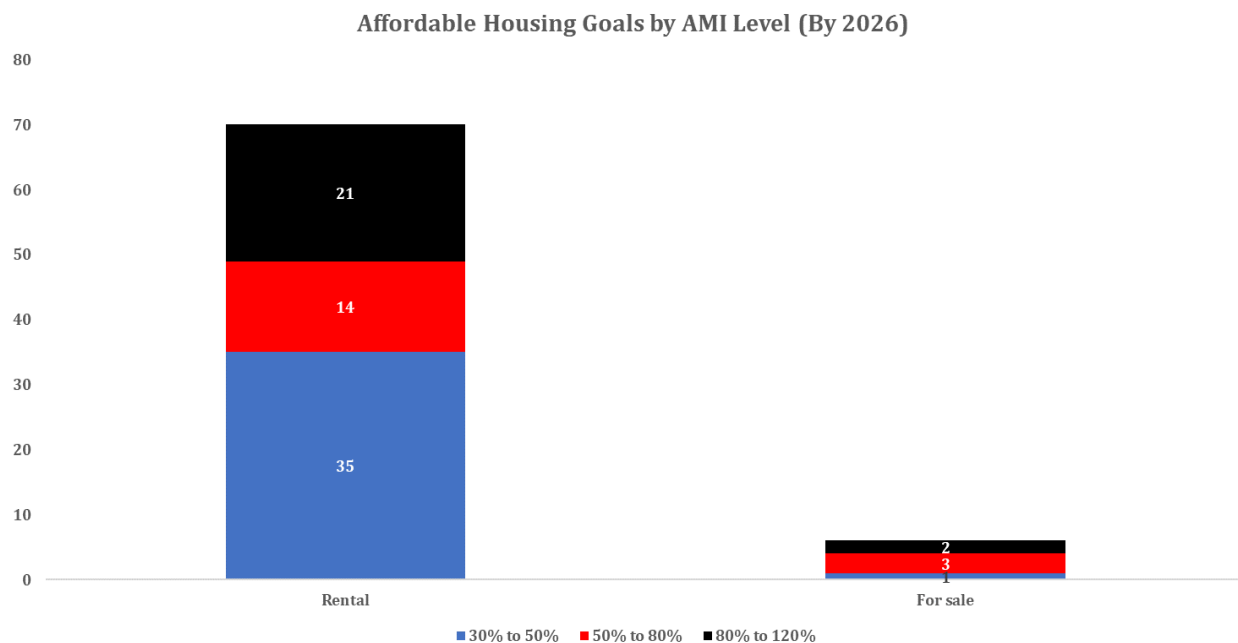
Goals: For sale and rental units

While projected need for affordable units is one thing, realistic goals for affordable housing must be established. Based on Davidson's current affordable housing ordinance, 12.5% of new households would be affordable. The graphic below details the goals for affordable housing in Davidson. Note that the figures are slanted heavily towards rental units. This is because a) the data indicates that housing affordability is more of an issue in the rental market and b) land cost, cost-to-build, and the single-family sales market suggest that opportunities to execute affordable housing for sale will be sparse with a higher degree of difficulty.



The breakdown of units by AMI is driven by the statistics from the American Community Survey and the results from the LiveDavidson Affordable Housing Survey. For example, according to the LiveDavidson Survey, of renters who were cost burdened, 60% were in households earning between 30% to 50% of AMI. Consequently, OnPointe Partners crafted the affordable housing goals for

renters to match the demand metrics from the survey results. For the for-sale segment, OnPointe's analysis had to account for external factors that will make addressing the most cost-burdened segment difficult. While the 30% to 50% of AMI segment of homeowners had the most cost-burdened households, as previously stated, external market factors will provide few opportunities for addressing for sale units. Moreover, addressing the lower AMI level adds an additional degree of difficulty. Recommendations regarding the for-sale market address the need while taking into account making the goal realistic and achievable.



Funding Options

Meeting projected need will only be possible if the town is able to secure funding to support its vision of housing affordability. The following resources present several options that may help provide funding for various aspects of the affordable housing initiatives in Davidson.

Town Funding Options:

- Housing Bonds
 - Municipal Housing Bonds can provide a great solution for funding affordable housing. There are North Carolina legislative requirements that must be met that include voter approval.
- Grants
 - NC Housing Finance Agency Home Rehab Program is a great option for homeowners with income below 80% AMI. While this option may only be available for a limited number of residents, it is an option for the few that may meet this requirement.
- Tax Credits
 - Low Income Housing Tax Credits (LIHTC) are managed by the NCHFA through an extremely competitive bid process managed by the North Carolina Housing Finance Agency. Projects that are targeted to the neediest in the community (below 40% AMI) tend to be awarded the credits. The competitiveness of the process limits participation of the organizations that target projects above 60% AMI.
- Tax Revenue
 - Options include allocating dollars in the town's general fund, increasing ad valorem taxes (for example, in Davidson, a one penny increase in ad valorem taxes equals roughly \$300,000 per year).
- Housing Trust Fund and Land Trust
 - Allocate a set amount of funds and/or properties to be utilized in support of Affordable Housing projects. Possibility to use American Rescue Plan Act dollars as seed money to kickstart trust and help pave way forward.
- Community Reinvestment Act
 - There are also opportunities available through financial institutions that can utilize community reinvestment act (CRA) programs for funding.

Non-profit Funding Options:

- Subsidies
 - Housing Choice Vouchers (Section 8) are administered by US Housing Urban Development (HUD) and managed locally by Inlivan. These vouchers assist very low-income families, the elderly, and the disabled.
- Federal Home Loan Bank of Atlanta
 - The FHB annually offers an affordable housing grant program for housing developers. The funds can be used for acquisition, new construction, rehabilitation, or preservation with the program usually opening in the first quarter of each year.

Strategies to address affordable housing

The town should utilize the findings provided to decide on a path forward that addresses Davidson's specific housing affordability needs. This report is not a blueprint or an exact formula with all the answers. Addressing the growing needs for affordable housing in Davidson will require a multi-layered approach with several strategies. Developing and implementing specific solutions will take effort, time, and partnerships. The most impactful opportunities that are the easiest and quickest to implement should be prioritized.

The list of findings/solutions below includes important next steps to advance Davidson's Affordable Housing efforts. This list is in no particular order.

1. Reaffirm the Role of the Housing and Equity Board (HEB) and Establish an Implementation Strategy

- The Affordable Housing and Equity Board Role includes but is not limited to:
 - Developing specific AMI housing unit goals and objectives based on the identified needs.
 - Prioritizing and developing an implementation strategy under the affordable housing needs assessment.
 - Developing a budget for affordable housing programs, projects, and capacity
 - Addressing current opportunities within the affordable housing needs assessment using a wholistic approach including but not limited to zoning adjustments, funding options, and architectural design.
 - Addressing how to make projects more inclusive of affordable housing.
 - Leveraging nonprofits and support their programming related to financial capability, anti-eviction, homelessness prevention and homebuyer education.
 - Guiding developers to programs that will financially assist them.
 - Always apply a best practices lens
- The Affordable Housing and Equity Board must consistently engage with stakeholders across the community to ensure solid communication about affordable housing potential projects and collaboration opportunities. Stakeholder group should include the following
 - Town Staff (Planning & Economic Development)
 - Town Commissioners
 - Housing and Equity Board Members
 - Charlotte Water and Mecklenburg County Storm Water Services
 - Town Residents
 - Davidson Business Owners
 - Davidson College Representatives
 - Nonprofit Developers
 - For-Profit Developers
 - Places of Worship

2. Review current Affordable Housing Ordinance

- Review existing zoning ordinances that directly affect affordable housing and consider recommending revisions if necessary. Explore all options that will maximize affordable housing including zoning adjustments.

3. Establish recurring funding source(s) for Town of Davidson Affordable Housing Fund

- Explore potential streams of revenue to consistently contribute to the development of guaranteed permanent affordable housing.
- Allocate recurring dollars toward the town's housing fund. This not only demonstrates a commitment to affordable housing, it also adds a layer of accountability and should generate interest for developers and nonprofits looking to make more of an impact in Davidson.
- Potential funding sources to generate revenue for projects include tax revenue, voter-approved housing bonds, or non-profit and foundation funding. There are also opportunities available through financial institutions that can utilize community reinvestment act (CRA) programs for funding.

4. Explore ways to utilize and maximize existing inventory.

- Enforce affordability restrictions and consistently monitor existing inventory provided by the inclusionary zoning (IZ) ordinance. Ensuring on-going compliance maintains the integrity of the program.
- Critical Home Repair
 - One of the quickest methods to impact affordable housing is to commit funds to older existing properties in need of repairs that in turn may be transitioned to affordable housing by potentially adding affordability covenants for a specified period of time.
 - Repairs will preserve naturally occurring affordable housing and help ensure affordability and neighborhood integrity for future generations.
 - One-time minor repairs have great potential to create long term resident stability, stable or increased value, and neighborhood pride. Repairs often equal long-term sustainability and neighborhood revitalization. Quality housing leads to a quality neighborhood.
 - The Town is currently participating in a pilot program with Davidson Housing Coalition, Habitat for Humanity, and Davidson Community Foundation.

- Redevelop Existing Multi-Family Units
 - Work with non-profit partners to explore and implement a program to contribute to the redevelopment of existing multifamily housing, including duplexes and triplexes.
 - The owner of existing units could apply for assistance from the town as a tradeoff for making units affordable. This strategy is opportunistic: as properties age, there may be a window of opportunity to secure and preserve the home as affordable. Develop a plan for when opportunities arise, as there will be a need to move quickly.

5. Implement a rental subsidy program targeting existing rental and investment properties.

This is the most significant tool available to address the identified affordability needs in the quickest manner. The town should work to develop funding partners and sources and consider a community-driven and community-supported affordable living fundraising effort to help fund this program.

This program could benefit a resident directly, support the developer/owner, and accomplish a goal of providing housing for the Town of Davidson. It would allow the developer or nonprofit housing provider to underwrite their proforma (financial feasibility study) that must be provided to the bank for project approval. It would also allow renters, the most cost burdened in the community, to have many housing options to choose from, as this subsidy would not be tied to any individual property. Finally, this option mitigates the risk to the municipality.

The town should consider partnering with a non-profit to administrator to implement this program. Requirements could be established by Davidson Housing Coalition, Housing and Equity Board, and Town Staff, and would include but not be limited by the following:

- Potential Tenant would have to qualify based on household income and size
- Landlord would have to agree to accept rent paid directly from the program
- Landlord would agree to keep housing to a certain standard requirement established by town staff.
- Landlord would agree to arrangement for minimum set time.

6. Develop a Land Acquisition Strategy

Given the current context of gentrification and displacement pressures, rising land costs in the area, and the more recent practice of corporations purchasing available homes and property, it is becoming more apparent that the town should work to acquire land as soon as possible that can potentially be used for affordable housing projects.

- Acquire more land for development for donation to public/private partnerships, particularly as the cost of land continues to increase. A deed restriction will allow for long-term affordability.
- Acquiring existing houses to avoid falling into private hands for demolition/redevelopment.
- Encourage land donation by dedicated residents, businesses, and other town partners, including planned gifts. The donated land can reduce the cost of development which in turn can allow for additional units in a project.
- Use town land for Built-upon Area (BUA) averaging for affordable housing projects.
- Seek and apply for grant opportunities that would provide funds for property acquisition.
- Acquire land through tax delinquency.

7. Increase Number of New and Diverse Affordable Housing Units

- Identify and build strong partnerships with developers who have a mission to provide sustainable affordable housing for a variety of family sizes and types.
- Further research the need for housing for the populations with the greatest need including seniors.
- Fund planned, shovel-ready, affordable housing projects. The faster existing developments can get to market will in turn help reduce or offset costs in a rising market. The life cycle for affordable projects can be extensive, so collaborating with developers on projects that have been entitled are great opportunities for inclusiveness of affordable housing. Those opportunities can occur in various ways. However, funding housing projects that are already approved and further along in the planning stages are excellent ways to get great impact within communities.

7. Develop an Affordable Housing Education and Communication Strategy

- Marketing properties (rental and for purchase)
- Homebuyer education
- Critical repairs
- Lunch and learn
- Video about program (stigma, who is it for, etc.)
- Developers, Builders, Lenders, Real Estate Agents
- Continue to enhance communications that clearly highlight the affordable housing program on the Town of Davidson's website.
- Community event/summit

XI. Final Remarks

Since the 1990s, the Town of Davidson has worked hard to keep housing affordability a focus of the community's work. It was clear during the time the project team spent in Davidson that this issue is very important and close to the hearts of many who live in, work in, and serve the town. While there are many challenges ahead to achieving the goal of affordable living for all residents, Davidson is well-positioned to capitalize on decades of work by the town and its partners and build upon that powerful legacy by taking more steps forward in the coming years.

This Needs Assessment took a thorough look at affordable housing in Davidson and offered findings and recommendations informed by real data. We greatly appreciate the high levels of engagement we received from town residents, key stakeholders, town staff, advisory boards, and elected officials, and trust this community will take the innovative and bold action needed to create a better future for everyone.

Appendix A: Glossary

Affordable Housing: Generally, housing is considered affordable if a household does not spend more than 30% of their pre-tax gross annual income on rent and utilities.

Affordable Housing Ordinance/Inclusionary Housing: In an effort to address housing affordability, Davidson's Planning Ordinance³ encourages the production of affordable housing by requiring 12.5% of homes in all new developments to be affordable. The program has been in place since 2001 and currently has an inventory of 262 affordable housing units in the Town of Davidson. Some of the goals of the Davidson Affordable Housing Ordinance is that affordable housing units are dispersed throughout the town, that affordable housing is complementary to the neighborhood, and that it is supported by transportation facilities (to make this more viable to low-income occupants).

Another distinctive feature of Davidson's affordable housing ordinance is payment in lieu (PIL). The ordinance allows for developers/applicants may make a cash payment in lieu of providing some or all of the required affordable housing units. The Town uses the funds for affordable housing activities including the acquisition of land for, or the construction and marketing of, affordable dwelling units.

Apartment: An apartment is a rented residential unit that is part of one (or several) residential buildings, or a separate dwelling in a home. There is typically one owner or management company for all the units who does all the maintenance and upkeep.

Area Median Family Income (AMI): The U.S. Department of Housing and Urban Development estimates the median family income for an area in the current year and adjusts that amount for different family sizes so that incomes may be expressed as a percentage of the area median income.

Condominium: A condominium, called "condo" for short, is a privately-owned individual unit within a community of other units. Condo owners jointly own shared common areas, such as pools, garages, elevators and outside hallways and gyms, to name a few.

Extremely Low-Income: A household's annual income is less than 30% of the area median income.

Fair Market Rent (FMR): According to federal housing regulations, Fair Market Rent (FMR) means the rent that would be required to be paid in the particular housing market area in order to obtain privately owned, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. The FMR includes utilities (except telephone). Separate FMRs are established by the U.S. Department of Housing and Urban Development for dwelling units of varying sizes (number of bedrooms).

³ The ordinance can be referenced at: <https://www.townofdavidson.org/DocumentCenter/View/8077/Section-5-Affordable-Housing-20170711?bidId=>

Histogram: A histogram is a chart that shows frequencies for intervals of values of a metric variable.

Housing Cost Burdened: If a household spends more than 30% of their pre-tax gross annual income on rent and utilities, then they are considered housing cost burdened. If a household spends more than 50% of their gross income on rent and utilities, then they are considered extremely housing cost burdened.

Inclusionary Housing: Please see *Affordable Housing Ordinance*, in glossary above.

Multifamily Housing: A multi-family home is a single building that's set up to accommodate more than one family living separately. That can range from a duplex, which has two dwellings within a single building, to homes or small apartment buildings with up to four units.

Ranch home: A ranch home is a house that is a single-story home that typically features an open floor plan.

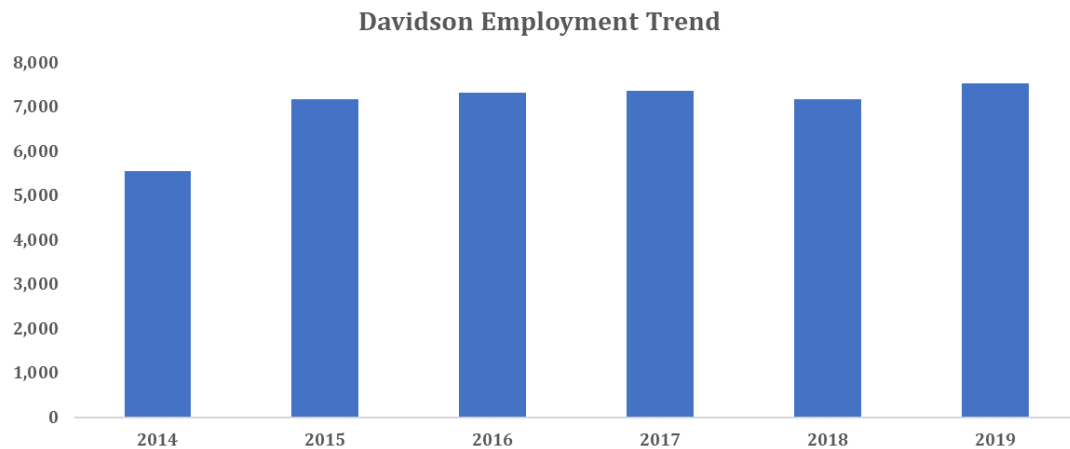
Single-family two-story housing: A single-family home is an independent residential structure that sits on its own land and is designed to be used as a single dwelling unit. In the case of single-family two-story housing, the structure contains a second level.

Townhouse: A townhouse is a single-family home with at least two floors that share a wall with another house.

Appendix B: UNC-Charlotte Update

Supplementary Materials

Employment and Industry



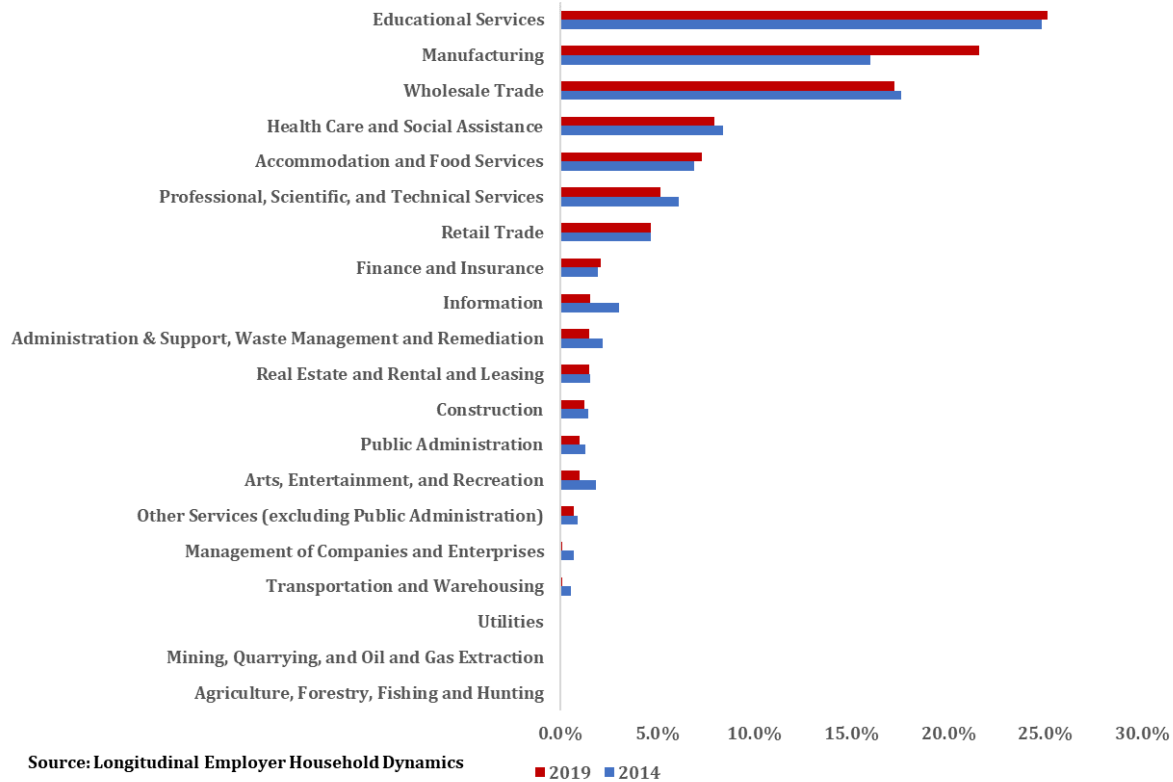
Source: Longitudinal Employer Household Dynamics

Total employment in the Town of Davidson rose sharply in 2015 but has seen more moderate growth between 2015 and 2022. Like the rest of the country, Davidson has seen its labor market tighten over the last several years. Davidson's unemployment rate was 6.9% in 2014. That figure dropped to just 2.8% in 2019. Some of the effects of a tight labor market are constrained employment growth and workers becoming more apt to leave a job due to a labor market that favors jobseekers. The tightened labor market likely played a role in Davidson's muted employment growth starting in 2016.

Davidson Largest Employers	
Employer	No. of Employees
Trane	1,600
MSC Industrial Direct	750
Davidson College	600

Davidson's three largest employers comprise 39% of the town's employment. The Town of Davidson is home to Trane's corporate headquarters and the company has a 5-building campus in the town. MSC Industrial Direct is a Fortune 1000 company in the industrial equipment distribution space. Davidson College was established in 1837 and is an integral part of the town's identity.

Industry Share of Davidson Labor Market (Percentage)



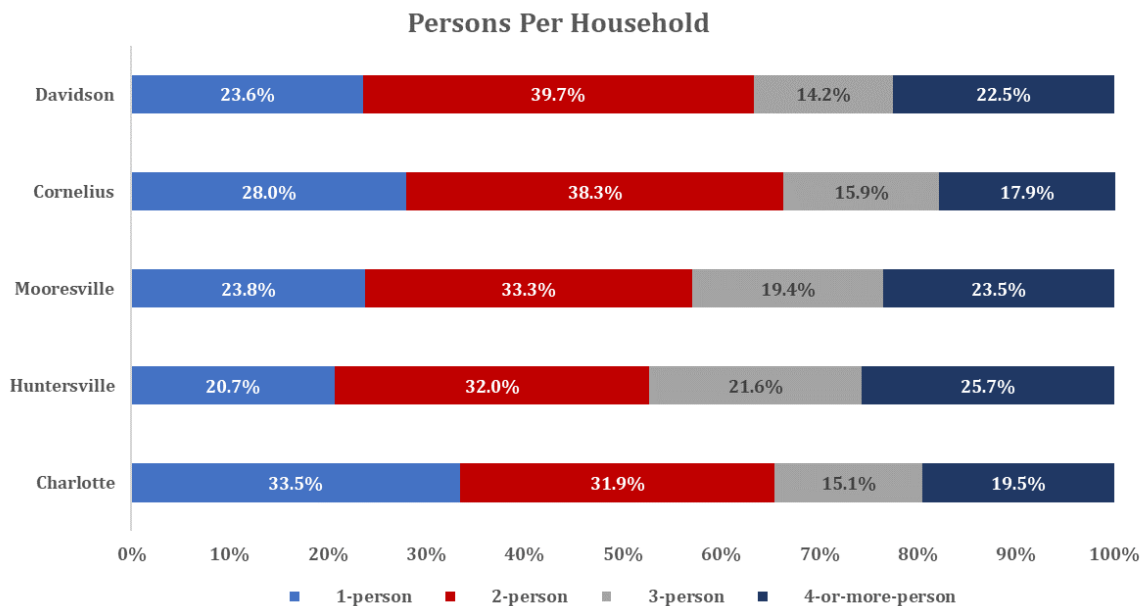
The above chart illustrates which industries have seen the most growth over the last five years. Manufacturing (742 jobs), educational services (514 jobs), and wholesale (323 jobs) were the industries that gained the most jobs since 2014. On the other end of the spectrum, information (-51 jobs), management of companies and enterprises (-32 jobs), and arts, entertainment, and recreation (-27 jobs) experienced the most job losses over the period.

Income and Housing

Income

Household Income Decomposition (2019)					
	Charlotte	Cornelius	Davidson	Huntersville	Mooreville
Less than \$10,000	5.2%	5.1%	2.0%	2.0%	4.9%
\$10,000 to \$14,999	3.4%	2.4%	1.6%	1.9%	3.5%
\$15,000 to \$24,999	7.9%	6.3%	3.5%	4.6%	7.6%
\$25,000 to \$34,999	9.7%	4.9%	3.2%	5.3%	8.2%
\$35,000 to \$49,999	13.3%	8.4%	9.6%	7.7%	11.7%
\$50,000 to \$74,999	17.9%	14.6%	12.5%	14.6%	19.6%
\$75,000 to \$99,999	12.5%	11.7%	7.1%	12.8%	12.7%
\$100,000 to \$149,999	14.6%	19.9%	18.7%	23.0%	18.1%
\$150,000 to \$199,999	6.5%	10.5%	11.0%	12.1%	8.1%
\$200,000 or more	9.0%	16.3%	30.7%	16.0%	5.5%
Median income (dollars)	\$62,817	\$90,542	\$124,853	\$102,016	\$69,188
Median Income Growth	3.4%	2.2%	5.7%	3.7%	2.4%

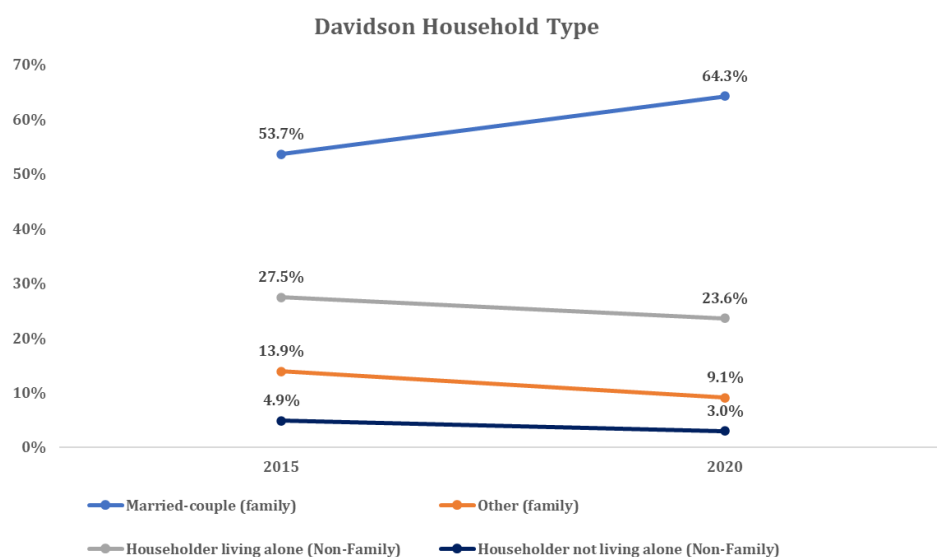
Housing



Source: US Census Bureau

Most Davidson households are 2-person households (39.7%). This is also the highest percentage of 2-person households among the peer comparison group. The chart below shows that married

households have seen a substantial increase over the last five years in Davidson. All other household types have decreased as a percentage of total households over the five-year period.



Source: American Community Survey

The owner-occupied and rental real estate markets in Davidson provide color and insight into the housing affordability dynamic. From 2014 to 2019, occupied home valuations have increased by 3.4% annually in Davidson. This is the lowest growth rate of the peer cities. Davidson also has the highest median home price valuation.

Occupied Home Valuations (2019)					
	Charlotte	Cornelius	Davidson	Huntersville	Mooresville
Less than \$50,000	2.1%	1.0%	1.1%	1.6%	2.4%
\$50,000 to \$99,999	8.2%	1.4%	0.4%	1.0%	3.1%
\$100,000 to \$149,999	17.3%	6.8%	2.3%	3.7%	12.0%
\$150,000 to \$199,999	17.6%	10.6%	5.7%	12.0%	19.6%
\$200,000 to \$299,999	21.0%	25.7%	15.3%	31.3%	38.1%
\$300,000 to \$499,999	19.5%	28.0%	33.7%	39.7%	22.7%
\$500,000 to \$999,999	10.9%	17.4%	32.4%	9.5%	2.1%
\$1,000,000 or more	3.4%	9.1%	9.0%	1.2%	0.1%
Median (dollars)	\$220,300	\$322,400	\$448,300	\$301,500	\$232,700
Median Value Growth Rate	5.3%	6.1%	3.4%	4.1%	4.6%

Source: American Community Survey

In the table below, housing unit cost with a mortgage in Davidson has increased at a rate that is in the middle of the pack of the peer cities. Note that Mooresville's housing cost has increased at nearly triple the rate of Davidson's over the five-year period. Davidson's absolute housing cost is still nearly \$450/month higher than the next closest area's cost.

Housing Unit Cost (With Mortgage) - 2019					
	Charlotte	Cornelius	Davidson	Huntersville	Mooreville
Less than \$500	0.8%	0.2%	0.0%	0.2%	1.1%
\$500 to \$999	17.4%	9.4%	6.5%	7.2%	12.6%
\$1,000 to \$1,499	35.3%	24.7%	15.1%	25.3%	32.8%
\$1,500 to \$1,999	20.9%	26.0%	19.7%	29.1%	31.4%
\$2,000 to \$2,499	10.6%	14.9%	19.3%	19.8%	12.3%
\$2,500 to \$2,999	5.4%	8.0%	10.6%	10.2%	4.9%
\$3,000 or more	9.6%	16.9%	28.9%	8.3%	4.8%
Median (dollars)	\$1,446	\$1,775	\$2,227	\$1,781	\$1,551
Median Growth Rate	0.4%	0.6%	0.6%	0.7%	1.6%

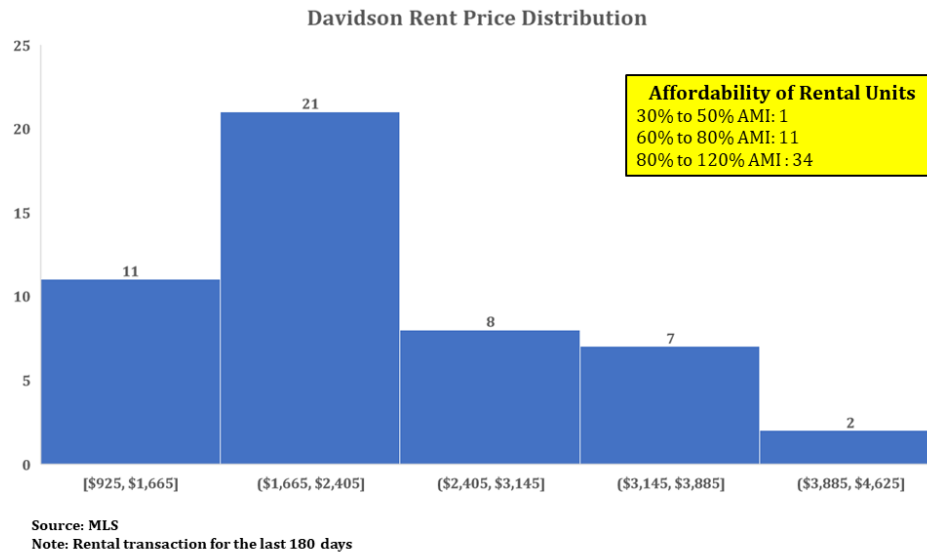
Source: American Community Survey

Gross rent paid provides a look into the housing affordability in Davidson's rental market. As of 2019, Davidson had the second-highest figure for gross rent paid (second to Huntersville). However, Davidson's five-year annual growth rate surpassed 5% and was the highest growth rate of any compared area. This plays a profound role in the current rental market conditions.

