

TOWN OF
WINTON

WINTON RESIDENTIAL
DEVELOPMENT GUIDE

1982

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RESIDENTIAL DEVELOPMENT GUIDE

1987

TOWN OF WINTON, NORTH CAROLINA

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PREPARED BY
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Carter W. Jones, Mayor
Ulysses Hall
Marshall Askew
Fletcher Lassiter
Wesley Liverman
Thomas Pope
Joyce M. Sexton, Clerk

WITH TECHNICAL ASSISTANCE BY

Planning and Design Associates, P.A.
3515 Glenwood Ave.
Raleigh, North Carolina 27612
(919) 781-9004

Terry W. Alford, MRP, AIA, President
Rex H. Todd, MRP, AICP, Project Manager
Michael V. Butts, MUP, Consultant
David Parham, MRP, Consultant

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ABSTRACT: The preparation of this plan was financed in part through a grant provided by the North Carolina Coastal Management Program, through funds provided by the Coastal Zone Management Act of 1972, as amended, which is administered by the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration. The Town of Winton contributed cash and in-kind service.

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I. INTRODUCTION

As indicated in the Winton Land Use Plan, 1980-1990, housing is one of the most significant features of the Town of Winton. The Town has witnessed a relatively consistent rate of growth from 1930 to 1970 with a subsequent leveling off and some decline. The growth in the housing stock, although closely aligned with the population growth, is subject to a number of factors both privately and publicly induced. The cost of commuting (i.e. fuel) distance to services (i.e. schools, shopping, recreation, etc.), style of living desired (e.g. urban or rural, single family or condominium communities, etc.), job opportunities, level of household income, community amenities, etc. are among the several factors considered when one decides "where" he or she wants to live.

The Town presently (1980) houses 825 persons, with 967 persons housed within the Winton Planning Area (i.e. Winton plus the one mile extraterritorial jurisdiction). Winton is the Hertford County seat (since 1764), the home of new industries, is within close proximity to the main highway (U.S. 13), has a shopping district (although limited), and is located along the picturesque Chowan River. When these population figures are compared to the employment generated in the Winton Planning Area, a significant latent demand for housing is revealed.

This latent demand, or potential, for new growth cannot be realized without the Town's initiative. Through this land use planning process, the Town Board has allocated (i.e. zoned) sufficient vacant land to accommodate this demand. However, just accommodating this demand is not sufficient to insure new housing will be built in Winton. The Town of Winton must take an active role to insure its existing housing stock is maintained and new housing built.

The main thrust of any strategy to develop a town residential base, must naturally be directed toward the housing needs of low and moderate income households. It is within these groups that most families are paying a disproportionate share of their income for housing, the housing they live in is sub-standard or dilapidated or the house is too small for the size of the family. There are several federally-funded housing assistance programs available to Winton residents. This study serves as a prelude to the Town's application for this assistance.

It must also address demand for non-assisted housing and pay particular attention to the spatial specifications of urban (residential) development.

The purpose of this plan, then, is to develop a data base, a set of objectives or housing targets and an action program by which the Town of Winton can follow if it is to reach its residential objectives with emphasis on housing quality and spatial structure in Winton.

II. ASSESSMENT OF WINTON'S RESIDENTIAL SECTOR

A. Housing Market Area

The housing market or demand area is generally defined as the geographic area within which all dwelling units are linked together in a chain of substitution. In other words, the users of the housing in the market area are able to select between different units at different locations, thus placing the units within the market area in competition with each other. Smaller submarkets can also be defined within the overall housing market area. These submarkets are differentiated by type, quality, location, and size, and each submarket can be related to a particular group of housing consumers.

Most housing market areas are identified by the community patterns of workers because of the recognized linkages between place of work and place of residence. In this case, community patterns of the workers at Winton's two largest employers, Carolina Aluminum and Hertford County Government has been analyzed. Additionally, the one mile planning area upon which the Land Use Plan was developed has been considered.

The analysis of the commuter population of Carolina Aluminum revealed that 77.8% of the Company's employees live within a 15 mile radius of Winton (encompassing Ahoskie and Murfreesboro, portions of Gates, Bertie and North Hampton counties, and part of South Hampton County in Suffolk, Virginia). Examination of county employee commuting patterns revealed a similar radius. Thus, a 15 mile radius has been designated as the "micro" housing market area for this study.

More locally, a one mile area was designated as an unofficial planning area for preparation of the Town's Land Use Plan. This area has been selected as the "micro" housing market area, as it is the heart of the policies and strategies to improve the housing market's operation.

Within this geography, we turn to two sides of the housing market itself, supply and demand.

B. Housing Supply

The 1981 survey of the condition of Winton's housing stock and characteristics of its occupancy revealed information about the supply of housing concerning number of units available, condition of those units, and spatial configuration of that supply.

Housing Availability

As shown in Table I, there are 437 housing units within the Winton planning area. According to the 1980 final census counts, the units inside the town served (housed) 2.34 persons per household.