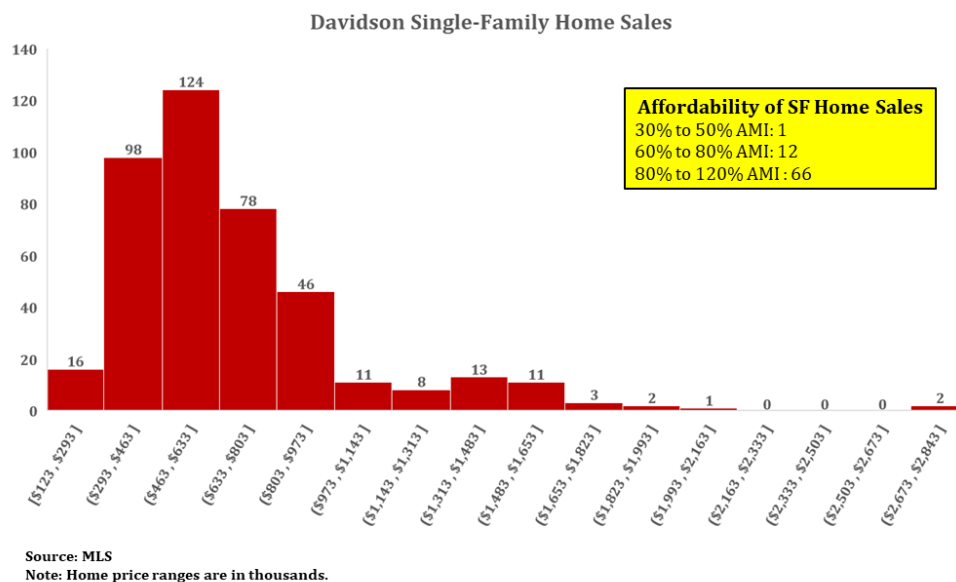
Gross Rent Paid (2019)					
	Charlotte	Cornelius	Davidson	Huntersville	Mooreville
Less than \$500	3.8%	3.4%	1.8%	1.6%	4.7%
\$500 to \$999	30.9%	16.5%	28.3%	19.5%	33.4%
\$1,000 to \$1,499	46.3%	53.0%	48.1%	43.0%	45.2%
\$1,500 to \$1,999	14.5%	22.4%	12.5%	27.6%	14.0%
\$2,000 to \$2,499	2.9%	3.5%	4.4%	6.9%	2.6%
\$2,500 to \$2,999	0.8%	1.2%	0.6%	1.3%	0.1%
\$3,000 or more	0.7%	0.0%	4.3%	0.0%	0.0%
Median (dollars)	\$1,135	\$1,219	\$1,264	\$1,305	\$1,108
Median Rent Growth Rate	4.7%	3.0%	5.4%	4.0%	3.6%

Source: American Community Survey

As referenced above, current rental conditions shine a light on how tight market conditions exacerbate the housing affordability crisis. Over the last 180 days since April 8, 2022, Davidson's median rental rate is \$2,810. Moreover, of the 49 rental transactions recorded in MLS, only 10 were affordable to a family of four making 80% of AMI. The histogram below illustrates the distribution of Davidson's rental market. Rental units priced between \$1,665 and \$2,405 per month were the largest single segment of rental units.



The Davidson sales market has been robust as well. Davidson's median single-family sales price was \$575,000 over the last year ending in April 2022. Of the 413 single-family transactions over the last year, only 18 transactions were below \$300,000 (which translated into a mortgage that is affordable at about 80% of AMI). The histogram below illustrates the distribution of Davidson's single-home sales market. Homes priced between \$463,000 and \$633,000 were the largest single segment of home sales.



Appendix C: Occupations by AMI Level

Occupations at 30% to 50% of AMI	
Helpers--Production Workers	\$28,280
Stockers and Order Fillers	\$28,540
Tax Preparers	\$28,550
Woodworking Machine Setters and Operators	\$28,550
Grinding and Polishing Workers	\$28,660
Service Unit Operators, Oil and Gas	\$28,820
Concierges	\$28,910
Meat, Poultry, and Fish Cutters and Trimmers	\$28,910
Nursing Assistants	\$29,040
Animal Trainers	\$29,090
Laborers and Freight, Stock, and Material Movers, Hand	\$29,170
Packaging and Filling Machine Operators and Tenders	\$29,190
Veterinary Assistants and Laboratory Animal Caretakers	\$29,260
Mail Clerks and Mail Machine Operators, Except Postal Service	\$29,290
Umpires, Referees, and Other Sports Officials	\$29,370
Orderlies	\$29,390
Textile, Apparel, and Furnishings Workers	\$29,440
Crematory Operators	\$29,480
Floor Layers, Except Carpet, Wood, and Hard Tiles	\$29,530
Molders, Shapers, and Casters, Except Metal and Plastic	\$29,780
Textile Bleaching and Dyeing Machine Operators and Tenders	\$29,860
Switchboard Operators, Including Answering Service	\$29,890
Food Batchmakers	\$29,920
Passenger Vehicle Drivers, Except Bus Drivers	\$29,980
Self-Enrichment Teachers	\$30,090
Funeral Attendants	\$30,270
Pesticide Handlers, Sprayers, and Applicators, Vegetation	\$30,310
Counter and Rental Clerks	\$30,440
Textile Knitting and Weaving Machine Setters, Operators	\$30,510
Food Cooking Machine Operators and Tenders	\$30,520
Parts Salespersons	\$30,660
Helpers--Pipefitters, Plumbers, Pipefitters, and Steamfitters	\$30,690
Graders and Sorters, Agricultural Products	\$30,840
Recreation Workers	\$30,890
Electrical, electronic, and electromechanical assemblers	\$30,900
Tutors and Teachers and Instructors, All Other	\$31,000
Landscaping and Groundskeeping Workers	\$31,010
Residential Advisors	\$31,020
Etchers and Engravers	\$31,180
Firefighters	\$31,220
Bailiffs	\$31,280
Receptionists and Information Clerks	\$31,510
Data Entry Keyers	\$31,580
Sawing Machine Setters, Operators, and Tenders, Wood	\$31,600
Riggers	\$31,710
Roustabouts, Oil and Gas	\$32,070
Helpers--Electricians	\$32,080
Automotive Glass Installers and Repairers	\$32,080
Floral Designers	\$32,190
Religious Workers, All Other	\$32,380
Farm Equipment Mechanics and Service Technicians	\$32,630
Office Machine Operators, Except Computer	\$32,640
Healthcare Support Workers, All Other	\$32,690

Source: Bureau of Labor Statistics

Note: Data is for the Charlotte-Concord-Gastonia MSA

Occupations at 30% to 50% of AMI	
Telemarketers	\$32,700
Information and Record Clerks, All Other	\$32,710
Helpers--Carpenters	\$32,780
Helpers--Roofers	\$32,780
Locksmiths and Safe Repairers	\$32,870
Food Processing Workers, All Other	\$32,940
Upholsterers	\$33,010
Construction Laborers	\$33,030
Furniture Finishers	\$33,040
Tire Repairers and Changers	\$33,180
Exercise Trainers and Group Fitness Instructors	\$33,260
Community Health Workers	\$33,290
Ophthalmic Laboratory Technicians	\$33,360
Light Truck Drivers	\$33,380
First-Line Supervisors of Food Preparation	\$33,780
Foundry Mold and Coremakers	\$33,780
Hazardous Materials Removal Workers	\$33,830
Pharmacy Technicians	\$33,880
Furnace, Kiln, Oven, Drier, and Kettle Operators	\$34,070
Helpers--Installation, Maintenance, and Repair Workers	\$34,090
Tellers	\$34,240
Office Clerks, General	\$34,300
Painters, Construction and Maintenance	\$34,590
Refuse and Recyclable Material Collectors	\$34,700
Medical Equipment Preparers	\$34,710
Cutting and Slicing Machine Setters, Operators	\$34,810
Helpers--Brickmasons, Blockmasons, Stonemasons	\$34,940
Photographic Process Workers and Processing Machine Operators	\$34,950
Shipping, Receiving, and Inventory Clerks	\$35,020
Ambulance Drivers and Attendants	\$35,020
Industrial Truck and Tractor Operators	\$35,020
Insulation Workers, Floor, Ceiling, and Wall	\$35,140
Veterinary Technologists and Technicians	\$35,240
Morticians, Undertakers, and Funeral Arrangers	\$35,320
Tree Trimmers and Pruners	\$35,380
Print Binding and Finishing Workers	\$35,400
Painting, Coating, and Decorating Workers	\$35,630
Merchandise Displayers and Window Trimmers	\$35,680
Pest Control Workers	\$35,790
Paving, Surfacing, and Tamping Equipment Operators	\$35,920
Phlebotomists	\$36,010
Medical Assistants	\$36,030
Psychiatric Technicians	\$36,150
Butchers and Meat Cutters	\$36,300
Printing Press Operators	\$36,480
Library Technicians	\$36,820
Multiple Machine Tool Setters, Operators	\$37,110
Medical Secretaries and Administrative Assistants	\$37,120
Pipelayers	\$37,260
Forging Machine Setters	\$37,280
Medical Transcriptionists	\$37,490
Customer Service Representatives	\$37,570
Welding, Soldering, and Brazing Machine Setters, Operators	\$37,630

Source: Bureau of Labor Statistics

Note: Data is for the Charlotte-Concord-Gastonia MSA

Occupations at 30% to 50% of AMI	
Emergency Medical Technicians and Paramedics	\$37,650
Inspectors, Testers, Sorters, Samplers, and Weighers	\$37,650
Glaziers	\$37,680
Cabinetmakers and Bench Carpenters	\$37,690
Heat Treating Equipment Setters, Operators	\$37,770
Skincare Specialists	\$37,800
Forest and Conservation Technicians	\$37,820
Highway Maintenance Workers	\$37,860
Bill and Account Collectors	\$37,890
Billing and Posting Clerks	\$37,960
Helpers--Extraction Workers	\$38,080
Mixing and Blending Machine Setters, Operators	\$38,100
Public Safety Telecommunicators	\$38,180
Logging Equipment Operators	\$38,310
Motorboat Mechanics and Service Technicians	\$38,350
File Clerks	\$38,520
Drywall and Ceiling Tile Installers	\$38,740
Eligibility Interviewers, Government Programs	\$38,910
Environmental Science and Protection Technicians	\$38,950
Traffic Technicians	\$38,950
Septic Tank Servicers and Sewer Pipe Cleaners	\$39,190
Cement Masons and Concrete Finishers	\$39,250
Paper Goods Machine Setters, Operators	\$39,290
Ophthalmic Medical Technicians	\$39,300
Secretaries and Administrative Assistants	\$39,380
First-Line Supervisors of Housekeeping and Janitorial Workers	\$39,470
Court, Municipal, and License Clerks	\$39,470
Outdoor Power Equipment and Other Small Engine Mechanics	\$39,470
Carpenters	\$39,590
Marriage and Family Therapists	\$39,600
Roofers	\$39,630
Meter Readers, Utilities	\$39,650
Sheet Metal Workers	\$39,790
Conveyor Operators and Tenders	\$40,070
Coating, Painting, and Spraying Machine Setters, Operators	\$40,110
Coaches and Scouts	\$40,130
Electrical and Electronics Drafters	\$40,220
Interpreters and Translators	\$40,470
Extruding and Drawing Machine Setters, Operators	\$40,520
Procurement Clerks	\$40,620
Correctional Officers and Jailers	\$40,640
Social and Human Service Assistants	\$40,650
Transportation Security Screeners	\$40,680
Human Resources Assistants	\$40,710
Audiovisual Equipment Installers and Repairers	\$40,720
Travel Agents	\$40,950
Patternmakers, Metal and Plastic	\$40,980
Home Appliance Repairers	\$41,020
First-Line Supervisors of Personal Service and Entertainment Workers	\$41,040
Dispatchers, Except Police, Fire, and Ambulance	\$41,300
Insulation Workers, Mechanical	\$41,620
Crane and Tower Operators	\$41,790
Welders, Cutters, Solderers, and Brazers	\$41,960

Source: Bureau of Labor Statistics

Note: Data is for the Charlotte-Concord-Gastonia MSA

Occupations at 30% to 50% of AMI	
Order Clerks	\$42,280
Structural Metal Fabricators and Fitters	\$42,340
Computer, Automated Teller, and Office Machine Repairers	\$42,470
Surveying and Mapping Technicians	\$42,530
Dental Laboratory Technicians	\$42,550
Animal Control Workers	\$42,570
Bookkeeping, Accounting, and Auditing Clerks	\$42,580
Media and Communication Workers	\$42,740
Water and Wastewater Treatment Plant and System Operators	\$42,990
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	\$43,040
Real Estate Sales Agents	\$43,390
Motorcycle Mechanics	\$43,390
First-Line Supervisors of Retail Sales Workers	\$43,610
Meeting, Convention, and Event Planners	\$43,660
Broadcast Technicians	\$43,740
Brickmasons and Blockmasons	\$43,880
Surgical Technologists	\$44,060
Computer Numerically Controlled Tool Operators	\$44,220
Exercise Physiologists	\$44,290
Education and Childcare Administrators	\$44,350
Prepress Technicians and Workers	\$44,400
Machinists	\$44,550
Hearing Aid Specialists	\$44,640
Telecommunications Line Installers and Repairers	\$44,650
Opticians, Dispensing	\$44,770
Molding, Coremaking, and Casting Machine Setters, Operators	\$44,850
Agricultural and Food Science Technicians	\$44,920
Insurance Claims and Policy Processing Clerks	\$44,950
Probation Officers and Correctional Treatment Specialists	\$45,130
Milling and Planing Machine Setters, Operators	\$45,170
Rehabilitation Counselors	\$45,210
Structural Iron and Steel Workers	\$45,280
Massage Therapists	\$45,510
Plumbers, Pipefitters, and Steamfitters	\$45,510
New Accounts Clerks	\$45,580
Social Science Research Assistants	\$45,720
Payroll and Timekeeping Clerks	\$45,870
Mechanical Door Repairers	\$45,890
Title Examiners, Abstractors, and Searchers	\$45,950
Word Processors and Typists	\$45,980
Recreational Therapists	\$46,110
Excavating and Loading Machine and Dragline Operators	\$46,340
Electricians	\$46,350
Reinforcing Iron and Rebar Workers	\$46,350
Audio and Video Technicians	\$46,610
Production, Planning, and Expediting Clerks	\$46,650
Credit Authorizers, Checkers, and Clerks	\$46,670
Chemical Plant and System Operators	\$46,670
Dental Assistants	\$46,760
Fence Erectors	\$46,850
Chemical Equipment Operators and Tenders	\$46,900
Heavy and Tractor-Trailer Truck Drivers	\$46,980
Automotive Service Technicians and Mechanics	\$47,050

Source: Bureau of Labor Statistics

Note: Data is for the Charlotte-Concord-Gastonia MSA

Occupations at 50% to 80% of AMI	
Security and Fire Alarm Systems Installers	\$47,140
Coin, Vending, and Amusement Machine Servicers	\$47,150
Legal Secretaries and Administrative Assistants	\$47,170
Broadcast Announcers and Radio Disc Jockeys	\$47,230
Maintenance Workers, Machinery	\$47,250
Substance abuse, behavioral disorder, and mental health counselors	\$47,290
Licensed Practical and Licensed Vocational Nurses	\$47,370
Chemical Technicians	\$47,750
Cargo and Freight Agents	\$47,820
Athletic Trainers	\$47,870
Control and Valve Installers and Repairers	\$47,870
Forensic Science Technicians	\$47,910
Loan Interviewers and Clerks	\$47,910
Child, Family, and School Social Workers	\$48,040
Tool and Die Makers	\$48,070
Geological and Hydrologic Technicians	\$48,190
Biological Technicians	\$48,250
Millwrights	\$48,380
Credit Counselors	\$48,410
Engine and Other Machine Assemblers	\$48,810
Earth Drillers	\$48,830
Kindergarten Teachers	\$49,220
Computer User Support Specialists	\$49,310
Educational Instruction and Library Workers	\$49,910
Occupational Health and Safety Technicians	\$50,070
First-Line Supervisors of Landscaping, Lawn Service	\$50,460
Curators	\$50,760
News Analysts, Reporters, and Journalists	\$50,830
Industrial Engineering Technologists and Technicians	\$50,940
Mobile Heavy Equipment Mechanics	\$51,300
Sales Representatives of Services	\$51,530
Survey Researchers	\$51,550
Petroleum Pump System Operators, Refinery Operators, and Gaugers	\$51,580
Paralegals and Legal Assistants	\$51,650
Police and Sheriff's Patrol Officers	\$51,920
Bus and Truck Mechanics and Diesel Engine Specialists	\$51,990
First-Line Supervisors of Farming, Fishing, and Forestry Workers	\$52,070
Clinical Laboratory Technologists and Technicians	\$52,080
Postal Service Mail Sorters	\$52,130
Postal Service Mail Carriers	\$52,490
Elementary School Teachers	\$52,630
Secondary School Teachers	\$52,710
Civil Engineering Technologists and Technicians	\$52,720
Middle School Teachers	\$52,810
Special Education Teachers	\$53,120

Source: Bureau of Labor Statistics

Note: Data is for the Charlotte-Concord-Gastonia MSA

Occupations at 50% to 80% of AMI	
First-Line Supervisors of Transportation Workers	\$53,140
Mental Health and Substance Abuse Social Workers	\$53,250
Special Education Teachers, Secondary School	\$53,330
Rolling Machine Setters, Operators	\$53,450
Budget Analysts	\$53,600
Reservation and Transportation Ticket Agents and Travel Clerks	\$53,790
Microbiologists	\$53,980
Metal-Refining Furnace Operators and Tenders	\$53,990
Architectural and Civil Drafters	\$54,240
Industrial Machinery Mechanics	\$54,490
Chefs and Head Cooks	\$54,500
Career/Technical Education Teachers, Secondary School	\$54,580
Food Service Managers	\$54,830
Automotive Body and Related Repairers	\$54,990
Judges, Magistrate Judges, and Magistrates	\$55,230
Special Education Teachers, Middle School	\$55,240
Medical Equipment Repairers	\$55,390
Health Education Specialists	\$55,400
Editors	\$55,460
Graphic Designers	\$55,590
Educational, Guidance, and Career Counselors and Advisors	\$55,610
Telecommunications Equipment Installers and Repairers	\$55,680
Mechanical Drafters	\$56,280
Brokerage Clerks	\$56,280
Electric Motor, Power Tool, and Related Repairers	\$56,300
Clergy	\$56,390
Conservation Scientists	\$56,640
Computer Numerically Controlled Tool Programmers	\$56,750
Fundraisers	\$56,760
Healthcare Social Workers	\$56,780
Writers and Authors	\$56,820
Dietitians and Nutritionists	\$56,900
First-Line Supervisors of Office and Administrative Support Workers	\$57,390
Lathe and Turning Machine Tool Setters, Operators	\$57,520
Construction and Building Inspectors	\$57,550
Insurance Sales Agents	\$57,860
Detectives and Criminal Investigators	\$57,870
Radio, Cellular, and Tower Equipment Installers and Repairers	\$57,960
Carpet Installers	\$58,110
Career/Technical Education Teachers, Middle School	\$58,180
First-Line Supervisors of Firefighting and Prevention Workers	\$58,560
Tax Examiners and Collectors, and Revenue Agents	\$58,640
Interior Designers	\$58,730
Radiologic Technologists and Technicians	\$58,740
Mechanical Engineering Technologists and Technicians	\$58,760

Source: Bureau of Labor Statistics

Note: Data is for the Charlotte-Concord-Gastonia MSA

Occupations at 50% to 80% of AMI	
Career/Technical Education Teachers, Postsecondary	\$58,920
Advertising Sales Agents	\$59,540
Librarians and Media Collections Specialists	\$59,840
Electro-Mechanical and Mechatronics Technologists and Technicians	\$59,970
Physical Therapist Assistants	\$59,980
Respiratory Therapists	\$60,160
Stationary Engineers and Boiler Operators	\$60,180
Adult Basic Education, Adult Secondary Education Instructors	\$60,400
First-Line Supervisors of Production and Operating Workers	\$60,510
Cost Estimators	\$60,660
Chiropractors	\$61,150
Instructional Coordinators	\$61,340
Cartographers and Photogrammetrists	\$61,420
Property, Real Estate, and Community Association Managers	\$61,440
Private Detectives and Investigators	\$61,540
Buyers and Purchasing Agents	\$62,150
Pourers and Casters, Metal	\$62,350
Transportation Inspectors	\$62,420
Foreign Language and Literature Teachers, Postsecondary	\$62,450
Training and Development Specialists	\$62,750
Executive Secretaries and Executive Administrative Assistants	\$62,880
Postal Service Clerks	\$62,980
Electrical and Electronics Repairers, Commercial and Industrial Equipment	\$62,980
Calibration and Engineering Technologists and Technicians	\$63,050
English Language and Literature Teachers, Postsecondary	\$63,240
Occupational Therapy Assistants	\$63,390
Criminal Justice and Law Enforcement Teachers, Postsecondary	\$63,470
Logisticians	\$63,540
Geoscientists	\$63,550
Statisticians	\$63,760
Labor Relations Specialists	\$63,910
Cardiovascular Technologists and Technicians	\$63,930
Public Relations Specialists	\$64,090
Human Resources Specialists	\$64,140
Boilermakers	\$64,270
Coil Winders, Tapers, and Finishers	\$64,280
Landscape Architects	\$64,300
First-Line Supervisors of Construction Trades and Extraction Workers	\$64,300
Archivists	\$64,660
Financial Examiners	\$64,890
Fire Inspectors and Investigators	\$64,910
Communications Teachers, Postsecondary	\$64,970
Mathematical Science Teachers, Postsecondary	\$65,310
Social and Community Service Managers	\$65,320
Orthotists and Prosthetists	\$65,760

Source: Bureau of Labor Statistics

Note: Data is for the Charlotte-Concord-Gastonia MSA

Occupations at 50% to 80% of AMI	
Environmental Scientists and Specialists, Including Health	\$66,280
Market Research Analysts and Marketing Specialists	\$66,970
Property Appraisers and Assessors	\$67,800
Fashion Designers	\$67,880
Funeral Home Managers	\$67,900
Producers and Directors	\$67,980
First-Line Supervisors of Correctional Officers	\$68,020
Art, Drama, and Music Teachers, Postsecondary	\$68,360
Occupational Health and Safety Specialists	\$68,580
Registered Nurses	\$68,620
Claims Adjusters, Examiners, and Investigators	\$68,890
Biological Science Teachers, Postsecondary	\$69,280
Electrical and Electronic Engineering Technologists and Technicians	\$69,320
First-Line Supervisors of Mechanics, Installers, and Repairers	\$69,430
Health Specialties Teachers, Postsecondary	\$69,750
Compliance Officers	\$69,880
Insurance Appraisers, Auto Damage	\$69,970
Flight Attendants	\$70,550
Computer Network Support Specialists	\$70,760
Biochemists and Biophysicists	\$70,840
Urban and Regional Planners	\$70,900
Magnetic Resonance Imaging Technologists	\$71,000
Sales Representatives, Wholesale and Manufacturing	\$71,060
Technical Writers	\$71,140
Recreation and Fitness Studies Teachers, Postsecondary	\$71,480
Business Teachers, Postsecondary	\$71,760
History Teachers, Postsecondary	\$71,830
Soil and Plant Scientists	\$71,850
Education Teachers, Postsecondary	\$72,130
Law Teachers, Postsecondary	\$72,460
Surveyors	\$72,500
Nuclear Medicine Technologists	\$72,640
Compensation, Benefits, and Job Analysis Specialists	\$72,720
Gas Plant Operators	\$72,730
Electrical Power-Line Installers and Repairers	\$72,880
Therapists, All Other	\$73,000
Psychology Teachers, Postsecondary	\$73,170
Nursing Instructors and Teachers, Postsecondary	\$73,330
Sociology Teachers, Postsecondary	\$73,530
Dental Hygienists	\$74,090
Diagnostic Medical Sonographers	\$74,390
Real Estate Brokers	\$74,700
Clinical, Counseling, and School Psychologists	\$74,720
Emergency Management Directors	\$74,970
Environmental Engineers	\$75,160
Loan Officers	\$75,190
Chemistry Teachers, Postsecondary	\$75,210
Philosophy and Religion Teachers, Postsecondary	\$75,300

Source: Bureau of Labor Statistics

Note: Data is for the Charlotte-Concord-Gastonia MSA

Occupations at 80% to 120% of AMI	
Architects	\$75,370
Speech-Language Pathologists	\$75,440
Insurance Underwriters	\$75,520
Audiologists	\$76,340
Education Administrators, Kindergarten through Secondary	\$76,610
Genetic Counselors	\$77,010
First-Line Supervisors of Police and Detectives	\$77,260
Materials Engineers	\$77,320
Lodging Managers	\$77,410
Securities, Commodities, and Financial Services Sales Agents	\$78,360
Geography Teachers, Postsecondary	\$78,520
Social Work Teachers, Postsecondary	\$78,560
Radiation Therapists	\$78,610
Special Effects Artists and Animators	\$79,460
Political Science Teachers, Postsecondary	\$79,750
Accountants and Auditors	\$80,400
Commercial and Industrial Designers	\$80,790
Mechanical Engineers	\$80,810
Web Developers and Digital Interface Designers	\$81,390
Electrical and Electronics Repairers, Powerhouse, Substation, and Relay	\$81,460
Network and Computer Systems Administrators	\$81,850
Chemists	\$82,450
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	\$82,480
Occupational Therapists	\$82,660
Civil Engineers	\$82,850
Industrial Engineers	\$83,100
Engineering Teachers, Postsecondary	\$83,910
Postmasters and Mail Superintendents	\$84,980
Acupuncturists and Healthcare Diagnosing or Treating Practitioners	\$86,120
Medical Scientists, Except Epidemiologists	\$88,080
Health and Safety Engineers	\$88,230
Power Plant Operators	\$88,230
Physical Therapists	\$88,400
Computer Science Teachers, Postsecondary	\$88,690

Source: Bureau of Labor Statistics

Note: Data is for the Charlotte-Concord-Gastonia MSA

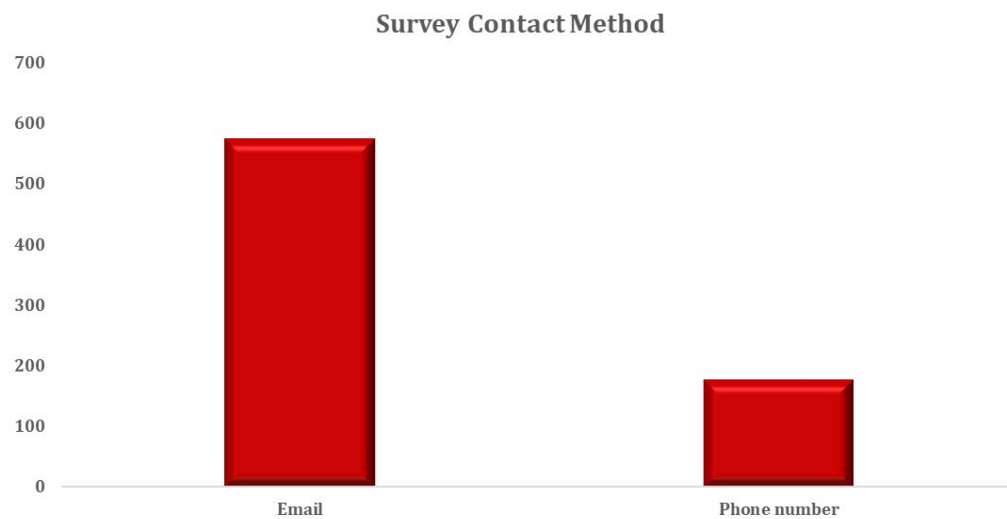
Occupations at 80% to 120% of AMI	
Education Administrators, Postsecondary	\$88,870
Aircraft Mechanics and Service Technicians	\$88,980
Credit Analysts	\$89,780
First-Line Supervisors of Non-Retail Sales Workers	\$90,680
Electronics Engineers, Except Computer	\$91,710
Aerospace Engineers	\$91,770
Directors, Religious Activities and Education	\$91,840
Library Science Teachers, Postsecondary	\$92,060
Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists	\$94,450
Architecture Teachers, Postsecondary	\$94,750
Computer Systems Analysts	\$95,400
Economics Teachers, Postsecondary	\$95,750
Sales Engineers	\$96,060
Medical and Health Services Managers	\$96,850
Operations Research Analysts	\$96,900
Management Analysts	\$97,770
Computer Hardware Engineers	\$97,890
Computer Programmers	\$99,280
Electrical Engineers	\$99,940
Art Directors	\$101,320
Physics Teachers, Postsecondary	\$101,570
Industrial Production Managers	\$102,970
Information Security Analysts	\$103,030
Software Developers and Software Quality Assurance Analysts and Testers	\$103,260
Transportation, Storage, and Distribution Managers	\$103,690
Nurse Practitioners	\$104,090
Veterinarians	\$107,030
Psychologists, All Other	\$107,810
Construction Managers	\$108,000
Administrative Services and Facilities Managers	\$108,430
Database Administrators and Architects	\$109,610
Natural Sciences Managers	\$110,890
Physician Assistants	\$111,010
Airline Pilots, Copilots, and Flight Engineers	\$112,450

Source: Bureau of Labor Statistics

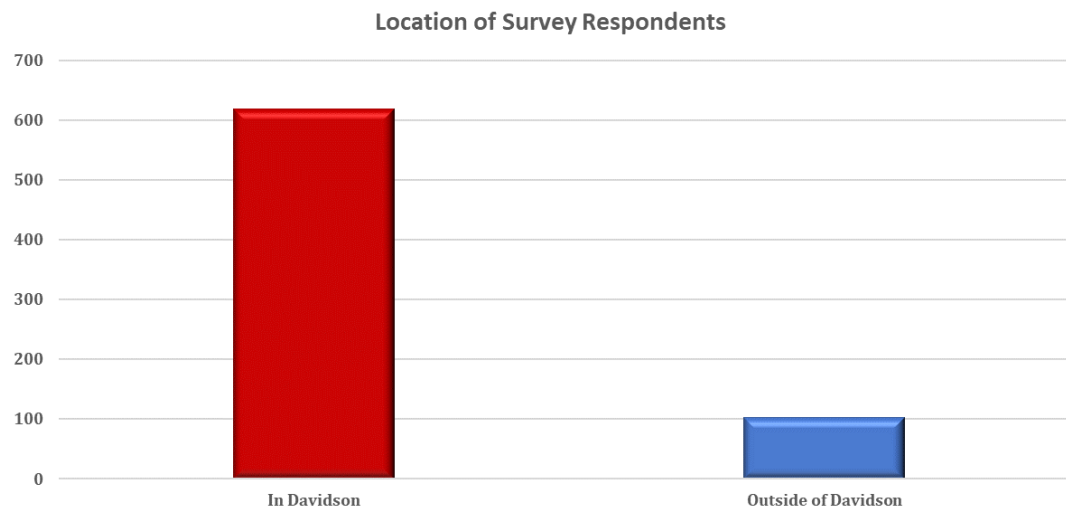
Note: Data is for the Charlotte-Concord-Gastonia MSA

Appendix D: LiveDavidson Survey Questions & Responses

Question: Please select your unique identification method

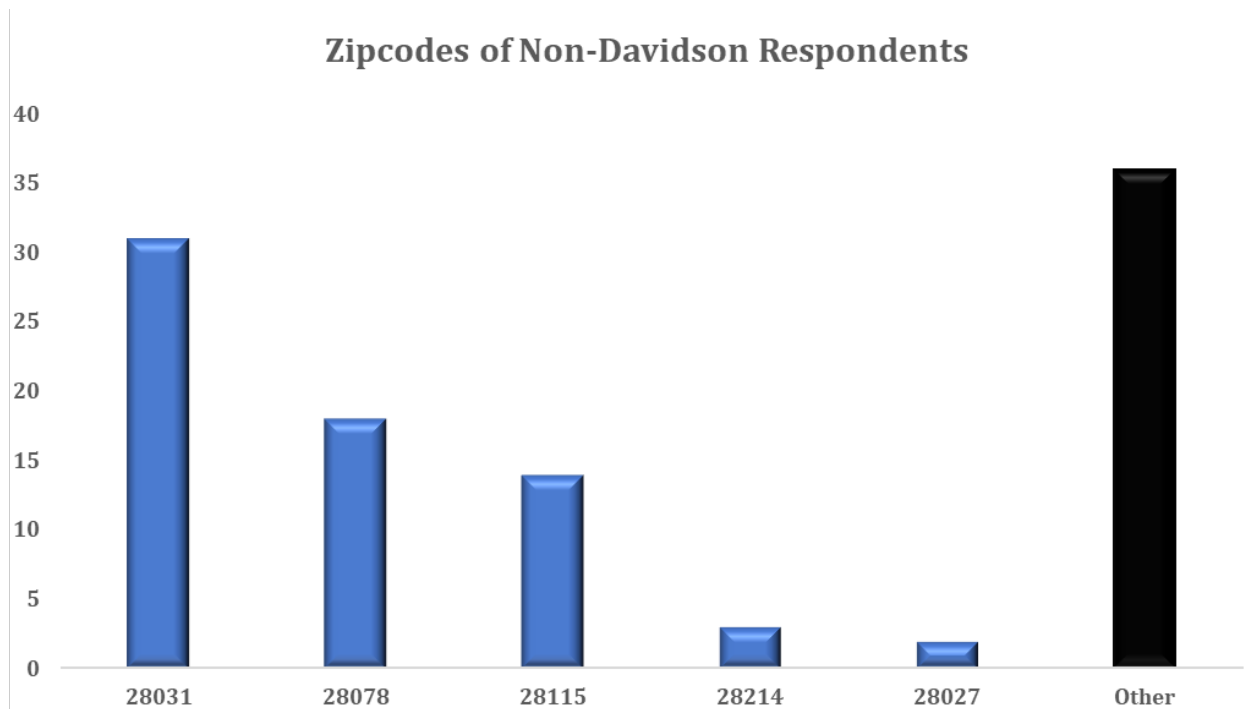


Question: In which zip code do you live?



Additional Insights:

- 85.6% of respondents live in Davidson.

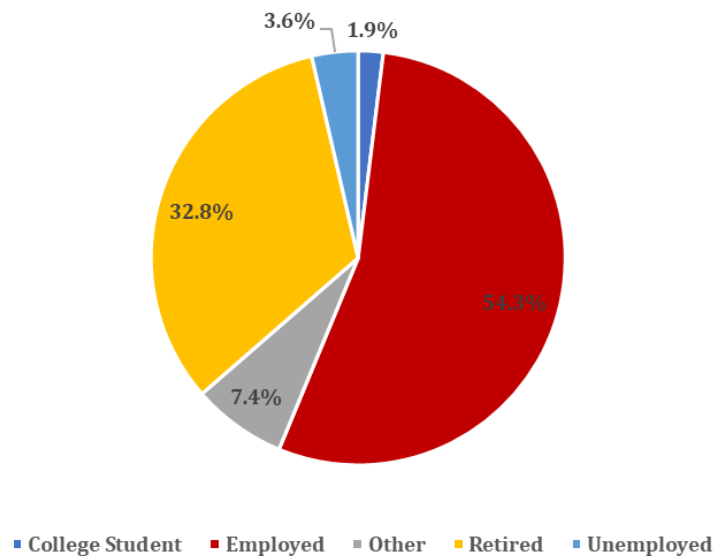


Additional Insights:

- Cornelius (28031) and Huntersville (28078) were the most popular zip codes of non-Davidson respondents.

Question: What is your employment situation?

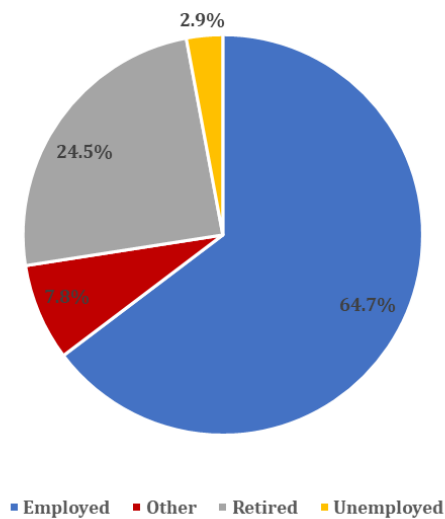
Employment Situation of Respondents



Additional Insights:

- 54% of employed respondents are between the ages of 35 and 54 years old.
- Females comprise 62.8% of employed respondents.

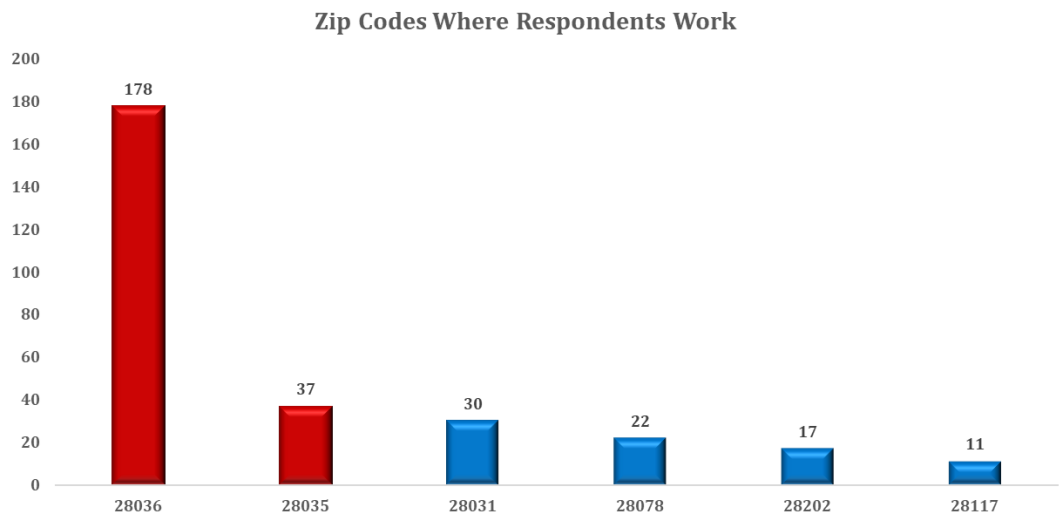
Employment Situation of Non-Davidson Respondents



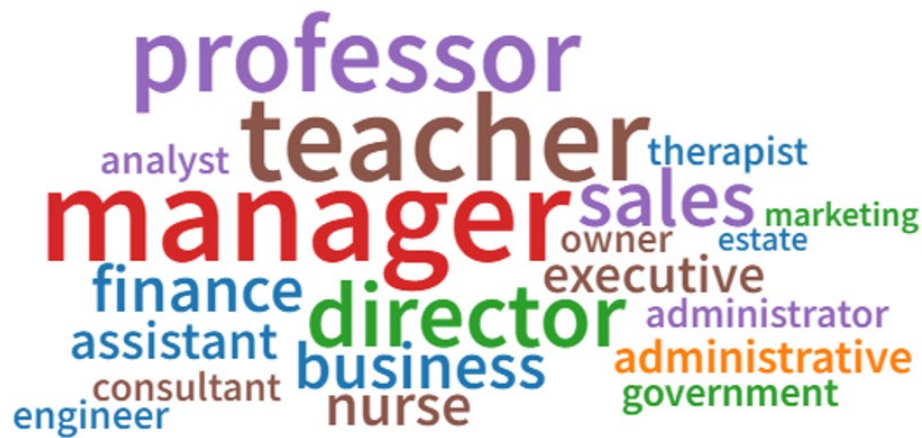
Additional Insights:

- 60.3% of employed non-Davidson respondents are between the ages of 35 and 54 years old.
- Females comprise 68.3% of employed non-Davidson respondents.

Question: Where do you work?



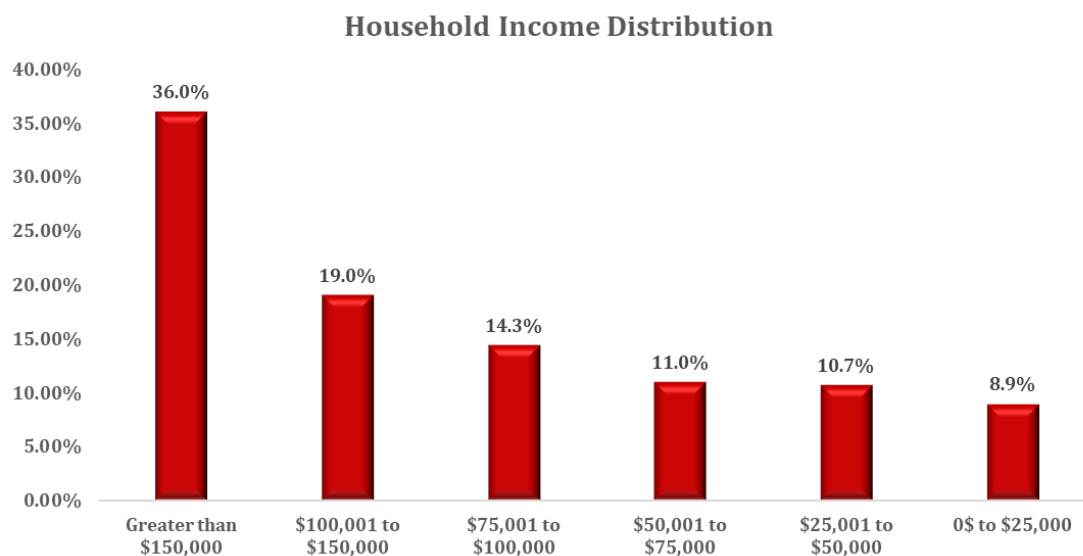
Question: What is your role in your industry?



Additional Insights:

- Manager (27 times), teacher (24 times), Professor (20 times), and Director (16 times) were the most popular titles.

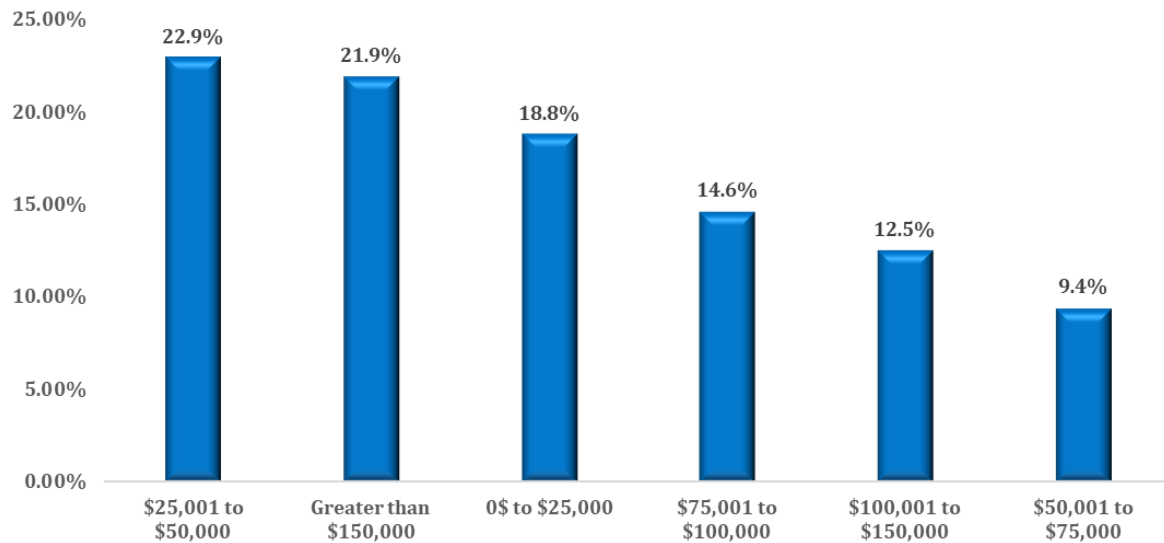
Question: What is your household income?



Additional Insights:

- 83% of households earning between \$50,000 and \$75,000 indicated that housing affordability is “Very important”.
- 52% of households earning between \$100,000 and \$150,000 indicated that housing affordability is “Very important”.

Household Income Distribution (Non-Davidson)

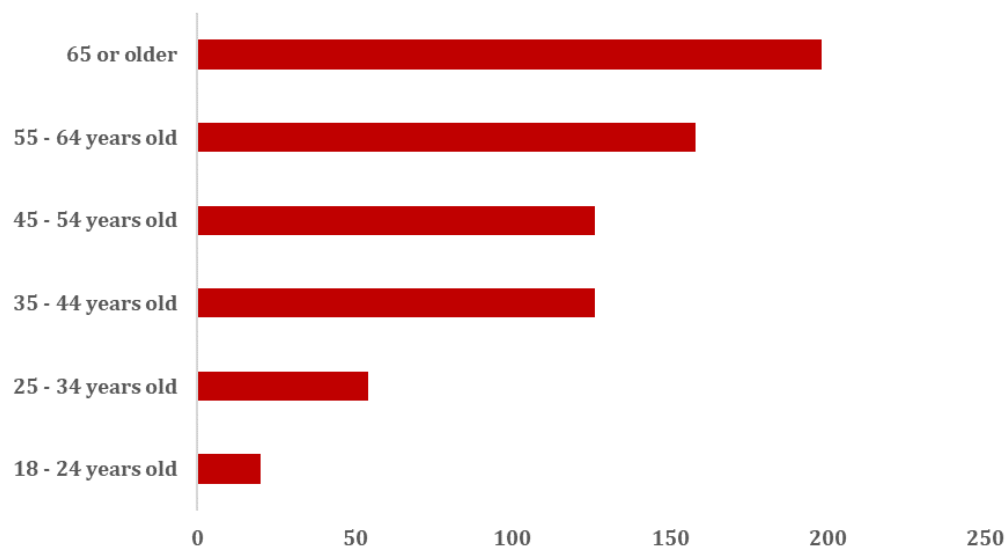


Additional Insights:

- 34.4% of non-Davidson respondents had household incomes of greater than \$100,000 per year.
- 78.3% of non-Davidson respondents with households earning less than \$100,000 indicated that housing affordability is “Very important”.

Question: What is your age?

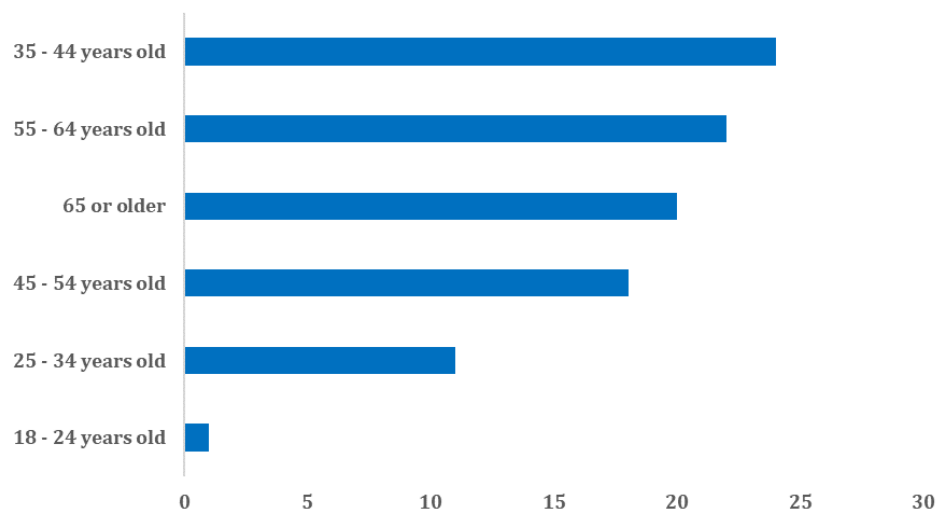
Respondent Age Distribution



Additional Insights:

- 52.2% of Davidson’s respondents are 55 years of age and older.

Respondent Age Distribution (Non-Davidson)

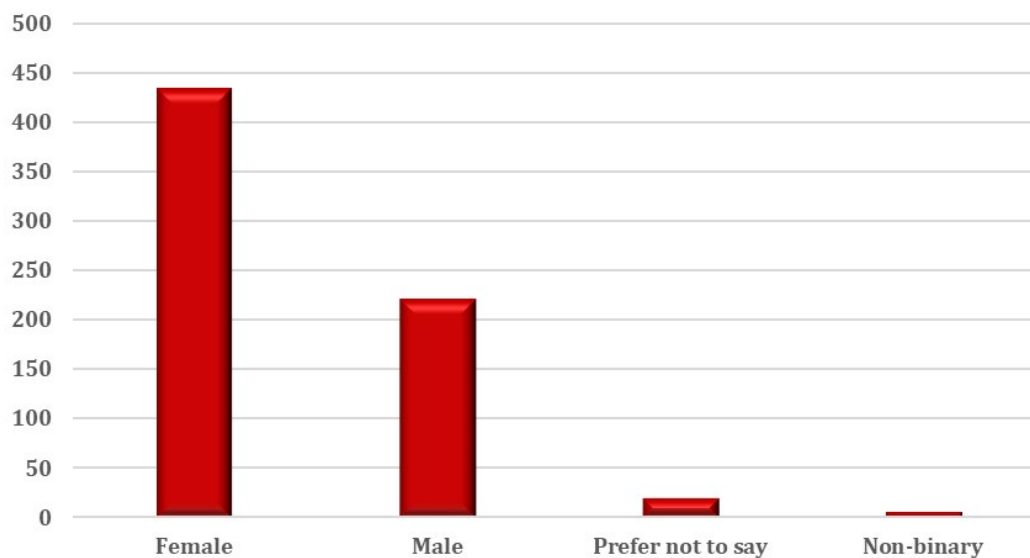


Additional Insights:

- 40% of White non-Davidson respondents and 56% of Black non-Davidson respondents are 55 years of age or older.

Question: What is your gender?

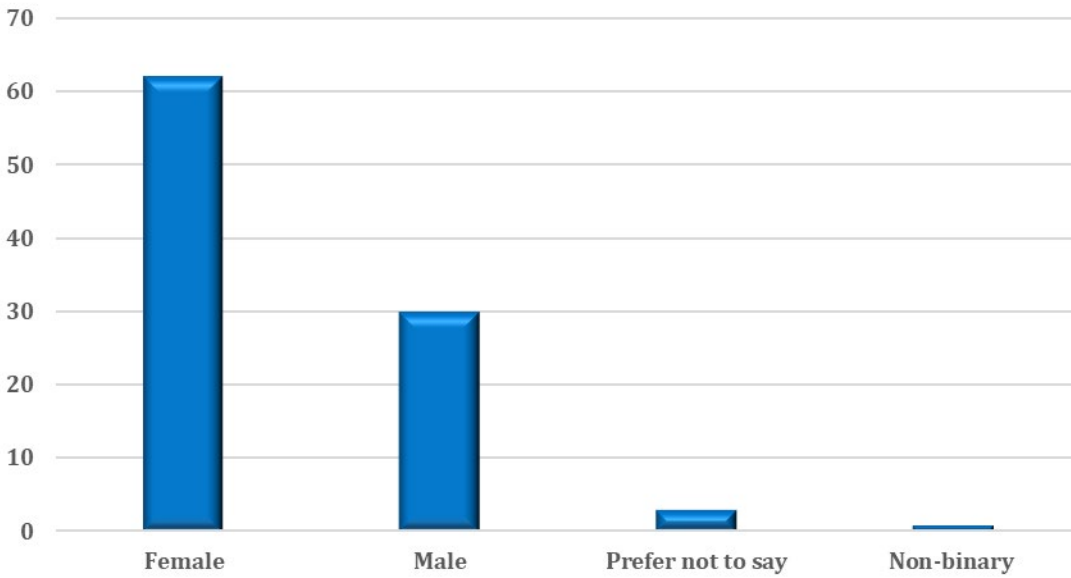
Respondent Gender Profile



Additional Insights:

- Females comprised 63.6% of survey respondents.

Respondent Gender Profile (Non-Davidson)

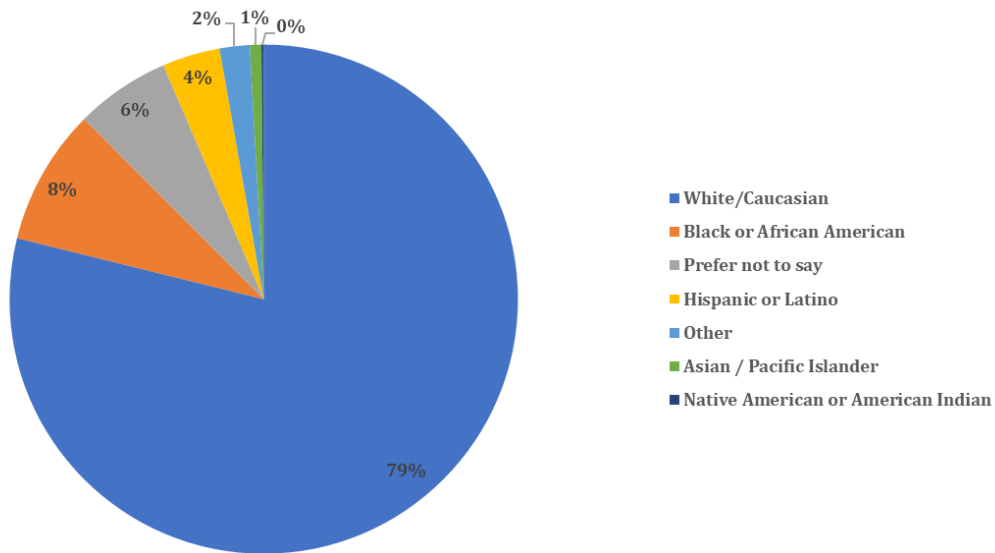


Additional Insights:

- 64.6% of non-Davidson respondents are female.

Question: What is your ethnic background?

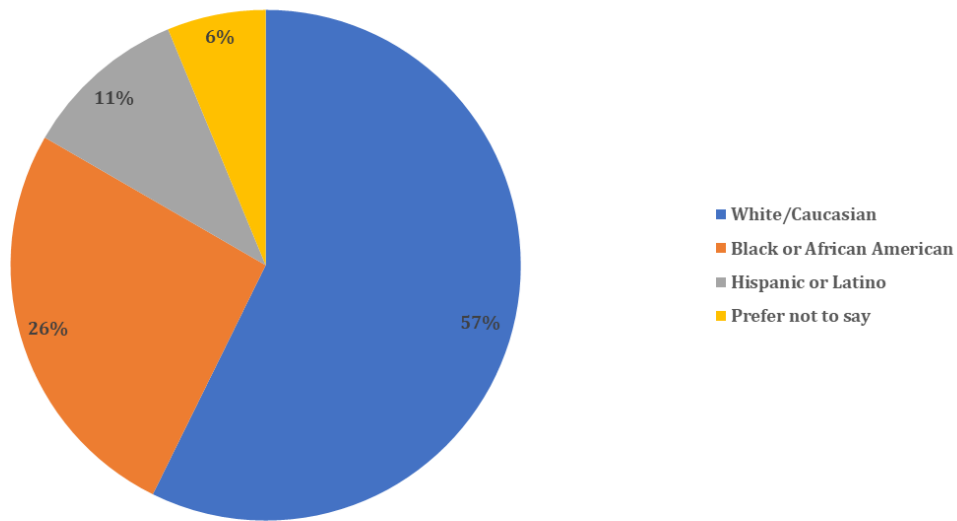
Respondent Racial Composition



Additional Insights:

- 81.4% of Black or African American respondents were female.
- 64% of White/Caucasian respondents were female.

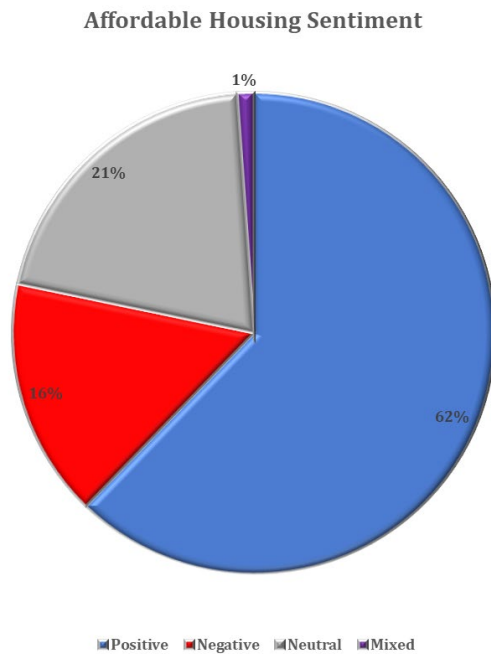
Respondent Racial Composition (Non-Davidson)



Additional Insights:

- 76% of non-Davidson Black or African American respondents were female.
- 61.8% of White/Caucasian respondents were female.

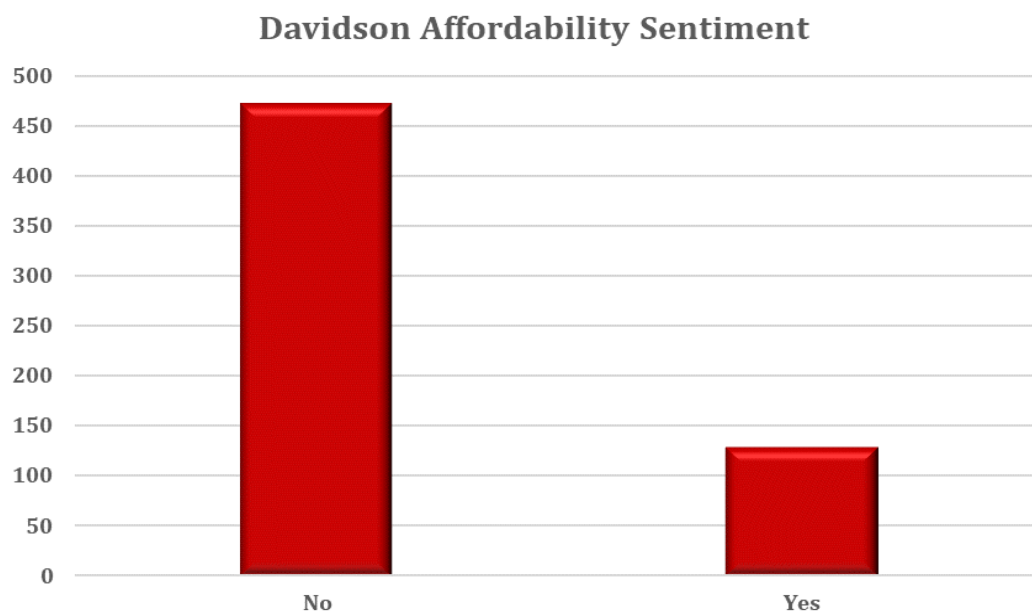
Question: What comes to mind when you hear the term “affordable housing”?



Additional Insights:

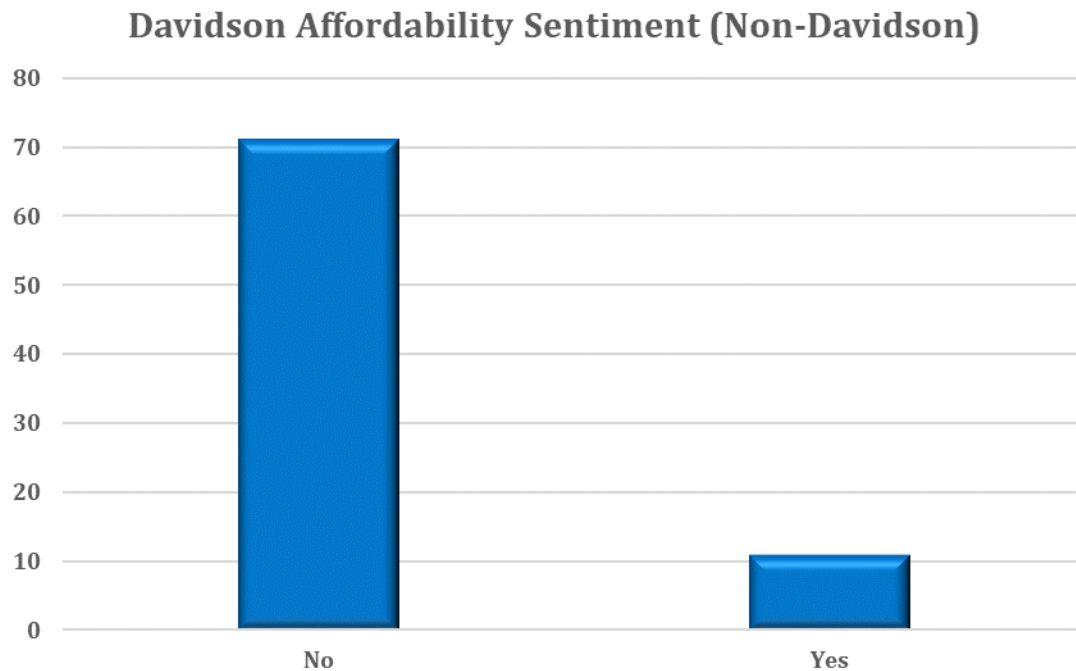
- 62% of respondents had positive comments regarding housing affordability.
- These were the most mentioned positive words or sentiments: Afford/affordable (129 mentions), community (38 mentions), teachers (25 mentions), reasonable (19 mentions).
- These were the most mentioned negative comments: Crime (9 mentions), Section 8 (8 mentions), cheap (6 mentions), subsidized (6 mentions), and higher taxes (5 mentions).

Question: Is Davidson an affordable place to live?



Additional Insights:

- 78.5% of survey respondents found Davidson to be unaffordable.
- 74% of households making over \$100,000 per year say that Davidson is unaffordable.



Additional Insights:

- 86.6% of non-Davidson respondents view Davidson as unaffordable.
- 93.1% of non-Davidson respondents with household incomes over \$100,000/year view Davidson as unaffordable.

Question: How important is housing affordability?

How Important is Housing Affordability						
Scale	0 - Not Important	1	2	3	4	5 - Very Important
Responses	42	35	40	73	100	342
Percentage	6.6%	5.5%	6.3%	11.6%	15.8%	54.1%

Additional Insights:

- 6.6% of respondents felt that housing affordability is unimportant.
- 7% of respondents that selected “Not important” as an answer are cost-burdened regarding shelter.
- 13.5% of respondents that selected “Very important” as their answer are cost-burdened regarding shelter.

How Important is Housing Affordability (Non-Davidson)						
Scale	0 - Not Important	1	2	3	4	5 - Very Important
Responses	2	1	4	7	16	61
Percentage	2.2%	1.1%	4.4%	7.7%	17.6%	67.0%

Additional Insights:

- 2.2% of non-Davidson respondents felt that housing affordability is unimportant.
- 21.3% of respondents that selected “Very important” as their answer are cost-burdened regarding shelter.

Question: How concerned are you about Davidson's housing affordability?

How concerned are you about housing affordability?						
Scale	0 - Not Concerned	1	2	3	4	5 - Very Concerned
Responses	67	37	50	80	104	286
Percentage	10.7%	5.9%	8.0%	12.8%	16.7%	45.8%

Additional Insights:

- 59% of people who say that they are “Very concerned” are age 55 or older.
- Over 42% of people who say that housing affordability is “Very important” live in households earning more than \$100,000 per year.
- 70% of renters are “Very concerned” about housing affordability.

How concerned are you about housing affordability? (Non-Davidson)						
Scale	0 - Not Concerned	1	2	3	4	5 - Very Concerned
Responses	3	4	5	12	17	45
Percentage	3.5%	4.7%	5.8%	14.0%	19.8%	52.3%

Additional Insights:

- 42.2% of non-Davidson respondents that are “Very concerned” about housing affordability are between the ages of 35 and 54 years old.

Question: How would increasing housing affordability affect Davidson?

How would increasing housing affordability affect Davidson						
Scale	0 - Very Negatively	1	2	3	4	5 - Very Positively
Responses	44	47	62	76	112	285
Percentage	7.0%	7.5%	9.9%	12.1%	17.9%	45.5%

Additional Insights:

53.3% of households paying \$1,250/month or less for shelter feel that increasing housing affordability will “Very positively” affect Davidson.

How would increasing housing affordability affect Davidson? (Non-Davidson)						
Scale	0 - Very Negatively	1	2	3	4	5 - Very Positively
Responses	1	6	2	8	20	51
Percentage	1.1%	6.8%	2.3%	9.1%	22.7%	58.0%

Additional Insights:

- 49% of non-Davidson households paying \$1,250/month or less for shelter feel that increasing housing affordability will “Very positively” affect Davidson.

Question: How desirable is living in Davidson?

How Desirable is Living in Davidson											
Scale	Extremely Undesireable	1	2	3	4	5	6	7	8	9	Extremely Desirable
Responses	1	2	5	6	7	20	15	48	102	92	334
Percentage	0.2%	0.3%	0.8%	0.9%	1.1%	3.2%	2.4%	7.6%	16.1%	14.6%	52.8%

Additional Insights:

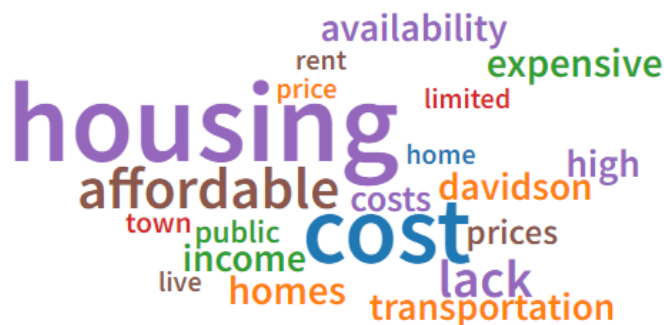
- 52.8% of respondents found living in Davidson very desirable.
- 62.3% of respondents that found living in Davidson “very desirable” also feel that housing affordability is “very important.”

How Desirable is Living in Davidson? (Non-Davidson)											
Scale	Extremely Undesireable	1	2	3	4	5	6	7	8	9	Extremely Desirable
Responses	1	1	0	3	2	4	2	8	17	12	42
Percentage	0.0%	1.1%	0.0%	3.3%	2.2%	4.4%	2.2%	8.8%	18.7%	13.2%	46.2%

Additional Insights:

- 46.2% of non-Davidson respondents found living in Davidson “Extremely desirable.”
- 52.5% of non-Davidson respondents that found Davidson “very desirable” also feel that housing affordability is “very important.”