Of these units, 321 (73%) are single conventional units, 87 (20%) are single-family mobile homes, and 29 (7%) are multi-family units. At the time of the survey, there were 47 vacant units, for a vacancy rate of 10.76%. With 29 of these vacant units in usable condition (22 are standard and 7 have need for minor repairs), the effective vacancy rate is 6.63%.

Supply of housing units has increased by 50 units between 1976 and 1980, for an average rate of 10 new units per year. Twenty-one (21) of these were public housing units, serving only a portion of the housing market in Winton.

Housing Condition

In order to assess the quality of housing supply in Winton, a windshield survey was conducted of the entire housing stock. The following standards were applied to each unit in order to determine condition:

- A. Standard: Slight defects requiring normal maintenance of no more than \$1,500 value.
- B. Sub-Standard: Deteriorating and in need of minor maintenance costing between 1,501 and 8,000 dollars. (Only minor repairs needed on: paint, doors, windows, outside windows, porches, or stairs).
- C. Sub-Standard: Deteriorating, and in need of major maintenance costing between \$8,001 and \$15,000. One or two severe defects in roof, outside walls, outside porches and stairs, and foundation.
- D. Dilapidated: Severe defects in all structural components, i.e. roof, outside walls, porches, and outside stairs, and foundation. (Repairs costing greater than \$15,000).

The results of this survey are presented in Table I below:

TABLE I
HOUSING CONDITIONS SURVEY

Housing Type	A Standard	B Sub-Standard	C Sub-Standard	D Dilapidated	Total Units
Conventional	276	32	25	17	350
Mobile Homes	80	6	1	0	87
TOTAL	356	38	26	17	437

Of the 437 units in the Winton Planning Area, 81 units (18.5%) were classified as sub-standard. This figure increases to 19.5% of the privately owned (occupant or investor) units alone are considered (that is, not counting the 21 units of public housing counted in the housing survey).

If the conventional units alone are isolated, 74 of the 350 conventional units (21%) are sub-standard.

Mobile homes comprise 20% of Winton's housing stock. In general, the 87 mobile homes tend to be in better condition than the conventional units. Only 8% of the mobile homes are in a sub-standard condition, and none of these were judged to be dilapidated.

TABLE II
WINTON HOUSING CONDITIONS BY
BY AGE OF RESIDENT, FAMILY SIZE, AND TENURE







	Young Small Own	Young Small Rent	Young Large Own	Young Large Rent	Vacant	Elderly Small Own	Elderly Small Rent	Elderly Large Own	Elderly Large Rent	Totals
Standard	179	60	6	5	22	72	12	0	0	356
Sub-Standard Minor	11	12	0	1	7	3	3	1	0	38
Sub-Standard Major	3	2	0	1	12	4	3	1	0	26
Dilapidated	4	3	0	0	6	4	0	0	0	17
TOTAL	197	77	6	7	47	83	18	2	0	437
Percent	45%	17.6%	1.37%	1.6%	10.76%	19%	4.12%	0.46%	0%	100%

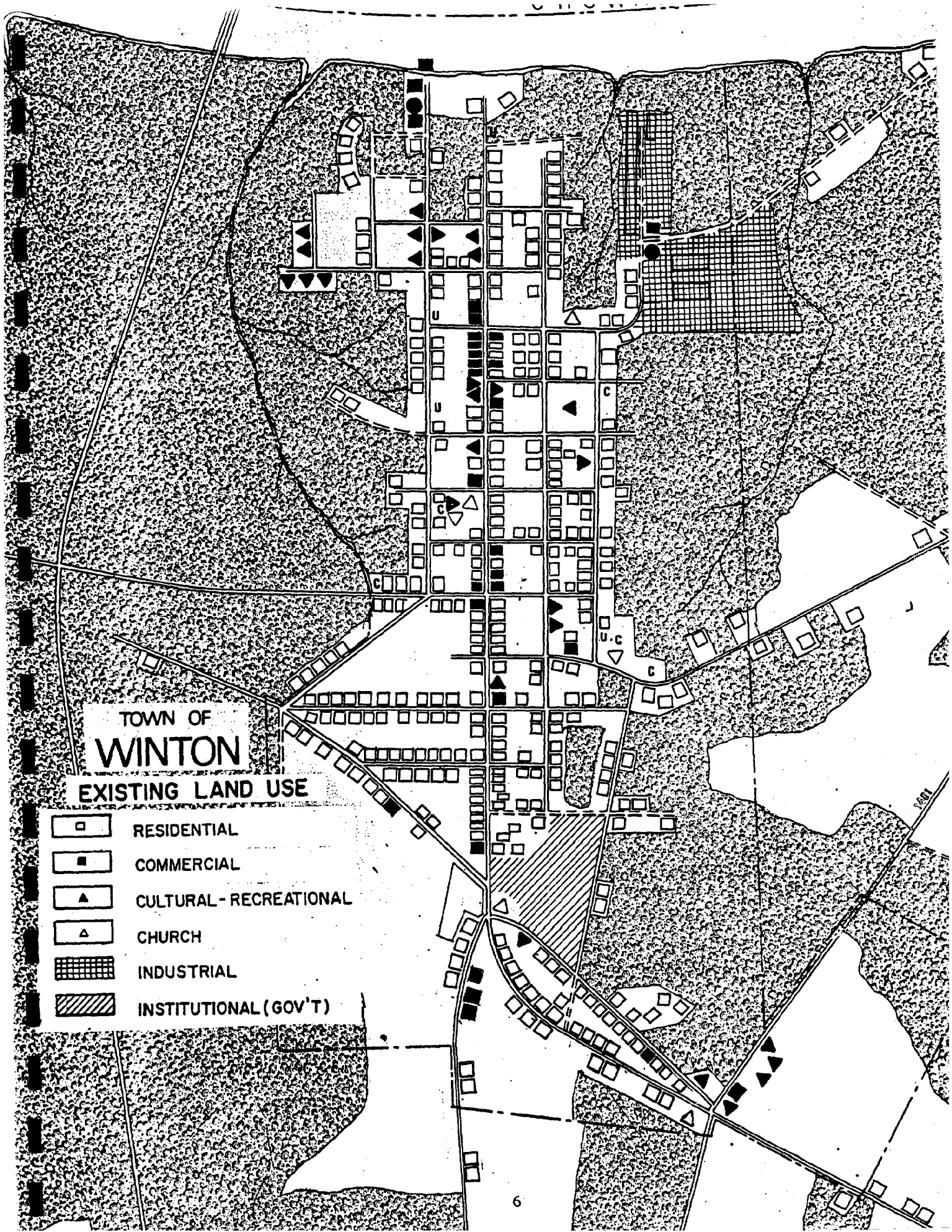
Spatial Configuration

Analyses undertaken during the preparation of the 1981 Winton Land Use Plan, and 1982 update of the Zoning Ordinance and preparation of Subdivision Regulations revealed that the majority of Winton's conventional housing stock is concentrated along the older sections of Town, with scattered development along the entering roadways. Mobile homes are scattered throughout the Town, a topic addressed in the update of the ordinances mentioned above. The residential pattern in the Town is presented in Map 1, Existing Land Use.

TOWN OF WINTON

EXISTING LAND USE

-  RESIDENTIAL
-  COMMERCIAL
-  CULTURAL - RECREATIONAL
-  CHURCH
-  INDUSTRIAL
-  INSTITUTIONAL (GOV'T)



C. Demand for Non-Assisted Housing.

Demand for non-assisted housing is defined as the number of units that can be absorbed at a specified price. That is, given a particular type unit at \$48,000¹, how many are affordable in the community in the context of several factors.

This section outlines several factors which affect demand in Winton (resident population and commuter population) and then addresses five other factors to determine an adjusted net demand for non-assisted housing. Then, the housing submarkets of the elderly, large families, and small families (non-elderly) are examined.

From this section comes the foundation for policy and housing strategies to stimulate what appears to be "pent demand" in the current labor force in Winton and help stimulate the supply of housing in today's stagnant housing industry.

Resident Population.

In 1980 there were 825 persons inside the corporate limits with approximately 142 persons (61 housing units times 2.34 persons per household) in the planning area, but outside the town, rendering a Planning Area population of 967. Given that the Town itself is projected to increase by 1.14% to 943 by 1987, and assuming that the hinterland will do the same, the Planning Area should have a population of 1075 by 1987. If the persons per household remains stable, the resident population will require 460 units in that year (at a 10% vacancy rate).

Inside the 15 mile radius of the housing market area, there are approximately 32,000 residents according to the preliminary 1980 census figures. This population is expected to drop by 1% by 1990 to a total of about 31,000 persons. The project population for the Town of Winton is expected to range between 773 and 993 persons by 1990. The actual Winton population for 1990 will depend upon a number of factors which may affect net migration, among them: Town policies toward development, industrial expansion of the area, the Town's commercial growth, and town services and amenities.

¹\$48,000 is used here as an example of a specific price, reasonably close to the average price of new single family units in the Winton area.

Commuting Population -- Potential Demand

Examination of the entire 15 mile area indicates that Winton itself is the subordinate part of this market area. Of the 378 Carolina Aluminum employees within this 15 mile radius, only 48 (15.3%) live in Winton (this figure increases to only 18.5% if the radius shortened to 10 miles). By comparison, 161 employees (42.6%) live in Ahoskie, 39 (10.3%) live in Murfreesboro, and 43 (11.4%) live in Aulander which is at the extreme end of this 15 mile radius.

Data collected from the various Hertford County government agencies located in Winton indicate that of 203 Hertford County employees who work in Winton, only 34 or 17% live in Town.