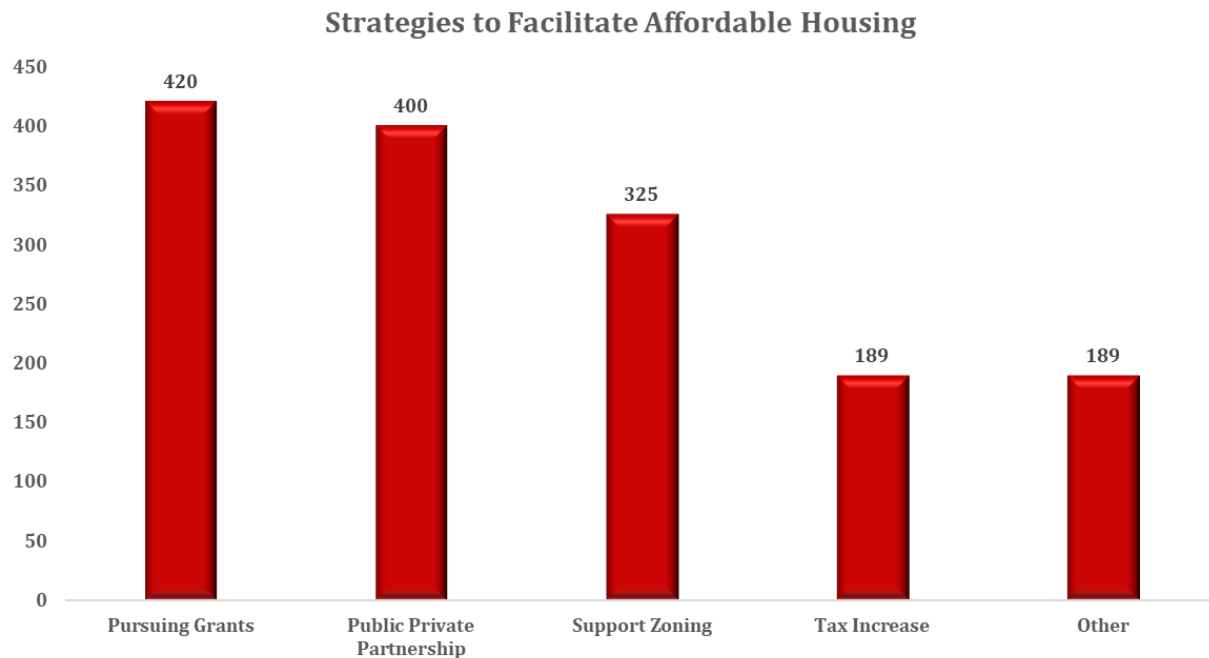
Question: What are the barriers to living in Davidson?



Additional Insights:

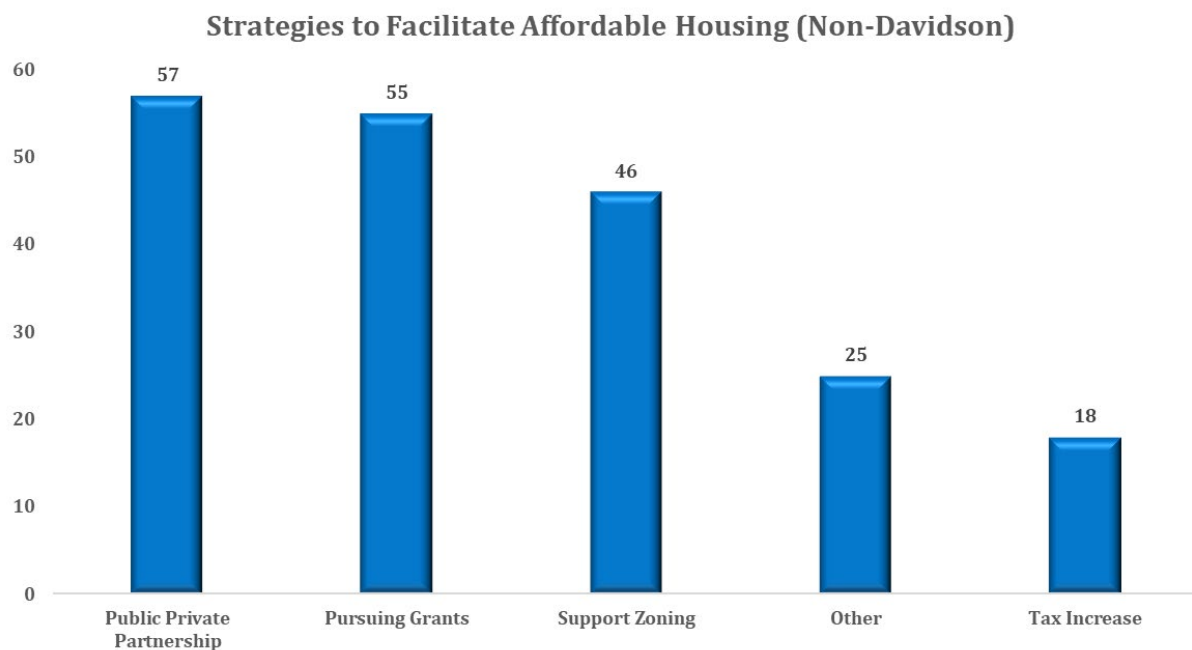
- Cost of housing (164 mentions), affordable (77 mentions), availability (46 mentions), and transportation (46 mentions) were the most commonly used terms.

Question: What measures would you support to facilitate housing affordability?

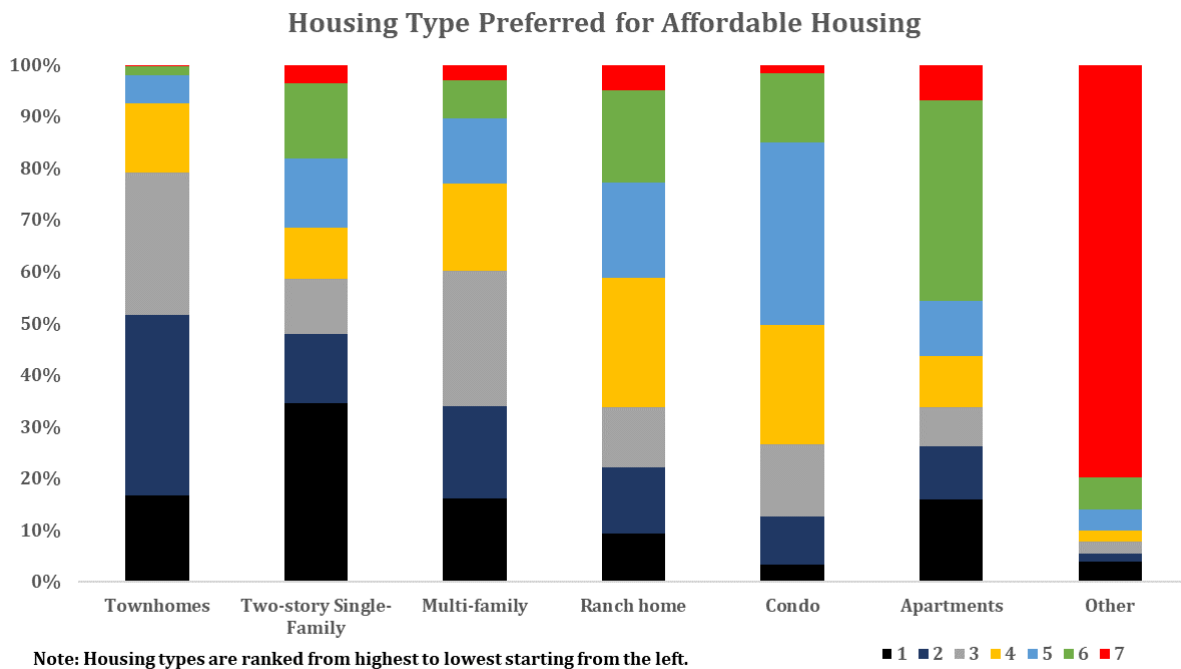


Additional Insights:

- 52.5% of respondents that support pursuing grants earn more than \$100,000 per year. This demographic also represents 64.6% of respondents that support a tax increase to facilitate affordable housing.



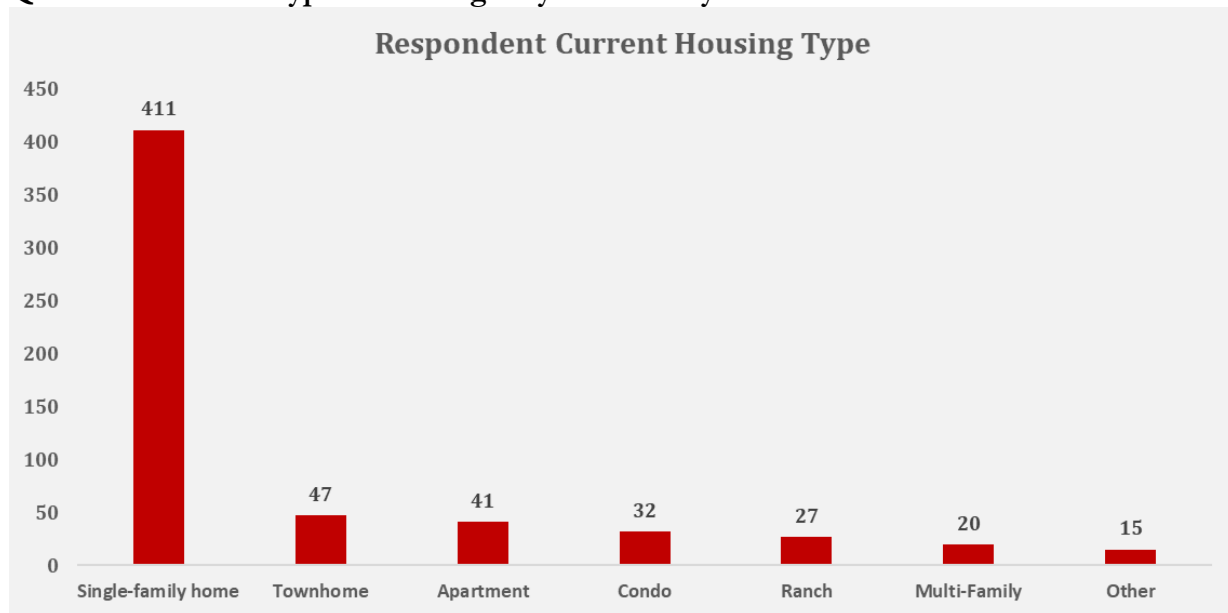
Question: Which housing types should be pursued for housing affordability?



Additional Insights:

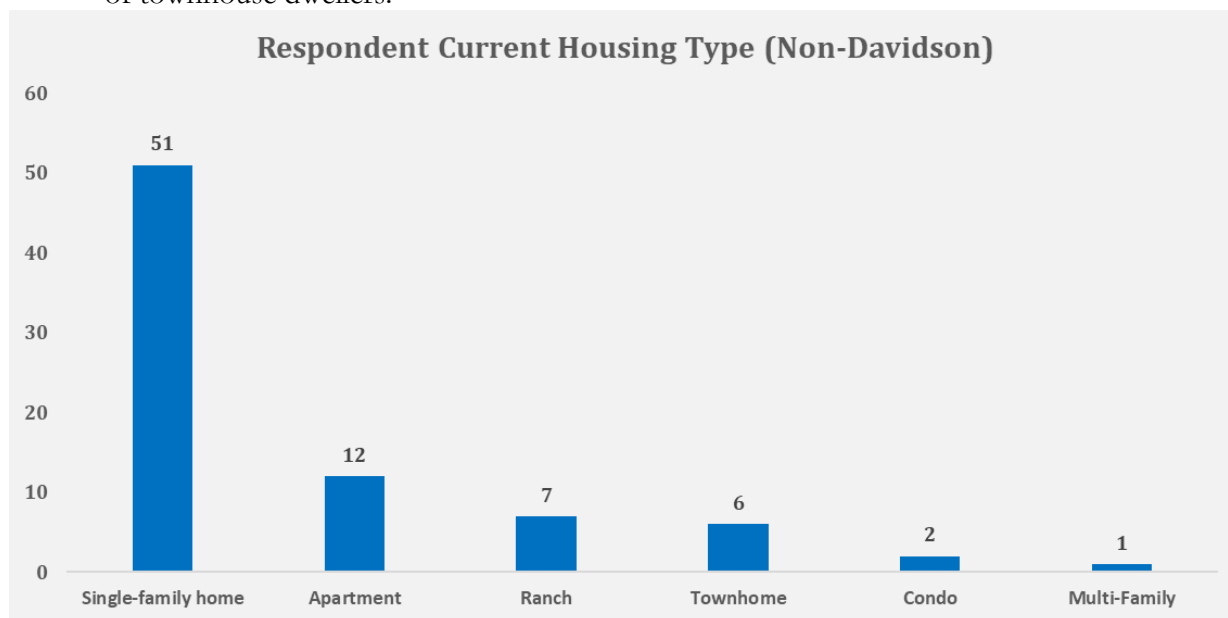
- 59.2% of respondents with household income between \$25,001 and \$50,000 selected townhomes as their first or second choice.
- 31.9% of respondents with household incomes less than \$25,000 selected apartments as their first or second choice. Respondents with household incomes greater than \$150,000 (29.9%) had the second-highest percentage of respondents selecting apartments as their first or second choice of housing type.

Question: In which type of housing do you currently live?



Additional Insights:

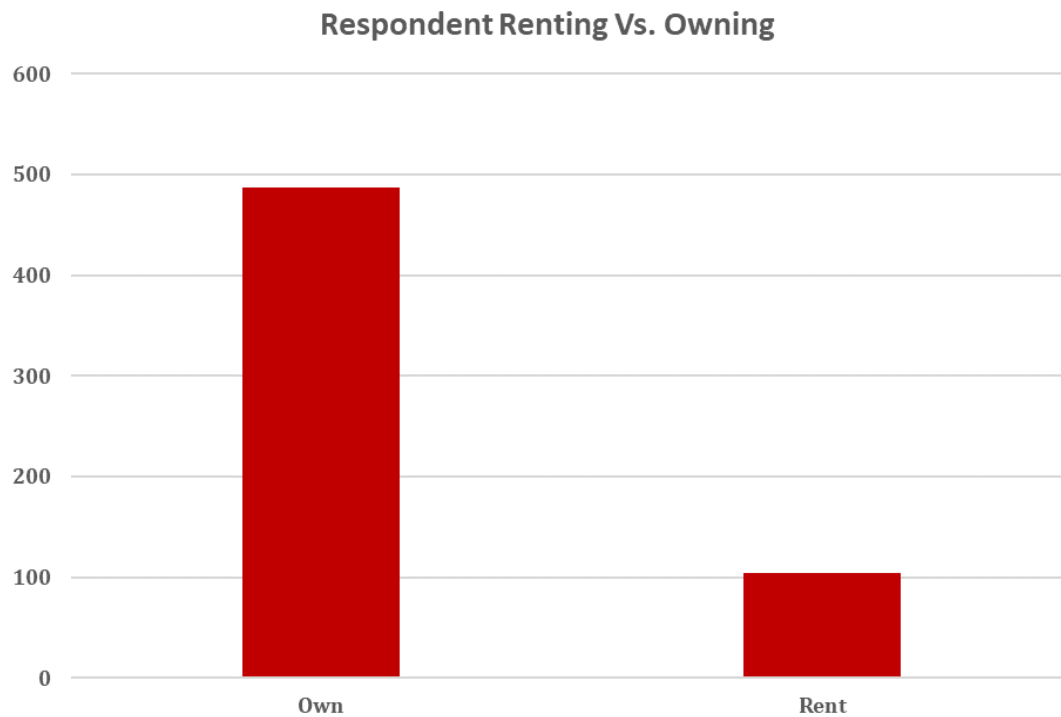
- 69% of respondents currently live in single-family homes.
- Households earning between \$75,001 and \$100,000 (29.8%) represent the highest percentage of townhouse dwellers.



Additional Insights:

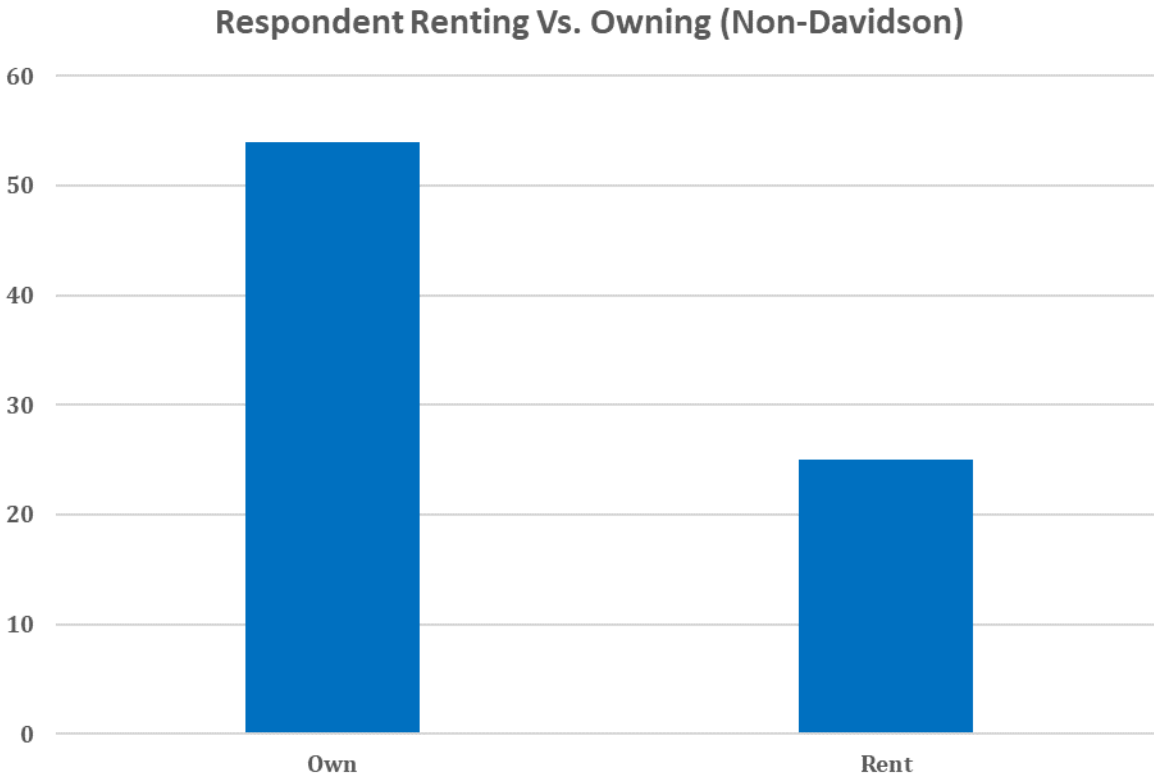
- 64.6% of non-Davidson respondents live in single-family homes.
- Non-Davidson respondents earning between \$25,001 and \$50,000 (50%) represent the highest percentage of apartment dwellers.

Question: Do you currently rent or own your home?



Additional Insights:

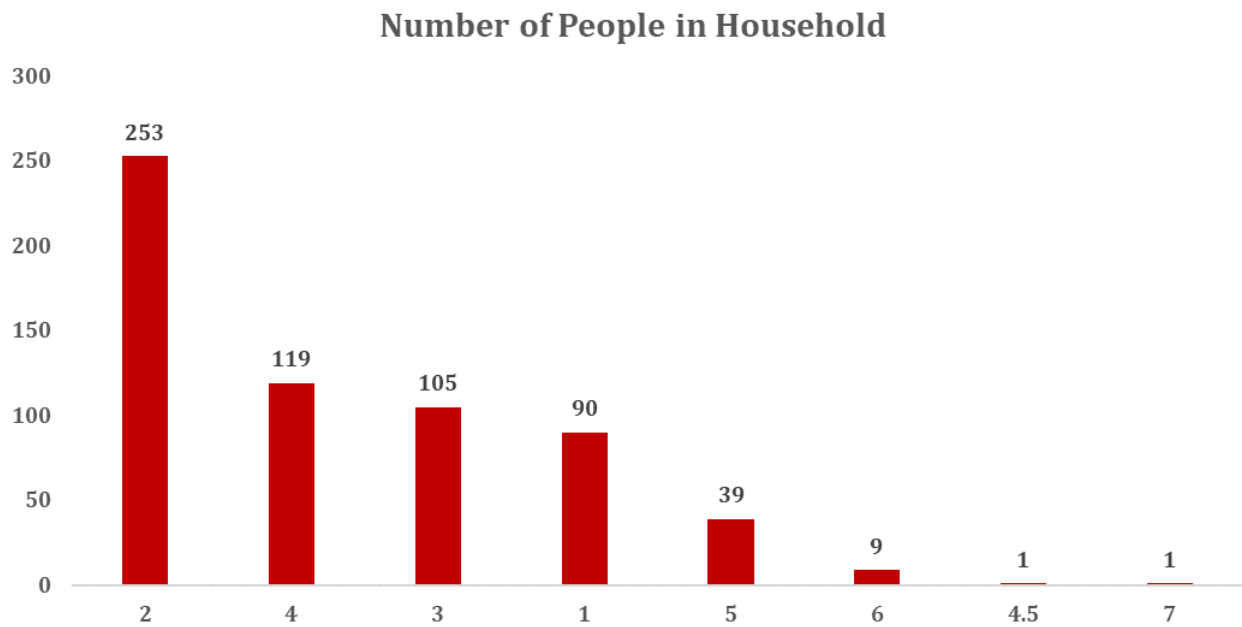
- 82.4% of respondents are homeowners.
- 3.9% of homeowners are housing cost burdened.
- 34% of renters are housing cost burdened.
- 43.8% of households earning \$75,000/year or less are burdened by housing cost.



Additional Insights:

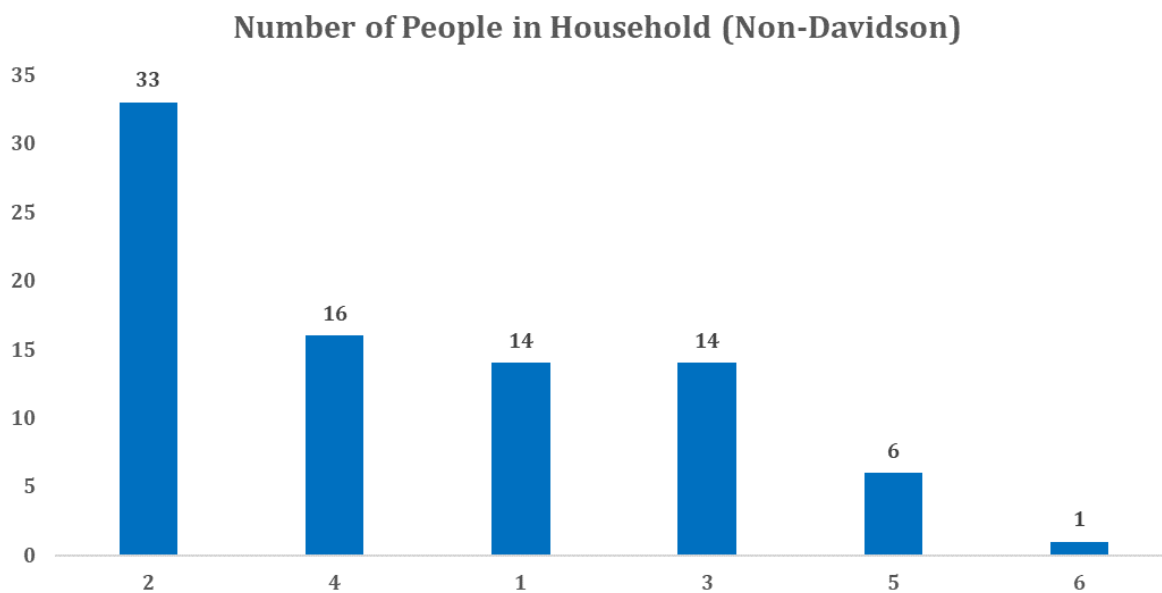
- 68.4% of non-Davidson respondents are homeowners.
- 5.6% of non-Davidson homeowners are housing cost burdened.
- 36% of non-Davidson renters are housing cost burdened.
- All of the non-Davidson housing cost burdened renters were in households that earned \$50,000 or less.

Question: How many people are in your household?



Additional Insights:

- 41% of respondents live in 2-person households.
- 8.3% of 2-person households are housing cost burdened.
- 7.6% of 4-person households are housing cost burdened

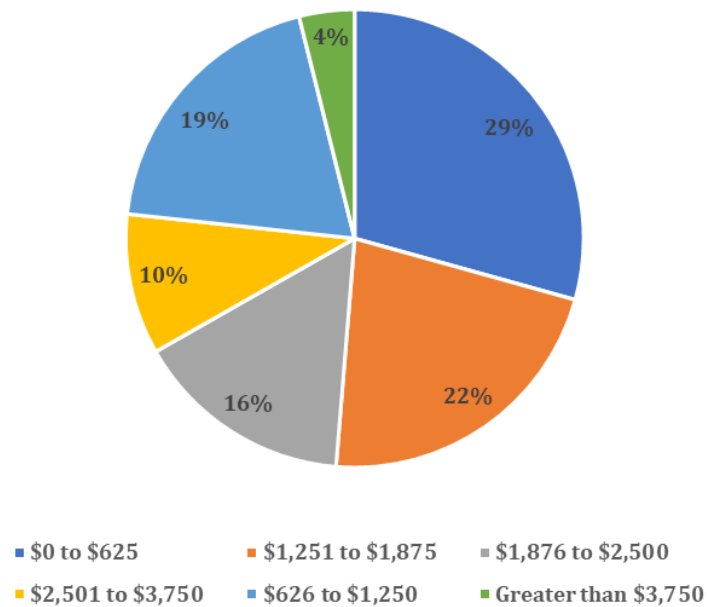


Additional Insights:

- 39.3% of non-Davidson respondents live in 2-person households.
- 15.2% of non-Davidson 2-person households are housing cost burdened.
- 28.6% of 3-person households are housing cost burdened

Question: What is your current rental/mortgage payment?

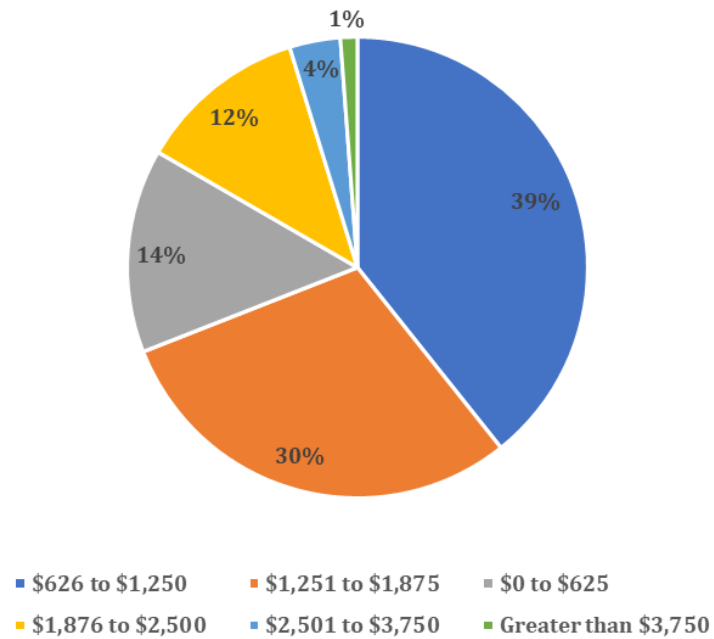
Monthly Payment for Shelter



Additional Insights:

- 49.5% of renters have rental payment higher than \$1,250/month
- 52.3% of homeowners have mortgage payments higher than \$1,250/month.

Monthly Payment for Shelter (Non-Davidson)



Additional Insights:

- 54.7% of non-Davidson homeowners pay more than \$1,250/month for shelter.
- 76% of non-Davidson renters pay between \$626 and \$1,250/month for shelter.

Cross-Tabulations of LiveDavidson Survey Data

Figure 1

Respondent Employment Situation and Household Income Level						
Employment Status	0\$ to \$25k	\$25k to \$50k	\$50k to \$75k	\$75k to \$100k	\$100k to \$150k	Greater than \$150k
College Student	16.4%	1.4%	2.7%	0.0%	0.8%	0.0%
Employed	29.5%	54.8%	37.3%	42.9%	61.5%	65.4%
Other	13.1%	8.2%	9.3%	4.1%	6.9%	6.9%
Retired	34.4%	31.5%	44.0%	49.0%	29.2%	25.2%
Unemployed	6.6%	4.1%	6.7%	4.1%	1.5%	2.4%

Figure 2

Respondent Household Income by Race							
HH Income Level	Asian / Pacific Islander	Black or African American	Hispanic or Latino	Native American or American Indian	Other	Prefer not to say	White/Caucasian
0\$ to \$25k	20.0%	23.7%	16.0%	0.0%	7.7%	12.2%	6.7%
\$25k to \$50k	0.0%	37.3%	28.0%	0.0%	23.1%	12.2%	6.7%
\$50k to \$75k	0.0%	15.3%	20.0%	0.0%	7.7%	9.8%	10.4%
\$75k to \$100k	0.0%	8.5%	8.0%	0.0%	0.0%	4.9%	16.4%
\$100k to \$150k	0.0%	6.8%	16.0%	100.0%	23.1%	19.5%	20.3%
Greater than \$150k	80.0%	8.5%	12.0%	0.0%	38.5%	41.5%	39.4%

Figure 3

Respondent Household Income by Age						
HH Income Level	18 - 24 years old	25 - 34 years old	35 - 44 years old	45 - 54 years old	55 - 64 years old	65 or older
0\$ to \$25k	55.0%	13.0%	0.8%	4.0%	11.4%	9.6%
\$25k to \$50k	25.0%	14.8%	8.7%	8.7%	8.9%	12.1%
\$50k to \$75k	10.0%	20.4%	11.1%	2.4%	10.8%	14.1%
\$75k to \$100k	5.0%	13.0%	18.3%	6.3%	9.5%	22.2%
\$100k to \$150k	5.0%	9.3%	19.8%	23.0%	20.9%	18.2%
Greater than \$150k	0.0%	29.6%	41.3%	55.6%	38.6%	23.7%

Figure 4

Davidson Affordability Response by Gender				
	Female	Male	Non-binary	Prefer not to say
No	334	125	5	8
Yes	53	64	2	10

Question was "Is Davidson an affordable place to live?"

Figure 5

Concern Regarding Housing Affordability by Household Income						
Response	0\$ to \$25k	\$25k to \$50k	\$50k to \$75k	\$75k to \$100k	\$100k to \$150k	Greater than \$150k
0 - Not Concerned	2.1%	1.4%	9.0%	6.9%	15.1%	15.1%
1	6.4%	0.0%	4.5%	4.6%	5.0%	9.1%
2	4.3%	2.8%	10.4%	4.6%	3.4%	13.4%
3	6.4%	9.9%	11.9%	12.6%	14.3%	14.7%
4	14.9%	12.7%	16.4%	17.2%	18.5%	17.2%
5 - Very Concerned	66.0%	73.2%	47.8%	54.0%	43.7%	30.6%

Survey question was "How concerned are you about Davidson's housing affordability?"

Figure 6

Increasing Housing Affordability Responses				
Response	Female	Male	Non-binary	Prefer not to say
0 - Very Negatively	16	23	1	4
1	25	17	2	3
2	26	32	0	4
3	48	26	0	2
4	76	35	0	1
5 - Very Positively	208	70	3	4

Question: How would increasing housing affordability affect Davidson?