Thus, of the 581 jobs available in Winton between the Towns' two major employers only 92 jobs are held by Winton residents. This may represent an untapped market for 489 households who could benefit from relocating to Winton. Even if half of this number were seriously considering moving to Winton, demand for housing would increase by 245 units, or 49 per year (for the next four years).

Demand Factors at a Specific Price

Demand for non-assisted housing is defined as the number of units that can be absorbed at a specified price. It is determined by five major factors, namely: 1) household formation; 2) number of replacement units needed; 3) income and employment; 4) liquid assets, mortgage terms, and mortgage funds; and 5) space, convenience and type preferences. Briefly, the findings regarding these are presented for the Winton market area.

Household Formation

Household growth between 1980 and 1987 will require 50 additional units. This estimate is based upon the local marriage rate and the number of young large families likely to undouble and remain in Winton (see footnotes to Table III for details).

Need for Replacement Units

A windshield survey in December of 1981 revealed that 38 deteriorated units and 17 dilapidated units will require replacement by 1987, with an estimated loss by fire* of 3 units, totaling 58.

Income

The median family income in the Winton area is estimated to be \$14,200, 1979. This figure was derived as follows: 1969 Hertford County median family income (\$5,912) by the fraction of the 1979 Hertford County per capita income (\$5,529) divided by the 1969 figure (\$2,302) ($\2.40), rendering \$14,200.

Assuming that 25% of family income is a reasonable budget for housing (even in 1982), \$14,200 times .25 = \$3,550 per year divided by 12 renders \$296 per month, as a measure of "ability to pay" for non-assisted housing.

For purposes of attributing this income to households, we assume that the household of average size (2.34 persons) earns 100% of the median family income (\$14,200), able to pay 296 per month for housing. Small elderly households (at 1.71 persons) owe assumed 73% ($1.71 \div 2.34$) of this ability to pay, or \$216/month.

Liquid Assets, Mortgage Terms, and Mortgage Funds

The 1981 survey of housing conditions and occupancy renders an estimate of 191 families (44%) in the Winton planning area are of low-to-moderate income. This means that their annual income is less than 80% of the median family income for non-metropolitan areas. Winton's median family income is estimated at \$14,200 per year, with 80% of that being \$11,360. (Eighty percent of the national median income for a non-metropolitan family of four is \$13,950.)

*According to the Fire Chief for the Town of Winton, the Residential fire history since 1970 has consisted of three fires which required repair to conventional units, one which required repair to a mobile home, and only one which required complete replacement of the unit. These 5 fires in 10 years renders an effective fire rate of .5 units per year or 1 every 2 years. Application to a base of 437 units renders a fire replacement rate of .0011 units per year. Assuming that 460 units will be required to house 1075 persons in 1987, fire replacement between 1982 and 1987 is estimated at 3 units (460 times .0011 times 5).

At 25% of annual income as a housing budget, those at median family income in the Winton area can reasonably afford a monthly payment of \$296. Those at 80% can afford \$236 per month.

Mortgage terms today are deplorable. At 16% to 17%, the housing industry has virtually stagnated. If we assume that 90% financing is available, a family in Winton wanted to borrow \$40,000 for a 30 year mortgage, a 17% interest rate would require a monthly payment of \$570. This is nearly twice the liquid assets (based solely on income) of the resident population.

Space, Convenience and Style Preferences

Discussions with bankers and Savings and Loan representatives revealed the expected on this criteria. The smaller single family unit of from 1000 to 1300 square feet is most feasible, selling for from \$42,000 to \$50,000. Most builders in the area are going to masonite siding or the mountain pine siding, rather than brick. The three bedroom, two bath models more often have an open carport for one car. High interest rates and growing acceptability of condominiums provide impetus to changing tastes regarding space, convenience and style.

Net Quantitative Demand

Table II below applies the Department of Housing and Urban Development method of estimating demand to the Winton Planning Area (source: FHA Techniques). Between 1982 and 1987, net quantitative demand is projected to be 71 units (53 ownership and 18 rental), for an annual rate of 15 units (11 ownership and 4 rental).

TABLE III
NET QUANTITATIVE DEMAND FOR HOUSING
WINTON PLANNING AREA

Forecast Period, from 1982 to 1987	Total (a)	All Races	
		Owner (b)	Renter (c)
1) Prospective household growth in forecast period	50	38	12
2) Shift in tenure (plus or minus)	0	0	0
3) Anticipated net losses (demolitions, conversions, etc.)	22	16	6
4) Gross quantitative demand (1+2+3)	72	54	18
5) Transfers, white to non-white occ. (where applicable)	0	0	0
6) Adjusted quantitative demand (4+5)	73	54	18
7) Vacancies currently available with all plumbing facilities	29	21	28
8) Vacancies required for reasonable balance	23	17	6
9) Excess of vacancy (7-8)	6	4	2
10) Quantitative demand (6-9), net	66	50	16
11) Dwelling units under construction (current)	1	1	0
12) Desirable rate of construction sales 4 mos.; rental 4 mos.	6	4	2
13) Excess of construction (11-12)	-5	-3	-2
14) Adjusted net quantitative demand (10-13)	71	53	18
15) Annual rate of demand (14 ÷ years forecast (5)).	15	11	4

KEY:

- 1) Household growth was determined as follows:
 Projected number of marriages for the 7 year period = Hertford County
 Marriage rate (7.53/1000 population, 1980) times Winton's 1980 population
 in thousands (.825 times 7 (years) = 43.5)*
 Number of households which may "undouble" and stay in Winton = number of
 young large households (13, in 1982) times a 50% retention factor = 6.5.
 However, 43.5 + 6.5 = 50.
- 2) No data available.
- 3) Anticipated net losses were determined by a count of units which were graded
 "D" on the windshield survey (11 occupied) plus (8 occupied major deteriorated)
 units recommended for demolition plus an anticipated fire loss of .0011
 of the stock (437) or .48 units per year for 5 years (1980-1987) = 2.4,
 rounded to 3 units. Thus, the net loss over the period was estimated as
 11 + 8 + 3 = 22.
- 4) Self explanatory.
- 5) N.A.
- 6) Self-explanatory.
- 7) Source: Phone interview with Winton citizen.
- 8) Vacancies estimated at a desirable rate of 5% of the total stock. At the 1980
 density, the 1987 population of 1075 will require 460 units. 460 x .05 = 23
 vacant units desirable. Allocating vacancies according to current tenure
 patterns 26% rental and 74% ownership, render 6 rental and 17 ownership vacancies.
- 9) Self-explanatory.
- 10) Same
- 11) Phone interview with Winton citizen

* Source: NC Div. of Health Ser., Office of Mgmt. Services, Vital Stats, 1980.

(con't.)

- 12) The 108 units were divided by 6 years to get an annual rate of 18 per year and then multiplied by .33 (allowing 4 months for construction of each unit), hence the desirable rate of 6 units per year.
- 13) Self-explanatory.
- 14) Self-explanatory.
- 15) Self-explanatory.

Demand Within Submarkets: Elderly, Large, and Small (Non-Elderly).

Within nearly all towns, there exist a number of groups which because of their unique needs, require special study. This section focuses on the housing needs of the elderly, or large families, and of small families (non-elderly) in the Winton Planning Area.

Among the most needy are the elderly. Within the Winton area, there are 160 persons 60 years and older (19.4% of the total population). Assuming the proportion of elderly will increase to 23.7% by 1987, it is anticipated that there will be 255 elderly in Winton in that year. (The rate of increase in percent of elderly, Hertford County, 1980-1987 (1.22%) times 19.4 to render 23.7%).

Currently, there are 89 units housing the elderly inside the Town limits (for an average of 1.79 persons per household), and 14 additional units housing the elderly outside the Town but inside the Planning Area totalling 103. Assuming the increase in percent of elderly stated above, there will be an elderly housing demand of 108 units in the Town in 1987 and of 19 units outside the Town in that year, totalling 127.

For this analysis, demand for housing among the elderly is based upon projected household formation plus replacement of dilapidated units currently housing the elderly. As reflected above, there is likely to be a 24 unit increase (127-103) in household formation among the elderly by 1987. Additionally, one unit may be lost to fire by that year (127 times .0011 fire loss rate times 7 = 1 unit). Thus, demand for housing among the elderly is estimated at 25 units (24 + 1).

Within this demand are particular requirements for housing type, size and siting. Factors of limited and fixed incomes place the elderly within reach of smaller new units, or older units which are paid off but with high rehabilitation and upkeep costs. Health conditions, plus the mobility reductions of normal aging, place large units out of the comfort as well as the cost range of many of the elderly. Additionally, the need for designed interaction indicates that geographic concentration is a desirable housing pattern for the elderly.

Together, these conditions indicate that a large portion of the demand for housing among the elderly is for multi-family units, such as efficiencies or one bedroom units (perhaps, no more than 5% of the units could be two bedroom). Steps and steep inclines should be minimized or eliminated, and barrier-free access and egress assured for older persons.

Another resident group which has a special set of housing needs are large families. There are currently 15 large families (of 5 or more persons) residing in the Winton Planning Area. These represent 3.43% of the current housing stock. We have no projection as to the increase in this category by 1987, so it is assumed that the proportion of the demand and need for large family units will be similar to that in 1982.

The Planning Area population is projected to grow to 1075 by 1987. This represents an 11% increase from 1980. Applying this percentage increase to the number of units housing large families, indicates a need for 17 such housing units in the planning area by 1987. This represents an anticipated 2 unit net increase in households among large families by 1987. Additionally, 1 unit may require replacement due to fire destruction (17 times .0011 times 7). Thus, the estimated demand for housing for large families is 3 units (2 + 1).