Figure 7

HHIC of Renters and Owners vs Housing Cost		
	Own	Rent
0\$ to \$25,000		
\$0 to \$625	70.6%	4.5%
\$1,251 to \$1,875	5.9%	31.8%
\$1,876 to \$2,500	11.8%	9.1%
\$2,501 to \$3,750	5.9%	0.0%
\$626 to \$1,250	5.9%	54.5%
\$25,001 to \$50,000		
\$0 to \$625	52.9%	6.1%
\$1,251 to \$1,875	8.8%	18.2%
\$1,876 to \$2,500	5.9%	3.0%
\$626 to \$1,250	32.4%	72.7%
\$50,001 to \$75,000		
\$0 to \$625	40.4%	0.0%
\$1,251 to \$1,875	14.9%	55.6%
\$1,876 to \$2,500	6.4%	11.1%
\$2,501 to \$3,750	2.1%	0.0%
\$626 to \$1,250	36.2%	33.3%
\$75,001 to \$100,000		
\$0 to \$625	37.3%	5.3%
\$1,251 to \$1,875	35.8%	52.6%
\$1,876 to \$2,500	7.5%	5.3%
\$2,501 to \$3,750	0.0%	5.3%
\$626 to \$1,250	16.4%	21.1%
Greater than \$3,750	3.0%	10.5%
\$100,001 to \$150,000		
\$0 to \$625	33.9%	0.0%
\$1,251 to \$1,875	28.4%	20.0%
\$1,876 to \$2,500	14.7%	0.0%
\$2,501 to \$3,750	8.3%	20.0%
\$626 to \$1,250	13.8%	20.0%
Greater than \$3,750	0.9%	40.0%
Greater than \$150,000		
\$0 to \$625	26.3%	0.0%
\$1,251 to \$1,875	12.9%	66.7%
\$1,876 to \$2,500	27.8%	0.0%
\$2,501 to \$3,750	21.5%	0.0%
\$626 to \$1,250	4.8%	16.7%
Greater than \$3,750	6.7%	16.7%

Bolded red font indicates cost-burdened respondents

Appendix E: Interviews with Nonprofits and Developers

Town of Davidson Affordable Housing Needs Assessment Nonprofit Organization Interviewees

Name of the Nonprofit Organization	Name of the Interviewee	Title	Date of the Interview
Habitat for Humanity Charlotte Region	Laura Belcher	President and CEO	2/15/22, 2pm
Davidson Housing Coalition	Gerald Wright	Executive Director	2/16/22, 10am
Davidson Housing Coalition	Margaret Martens	Chair of the Board	3/10/22, 10am
Davidson Housing Coalition	Margo Williams	Chair Emeritus	3/10/22, 10am
Davidson Community Foundation	Dave Cable	Co-Chair	2/17/22, 9am

Developer Interviewees

Name of the Developer	Name of the Interviewee	Title	Date of the Interview
Laurel Street	Lee Cochran	Senior Vice President	3/17/22, 11:30am
Meeting Street Homes & Communities	Joe Roy	Founder, Land Acquisition & Development	3/8/22, 2pm
Saussy Burbank	Jim Burbank	Chairman	3/8/22, 3pm
Bayard Development	Ken Holbrooks	Partner	3/8/22, 1pm
Blue Heel Development	Matt Gallagher	Lead Development, Charlotte; Land Development Manager	3/10/22, 2pm
John Marshall Custom Homes	Rodney Graham	Owner	3/10/22, 1pm



Board of Commissioners Affordable Housing Work Session Town-Owned Land Discussion

Jamie Justice, Town Manager
Austin Nantz, Assistant Town Manager
Alexander Cahill, Affordable Housing & Equity Director
July 9, 2024

www.townofdavidson.org

Agenda

- Background
- Process Overview
- Financing & Partnership
- Affordable Housing Examples
- Site Analysis
- Building Understanding
- Recommendations
- Next Steps
- Discussion

Background: Building an Inclusive Community

Core Values

- Davidson's historic mix of people at all income levels and ages is fundamental to our community, so town government will encourage opportunities, services, and infrastructure that allow people of all means to live and work here

Comp Plan

- We must create an environment that maintains and enhances community diversity and inclusivity- Affordable housing options and strategies to support new and existing residents.

Davidson Community Survey

- Survey results from 2021 showed a majority of residents support using tax dollars and a tax increase for affordable housing. In 2024, 73% of survey respondents indicated that Access to Affordable Housing is a priority as it relates to maintaining or improving the quality of life over the next 5 years.

Strategic Plan

- Affordable Living, Equity, and Inclusion- Work together to create a culture of belonging, address our past inequities, provide opportunities for all, treat everyone with respect and dignity and recognize every voice

Needs Assessment

- The Town of Davidson seeks solutions to develop a data- and context-driven Affordable Housing Needs Assessment for guidance and direction in addressing the town's affordable housing needs.

Background: Implementation Strategy



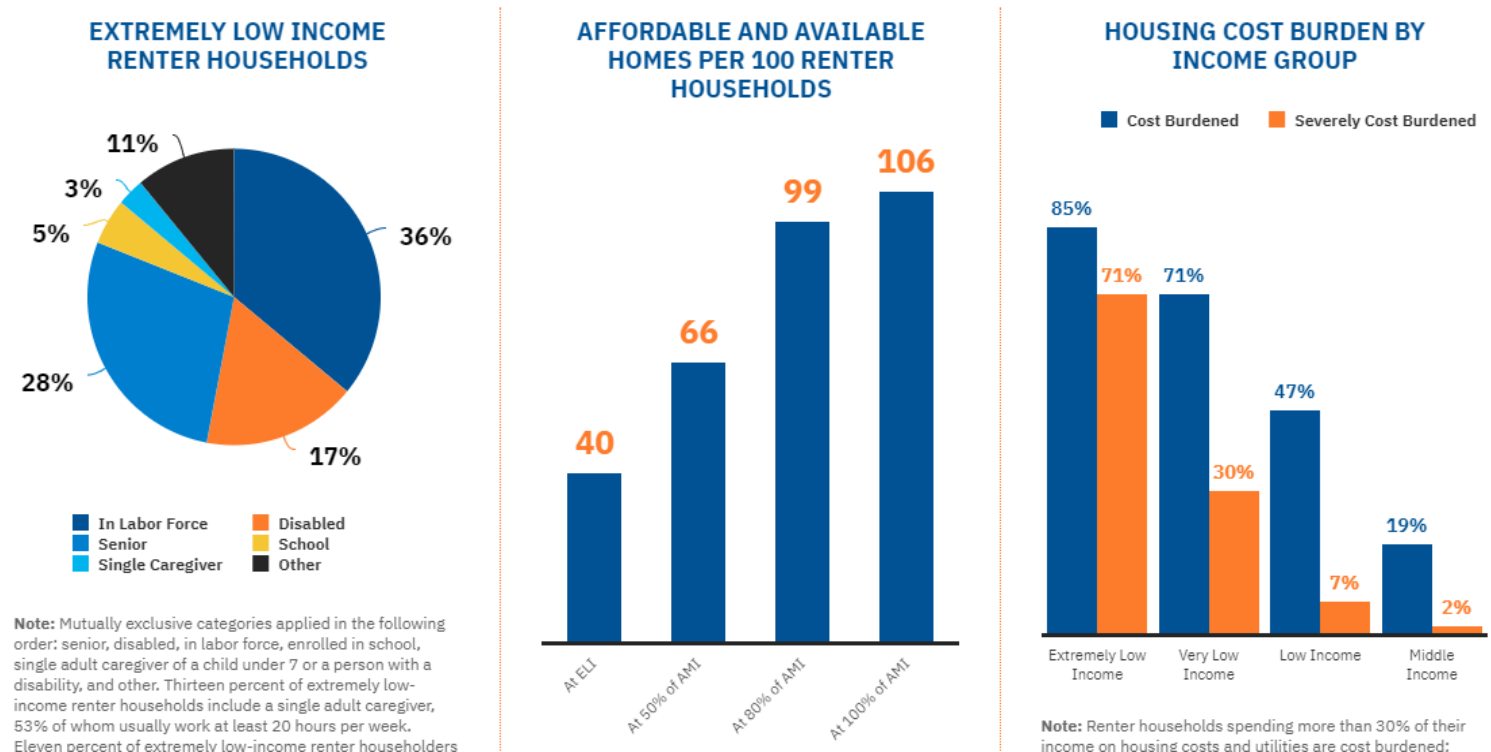
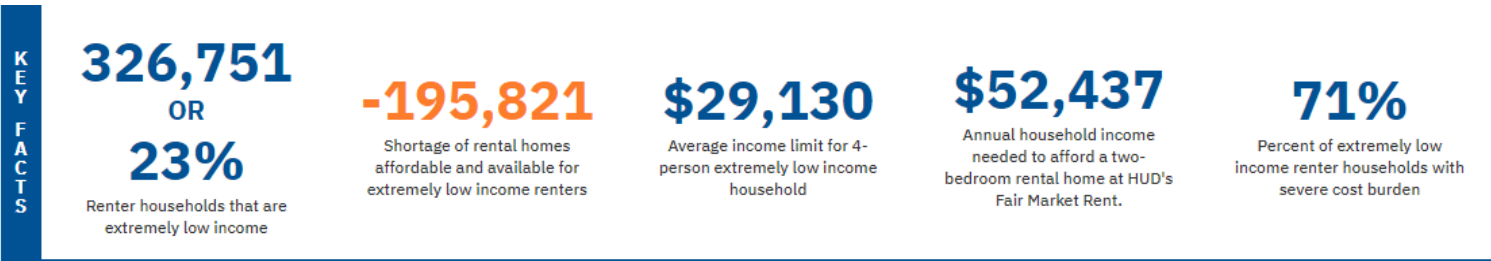
AFFORDABLE HOUSING STRATEGIC FRAMEWORK



Background: State-Level Need

North Carolina Statistics

Data Citation:
National Low-Income
Housing Coalition



Background: Metro-Area Need

Metropolitan Statistical Area Statistics

Data Citation:

National Low-Income
Housing Coalition

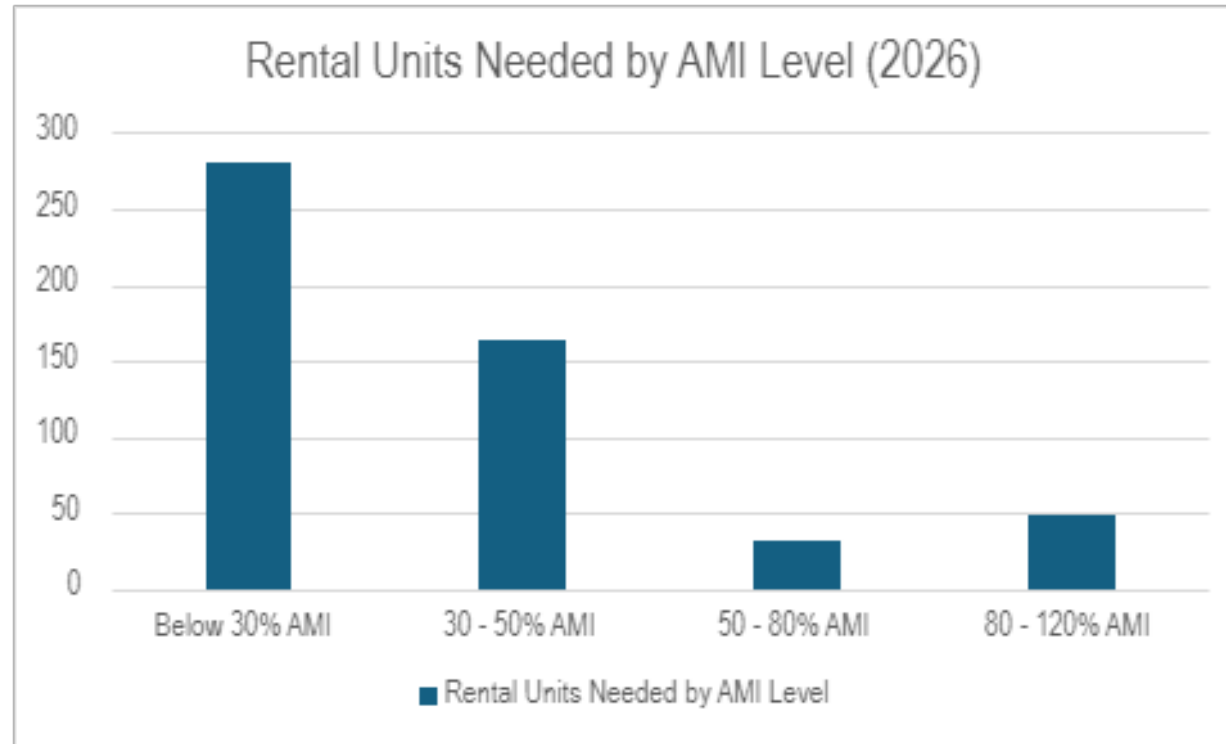


All Gap Data for North Carolina

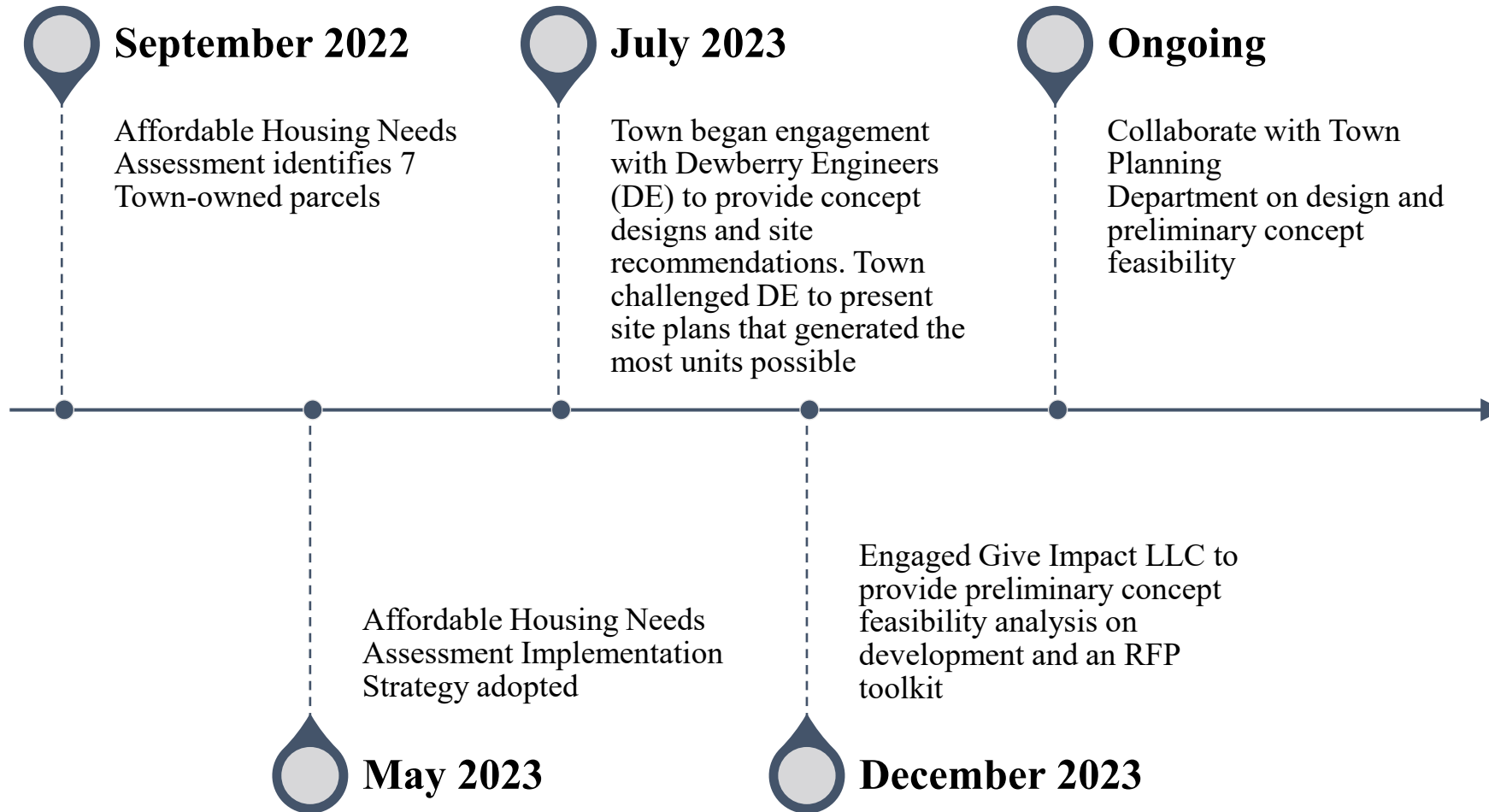
	North Carolina	Charlotte-Concord-Gastonia, NC- SC (Metro)
Extremely Low Income Households and Available Rentals		
EXTREMELY LOW INCOME RENTER HOUSEHOLDS	326,751	70,498
AFFORDABLE AND AVAILABLE RENTAL HOMES	130,930	24,733
Surplus (Deficit) of Affordable and Available Rental Units		
AT OR BELOW EXTREMELY LOW INCOME	-195,821	-45,765
AT OR BELOW 50% AMI	-185,186	-58,064
Affordable and Available Rental Units per 100 Households at or below Threshold		
AT OR BELOW EXTREMELY LOW INCOME	40	35
AT OR BELOW 50% AMI	66	55
AT OR BELOW 80% AMI	99	95
AT OR BELOW 100% AMI	106	105
% of Renter Households with Cost Burden		
AT EXTREMELY LOW INCOME	85	87
EXTREMELY LOW INCOME TO 50% AMI	71	79
51% TO 80% AMI	47	54
81 TO 100% AMI	19	20

Background: Local-Need

Needs Assessment

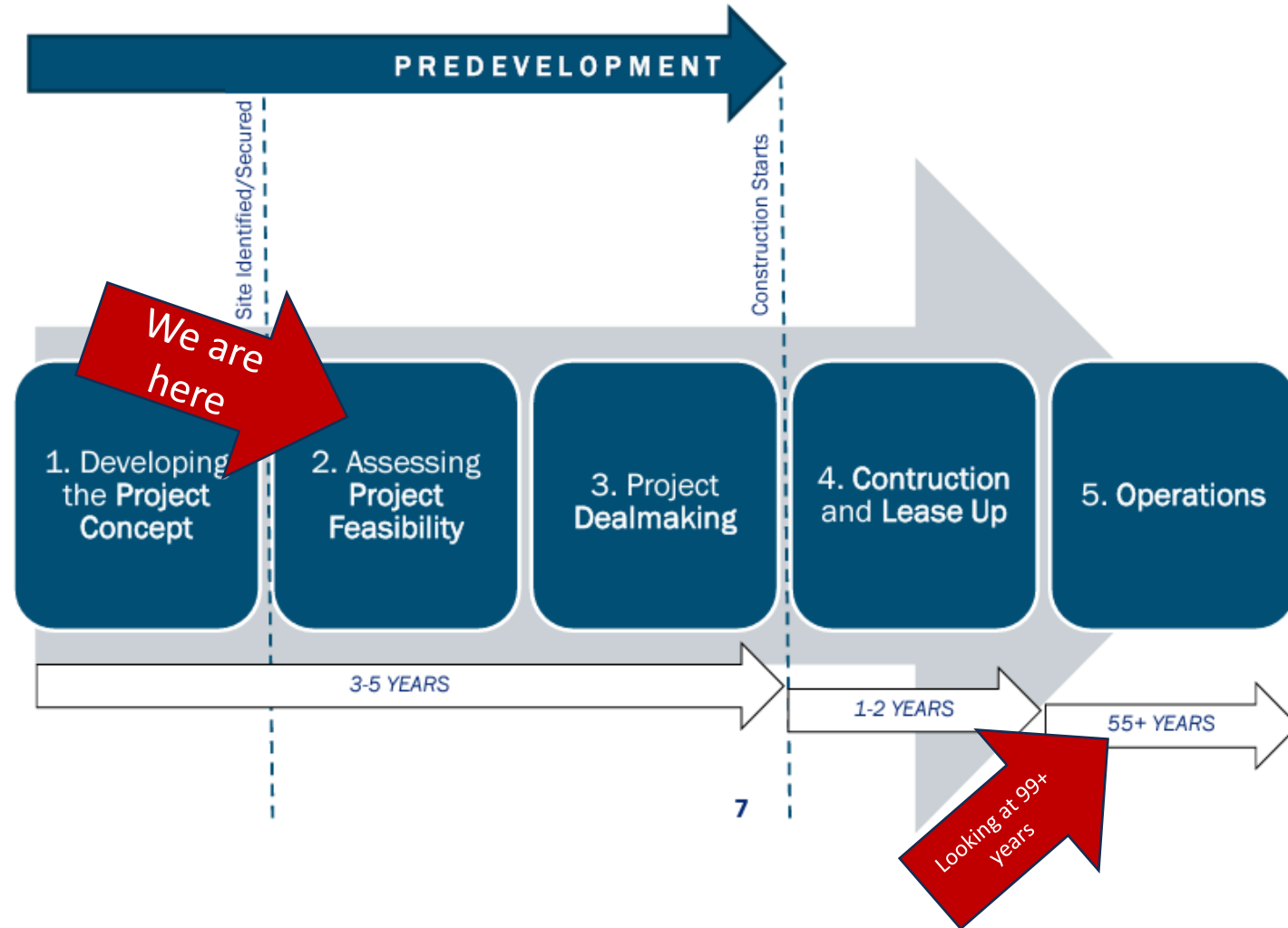


Process: To Date



Process: Where are we now

Timeline: Once a project begins and the Town has internal support to move forward, the affordable housing development process generally consists of five distinct phases as shown.



Process: Project Concept

1. Project Concept

The **Project Concept** phase covers the starting point of the project until the site is identified and eventually secured and acquired (in this exercise, the Town already owns the land). This phase of the project can take 1 to 3 years, and tasks and activities that happen during this period include:

- Setting the goals for the project – for example, deciding who will live there;
- Conducting a zoning analysis to understand the development potential of the project site and the number of housing units the site can accommodate.
- Assessing organizational capacity; and
- Identifying and assigning roles and responsibilities for the Town-owned land process.

Process: Project Feasibility

2. Project Feasibility

- **Appraisal:** A professionally prepared report that establishes a market value for a property required to secure project financing.
- **Environmental Analysis:** An analysis of a vacant site should be tested for the presence of hazardous materials in the soil or the groundwater. Existing buildings should be tested for termites, asbestos, lead based paint and mold.
- **Financial Feasibility Analysis:** A preliminary financial analysis that consists of projecting development expenses (uses) and identifying likely funding sources to cover these expenses (sources). Some key questions that determine financial feasibility are: How much will the project cost to develop? Will the rents support the operations of the property? Will the rents support the servicing of permanent debt? What funding sources are available for the project?

Process: Project Dealmaking

3. Project Dealmaking

- During this phase, various pieces of the predevelopment process must come together: the Town must approve the architectural plans, funders must agree to provide all needed funding, and the development team must continue to test and re-test the site analyses and the financial projections to ensure project feasibility and minimize risk.
- If Town staff/development team are successful in meeting these necessary thresholds, the project is ready to close on the construction financing and break ground.

Process: Construction & Lease Up

4. Construction & Lease Up

- Construction is the time when the physical development begins to emerge, and all the work and planning invested up to that point starts to manifest as the housing project takes shape for everyone to see.
- Construction, however, is arguably the riskiest phase of the project, and it is important to have a strong development team in place with experience managing the understood risks that are generally avoidable with diligent management and oversight of the project.
- Each organization makes a choice upfront in the development process about how much involvement they want to have during construction.
- Development team takes on financial responsibility for delivering the project. The Town's role is in contributing the land, potential gap subsidy funding and implementing the deed restrictions.
- The town's involvement during this phase will primarily include compliance monitoring for the deed restrictions, enforcing the ground lease (if applicable), and collecting any payments on funding provided to the deal (if applicable).

5. Operations

- Once the Certificate of Occupancy has been issued, the project is completed, and leased up, the affordable housing is officially in Operations.
- The Town's involvement during this phase of the project depends on the roles and responsibilities assumed at the onset of the development process with the identified development partner.

Financing & Partnership: Categories of Funds

Categories of Funds to Cover Affordable Housing Costs

- **Debt:** This is borrowed money, generally paid back with interest.
- **Equity:** This is cash financing that is not paid back with interest but is viewed as an investment with an expected, though not guaranteed, return.
- **Grants:** Funds to fill the gap between total development costs and what can be financed with debt or equity.
- **Town Funds:** Affordable housing fund balance (which includes funds from the general fund and Payment-In-Lieu) and ARPA funding

Financing & Partnership: Federal & State Programs

Federal Low Income Housing Tax Credits (LIHTC)

The Low-Income Housing Tax Credit program, which can be used only for rental housing, has been the federal government's primary program to produce affordable rental housing since the late 1980s. These are generally used for projects of 20 units or more because of the cost of selling the credits. Either tax credit can be claimed for up to 10 years. The tax credit percentages are based on the eligible basis of a property's construction budget. Non-depreciable parts of the budget — think land, interest, and insurance costs — are excluded. This DOES NOT impact property taxes.

Two Types of Credits: 9% and 4% (Either tax credit can be claimed for up to 10 years and both come with a 30-year compliance period in NC)

- 9% credits: The 9% tax credit (70% subsidy) is usually for new construction and substantial rehabilitation without federal subsidies and the process is more competitive. Mecklenburg County is typically awarded 2-3 deals per year.
- 4% credits: The 4% tax credit (30% subsidy) is usually for the acquisition of existing buildings for rehabilitation and/or new construction financed by tax-exempt bonds. There is no limit specific to Mecklenburg County, it is based on a statewide limit (currently under capacity). Funding is contingent upon the project securing other funds needed to make the deal financially feasible.

Financing & Partnership: Federal & State Programs

What are the Requirements for the LIHTC Program?

In order for a developer/service provider to qualify for the LIHTC program, a building must reserve a certain number of units for low-income residents. In most cases, they must either follow one of two “rules”: the “20/50 rule” or the “40/60 rule.”

- The 20/50 rule requires that at least 20% of a property’s units be rented to tenants who earn 50% or less of the area median income (AMI);
- The 40/60 rule requires that at least 40% of a property’s units be rented to tenants who earn 60% or less of the AMI.

Financing & Partnership: Federal Programs

Federal Home Loan Bank (FHLB) Affordable Housing Program

Provides grants, interest subsidies, and advances to rental and ownership projects. This is an important source of gap financing.

Rental Production Program (RPP)

Used alongside tax credits, RPP loans provide gap financing to make rental housing more affordable. This provides permanent long-term financing for rental projects that serve families earning 60% or less of the area median income through RPP loans.

Financing & Partnership: NCHFA Programs

HOME Investment Partnership Program

The NC Housing Finance Agency receives annual appropriations of HOME funds from the US Department of Housing and Urban Development (HUD.) Some of these funds provide loans for the development of affordable rental housing.

Housing Trust Fund Loans

The Housing Trust Fund receives periodic appropriations from the NC General Assembly to finance affordable housing. Normally, these loans are granted in combination with federal Housing Credits.

Agency-Issued Tax-Exempt Bonds

The NC Housing Finance Agency monitors projects financed through a variety of agency-issued bonds to ensure that units provide safe, decent and affordable housing and are occupied by eligible households, based on income.

Supportive Housing Development Program

The NC Housing Finance Agency monitors the provision of interest-free loans to government and nonprofit organizations for the production of transitional and permanent housing for occupants with special needs. These loans, funded through the state Housing Trust Fund, serve homeless or non-homeless households that require supportive services.

Example: ZOM Living

- The UNC School of Government Development Finance Initiative (DFI) was engaged by Durham County in May of 2017 to identify a development program that meets both public and private sector interests, and find the right partner to realize its vision
- The County released a Solicitation for Development Partner Proposals in early 2019
- The Durham Board of County Commissioners interviewed the leading development teams in June 2019 and executed a development agreement with Laurel Street Residential
- Funded through 4% LIHTC, Housing Choice Vouchers, long-term land lease, and \$49 million construction loan
- 300 apartments affordable to households earning between 30% and 80% Area Median Income (AMI), 200 market-rate apartments, ground-floor commercial space, a childcare center, and structured parking
- Under construction



Example: Bryan Place

- A conditional zoning example
- Serve those living at or below 30% area median income (earning less than \$14,424 annually in Durham)
- Special focus on those experiencing homelessness
- Gap covered by financing through City of Durham and NCHFA
- On-site community meeting place
- On-site laundry room
- 16, 1-bedroom apartments
- Under construction



Example: Fairhaven Walk

- A conditional zoning example
- Gap financing through affordable housing bond funds
- The site includes nearly eight acres made up of six separate parcels
- 192 apartments with one, two, and three-bedroom units
- Units available to community members whose household income is 70 percent or less of Durham County's Area Median Income
- 25% percent of the units will be affordable to households with incomes at 30 percent of the Area Median Income
- Has not yet broken ground



Site Analyses*

Sites
A: Mock Road
B: Armour Street
C: Pump House
D: Potts-Sloan
E: Town Hall & Community Center
F: Public Works Site
G: Theatre Site

Disclaimer (*): For each site in the following slides, the number of units, the cost per unit, and the gap per unit are subject to change and are only estimates.

Site Analysis Project A: Mock Road

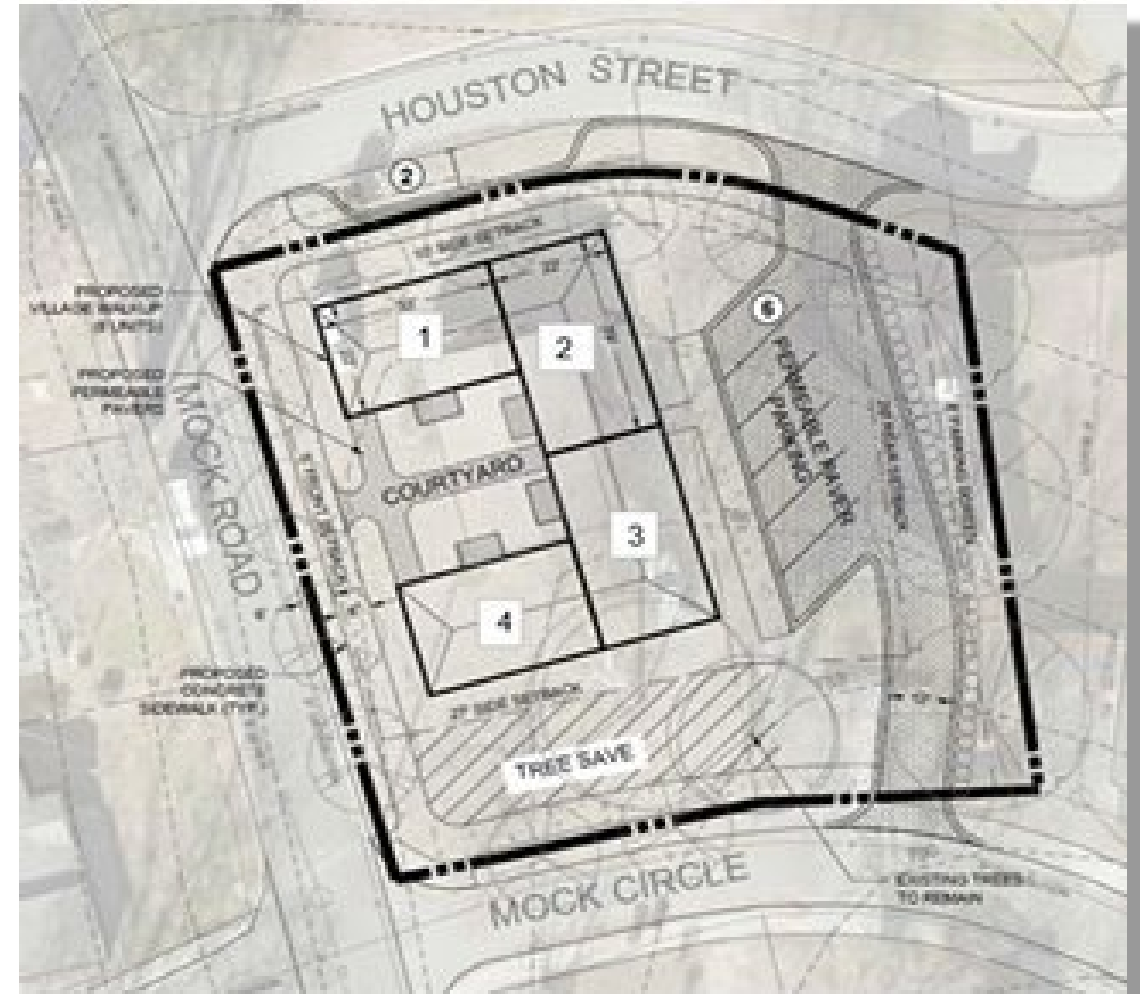
Pros

- Village Walkup style (missing middle) fits in with neighborhood
- Courtyard designed for resident and neighborhood interaction
- Minimizes costs using existing topography

Challenges

- Built Upon Area (BUA) requirements with Critical Watershed
- Requires replacing two affordable single-family homes resulting in a net gain of 6

Acres	Units*	Gap per Unit*	Estimated Cost/Unit
.385	8	\$65,502	\$218,342 - \$250,000



Site Analysis Project B: Armour Street

Pros

- Vacant lot not associated with the theatre property
- Quadplex style fits in neighborhood

Challenges

- Built Upon Area (BUA) requirements with Critical Watershed
- May require rear access agreement

Acres	Units*	Gap per Unit*	Estimated Cost/Unit
.206	4	\$60,509	\$201,695 - \$250,000



Site Analysis Project C: Pump House

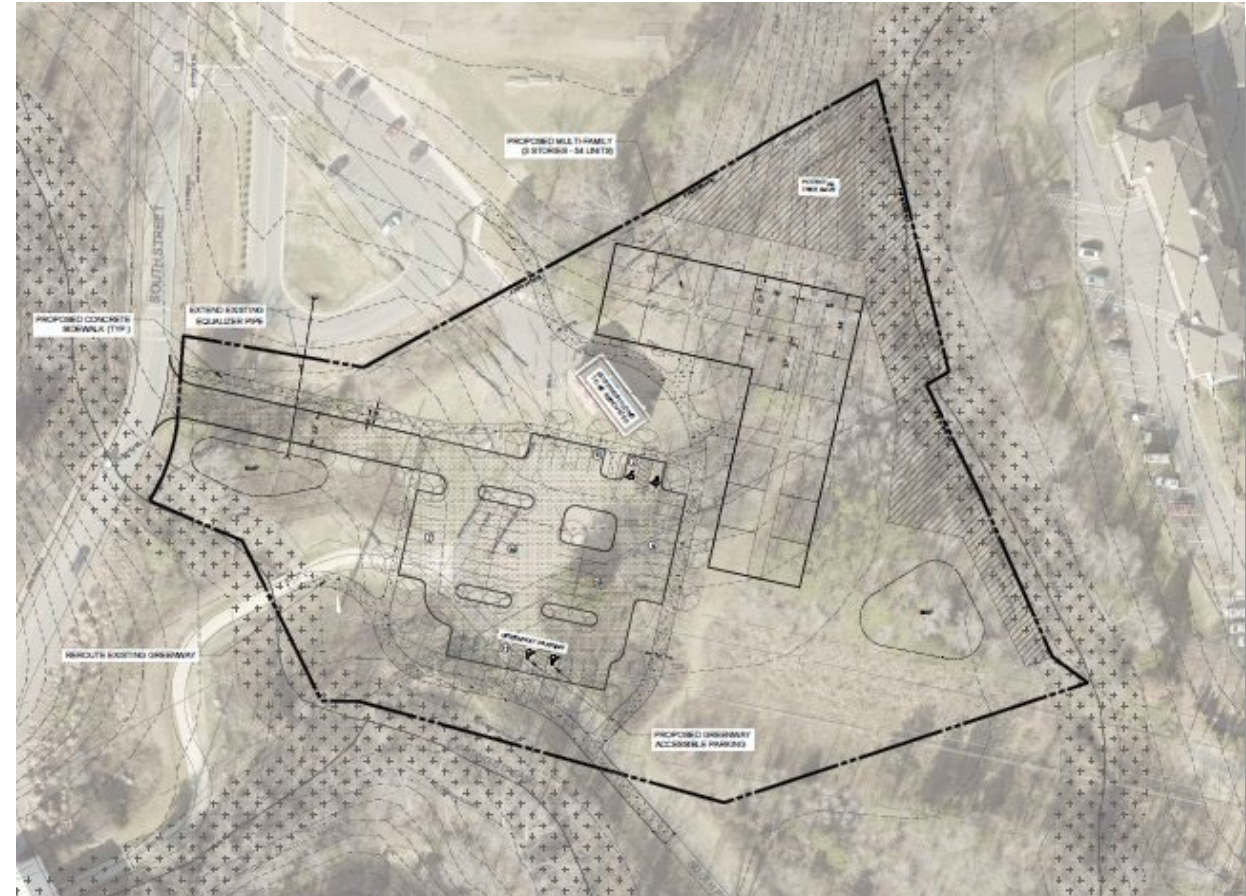
Pros

- Greenway is re-routed and retained for public use
- Preserve existing pump house structure and retained for public use
- Multi-family residential provides higher unit yield

Challenges

- Site access easement required from Charlotte-Mecklenburg Schools (CMS)
- Site has multiple easements limiting development potential
- Requires conditional zoning approval for multi-family residential

Acres	Units*	Gap per Unit*	Estimated Cost/Unit
3.96	54	\$74,005	\$231,265 - \$250,000



Site Analysis Project D: Potts-Sloan

Pros

- Village Walkup style (missing middle) fits in neighborhood
- Can preserve part of historic Torrence house
- Minimizes costs using existing topography

Challenges

- Topography limits development potential
- Built Upon Area (BUA) requirements with Critical Watershed
- Contingent upon new roadway connection
- New roadway alignment divides site

Acres	Units*	Gap per Unit*	Estimated Cost/Unit
1.79	12	\$84,222	\$240,635 - \$275,000



Site Analysis Project E: Town Hall & Community Center

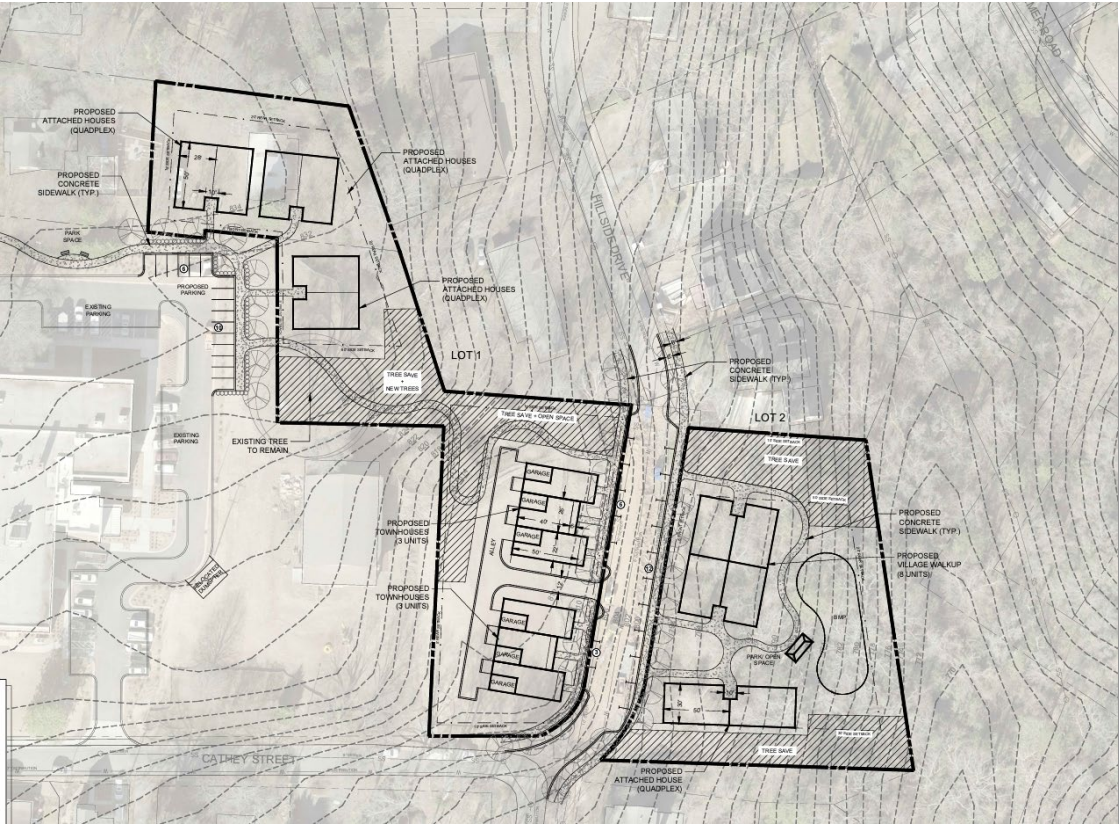
Pros

- Walkability/proximity to shopping and restaurants
- Housing types fit into neighborhood context
- Potential to partner with adjacent parcel for units

Challenges

- Cost of required infrastructure (connection between Hillside Drive and Cathey Street)
- Potential for expensive site work due to topography
- Building shown where gym parking lot is proposed

Acres	Units*	Gap per Unit*	Estimated Cost/Unit
3.01	30	\$173,598	\$321,477 - \$350,000



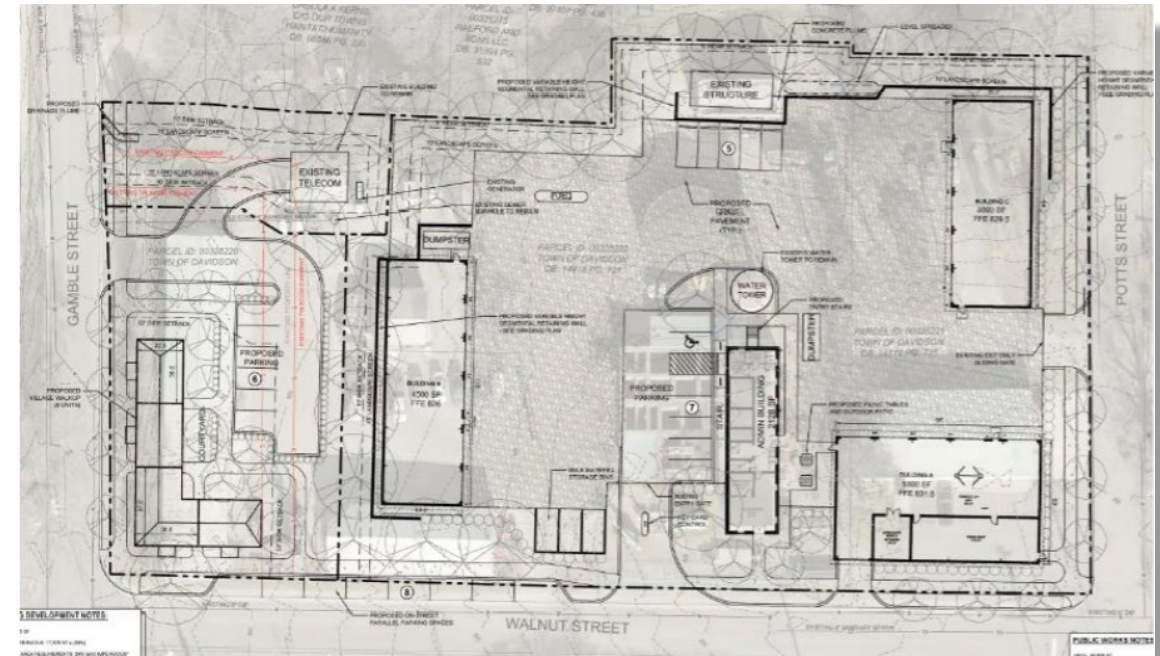
Site Analysis Project F: Public Works Site

Pros

- Located across from Ada Jenkins Center Services
- Buildings fronting the street to activate streetscape
- Co-locating with Public Works as potential jobs/housing match
- CATS bus stop is expected to be relocated to this site

Challenges

- Co-locating with public works could be a concern (perception and noise)
- Utility easement constrains design



Acres	Units*	Gap per unit*	Estimated Cost/Unit
1.79	8	\$146,220	\$270,777 - \$350,000

Site Analysis Project G: Theatre Site

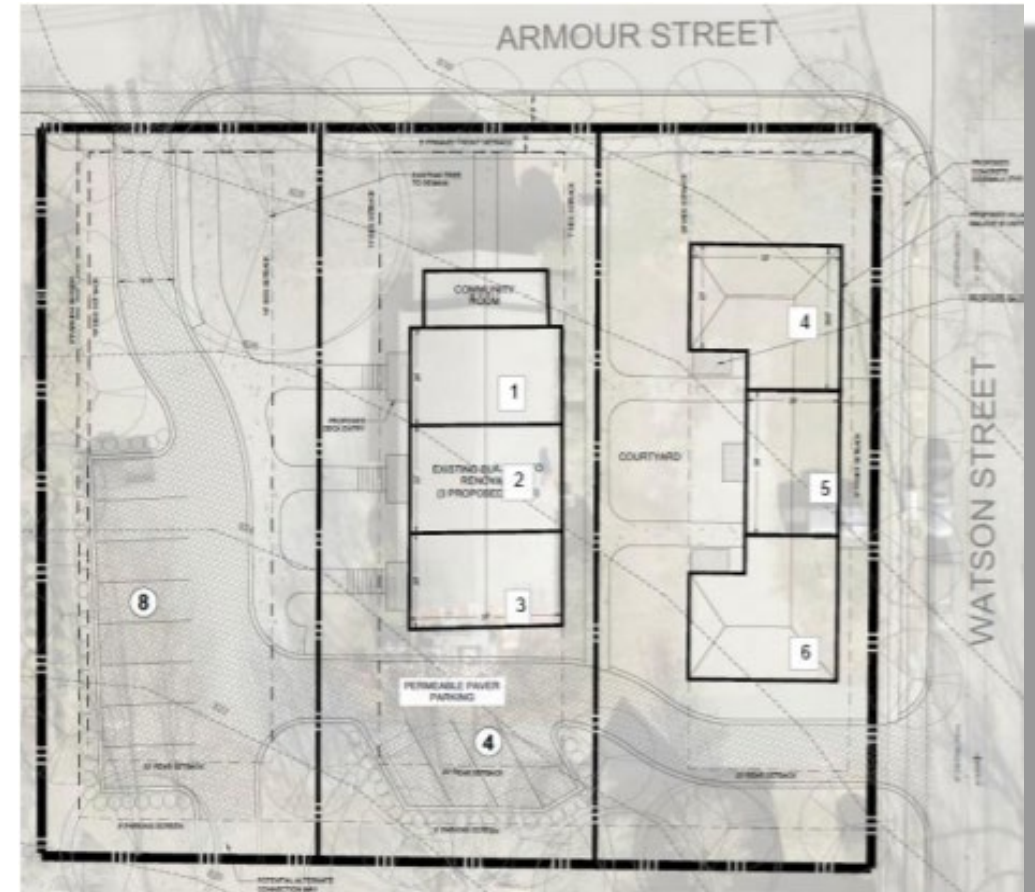
Pros

- Rehabilitation and preservation of existing theatre
- Village Walkup style (missing middle) fits in neighborhood

Challenges

- Built Upon Area (BUA) requirements with Critical Watershed
- Current lease and debt goes through 2028
- Davidson Community Players has right to purchase

Acres	Units*	Gap per Unit*	Estimated Cost/Unit
.618	9	\$72,480	\$207,086 - \$250,000



Building Understanding: What have we learned?

- We learned more about *what we don't know* and identified gaps in understanding.
- We learned that we need to have a clear understanding of how to leverage the Town's asset (land).
- We learned that we need to determine ***which*** financing model to use.
- We learned that we need to build partnerships with affordable housing developers.
- We learned that we need additional expertise to move this project forward (UNC School of Government/DFI has provided this type of guidance to other successful municipal projects).

Building Understanding: Threading the Needle

What questions do we need to answer in the next phase of this process:

- How will we utilize our land asset (land lease, land trust, land sale, etc.)?
- What financing models are available?
- Who is this housing for?
- Who should we be partnering with in the affordable housing development community?
- What are the trade-offs for each project?
- Which trade-offs align with the Town Board's Strategic Plan and Values?

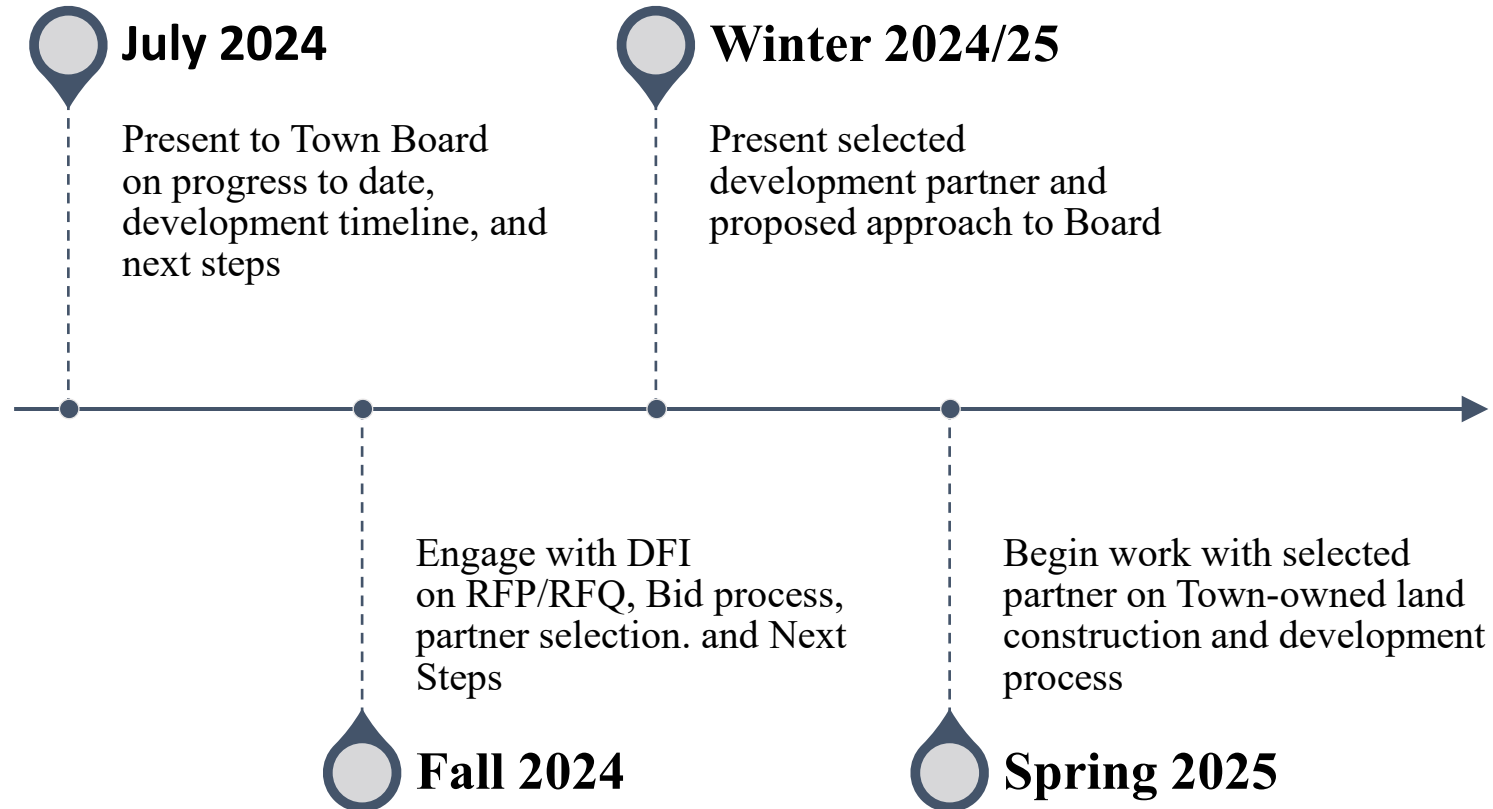
Building Understanding

- Originally our thought was that we would issue an RFP for a limited number of sites asap to see what kind of response we might get from developers.
- Based on the information that Alexander brings with him and the initial feedback we have received from developers, we have decided to use a modified approach that will best serve the Town and position us for success.
- As noted in the previous slides, there are several questions that must be answered before moving forward with an RFP or RFQ process.

Recommendations: How to Move Forward

- Work with a partner like (UNC School of Government – Development Finance Initiative (DFI) on next steps:
 - To engage affordable housing practitioners
 - To identify funding models and opportunities
 - To move from step 2 through step 3 in the project development timeline
- Develop a community engagement plan for Town-owned land

NEXT STEPS



DISCUSSION



SERVICE AGREEMENT

This service agreement ("Agreement") is between Town of Davidson ("Client"), and SOG DFI, LLC ("DFI") (each a "Party" and collectively "Parties").

WHEREAS, as part of its mission, the School of Government at the University of North Carolina at Chapel Hill ("University") provides services to local governments. The Development Finance Initiative, as a program of the UNC School of Government ("SOG"), enables local governments and their partners to accomplish their community and economic development goals by providing specialized finance and development expertise in connection with the educational mission of SOG; and

WHEREAS, SOG DFI, LLC is an associated entity of the University pursuant to G.S. 116-30.20 that was created to facilitate the work of the Development Finance Initiative; and

WHEREAS, DFI is able to provide technical services relating to pre-development feasibility analysis and developer identification services for affordable housing ("Project") in the area described in Schedule C ("Project Area"); and

WHEREAS, Client desires for DFI to perform such services, and doing so is consistent with the University's research, teaching, and public service missions.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, and for other good and valuable consideration the receipt of which is hereby acknowledged, Client and DFI agree as follows:

1. **Scope of Services.** DFI will perform the services described in the statement of work, which is attached as Schedule A (the "Services"). DFI will provide Client with Deliverables as described in Schedule A (the "Deliverables").
2. **Term.** The term of this Agreement will commence on the date upon which the Agreement is fully executed by both Parties (the "Effective Date") and the Services outlined in this Agreement will start on the Effective Date or soon thereafter. This Agreement shall terminate on June 30, 2036
3. **Termination.** In the event either Party breaches any material terms of this Agreement, then upon sixty (60) days' written notice of such breach, the non-breaching Party may terminate if the breaching Party fails to cure such breach within the notice period. In the event of such termination by Client, DFI shall deliver to Client any unfinished or draft Deliverables prepared under this Agreement. In the event of such termination, Client agrees to pay DFI all reasonable costs and non-cancellable obligations incurred by DFI up to the date of termination, not to exceed the maximum amount specified in Section 4.
4. **Payment.** DFI's fee for the Services shall be paid in two parts. The first portion of the fee is \$96,100 (the "Client Payment"). The Client Payment shall be due and payable upon receipt of the DFI invoices in accordance with Schedule B.

The second portion of the fee (the "Development Services Fee") shall be contingent upon the execution of one or more agreements (each a "Development Services Agreement") between Client and one or more third parties (the "Developer" or "Developers") during the term of this

Agreement regarding the responsibilities of either the Client or the Developer(s) regarding any aspect of the development of the Project or any portion thereof. The Development Services Fee shall be equal to 1.0% (one percent) of the following amount: the total projected costs of development of the Project contemplated under each such Development Services Agreement. The total projected costs of the Project shall be determined based on the costs (for both horizontal and vertical development) projected by the Developer in the most recent versions(s) of pro forma and/or other financial projections (the "Developer Financials") prepared by the Developer and delivered to Client (or lenders or investors) prior to or contemporaneously with execution of the Development Services Agreement, and in the event of any inconsistencies in the projected total costs among different versions of the Developer Financials, the version of the Developer Financials showing the greatest total costs of development of the Project shall be used to calculate the Development Services Fee. Each Developer shall pay directly to DFI the Development Services Fee attributable to that Developer's Development Services Agreement(s).

In consideration of the Services provided to Client by DFI pursuant to this Agreement and the "at risk" nature of the Development Services Fee, the Client agrees to make execution of any Development Services Agreement executed with a Developer during the term of this Agreement and the payment of the Development Services Fee by that Developer to DFI a condition of any Development Services Agreement or conveyance or lease of the Property or any portion(s) thereof to such Developer, and each such Development Services Agreement shall provide that DFI is an intended third party beneficiary of the Development Services Agreement. Client agrees to insert into any request for proposals or other solicitations regarding development of the Project the following clause (or a substantially similar clause as mutually agreed upon by Client and DFI), and shall require Developer to comply with its terms:

"The performance by the Town or the conveyance or lease of any portion of the property described herein (the "Property") to the selected development entity and its successors and assigns (the "Developer") shall be conditioned upon the execution of an agreement (the "Development Services Agreement") between the Town and the Developer pertaining to the responsibilities of either the Town or the Developer, or both, regarding any aspect of the development of the Property or any portion thereof (the "Project"). As part of the Development Services Agreement, the Developer shall agree to pay a fee to the Town's consultant ("DFI") and its successors and assigns for pre-development services provided to the Town, and the Development Services Agreement shall provide that DFI is an intended third party beneficiary of the Development Services Agreement. The fee shall be an amount equal to 1.0% (one percent) of the total projected costs of development (including horizontal and vertical development) of the Project as calculated by the Developer in the most recent versions(s) of pro forma and other financial projections (the "Developer Financials") prepared by the Developer and delivered to Town or other parties prior to or contemporaneously with the execution of the Development Services Agreement (and in the event that projected costs are not available at time of execution, then Developer shall provide such costs as soon as possible thereafter), and in the event of any inconsistencies in the projected total costs among different versions of the Developer Financials, the version of the Developer Financials showing the greatest total costs of development of the Project shall be used to calculate the

Development Services Fee. The total development cost shall not include costs related to development of structures that meet all of the following criteria immediately upon completion of the development: (i) the entire structure and the entire parcel of land on which the structure is located are owned in fee simple solely by the Town; (ii) any financing associated with the structure is an obligation of the Town alone; and (iii) the entire structure will be operated either (a) by the Town directly or (b) by a contractor on behalf of the Town pursuant to a contract executed by the Town. The Development Services Fee shall be due and payable in full to DFI no later than 30 days following execution of the Development Services Agreement. An alternative payment schedule for payment of the Development Services Fee to DFI may be developed as mutually agreed in writing by Developer and DFI; by way of illustration only, such schedule of payments could include deferring payment of the fee until closing on construction financing for the Project. Developer's obligation to pay Development Services Fee shall not be assignable by Developer to any other entity, nor shall any assignment relieve Developer of its obligation to pay Development Services Fee, except upon written consent of DFI."

Further, the Parties hereby agree to evidence this Agreement and any amendments by promptly executing a memorandum of contract in the form attached hereto as Schedule D (the "Memorandum of Contract") and returning it to DFI for recordation on any parcels related to the Project in the Office of the Register of Deeds for the relevant county.

The budget for DFI's personnel, contractors, and other expenditures in order to complete the Services can be altered at DFI's discretion, according to University's policies. DFI is under no obligation to provide Client or any Developer with any kind of financial reporting, supporting documentation, or justification of expenditures made in the performance of the Project as a condition of payment.

5. **Confidential Information.** Any information disclosed by Client to DFI pursuant to this Agreement that Client considers confidential or proprietary ("Confidential Information") shall be disclosed in writing and marked as confidential, or if disclosed orally, shall be confirmed in writing and designated confidential within five (5) days of such disclosure. DFI agrees to use the same degree of care it uses to protect its own confidential information to maintain for a period of three (3) years the Confidential Information. DFI's obligations hereunder do not apply to: (1) information in the public domain, (2) information independently known or obtained by DFI; or (3) information required to be disclosed pursuant to applicable law or judicial order, including the North Carolina Public Records Act.
6. **Ownership Rights.** The Deliverables and Confidential Information shall belong solely to Client; provided, however, DFI shall be free to use the Deliverables and results from the Services for its own educational, research, and publication purposes, consistent with the obligations set forth in Section 5 above.
7. **Entire Agreement.** This Agreement constitutes and expresses the entire agreement of the Parties hereto with reference to the subject matter hereof, with all prior promises, undertakings,

representations, agreements, understandings and arrangements relative thereto having been herein merged into this Agreement.

8. **Warranties.** DFI in no way guarantees the Services performed and makes no warranties, express or implied, regarding the quality of the Services or Deliverables, although all reasonable efforts will be made. Each Party waives its rights to recover from the other Party any consequential, indirect, or incidental damages (including but not limited to, loss of use, income, profits, financing, or reputation), arising out of, or relating to, this Agreement.
9. **Independent Contractors.** The relationship of the Client and DFI established by this Agreement is that of independent contractors, and nothing contained in this Agreement will be construed to (i) give either Party the power to direct and control the day-to-day activities of the other, (ii) constitute the Parties as partners, joint venturers, co-owners, or otherwise as participants in a joint or common undertaking, or (iii) allow a Party to create or assume any obligation on behalf of the other Party for any purpose whatsoever. Personnel of each Party shall not be considered an employee or agent of the other Party nor shall such personnel be entitled to any employee benefits including, without limitation, vacation pay, leave, retirement benefits, social security, workers compensation, disability, or unemployment benefits that may be provided to the other Party's employees. Each Party shall be exclusively responsible for compensating its personnel and subcontractors and paying all taxes, withholding payments and any other fees or payments related to its personnel and subcontractors.
10. **Modification; Waivers.** No waiver, amendment, or modification of any of the terms of this Agreement shall be valid unless in writing and signed by authorized representatives of both Parties. Failure by either Party to enforce any rights under this Agreement shall not be construed as a waiver of such rights nor shall a waiver by either Party in one or more instances be construed as constituting a continuing waiver or as a waiver in other instances.
11. **Force Majeure.** DFI shall not be liable for any failure to perform as required by this Agreement, to the extent such failure to perform is caused by any reason beyond DFI's control, or by reason of any of the following: acts of God, acts or threats of terrorism, civil disorders, severely inclement weather, disease, accidents, failure of utilities, failure of any required governmental approval, or similar occurrences.
12. **Retention of Intellectual Property.** It is expressly agreed that neither DFI nor the Client transfers by operation of this Agreement or shall transfer by operation of this Agreement to the other Party any patent right, trademark right, or copyright right either Party now owns in the performance of this Agreement.
13. **Advertising.** Client shall not use the existence of this Agreement or the name, logo, images or trademarks of The University of North Carolina at Chapel Hill, or any of its constituent schools or departments, as a part of any marketing or commercial advertising without prior written approval of DFI.
14. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument.

15. **Notices.** Any notice to be given hereunder shall be in writing and shall be given by delivery in person or by depositing the notice in United States Certified Mail, Return Receipt Requested, postage prepaid, in an envelope addressed to the Parties to be notified at such Party's address as follows:

If to Client:

James Justice
Town Manager
Town of Davidson
PO Box 579
Davidson, NC 28036
Phone: 704-940-9618
Email: jjustice@townofdavidson.org

If to DFI:

Lauren Partin
Senior Associate Dean for Administration
UNC School of Government
Knapp-Sanders Building, CB 3330
Chapel Hill, NC 27599-3330
Phone: 919-962-2757
Email: lgpartin@sog.unc.edu

16. **Governing Law.** This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of North Carolina.
17. **Assignment.** This Agreement shall not be assigned by either Party without the prior written consent of the other Party hereto. This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.
18. **Survivability.** Those terms that by their nature necessarily survive termination of this Agreement shall survive, including but not limited to those provisions dealing with confidentiality, intellectual property, and payment.
19. **Liaisons.** Alexander Cahill shall serve as liaison for the Client for issues concerning work under this Agreement. Marcia Perritt shall serve as liaison for DFI. Their contact information is as follows:

Alexander Cahill
Affordable Housing & Equity Director
Town of Davidson
PO Box 579
Davidson, NC 28036
Phone: 704-439-7746
Email: acahill@townofdavidson.org

Marcia Perritt
Director, DFI
UNC School of Government
Knapp-Sanders Bldg., Campus Box 3330
Chapel Hill, NC 27599-3330
Phone: 919-600-7874
Email: mperritt@sog.unc.edu

[SIGNATURES NEXT PAGE]

IN WITNESS WHEREOF, the Parties by their duly authorized officers have executed this Agreement on the dates set forth below, to be effective on the Effective Date.

SOG DFI, LLC

By: _____

Date: _____

Name: Kara Millonzi

Title: Chair, Board of Directors

Town of Davidson

By: _____

Date: _____

Name: James Justice

Title: Town Manager

TOWN OF DAVIDSON FINANCE OFFICER'S CERTIFICATION STATEMENT

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act this the _____ day of _____, 2024.

By: _____

Schedule A
STATEMENT OF WORK

Scope of Services:

The following Scope of Services outlines the Phase 1 and Phase 2 pre-development activities that DFI would conduct to support the town leaders in evaluating and prioritizing sites for affordable housing development town-wide (the Town of Davidson being the “Project Area”):

Phase 1: Opportunity Site Identification

1. Conduct a community scan, which is an analysis of market-relevant demographic and socioeconomic data, as well as a review of current and historic plans, visioning documents, studies, research, development proposals, conceptual renderings, notes from public input sessions, and other materials relevant to affordable housing development within the Project Area;
2. Complete a housing gaps analysis to support and enhance the Town's unmet needs analysis and advise on the projected new demand for housing affordable to owner and renter households earning 80% of the Area Median Income and below. The analysis will leverage analyses previously completed by the Town. It includes a review of existing housing supply and identifies gaps in the market by housing type and income bracket. Housing types may include single-family rental, subsidized and unsubsidized affordable housing, multifamily rental, single-family ownership, etc., to serve low- and moderate-income as well as very low-income and extremely low-income individuals and households;
3. Establish affordable housing priorities for Project selection in collaboration with the Town and key internal stakeholders;
4. With an emphasis on properties owned by the Town and its partners, identify areas suitable for scattered site, infill, and/or Low-Income Housing Tax Credit (LIHTC) development as defined by the NC Housing Finance Agency's Qualified Allocation Plan (QAP). LIHTC is the largest affordable housing finance program in the country, incentivizing the acquisition, construction, and rehabilitation of private rental housing for low-to-moderate income households. Criteria for site suitability may include proximity to amenities such as a grocery store, pharmacy, and shopping as well as the absence of incompatible uses and negative features that could impede a site's eligibility for key funding sources;
5. For targeted areas identified through the site suitability analysis, collect and analyze relevant data for a parcel analysis to understand current conditions (sales trends, vacancy, land use, ownership, and underutilization) and changes over time;
6. Conduct a high-level site analysis for each potential Project identified, examining publicly available data regarding topography, hydrology, infrastructure, etc. to gain a general understanding of development opportunities and constraints;
7. Conduct a high-level financial analysis for each potential Project in order to make a general determination about the feasibility of affordable housing development on each site; and
8. Identify and prioritize key development opportunities based on the pre-development feasibility analysis and the Town's affordable housing priorities and make recommendations related to those sites.