The third and most broadly based special group is the small, non-elderly household (four or fewer persons). In 1982, there were 274 units housing such families in the Winton Planning Area, representing 62% of the housing stock. Assuming that this group will grow 11% by 1987, as is projected for the overall Planning Area population, there will be a demand for 304 (an increase of 30 units) to serve this group.

Additionally, there may be a fire replacement need of 3 units (304 times .0011 times 7 years).

Adding the household formation and fire replacement estimates (30 + 3) renders a demand estimate of 33 units to serve small non-elderly families in 1987.

Summary of Demand for Non-Assisted Housing

Table IV presents a summary of the two estimates of demand for non-assisted housing, prepared from the viewpoint of the overall Planning Area and for each separate housing sub-market.

TABLE IV
DEMAND FOR NON-ASSISTED HOUSING

Market Area	Units of Demand, 1987	% of Subtotal	Adjusted
Elderly	25	40%	29
Large Family	3	5%	4
Small Family (non-elderly)	<u>33</u>	<u>55%</u>	<u>38</u>
Subtotal	61	100%	71
HUD Quantitative Estimate (include vacancies)	71	100%	71

For purposes of the forthcoming policy statements and strategies for improving the residential sector in Winton, the higher of the two estimates (71) will be used as a planning target. Applying the submarket percentages to this figure, renders demand for 29 units to house the elderly, 4 units for large families, and 38 units for small non-elderly families by 1987 as shown in Column 3.

D. Need for Housing Assistance

Need connotes that financial assistance is required in order for an individual or family to have adequate (standard) housing. This section estimates number of units in need, type of assistance needed for the overall Planning Area and for each sub-market.

Overall Market Area

HUD has established income levels, below which suggest the need for some type of housing assistance. For small households (four or less persons) with incomes below \$9,200 per year, HUD assumes they are in need of assistance and for large families (five or more persons) the income threshold is \$12,200 annually.

Family income data is not available for Winton, but such information can be generated from available county-wide data presented in Table V.

TABLE V
HERTOFRD COUNTY HOUSEHOLDS
BY INCOME GROUP, 1981

A	B	C	D	E	F
Income Range	Total Households	Average House-Hold Size	Total Pop.	% Households in Income Range	Winton Occ. Households (E x 390)
\$ 0- 1,000	473	2.5	1,187	6.4%	25
1,001- 4,000	939	1.9	1,764	12.7%	50
4,001- 8,500	1,124	2.3	2,575	15.2%	60
8,501-13,000	1,235	2.9	3,537	16.7%	66
13,000-and over	<u>3,603</u>	3.4	12,344	49.0%	<u>189</u>
	7,374				390

Source: State Commerce Department

Interpolating from the above table, there are approximately 2,729 Hertford County total households or 37% that earn an annual income of less than \$9,200. Winton has 437 total households, 47 of which are vacant, for 390 occupied housing units. If we assume that the same percentage of households earning below \$9,200 for the County as for the Town of Winton, there are 145 households (140 small and 5 large) in need of housing assistance (390 times .37 = 145; 15 large families times .37 = 5; 145 minus 5 renders 140 small units in need).

That there is significant need for housing assistance in the Winton Planning Area is bolstered by the following data and trends:

1. The total labor force statistics for Hertford County indicate a leveling off in growth during the period 1975 through 1979. However, recent expansions by Carolina Aluminum may off-set this trend in Winton itself.

2. In 1979, Hertford County's per capita income (\$5,529) was lower than its neighboring counties (Gates, Chowan, and Bertie) except Northampton. As mentioned earlier, median family income is estimated at 14,200 per year which ill equips families to adequately meet housing needs at today's costs.

TABLE VI
PER CAPITA INCOME

COUNTY	1977	1978	1979
Hertford	4617	5048	5529
Gates	5599	6367	6824
Chowan	5165	5596	6326
Bertie	4679	5168	5741
Northampton	4105	4462	4894

3. A further indicator of need are the number of families using other assistance programs. Within Hertford County, (1982) there are 5156 persons on the Food Stamp Program, 981 persons assisted by Medicaid and 1152 persons assisted by AFDC.

TABLE VII
POPULATION BY AGE GROUP
FOR HERTFORD COUNTY 1980-87

AGE	1980	1985	1987
0-19	8,362 (36%)	6,628 (29%)	6,587 (29.5%)
20-34	4,652 (20%)	5,022 (22%)	4,579 (20.5%)
35-64	7,279 (31%)	7,441 (33%)	7,418 (33.2%)
65+	3,072 (13%)	3,542 (16%)	3,752 (16.7%)
TOTAL	23,365 (100%)	22,633* (100%)	22,336*

*Note: 3% drop in population.