Within six months of the conclusion of Phase 1, the Town may select, for Phase 2 analysis and solicitation services, **two sites** over which the Town has site control (each a “Project”). Prior to DFI commencing Phase 2, the Agreement between DFI and the Town shall be amended to identify the parcels comprising any Project by parcel identification number and shall be recorded on the relevant property.

Phase 2: Additional Site-Specific Pre-Development & Solicitation of Development Partner for Two Projects

9. Support staff in community engagement activities, as necessary, to solicit public input as it relates to the Projects;
10. Perform a site constraints analysis to determine what the sites can actually support given current conditions and other limitations and to test fit potential development programs for the Projects;
11. Conduct a financial feasibility analysis, preparing a financial model (i.e., development budget, operating cash flows, sources of capital, etc.) for the Projects to determine financial feasibility for a private partner and scale of public investment, if necessary;
12. Evaluate options for financing and structuring public participation in development or redevelopment, if necessary, including use of development finance tools (tax credits, district designations, etc.);
13. Propose a feasible private development program for each of the Projects and request the Town’s approval;
14. Provided that the Town approves the development program for one or more Projects as described above in Activity 13, prepare a solicitation for development partners for the approved development program(s) and assist the Town with developing criteria to inform the Town’s selection of eventual partner(s);
15. Actively market and discuss each solicitation with qualified development partners with the goal of receiving competitive proposals from qualified developers who are capable of accomplishing the Town’s approved development program(s);
16. Support Town officials in development partner selection process by carrying out due diligence of potential partners, preparing investment summaries, and evaluating solicitation responses using the Town’s criteria;
17. Support the Town in negotiating deal points with the development partner selected to execute each Project’s approved development program pursuant to the solicitation. Deal points include development parameters for public-private partnerships and milestones, which are typically memorialized first in a non-binding memorandum before being finalized in a development agreement; and
18. Support the Town through the point that the above-referenced development partner closes on financing for the Project, by regularly evaluating changes proposed by the development partner to pro forma financials and public participation options, in order to verify developer assumptions about revenues, development costs, operating expenses, and debt and equity structuring as market conditions evolve.

Services Exclusions: The scope of services described in this section of the Agreement will hereinafter be referred to as the “Services.” The Services expressly do not include activities described in Article 1 of the North Carolina General Statutes Chapter 93A or Article 1 of Chapter 93E which require a licensed broker

or licensed appraiser to perform. In addition, the Services do not include tasks or expenses associated with site planning expertise from architects or engineers or site preparation expenses that may include but are not limited to: land survey, soil samples, and environmental testing. The Services do not include legal services and no attorney-client relationship shall be established through the performance of the Services. The scope does not include a refresh or update (supplemental data collection and subsequent updated analysis) that could be required in the event that, for reasons beyond the control of DFI, (i) the development solicitation process is not commenced within one year of the Effective Date, or (ii) more than one solicitation for development partners must be created and/or marketed.

Deliverables: Deliverables include presentations, summaries, and other documentation intended by DFI to be delivered to the Client regarding the Scope of Services.

Schedule B
PAYMENT SCHEDULE

1. Client Payment Schedule. The Client Payment shall be due and payable upon receipt of the DFI invoices in accordance to the following schedule:

\$48,050 on November 15, 2024

\$48,050 on February 15, 2025

2. The Development Services Fee associated with each Development Services Agreement shall be paid by each Developer to DFI pursuant to Section 4 of the Agreement, "Payment."

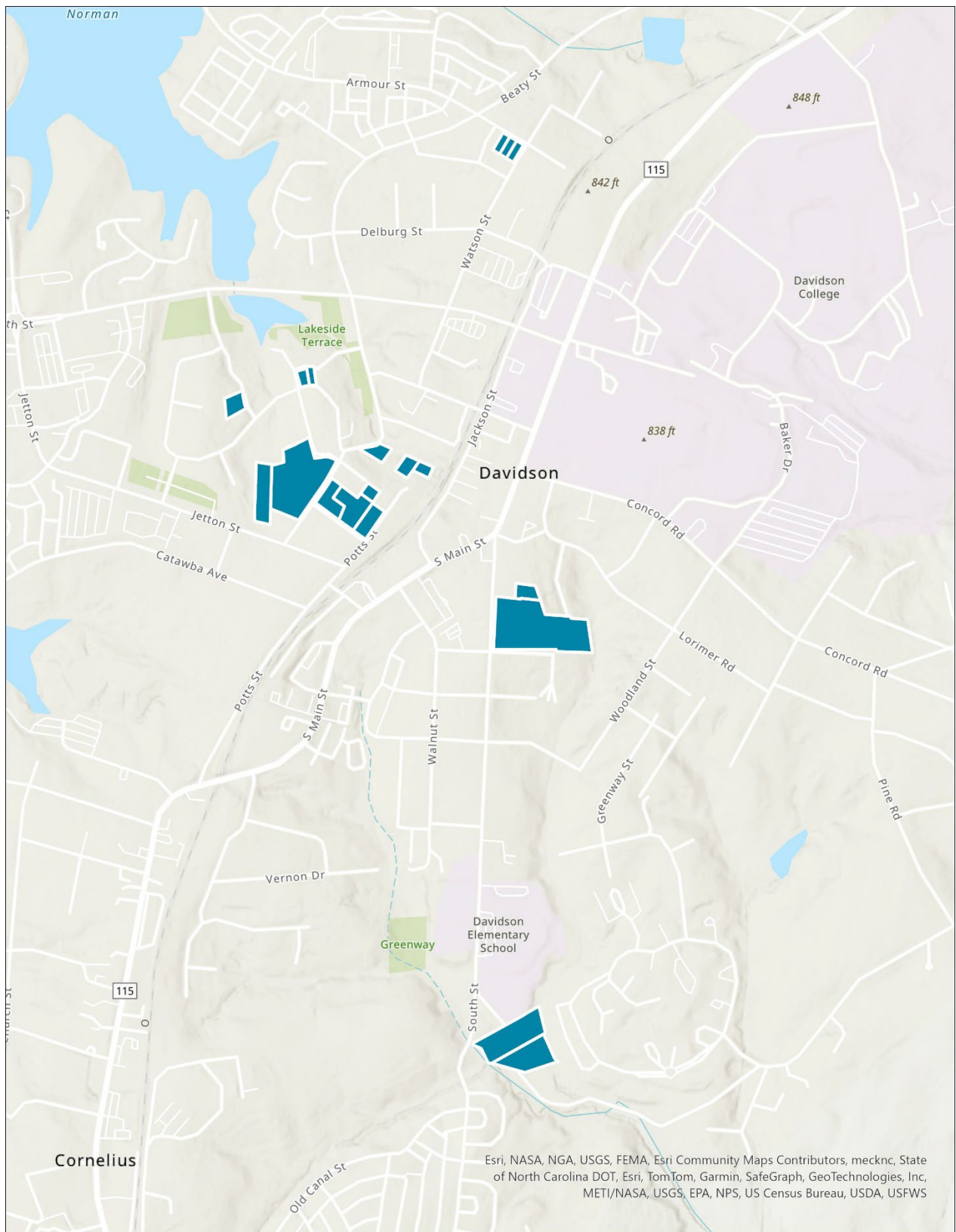
Schedule C
PROJECT AREA

The Project consists of all parcels within the area shown in the attached diagram and also including but not limited to any parcels identified below by number or other identification that:

- (i) are leased, owned, or placed under option by Client at any time during the term of this Agreement, and/or
- (ii) become the subject of a Development Services Agreement between Client and a third party during the term of this Agreement.

Parcel Record Numbers:

00323521
00323511
00323226
00327565
00327507
00327511
00071319
00701320
00704202A
00704202B
00704205
00325309
00325310
00325311
00325313
00325221
00325220
00325222
00325213
00323325
00323323



Schedule D
[form of Memorandum of Contract]

[there needs to be a 3" margin from the top for NC; 1" margin for SC]

This instrument prepared without benefit
of title examination by and return after recording to:
[insert name and address of lawyer]

STATE OF [_____]
COUNTY OF **[insert county where property is located]**

MEMORANDUM OF CONTRACT

THIS MEMORANDUM OF CONTRACT (this “**Memorandum**”) is made and entered into this
____ day of [month], 202____, by and between **[Town/City/County]**
(hereinafter referred to as the “**Municipality**”) and **SOG DFI, LLC**, a North Carolina limited liability
company (hereinafter collectively referred to as “**DFI**”).

RECITALS

WHEREAS, Municipality and DFI have entered into that certain Service Agreement (hereinafter
referred to as the “**Agreement**”) dated _____, 202____, which sets forth the terms and
conditions related to the development of certain real property owned by the Municipality and more
particularly described on **Exhibit A** attached hereto and by this reference made a part hereof (the
“**Property**”); and

WHEREAS, pursuant to the terms of the Agreement, the Municipality has agreed that it will
condition its (a) sale or lease of all or a portion of the Property and/or (b) execution of an agreement with
one or more third party developers of the Property upon the express requirement that such grantee, lessee
and/or developer make certain payments to DFI for predevelopment services DFI has or will provide as a
consultant to the Municipality, all as more particularly set forth in the Agreement; and

WHEREAS, pursuant to the Agreement, the term of the Agreement expires on [insert 10 year end date]; and

WHEREAS, pursuant to the Agreement, the Municipality and DFI have executed this Memorandum.

NOW, THEREFORE, in consideration of the covenants and agreements set forth in the Agreement, and Ten Dollars (\$10.00), the receipt and sufficiency whereof is hereby acknowledged by the Municipality and DFI, the parties hereto do hereby acknowledge and agree as follows:

1. The recitals set forth above are hereby incorporated as part and parcel of this Memorandum.
2. All rights, terms, provisions, conditions and limitations contained in the Agreement are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Contract to be executed the day and year first above written.

WITNESSES:[two witnesses are required only for Memorandums to be recorded in SC]

[type or print name of witness]

[type or print name of witness]

BY: _____

ITS: _____

STATE OF _____)

COUNTY OF _____)

I, _____, a Notary Public of the State of [_____] ,
certify that _____, by _____, its duly authorized
_____, personally came before me this day and acknowledged that he/she signed the
foregoing instrument.

WITNESS my hand and notarial stamp or seal this ___ day of _____, 202___.

Notary Public
My Commission Expires: _____
(SEAL)

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Contract to be executed the day and year first above written.

[WITNESSES:

SOG DFI, LLC,
A North Carolina limited liability company

[type or print name of witness]

BY: _____
Kara Millonzi,
its Chair, Board of Directors

[type or print name of witness]

STATE OF NORTH CAROLINA)
COUNTY OF _[insert where signed]_____)

I, _____, a Notary Public of the State of North Carolina, certify that Kara Millonzi, in her capacity as the Chair of the Board of Directors of **SOG DFI, LLC**, personally came before me this day and acknowledged that she signed the foregoing instrument.

WITNESS my hand and notarial stamp or seal this ____ day of _____, 202__.

Notary Public
My Commission Expires: _____
(SEAL)

ATTACH EXHIBIT A
LEGAL DESCRIPTION OF REAL PROPERTY



AGENDA MEMO

To: Davidson Board of Commissioners

From: Kimber Davidson, Police Chief

Date: October 8, 2024

Re: Discuss Grant for Police Domestic Violence Investigator Position

ITEM SUMMARY/OVERVIEW

The Town of Davidson has been awarded a U.S. Department of Justice Grant to create a domestic violence investigator position in the Police Department to enhance law enforcement and prosecution responses to domestic violence, dating violence, sexual assault, and stalking as part of a coordinated community response. The grant is for \$499,227 with no local match and the town must formally accept the award. The grant fully funds the investigator position and initial startup costs for three years. At the conclusion of the grant period, the cost of the position would be paid for by the town.

ACTION/PROPOSED MOTION

This item is for discussion only.

RELATED TOWN GOALS

Strategic Plan Alignment:

Healthy, Livable, & Vibrant Community - Promote collaborative efforts to create livable spaces and healthy places to enhance quality of life for all residents.

Operational Excellence - Provide efficient and high-quality public services and facilities through thoughtful and proactive planning, responsible stewardship of Town resources and a professional and committed workforce.

Core Values:

Davidson must be a safe place to live, work, and raise a family, so the town will work in partnership with the community to prevent crime and protect lives, property, and the public realm.

NEXT STEPS

The town board will be asked to consider approval of the grant and budget amendment at the October 22, 2024, town board meeting on the consent agenda.



Discuss Grant for Police Domestic Violence Investigator Position

Philip Geiger
Police Captain
October 8, 2024

www.townofdavidson.org

Town of Davidson Strategic Plan



Promote collaborative efforts to create livable spaces and healthy places to enhance the quality of life.

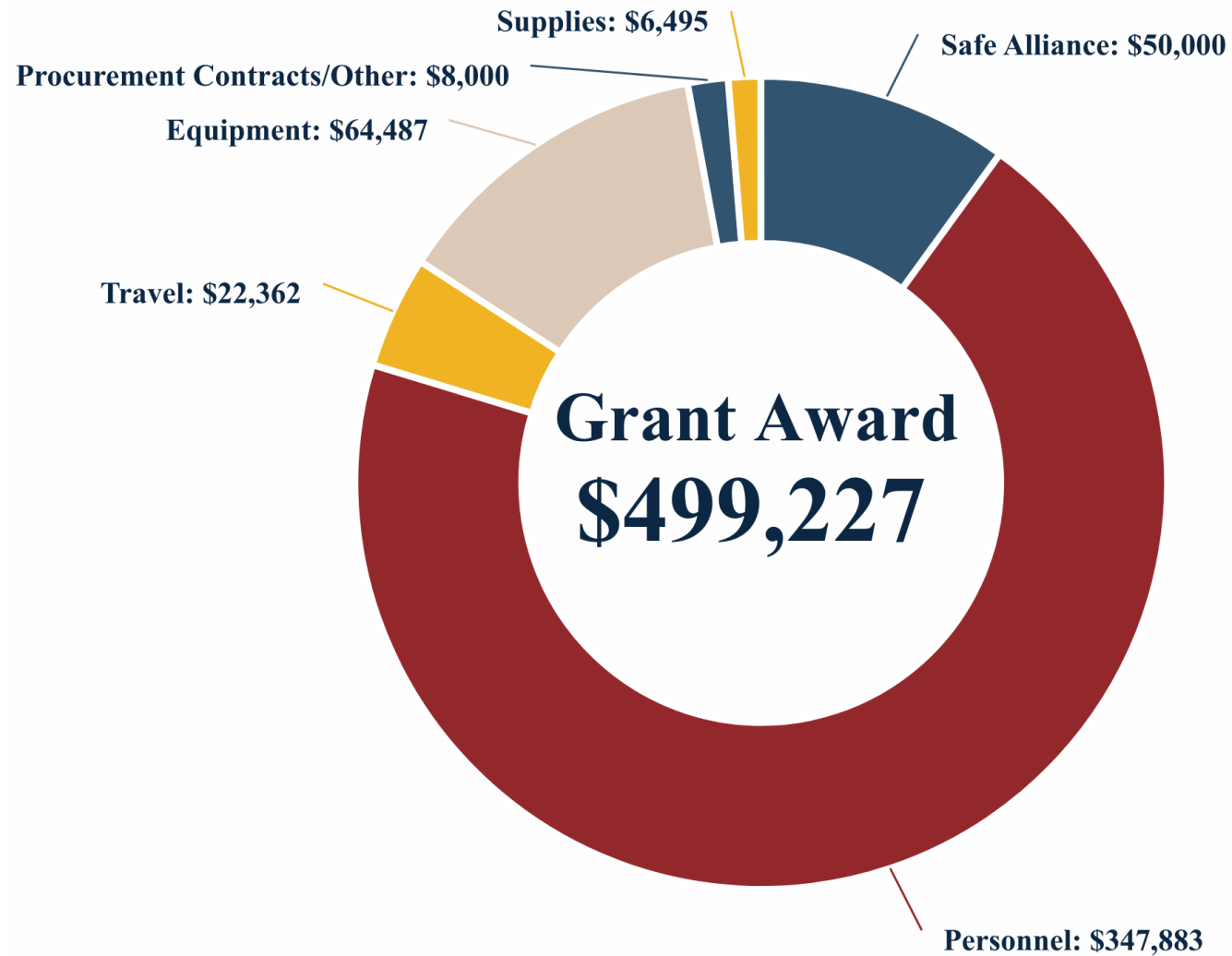


Provide efficient and high-quality public services and facilities through thoughtful and proactive planning, responsible stewardship of Town resources and a professional and committed workforce.

Justification and Reasoning

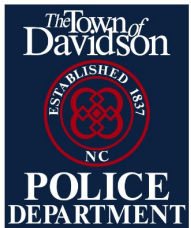
- Complexity of Investigations
- Increase in Frequency
- Need for Additional Training and Resources
- Implementation of Best Practices

Grant Details



Objectives

- Education and Training – Patrol, Detectives, and Community
- Collaboration and Intelligence Sharing – Regional Partners
- Incorporate Best Practices – Response, Reporting, and Prosecution
- Improved Access to Resources for Survivors
- Enhanced Prosecution



safeallianceTM
WHERE HOPE & HEALING BEGIN

NEXT STEPS:

- Appoint New Detective – First Quarter 2025
- Create CCR (Community Coordinated Response)
- Identify Gaps and Conduct Focused Training
- Identify and Implement Best Practices
- Coordinate and Collaborate with Davidson Co-responder
- Consider Approval of Grant and Budget Amendment on consent – October 22 Board of Commissioners Meeting

DISCUSSION





AGENDA MEMO

To: Davidson Board of Commissioners

From: Lindsay Laird, Senior Planner

Date: October 8, 2024

Re: Discuss Design Review Board Text Amendments

ITEM SUMMARY/OVERVIEW

Over the past few months, staff has researched best practices for Design Review Board (DRB) and Historic Preservation Commission (HPC) procedures in communities across the state. Based on that research and guidance from Town Attorney, we have determined that the DRB should no longer be quasi-judicial. This will require updates to the Davidson Planning Ordinance and DRB bylaws. Making these changes to DRB processes will help to differentiate the two overlapping boards and prepare both for the training/reset planned for January 2025.

ACTION/PROPOSED MOTION

This item is for discussion only.

RELATED TOWN GOALS

Strategic Plan Alignment

Historic Preservation – Preserve the historic character of our Town, including its people, places, & stories. Honor the history of our residents through their lived experiences.

Operational Excellence - Provide efficient and high-quality public services and facilities through thoughtful and proactive planning, responsible stewardship of Town resources and a professional and committed workforce.

Core Values

Davidson's traditional character is that of a small, historic college town, so land planning will reflect its historic patterns of village-centered growth including connection of neighborhoods, preservation of our historic resources, conservation of rural area, and provision of public spaces.

NEXT STEPS

Staff will work to finalize proposed text amendments and DRB bylaws updates. Any proposed changes to the Davidson Planning Ordinance must follow the text amendment process outlined in Chapter 14. This will include a public hearing, a Planning Board recommendation, and town board approval at future dates to be determined.



Proposed Design Review Board Text Amendments

Lindsay Laird
Senior Planner
October 8, 2024

www.townofdavidson.org

Quasi-Judicial Procedures

- Boards shall follow quasi-judicial procedures in determining appeals of administrative decisions, special use permits, certificates of appropriateness, variances, or any other quasi-judicial decision (NCGS 160D-406)
- Formal hearing similar to a court - process includes:
 - Sworn witnesses
 - Presentation of evidence
 - Deliberation
 - Voting
- Board discretion is limited – must be based on evidence in the record and the standards as required in the ordinance/historic district design standards
- Opinion should not come into play

Jointly Appointed DRB & HPC

DPO 13.3 *Design Review Board/Historic Preservation Commission*

A. Design Review Board (NCGS 160D-304 Appearance Commission):

- Reviews and approves the building schematic design of all individual buildings in approved plans (not in the local historic district)
- Advisory only – not quasi-judicial per state statute

B. Historic Preservation Commission (NCGS 160D-303):

- Review and act on proposals for Certificates of Appropriateness in local historic districts
- Explicitly quasi-judicial when reviewing COAs per state statute

DPO & Bylaw Revisions: Design Review Board

- Multiple DPO sections will be revised to remove references to quasi-judicial procedures for DRB, but not HPC
- DRB Bylaws will also require revisions
- Changes will make clear that DRB is advisory only (i.e., makes recommendations related to building design – similar to Planning Board recommendations for master plans, etc.)
- Final decision is administrative based on DPO design standards
- Revisions will help differentiate the two overlapping boards & prepare both for training/reset planned for early 2025

NEXT STEPS

Process: DPO 14.23: Amendments to the Planning Ordinance

- **October 8:** Board of Commissioners FYI
- **October/November:** Planning Board FYI
- **January 2025:** Board of Commissioners Public Hearing
- **January 2025:** Planning Board Recommendation
- **February 2025:** Board of Commissioners Decision

DISCUSSION





AGENDA MEMO

To: Davidson Board of Commissioners

From: Leslie Willis, Parks & Recreation Director

Date: October 8, 2024

Re: Consider Approval of the Fiscal Year 2025 Non-Profit Grant Recommendations

ITEM SUMMARY/OVERVIEW

The Board of Commissioners has historically appropriated \$50,000 for non-profit grants as part of the annual budget process. Non-profits serving Davidson residents may apply for funding to support activities that meet a public purpose that the Town government does not directly provide but could if facilities and staffing were available. Successful applicants must serve Davidson residents. Funding recommendations from the Livability Board will align with the Town's Core Values and the Board of Commissioners' Strategic Plan. Leslie Willis, Parks and Recreation Director will ask for the Board of Commissioners' approval of Fiscal Year 2025 Non-profit Grant Recommendations as discussed previously at the September 24, 2024 board meeting.

ACTION/PROPOSED MOTION

Motion to Approve the Fiscal Year 2025 Non-Profit Grant Recommendations.

RELATED TOWN GOALS

Strategic Plan Alignment

Healthy, Livable, & Vibrant Community - Promote collaborative efforts to create livable spaces and healthy places to enhance quality of life for all residents.

Sustainability and Natural Assets - Preserve Davidson's natural assets and develop, implement, and actively encourage innovative solutions to environmental, energy, and climate-based challenges.

Operational Excellence - Provide efficient and high-quality public services and facilities through thoughtful and proactive planning, responsible stewardship of Town resources and a professional and committed workforce.

Core Values

Citizens are the heart of Davidson, so town government will treat all people fairly, with courtesy and respect.

Open communication is essential to an engaged citizenry, so town government will seek and provide accurate, timely information and promote public discussion of important issues.

Citizens entrust town government with the stewardship of public funds, so government will provide high quality services at a reasonable cost.

NEXT STEPS

Organizations will be notified of the status of their applications by November 1, 2024



Non-Profit Grant Recommendations

**Leslie Willis, Parks and Recreation Director
Board of Commissioners
October 8, 2024**

www.townofdavidson.org

Non-Profit Grants

- The Board of Commissioners has historically appropriated \$50,000 for grants.
- Non-profits that serve Davidson residents may apply for funding to support activities that meet a public purpose that the Town government does not directly provide but could if facilities and staffing were available.
- Funding recommendations from the Livability Board align with the Town's Core Values and the Board of Commissioners' Strategic Plan.

Non-Profit Grant Process

- Applications opened August 2, 2024, and closed on September 6, 2024.
- Final recommendations made and approved by the Livability Board at their September 17 board meeting.
- Livability Board is recommending allocating \$50,000 to 18 non-profits (20 total applicants).

Livability Board (LB) Recommendations

Organization	FY 24 Award	Applicant Request	FY25 Recommendation
Ada Jenkins	\$6,250.00	\$12,500	\$5,250.00
Bags of Hope	\$10,000.00	\$20,000	\$4,000.00
Cats of Davidson	\$3,700.00	\$5,000	\$3,000.00
Cook Community Clinic		\$10,000	\$1,850.00
Cornelius Youth Orchestra		\$3,000	\$1,000.00
Davidson Cornelius Child Development		\$10,000	\$1,500.00
Davidson Housing Coalition		\$5,000	\$4,000.00
Davidson Lands Conservancy	\$3,000.00	\$7,500	\$2,500.00
DavidsonLearns	\$1,500.00	\$2,000	\$2,000.00
FeedNC		\$10,000	\$0.00
HealthReach Community Clinic	\$3,000.00	\$3,000	\$3,000.00
Hearts and Hand Food Pantry	\$5,000.00	\$15,000	\$6,500.00
La Escuelita Bilingual Preschool	\$2,850.00	\$6,320	\$4,000.00
Legacy on the Westside		\$20,000	\$3,000.00
Music at St Albans	\$1,350.00	\$1,800	\$1,200.00
Senior Community Connections	\$4,500.00	\$4,820	\$3,200.00
Students Offering Smiles		\$15,000	\$0.00
Temple Kol Tikvah		\$3,500	\$1,500.00
The Lake Norman Family YMCA		\$5,000	\$1,500.00
Trout Unlimited- Rocky River Chapter		\$5,000	\$1,000.00
Totals	\$41,150.00	\$164,440	\$50,000.00

Questions?



Recommended Motion:
Approve the Fiscal Year 2025 Non-
Profit Grant Recommendations .



- Ada Jenkins Center –
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - Funding for LEARN Works afterschool programming for 27-30 K-8 students
- Bags of Hope
 - Affordable Living, Equity & Inclusion
 - 32 Davidson K-8 Students
 - Provides weekend food bags to students
- Cats of Davidson
 - Healthy, Livable, and Vibrant Community
 - All Davidson residents
 - Funding to stabilize and care for the feral cat population in Davidson
- Cook Community Clinic
 - Healthy, Livable, and Vibrant Community
 - Claims to serve 96 Davidson Residents
 - Provides Healthcare Services, estimated value is \$1600 provided services per person
- Cornelius Youth Orchestra
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - Reports that 12% of their participants are Davidson Residents
 - Continue Annual Carolina Youth Orchestra Summer Festival
- Davidson Corneluis Child Development
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - 20% of Children served fall at or under low income
 - Enhance Preschool Environment
- Davidson Housing Coalition
 - Affordable Living, Equity & Inclusion
 - All Davidson residents

- Seeking funds to provide Tot Lot to West-Davidson families
- Davidson Lands Conservancy
 - Sustainability and Natural Assets
 - Entire town population
 - Funding for Accessible wayfinding at parks
- Davidson Learns
 - Healthy, Livable, and Vibrant Community
 - Serves Majority Davidson residents
 - Funding to assist in the coordination of Spotlight Event to keep them free and open to the public and new member programming.
- FeedNC
 - Reports to serve 68 Davidson residents
 - Funding for program costs related food access.
 - Not funded due because this program is statewide with multiple partners and other opportunities for monetary resources.
- HealthReach Community Clinic
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - 25 Davidson residents
 - Funding to support and cover \$200 worth of services per Davidson resident served.
- Hearts and Hands Food Pantry
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - Reports to serve 275 Davidson residents
 - Funding to expand mobile pantry services in Davidson
- La Escuelita Bilingual Preschool
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - Up to 9 Davidson residents out of 30 students
 - Seeking funds to enhance preschool programs and furnishings
- Legacy at West Davidson
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community

- All Davidson residents
- Seeking funding to continue Advocacy programs
- Exploring alternative funding sources through collaboration with other departments.
- Music at St. Alban's
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - All Davidson Residents
 - Funding for outreach programs
 - Davidson Library Concert
 - Ada Jenkins LEARNWORKS Music Enrichment Concert
- Senior Community Connections (formerly Davidson Village Network)
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - Approximately 50 residents served.
 - Provide scholarships to seniors
- Stronger Than a Stroke
 - Not funded due to insufficient information given to consider application
- Students Offering Smiles
 - Seeking funding for Davidson K-8 Traffic Garden, Sensory Wall and Water bottle filling station at Library.
 - Not funded due to proposed projects being located on county owned land/organizations and the county would be the best source for funding.
- Temple Kol Tikvah
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - Davidson Residents
 - Seeking funds to enhance HAL (Healthy Active Living) Program for Seniors
- The Lake Norman Family YMCA
 - Affordable Living, Equity & Inclusion – Healthy, Livable, and Vibrant Community
 - Reports to serve 29% of Davidson Residents
 - Seeking funds to enhance their youth development programs including offering scholarships.
- Trout Unlimited-Rocky River Chapter

- Sustainability and Natural Assets – Healthy, Livable, and Vibrant Community
- Serves students at Community School of Davidson and Davidson Day
- Seeking funds to enhance their “Trout in the Classroom” program that includes students releasing trout at Lake Norman State Park.



AGENDA MEMO

To: Davidson Board of Commissioners

From: Jamie Justice, Town Manager

Date: October 8, 2024

Re: Consider Approval of Resolution 2024-27 North Carolina Statewide Mutual Aid and Assistance Agreement

ITEM SUMMARY/OVERVIEW

North Carolina has a statewide mutual aid and assistance agreement that allows cities and towns to share resources and provide assistance to other communities during disasters. The system was developed after Hurricane Fran in 1996 to provide a uniform agreement for cities and counties to help each other during disasters. The system allows municipalities to access the state's response capabilities without the costs of purchasing, maintaining, and insuring resources. It also provides faster reimbursement from the Federal Emergency Management Agency (FEMA).

Town staff is recommending the town approve this agreement so that we will be prepared in the event the town were to deploy resources in response to hurricane Helene or other future disasters.

ACTION/PROPOSED MOTION

Motion to Approve Resolution 2024-27 Approving the North Carolina Statewide Mutual Aid and Assistance Agreement.

RELATED TOWN GOALS

Strategic Plan Alignment

Operational Excellence - Provide efficient and high-quality public services and facilities through thoughtful and proactive planning, responsible stewardship of Town resources and a professional and committed workforce.

Core Values

Open communication is essential to an engaged citizenry, so town government will seek and provide accurate, timely information and promote public discussion of important issues.

Citizens entrust town government with the stewardship of public funds, so government will provide high quality services at a reasonable cost.

Davidson exists in proximity to and is interdependent with other jurisdictions, so we strive for local, regional, state and federal cooperation.

NEXT STEPS

If approved, town staff will execute the agreement and be prepared to provide assistance if requested.



RESOLUTION 2024-27
RESOLUTION AUTHORIZING NORTH CAROLINA STATEWIDE
MUTUAL AID AND ASSISTANCE AGREEMENT FOR THE TOWN OF DAVIDSON

WHEREAS, North Carolina's Statewide Mutual Aid Agreement is a voluntary agreement between local governments to share resources during a disaster; and

WHEREAS, The agreement was developed after Hurricane Fran in 1996 to help North Carolina's cities and counties assist each other during and after disasters; and

WHEREAS, Participation in North Carolina's Mutual Aid System is voluntary. Signing the agreement enables the Town of Davidson to receive or provide assistance to or from another community; and

WHEREAS, All activities performed under the mutual aid agreement are declared government functions.

NOW, THEREFORE BE IT RESOLVED, by the Town of Davidson Board of Commissioners that the 2023 Statewide Mutual Agreement, a copy which is attached hereto and incorporated herein by reference, is approved for authorization and execution on behalf of the Town of Davidson.

Adopted this ____ day of _____ 2024.

Attest:

Rusty Knox, Mayor

Elizabeth K. Shores, Town Clerk

2023 STATEWIDE MUTUAL AID AGREEMENT

FOR THE TOWN OF DAVIDSON, NORTH CAROLINA

THIS AGREEMENT IS ENTERED INTO BETWEEN THE NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY, AND ITS DIVISION OF EMERGENCY MANAGEMENT OF THE STATE OF NORTH CAROLINA AND BY EACH OF THE ENTITIES THAT EXECUTES AND ADOPTS THE UNDERSTANDINGS, COMMITMENTS, TERMS, AND CONDITIONS CONTAINED HEREIN:

WHEREAS, the State of North Carolina is geographically vulnerable to a variety of natural disasters.

WHEREAS, Chapter 166A of the North Carolina General Statutes, entitled the North Carolina Emergency Management Act, recognizes this vulnerability and provides that its intended purposes are to:

1. Reduce vulnerability of people and property of this State to damage, injury, and loss of life and property;
2. Prepare for prompt and efficient rescue, care, and treatment of threatened or affected persons;
3. Provide for the rapid and orderly rehabilitation of persons and restoration of property;
4. Provide for cooperation and coordination of activities relating to emergency and disaster mitigation, preparedness, response, and recovery.

WHEREAS, pursuant to N.C. Gen. Stat. § 166A-19.12(1) the North Carolina Division of Emergency Management is delegated the powers and duties from the Governor and Secretary of Public Safety to coordinate the activities of all State agencies for emergency management within the State;

WHEREAS, in addition to the State, the Federal Emergency Management Agency (FEMA) has recognized the importance of the concept of coordination between the State and local governments;

WHEREAS, under Chapter 166A and other chapters of the North Carolina General Statutes, entities entering into mutual aid and assistance agreements may include provisions for the furnishing and exchanging of supplies, equipment, facilities, personnel and services; and

WHEREAS, the entities which have chosen to become signatories to this Agreement wish to provide mutual aid and assistance amongst one another at the appropriate times.

THEREFORE, pursuant to G.S. 166A-19.72 and Article 20 of Chapter 160A, these entities agree to enter into this Agreement for reciprocal emergency management aid and

2023 STATEWIDE MUTUAL AID AGREEMENT

assistance, with this Agreement embodying the understandings, commitments, terms, and conditions for said aid and assistance, as follows:

SECTION I. DEFINITIONS

"Agreement" means this document, the North Carolina Statewide Emergency Management Mutual Aid and Assistance Agreement.

"Aid and assistance" include personnel, equipment, facilities, services, and supplies.

"Authorized Representative" means a party's employee who has been authorized, in writing by that party, to request, to offer, or to otherwise provide assistance under the terms of this Agreement. The list of Authorized Representatives for each party executing this Agreement shall be attached to the executed copy of this Agreement. (In the event of a change in personnel, unless otherwise notified, the presumption will be that the successor to that position will be the authorized representative.)

"Disaster declaration" means a gubernatorial declaration that the impact or anticipated impact of an emergency constitutes a Type I, II, III disaster as defined in G.S. 166A-19.21(b)

"Emergency" means an occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made accidental, military, paramilitary, terrorism, weather-related, public health, explosion-related, riot-related cause, or technological failure or accident, including, but not limited to, a cyber incident, an explosion, a transportation accident, a radiological accident, or a chemical or other hazardous material incident or which may be otherwise be defined in G.S. § 166A-19.3(6).

"Emergency Area" The geographical area covered by a state of emergency.

"Incident" means an occurrence, natural or manmade, that necessitates a response to protect life or property. In this Agreement, the word "incident" includes planned events as well as emergencies and/or disasters of all kinds and sizes.

"Local Emergency Management Agency" means a county agency charged with coordination of all emergency management activities for its geographical limits pursuant to G.S. 166A-19.15. It also means any incorporated municipalities emergency management agencies or joint county and incorporated municipalities emergency management agencies.

"Party" means a governmental entity which has adopted and executed this Agreement.

2023 STATEWIDE MUTUAL AID AGREEMENT

“Planned Event” means an incident that is a scheduled nonemergency activity including but not limited to elections, sporting event, concert, parade, funeral coverage, or fairs.

"Provider" means the party which has received a request to furnish aid and assistance from another party in need (the "Recipient").

"Recipient" means the party setting forth a request for aid and assistance to another party (the "Provider").

“State of Emergency” means a finding that an emergency exists by the Governor or General Assembly acting under the authority in G.S. 166A-19.20 or by a governing body of a county or a municipality, or by a mayor or chair of the board of county commissioners acting under the authority of G.S. 166A.

SECTION II. INITIAL RECOGNITION OF PRINCIPLE BY ALL PARTIES; AGREEMENT PROVIDES NO

RIGHT OF ACTION FOR THIRD PARTIES

As this is a reciprocal contract, it is recognized that any party to this Agreement may be requested by another party to be a Provider. It is mutually understood that each party's foremost responsibility is to its own residents. The provisions of this Agreement shall not be construed to impose an unconditional obligation on any party to this Agreement to provide aid and assistance pursuant to a request from another party. Accordingly, when aid and assistance have been requested, a party may in good faith withhold the resources necessary to provide reasonable and adequate protection for its own community, by deeming itself unavailable to respond and so informing the party setting forth the request.

Given the finite resources of any jurisdiction and the potential for each party to be unavailable for aid and assistance at a given point in time, the parties mutually encourage each other to enlist other entities in mutual aid and assistance efforts and to enter into such agreements accordingly. Concomitantly, the parties fully recognize that there is a highly meritorious reason for entering into this Agreement, and accordingly shall attempt to render assistance in accordance with the terms of this Agreement to the fullest extent possible.

Pursuant to G.S. 166A-19.60 and as elaborated upon in Section X of this Agreement, all functions and activities performed under this Agreement are hereby declared to be governmental functions. Functions and activities performed under this Agreement are carried out for the benefit of the general public and not for the benefit of any specific individual or individuals. Accordingly, this Agreement shall not be construed as or deemed to be an Agreement for the benefit of any third parties or persons and no third parties or persons shall have any right of action under this Agreement for any cause whatsoever. All immunities provided by law shall be fully applicable as elaborated upon in Section X of this Agreement.

SECTION III. PROCEDURES FOR REQUESTING ASSISTANCE

(i) Mutual aid and assistance shall not be requested unless Recipient deems its resources are inadequate to respond to an imminent or actual emergency. When Recipient becomes affected by an emergency, incident or planned event and deems its resources inadequate, it may request mutual aid and assistance by communicating the request to Provider, indicating the request is made pursuant to this Agreement. The request shall be followed up with a notification to the Division of Emergency Management's 24-Hour Watch whether directly, through WebEOC, or through the appropriate Division of Emergency Management Operations Regional Branch. The Division shall maintain a record of the notification.

A. REQUIRED INFORMATION: Each request for assistance shall include the following information, in writing or by any other available means, to the extent known:

1. Emergency Area and Status: A general description summarizing the condition of the community or emergency area (i.e., whether the emergency and/or disaster declaration is needed, imminent, in progress, or has already occurred) and of the damage sustained to date;
2. Services: Identification of the service function(s) for which assistance is needed and the type of assistance needed;
3. Infrastructure Systems: Identification of the type(s) of public infrastructure system for which assistance is needed (water and sewer, storm water systems, streets) and the type of work assistance needed;
4. Aid and Assistance: The amount and type of personnel, equipment, materials, and supplies needed and a reasonable estimate of the length of time they will be needed;
5. Provider's Traveling Employee Needs--Unless otherwise specified by Recipient, it is mutually understood that Recipient will provide for the basic needs of Provider's traveling employees. Recipient shall pay for all reasonable out-of-pocket costs and expenses of Provider's traveling employees, including, without limitation, transportation expenses for travel to and from the stricken area. Further, Recipient shall house and feed Provider's traveling employees at its (Recipient's) sole cost and expense. If Recipient cannot provide such food and/or housing at the emergency area, Recipient shall specify in its request for assistance that the Provider's traveling employees be self-sufficient.
6. Facilities: The need for sites, structures, or buildings outside Recipient's geographical limits to serve as relief centers or staging areas for incoming emergency goods and services; and

2023 STATEWIDE MUTUAL AID AGREEMENT

Meeting Time and Place: An estimated time and a specific place for a representative of Recipient to meet the personnel and resources of any Provider.

B. STATE AND FEDERAL ASSISTANCE: Recipient shall be responsible for coordinating requests for state or federal assistance with its (Recipient's) Local Emergency Management Agency

SECTION IV. PROVIDER'S ASSESSMENT OF AVAILABILITY OF RESOURCES AND ABILITY TO RENDER ASSISTANCE

When contacted by the Recipient/Local Emergency Management Agency, Provider's authorized representative shall assess Provider's own local situation in order to determine available personnel, equipment, and other resources. If Provider's authorized representative determines that Provider has available resources, Provider's authorized representative shall so notify the Recipient/Local Emergency Management Agency (whichever communicated the request). Provider shall complete a written acknowledgment, whether on the request form received from Recipient or on another form, regarding the assistance to be rendered (or a rejection of the request) and shall transmit it by the most efficient practical means to the Recipient/Local Emergency Management Agency for a final response. Provider's acknowledgment shall contain the following information:

1. In response to the items contained in the request, a description of the personnel, equipment, and other resources available;
2. The projected length of time such personnel, equipment, and other resources will be available to serve Recipient, particularly if the period is projected to be shorter than one week (as provided in the "Length of Time for Aid and Assistance" section [Section VI] of this Agreement.)
3. The estimated time when the assistance provided will arrive at the location designated by the Authorized Representative of the Requesting Party; and
4. The name of the person(s) to be designated as Provider's supervisor (pursuant to the "Supervision and Control" section [Section V] of this Agreement.)

Where a request has been submitted to the Local Emergency Management Agency, the Local Emergency Management Agency shall notify Recipient's authorized representative and forward the information from Provider. The Recipient/Local Emergency Management Agency shall respond to Provider's written acknowledgment by signing and returning a copy of the form to Provider by the most efficient practical means, maintaining a copy for its file.

SECTION V. SUPERVISION AND CONTROL

Provider shall designate one of its employees sent to render aid and assistance to Recipient as a supervisor or point of contact for equipment only missions. As soon as

2023 STATEWIDE MUTUAL AID AGREEMENT

practicable, Recipient shall assign work tasks to Provider's supervisor, and unless specifically instructed otherwise, Recipient shall have the responsibility for coordinating communications between Provider's supervisor and Recipient. Recipient shall provide necessary credentials to Provider's personnel authorizing them to operate on behalf of Recipient.

Based upon such assignments from the Recipient, Provider's supervisor shall:

1. Have the authority to assign work and establish work schedules for Provider's personnel. Further, supervisor shall retain direct supervision and control of Provider's personnel, equipment, and other resources. Provider should be prepared to furnish communications equipment sufficient to maintain communications among its respective operating units, and if this is not possible, Provider shall notify Recipient accordingly;
2. Maintain daily personnel time records, material records, and a log of equipment hours;
3. Report work progress to Recipient at mutually agreed upon intervals.

SECTION VI. LENGTH OF TIME FOR AID AND ASSISTANCE; RENEWABILITY; RECALL

Unless otherwise provided, the duration of Provider's assistance shall be for an initial period of seven days, starting from the time of arrival. Thereafter, assistance may be extended in daily or weekly increments as the situation warrants, for a period agreed upon by the authorized representatives of Provider and Recipient.

As noted in Section II of this Agreement, Provider's personnel, equipment, and other resources shall remain subject to recall by Provider to provide for its own citizens if circumstances so warrant. Provider shall make a good faith effort to provide at least twenty-four (24) hours advance notification to Recipient of Provider's intent to terminate mission, unless such notice is not practicable, in which case as much notice as is reasonable under the circumstances shall be provided.

SECTION VII. REIMBURSEMENTS

Except as otherwise provided below, it is understood that Recipient shall pay to Provider all documented costs and expenses incurred by Provider as a result of extending aid and assistance to Recipient. The terms and conditions governing reimbursement for any assistance provided under this Agreement shall be in accordance with FEMA Public Assistance Guidelines in addition to the following provisions, unless otherwise agreed in writing by Recipient and Provider. Recipient shall be ultimately responsible for reimbursement of all eligible expenses. The Provider may waive some or all requirements for reimbursement, however such an agreement must be documented in the request and/or offer of assistance.

A. Personnel-- During the period of assistance, Provider shall continue to pay its employees according to its then prevailing ordinances, rules, and regulations. Recipient

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shall reimburse Provider for all direct and indirect payroll costs and expenses including travel expenses incurred during the period of assistance, including, but not limited to, employee retirement benefits as provided by Generally Accepted Accounting Principles (GAAP). However, as stated in Section IX of this Agreement, Recipient shall not be responsible for reimbursing any amounts paid or due as benefits to Provider's personnel under the terms of the North Carolina Workers' Compensation Act (Chapter 97 of the North Carolina General Statutes).

- B. Equipment-- Recipient shall reimburse the Providers for the use of equipment during the period of assistance according to either a pre-established local or state hourly rate or according to the actual replacement, operation, and maintenance expenses incurred. For those instances in which costs are reimbursed by the Federal Emergency Management Agency (FEMA), the FEMA-eligible direct costs shall be determined in accordance with general policies for determining allowable costs which are established in 2 CFR 200, subpart E or other applicable federal laws, regulations, and policies as may be in effect at the time the expenses are incurred. Exceptions to those policies as allowed in 2 CFR 200, subpart E and 2 CFR 200.102 are explained in 44 C.F.R. 206.228 or other applicable federal laws, regulations, and policies as may be in effect at the time the expenses are incurred. Provider shall pay for all repairs to its equipment as determined necessary by its on-site supervisor(s) to maintain such equipment in safe and operational condition.

At the request of Provider, fuels, miscellaneous supplies, and minor repairs may be provided by Recipient, if practical. The total equipment charges to Recipient shall be reduced by the total value of the fuels, supplies, and repairs furnished by Recipient and by the amount of any insurance proceeds received by Provider.

- C. Materials And Supplies—Recipient shall reimburse Provider for all materials and supplies furnished and that are used or damaged by Recipient during the period of assistance, except for the costs of equipment, fuel and maintenance materials, labor, and supplies, which shall be included in the equipment rate established in subsection B of this section (Section VII), Recipient will not be responsible for costs where such damage is caused by gross negligence, willful and wanton misconduct, intentional misuse, or recklessness of Provider's personnel. Provider's personnel shall use reasonable care under the circumstances in the operation and control of all materials and supplies used during the period of assistance. The measure of reimbursement shall be determined in accordance with general policies for determining allowable costs which are established in 2 CFR 200, subpart E or other applicable federal laws, regulations, and policies as may be in effect at the time the expenses are incurred. Exceptions to those policies as allowed in 2 CFR 200, subpart E and 2 CFR 200.102 are explained in 44 C.F.R. 206.228 or other applicable federal laws, regulations, and policies as may be in effect at the time the expenses are incurred. In the alternative, the parties may agree that Recipient will replace, with like kind and quality as determined by Provider, Provider's materials and supplies used or damaged in a reasonable time. If such an agreement is made, it shall be reduced to writing and transmitted to the North Carolina Division of Emergency Management.

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D. Record Keeping-- Recipient and North Carolina Division of Emergency Management personnel shall provide information, directions, and assistance for record-keeping to Provider's personnel. Provider shall maintain records and submit invoices for reimbursement by Recipient or the North Carolina Division of Emergency Management using the format used or required by FEMA publications, 2 C.F.R. Part 200 or other applicable federal laws, regulations, and policies as may be in effect at the time the expenses are incurred, applicable Office of Management and Budget (OMB) Circulars, state and local laws and regulations.

E. Payment; Other Miscellaneous Matters as to Reimbursements-- The reimbursable costs and expenses with an itemized notice shall be forwarded as soon as practicable after the costs and expenses are incurred, but not later than sixty (60) days following the period of assistance, unless the deadline for identifying damage is extended in accordance with 44 C.F.R. Part 206 or other applicable federal laws, regulations, and policies as may be in effect at the time the expenses are incurred. Recipient shall pay the bill or advise of any disputed items, not later than sixty (60) days following the billing date. These time frames may be modified in writing signed by both parties by mutual agreement. This shall not preclude Provider or Recipient from assuming or donating, in whole or in part, the costs and expenses associated with any loss, damage, or use of personnel, equipment, and resources provided to Recipient.

F. Contracting – If recipient or provider contracts with a third party to perform any aid or assistance under the provisions of this agreement, then the entity shall follow any applicable local, state, or federal contracting requirements.

SECTION VIII. RIGHTS AND PRIVILEGED OF PROVIDER'S EMPLOYEES

Pursuant to G.S. 166A-19.60 whenever Provider's employees are rendering aid and assistance pursuant to this Agreement, such employees shall retain the same powers, duties, immunities, and privileges they would ordinarily possess if performing their duties within the geographical limits of Provider.

SECTION IX. PROVIDER'S EMPLOYEES COVERED AT ALL TIMES BY PROVIDER'S WORKER'S COMPENSATION POLICY

Recipient shall not be responsible for reimbursing any amounts paid or due as benefits to Provider's employees under the terms of the North Carolina Workers' Compensation Act, Chapter 97 of the North Carolina General Statutes, due to personal injury or death occurring during the period such employees are engaged in the rendering of aid and assistance under this Agreement. It is mutually understood that Recipient and Provider shall be responsible for payment of such workers' compensation benefits only to their own respective employees. Further, it is mutually understood that Provider will be entirely responsible for the payment of workers' compensation benefits to its own respective employees pursuant to G.S. 97-51.

2023 STATEWIDE MUTUAL AID AGREEMENT

SECTION X. IMMUNITY

Pursuant to G.S. 166A-19.60 all activities performed under this Agreement are hereby declared to be governmental functions. Neither the parties to this Agreement, nor, except in cases of willful misconduct, gross negligence, or bad faith, their personnel complying with or reasonably attempting to comply with this Agreement or any ordinance, order, rule, or regulation enacted or promulgated pursuant to the provisions of this Agreement shall be liable for the death of or injury to persons or for damage to property as a result of any such activity.

SECTION XI. PARTIES MUTUALLY AGREE TO HOLD EACH OTHER HARMLESS FROM LIABILITY

To the extent allowed by applicable law, each party (as indemnitor) agrees to protect, defend, indemnify, and hold the other party (as indemnitee), and its officers, employees and agents, free and harmless from and against any and all losses, penalties, damages, assessments, costs, charges, professional fees, and other expenses or liabilities of every kind and arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of action of every kind in connection with or arising out of indemnitor's negligent acts, errors and/or omissions. Indemnitor further agrees to investigate, handle, respond to, provide defense for, and defend any such claims, etc. at indemnitor's sole expense and agrees to bear all other costs and expenses related thereto. To the extent that immunity does not apply, each party shall bear the risk of its own actions, as it does with its day-to-day operations, and determine for itself what kinds of insurance, and in what amounts, it should carry. Each party understands and agrees that any insurance protection obtained shall in no way limit the responsibility to indemnify, keep, and save harmless the other parties to this Agreement.

Notwithstanding the foregoing, to the extent that each party does not purchase insurance, it shall not be deemed to have waived its governmental immunity by law.

SECTION XII. ROLE OF THE DIVISION OF EMERGENCY MANAGEMENT

Pursuant to GS 166A-19.12(19) and under this agreement, the responsibilities of the North Carolina Division of Emergency Management are: (1) to serve as the central depository for executed Agreements, to maintain a current listing of entities with their authorized representatives and contact information, and to provide this listing to each of the entities on an annual basis; (2) to coordinate the provision of mutual aid and assistance to a requesting party, pursuant to the provisions of this Agreement; (3) to keep a record of all requests for assistance and acknowledgments; (4) to report on the status of ongoing emergency or disaster-related mutual aid and assistance as appropriate; and (5) if the parties so designate, to serve as the eligible entity for requesting reimbursement of eligible costs from FEMA and provide information, directions, and assistance for record keeping pursuant thereto.

2023 STATEWIDE MUTUAL AID AGREEMENT

SECTION XIII. AMENDMENTS

Manner-- This Agreement may be modified at any time upon the mutual written consent of the Recipient and Provider Addition of Other Entities--Additional entities may become parties to this Agreement upon: (1) acceptance and execution of this Agreement; and (2) sending an executed copy of the Agreement to the North Carolina Division of Emergency Management.

SECTION XIV. INITIAL DURATION OF AGREEMENT; RENEWAL; TERMINATION

This Agreement shall be binding for not less than one (1) year from its effective date, unless terminated upon at least sixty (60) days advance written notice by a party as set forth below. Thereafter, this Agreement shall continue to be binding upon the parties in subsequent years, unless canceled by written notification served personally or by registered mail upon the Director of North Carolina Division of Emergency Management, which shall provide copies to all other parties. The withdrawal shall not be effective until sixty (60) days after notice thereof has been sent by the Director of the North Carolina Division of Emergency Management to all other parties. A party's withdrawal from this Agreement shall not affect a party's reimbursement obligations or any other liability or obligation under the terms of this Agreement incurred prior to withdrawal hereunder. Once the withdrawal is effective, the withdrawing entity shall no longer be a party to this Agreement, but this Agreement shall continue to exist among the remaining parties.

SECTION XV. HEADINGS

The headings of various sections and subsections of this Agreement have been inserted for convenient reference only and shall not be construed as modifying, amending, or affecting in any way the express terms and provisions of this Agreement.

SECTION XVI. SEVERABILITY: EFFECT ON OTHER AGREEMENTS

Should any clause, sentence, provision, paragraph, or other part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Agreement. Each of the parties declares that it would have entered into this Agreement irrespective of the fact that any one or more of this Agreement's clauses, sentences, provisions, paragraphs, or other parts have been so declared invalid. Accordingly, it is the intention of the parties that the remaining portions of this Agreement shall remain in full force and effect without regard to the clause(s), sentence(s), provision(s), paragraph(s), or other part(s) invalidated.

In the event that parties to this Agreement have entered into other mutual aid and assistance contracts, for example pursuant to Chapter 160A of the North Carolina General Statutes, those parties agree that to the extent a request for mutual assistance is made pursuant to this Agreement, those other mutual aid and assistance contracts are superseded by this Agreement.

2023 STATEWIDE MUTUAL AID AGREEMENT

SECTION XVII. EFFECTIVE DATE

This Agreement shall take effect upon its approval by the entity seeking to become a signatory to this Agreement and upon proper execution hereof.

2023 STATEWIDE MUTUAL AID AGREEMENT

IN WITNESS WHEREOF, each of the parties have caused this North Carolina Statewide Emergency Management Mutual Aid and Assistance Agreement to be duly executed in its name and behalf by its Chief Executive Officer, who has signed accordingly with seals affixed and attested with concurrence of a majority of its governing board, as of the date set forth in this Agreement.

DIVISION OF EMERGENCY MANAGEMENT/DEPARTMENT OF PUBLIC SAFETY

BY:

Eddie M. Buffaloe, Jr.
Secretary

Department of
Public Safety

Date:

BY:

William C. Ray, Director
Division of Emergency
Management

Date:

LOCAL GOVERNMENT UNIT

By:

Chief Executive Officer/Local
Government Name:

Title:

Date:

Witness:

APPROVED AS TO PROCEDURES:

BY:

Office of General Counsel/Department of Public Safety

Date:

2023 STATEWIDE MUTUAL AID AGREEMENT

Attachment 1

List of Authorized Representatives to Contact for Emergency Assistance

The Statewide Mutual Aid Agreement signed by _____ on _____ authorizes: _____ to maintain and update the primary and alternative representatives. The primary and alternatives may be updated as needed without the formal re-execution of the Statewide Mutual Aid agreement.

PRIMARY REPRESENTATIVE

NAME:

TITLE:

DAY PHONE:

NIGHT PHONE:

CELL PHONE:

FAX:

FIRST ALTERNATE REPRESENTATIVE

NAME:

TITLE:

DAY PHONE:

NIGHT PHONE:

CELL PHONE:

FAX:

SECOND ALTERNATE REPRESENTATIVE

NAME:

TITLE:

DAY PHONE:

NIGHT PHONE:

CELL PHONE:

FAX:

Town of Davidson Employment Agreement

Introduction

This Agreement, made and entered into October 1, 2024 by and between the Town of Davidson, North Carolina, a municipal corporation, (hereinafter called "Employer") and James Justice (hereinafter called "Employee") an individual who has the education, training and experience in local government management and who, as a member of ICMA, is subject to the ICMA Code of Ethics, both of whom agree as follows:

Section 1: Term

The term of this agreement shall be for one (1) year from October 1, 2024 – September 30, 2025, at which time Employer will consider renewal for an additional term following completion of the annual performance evaluation process. Notwithstanding the stated term of this agreement, Employee shall be an employee at will and the severance provisions contained herein shall be the Employee's sole remedy in the event that the Employer terminates this Agreement prior to the end of its current term.

Section 2: Duties, Role, and Authority

Employer agrees to employ Employee as Town Manager (a wage and hour exempt position) to perform the functions and duties specified in the Davidson Town Charter, the Davidson Town Code, and the NC General Statutes. Employer agrees that the town manager under § 160A-148 has the authority and statutory role to direct and supervise the administration of all departments, offices, and agencies of the town; and hire, direct, assign, reassign, evaluate, suspend, or remove all Town officers and employees not elected by the people or designated by statute as Town Board appointees. In addition, the Employee agrees to perform such other duties and responsibilities, not inconsistent with the above, as requested by the Town Board from time to time.

Section 3: Compensation

A. Base Salary: Employer agrees to pay Employee an annual base salary of \$175,500 payable in installments at the same time that the other management employees of the Employer are paid. The new salary should be effective on September 15, 2024, to coincide with the start of that pay period. Any monies owed retroactively for this increase should be paid on the first pay period after the approval of this contract by the Board of Commissioners.

B. Residency Incentive: The Employer agrees to pay to the Employee a relocation bonus in the amount of \$ 5,000.00 if Employee moves his permanent residence into the corporate limits of the Town at any time within five (5) years after the Commencement Date. The relocation bonus shall be paid in one lump sum no later than ninety (90) days after Employee moves his residence into the corporate limits of the Town.

C. The Employer agrees to consider an annual increase to the Employee dependent upon the results of the performance evaluation conducted under the provisions of Section 12 of this Agreement. Increased compensation can be in the form of a salary increase and/or a bonus.

Section 4: Health, Disability and Life Insurance Benefits

The Employer agrees to provide and to pay the premiums for health, hospitalization, surgical, vision, dental, comprehensive medical insurance, life and disability for the Employee and his/her dependents equal to that which is provided to all other employees of the Town of Davidson.

Section 5: Vacation, Sick, and Military Leave

Upon commencing employment, the Employee shall be credited with sick and vacation leave equal to that of a 17 year employee (at least 10 days vacation at commencement of employment). The Employee shall then accrue sick and vacation leave on an annual basis at the rate provided to other employees with consistent with years of service and Town policies.

Section 6: Automobile

The Employer shall pay to Employee an automobile expense allowance in the amount of Six Hundred Dollars (\$600.00) per month.

Section 7: Retirement

The Employer agrees to enroll the Employee into the applicable state or local retirement system and to make all the appropriate contributions on the Employee's behalf, for both the Employer and Employee share required. In addition, Employer agrees to contribution an amount equal to five percent (5%) of Employee's Annual Base salary to a 457 Plan.

Section 8: General Business Expenses

1. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.
2. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the North Carolina League of Municipalities, North Carolina City County Managers Association, and such other national, regional, state, and local governmental groups and committees in which Employee serves as a member.

3. Employer also agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer.

4. Employer recognizes that certain expenses of a non-personal but job related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses, including, but not limited to, Rotary Club and Davidson College activities. The finance director is authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

5. The Employer shall provide Employee with a computer, software, fax/modem, cell phone stipend and tablet required for the Employee to perform the job and to maintain communication.

Section 9: Termination

Notwithstanding the stated term of this agreement, Employee shall be an employee at will and the severance provisions contained herein shall be the Employee's sole remedy in the event that the Employer terminates this Agreement prior to the end of its current term.

For the purpose of this agreement, termination shall occur when:

1. The governing body votes to terminate the Employee.
2. The governing body votes not to renew the agreement as outlined in Section 1.
3. Expiration of the term of this agreement.
4. Mutual agreement of the Employer and Employee in writing and signed by them.
5. If the Employer, citizens or legislature acts to amend any provisions of the Davidson Town Charter or Town Code pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially changes the form of government, such amendments shall constitute termination.
6. If the Employer reduces the base salary, compensation in an amount greater than the average across the board percent reduction of substantially all employees (unless Manager consents to such reduction), or any other material financial benefit of the Employee, such action shall constitute a breach of this agreement and will be regarded as a termination.
7. If the Employee resigns following a request for resignation and offer to accept resignation, whether formal or informal, by the Employer as representative of the governing body that the Employee resign.
8. Breach of contract declared by either party with a 30 day cure period for either Employee or Employer. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 18.
9. Resignation. The Employee delivers to the Employer voluntary resignation. Employee agrees to give Employer at least 60 days notice before resignation.

In the event of Employee's termination under Section 9, Employer and Employee agree not to make disparaging comments or statements concerning either party (Board or

Town Manager), publicly or in private. Employer shall comply with applicable law with respect to any request for information or documentation contained in the employee's employment records.

In order to promote the smooth transition in the leadership and management of the Town's organization and to maintain the confidence of the public in their elected officials, Employer and Employee may agree to an additional separation agreement in the event of a termination as outlined in Section 9. The separation agreement may have additional terms not outlined in this agreement.

Section 10: Severance

Severance shall be paid to the Employee, as Employee's sole remedy for termination, if employment is terminated as defined in Section 9, except a termination for just cause, as defined below, or the resignation of Employee.

Beginning on the Commencement Date the Employer shall provide a minimum severance payment equal to (a) six (6) month's salary at the then current salary, plus an additional amount equal to one (1) month's salary for each year of service with a maximum severance payment equal to nine (9) months' salary, plus an amount equal to six (6) months of COBRA payments. This severance shall be paid in a lump sum unless otherwise agreed to by the Employer and the Employee.

The Employee shall also be compensated for all accrued annual leave, sick leave, vacation time, and all paid holidays.

As used throughout this Agreement, "just cause" is defined and limited to the following reasons:

(i) A determination by the Employer, in good faith, that Employee (A) has breached in any material respect any of the terms or conditions of this Agreement, or (B) is engaging or has engaged in willful conduct which is detrimental to the Employer or which has had or likely will have a material adverse effect on the Employer's reputation. Prior to any termination by the Employer of Employee's employment for a breach, failure to perform or conduct described in this subparagraph (i), the Employer shall give Employee written notice which describes such breach, failure to perform or conduct and if during a period of thirty (30) business days following such notice Employee cures or corrects the same to the reasonable satisfaction of the Employer, then this Agreement shall remain in full force and effect; however, notwithstanding the above, if the Employer has given written notice to Employee on a previous occasion of the same or a substantially similar breach, failure to perform or conduct, or of a breach, failure to perform or conduct which the Employer determines in good faith to be of substantially similar import, or if the Employer determines in good faith that the then current breach, failure to perform or conduct is not reasonably curable, then termination under this subparagraph (i) shall be effective immediately and Employee shall have no right to cure such breach, failure to perform or conduct.

- (ii) The violation by Employee of any applicable federal or state law, or any applicable rule, regulation, order or statement of policy promulgated by any governmental agency or authority having jurisdiction over the Employer (a "Regulatory Authority"), which results from Employee's gross negligence, willful misconduct or intentional disregard of such law, rule, regulation, order or policy statement and results in any substantial damage, monetary or otherwise, to the Employer or to the Employer's reputation;
- (iii) The commission in the course of Employee's employment with the Employer of an act of fraud, embezzlement, theft or proven personal dishonesty (whether or not resulting in criminal prosecution or conviction);
- (iv) The conviction of Employee of any felony or any criminal offense involving dishonesty or breach of trust;
- (v) The occurrence of any event believed by the Employer, in good faith, to have resulted in Employee being excluded from coverage, or having coverage limited as to Employee as compared to other covered officers or Employees, under the Employer's then current "blanket bond" or other fidelity bond or insurance policy covering its directors, officers or employees.

Section 11: Resignation

In the event that the Employee voluntarily resigns his/her position with the Employer, the Employee shall provide a minimum of 60 days' notice unless the parties agree otherwise.

Section 12: Performance Evaluation

Each fiscal year, including the first year of employment, Employer shall review the performance of the Employee in a process which shall be mutually agreed upon by the Employer and Employee. The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet and discuss the evaluation, and (3) present a written summary of the evaluation results. The final written evaluation should be completed and delivered to the Employee within 30 days of the evaluation meeting. At the initiation of this agreement the Employee shall provide the Employer with a series of annual goals to be met during the first year of employment as Town Manager.

The evaluation of the Employee shall at all times be conducted in closed session of the Board and shall be confidential to the maximum and full extent permitted by law. Nothing herein shall prohibit the Board or the Town Manager from sharing the content of the Town Manager's evaluation with their respective legal counsel.

Section 13: Outside Activities

The employment provided for by this Agreement shall be the Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching, consulting or other business opportunities with the

understanding that such arrangements shall not constitute interference with, nor a conflict of interest with, his or her responsibilities under this Agreement.

Section 14: Indemnification

Beyond that required under Federal, State or Local Law, Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as Town Manager or resulting from the exercise of judgment or discretion in connection with the performance of program duties or responsibilities, but only to the extent that Employer has insurance coverage in effect which covers such claim that and that includes coverage for Employee.

Employee recognizes that Employer or its insurer shall have the right to compromise in any claim or suit.

Section 15: Bonding

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 16: Left blank intentionally.

Section 17: Notices

Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

- (1) EMPLOYER: The Honorable Rusty Knox, Mayor, Town of Davidson, 216 Main Street, Davidson, North Carolina
- (2) EMPLOYEE: Mr. James Justice

Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 18: General Provisions

A. Integration. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.

B. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

C. Effective Date. This Agreement shall become effective on the date first above appearing.

D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

E. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

EMPLOYEE

Name: James Justice

EMPLOYER:
TOWN OF DAVIDSON, NORTH CAROLINA
A Municipal Corporation

By: _____
Mayor:

ATTEST: _____
Town Clerk

APPROVED AS TO FORM:

By: _____
Town Attorney

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

(Signature of finance officer).