Submarkets of Housing Assistance

By focusing once again on the housing sub-markets, (i.e. elderly, large and small (non-elderly) households), the specific number of persons needing assistance can be developed. For this analysis, need may be indicated by families living in a sub-standard (major and minor repairs needed) and dilapidated housing units.

Housing need is generally categorized into two groups: need of loans or grants for rehabilitation or replacement of owner occupied housing and need of rental assistance.

The first category of most severe need in the Winton Planning Area is comprised of 9 elderly families who own sub-standard structures (with major structural defects or are dilapidated). An additional 3 families rent such structures and would presumably qualify for both rehabilitation/replacement (r/r) assistance and rental assistance once r/r is completed. This number (12) is estimated to increase to 15 by 1987 ($1.24 \times 12 = 15$).

The second group is comprised of 7 elderly families for sub-standard (minor) housing plus an additional 6 families who rent standards units. (Six additional elderly families already receive housing assistance in the form of public housing). Thus, 13 families are likely to require rent supplements in order to remain in standard units. This number may increase to 16 by 1987 if we assume an increase of 24% among the elderly.

Although not defined as "need" above, it is reasonable to assume that 50% of the elderly currently living in standard units could ill-afford timely maintenance expenses to keep their structures in standard condition. This assumption renders 39 units of assistance needed (78 standard units times $.50 = 39$), which may be expected to increase (like elderly population) by 24% to be 49 in 1987.

This brings the total elderly in need of housing assistance to 74 ($15 + 16 + 49$) in 1987, and as such presents a target for the housing policies and strategies enumerated under section III below.

As with the elderly submarket presented above, the need for assistance among large families may be categorized in two groups. The first group, those in need of rehabilitated (major) or replaced units, is comprised of 2 families, 1 of which owns their unit and 1 of which rents. The need for assistance in this group is projected to increase to 3 by 1987.

The second group, those in need of rent subsidy, is comprised of the 8 families (1982) living in sub-standard units (minor) and an additional 5 families who currently rent standard housing, for a total of 13. This number is expected to increase to 15 by 1987.

Although not defined as "need" above, there are 6 large families who own standard units. Because of the expenses associated with raising large families and increasing inflation, 50% of these families (3) are likely to need assistance in the form of loans for home improvements. This number is also projected to increase by 11% to 4 families by 1987.

Thus, the need for housing assistance among large families totals 18 and is expected to be 22 in 1987 (i.e. 3 + 15 + 4).

As with the above two submarkets, the need for assistance for the young small households may be categorized into two groups.

The first group is composed of those potentially in need of housing rehabilitation (major) (5) or replaced (7) housing, 7 of which are owned and 5 of which are rented. As with the other submarkets, the latter group will need rent supplement upon rehabilitation/replacement. This total category of need is expected to increase from 12 to 13 by 1987.

The second group, those in need of rent supplement, is comprised of the 11 families in sub-standard (minor) units, plus 12 families who are currently renting standard units. Thus, 23 households are likely to require rent supplements in 1982, increasing to 25 ($23 \times 1.11 = 26$) in 1987.

Although not defined as "need" above, there are 50 low and moderate income families renting standard units who may need maintenance assistance in the form of loans or grants. This number may be expected to increase to 56 by 1987 (50 times 1.11 = 56).

Thus, there is an estimated 95 units in need of housing assistance in the Winton Planning Area by 1987.

Summary of Submarket Need for Housing Assistance

As with demand, Table VIII below presents a summary of the two estimates of need for housing assistance, prepared from the viewpoint of the overall planning area and for each separate housing sub-market.

TABLE VIII

Submarket	Units of Need	% of Subtotal
Elderly	74	39%
Large Family	22	12%
Small Family (non-elderly)	95	49%
Subtotal	<u>191</u>	<u>100%</u>
Overall Planning Area Estimate	145	N/A

Because of the greater detail of the submarket analysis and because the overall estimate is based upon County data and trends, the policies and strategies for housing assistance will address 191 units.

III. POLICIES FOR WINTON'S RESIDENTIAL SECTOR.

Having examined the housing market area, the supply, demand and need profiles of the community, the following section presents policies and strategies to stimulate supply, promote demand, and leverage the necessary assistance to improve Winton's residential sector. First, we examine the regulatory context in which these action policies will operate (planning and zoning) and then articulate the recommended strategy for execution by the Town Council.

The next part of this section articulates the overall goal for the Winton planning area and sets forth objectives which address supply, demand, need, spatial configuration and amenities of housing in Winton's area.

For each objective, a series of alternative strategies is presented and a set of available resources (public programs and private initiatives) is presented.

The final part of this section presents a course of action and presents a timeframe for the initiation of these steps.

Undoubtedly, there will be considerable spillover from any of the action steps toward achievement of several objectives. Similarly, work on a single objective may require several inter-related action steps. With this in mind, emphasis is placed upon the concerted undertaking of a course of action with a clear end-point in mind, that being the improvement of the residential sector of Winton, North Carolina.

A. Guiding the Housing Market Through Residential Zoning

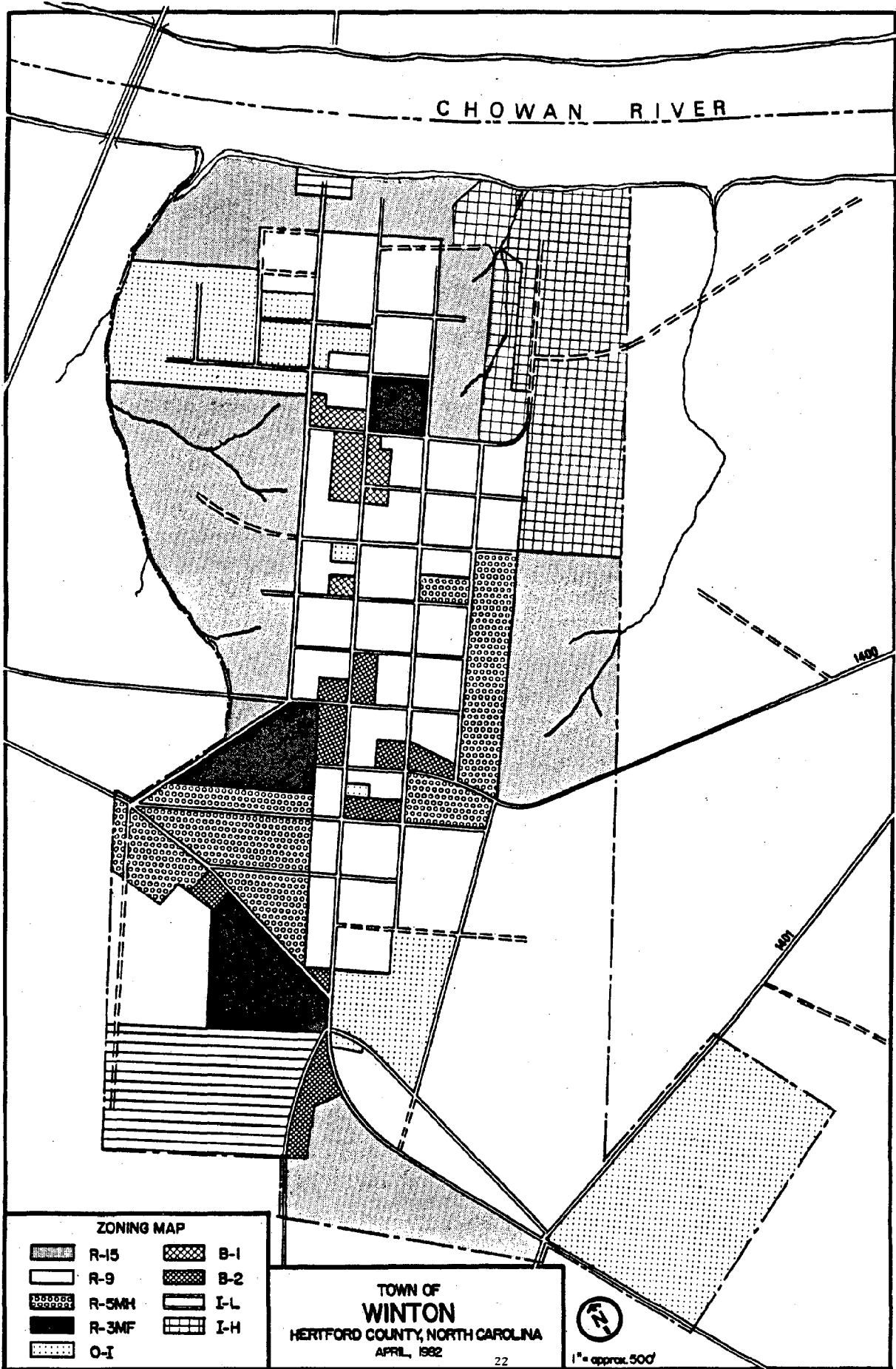
In theory, 71 units of demand and 191 units of assistance could be placed anywhere within the Winton Planning Area. However, in reality, particular locations have been selected as best for the community.

The Winton Land Use Plan considered the mix of industrial, commercial, institutional, recreational, and other land uses, as well as residential, as a basis for determining the most appropriate pattern of housing for the future.

The goals and objectives of the Land Use Plan were converted to implementation strategies in the update of the Town's zoning ordinance. Zoning districts were established to channelize the provisions of housing supply into an urban pattern which would best implement the land use plan. These patterns are shown in Map 2 which at this time is the proposed zoning map of the Town.

This map was analyzed to determine the maximum number of housing units which are allowable under the proposed zoning ordinance. This equates to the Town's "holding capacity" for residential development, and demonstrates one way in which zoning acts as a constraint upon the supply of housing.

There are approximately 500 acres within the corporate limits of Winton with 3900 acres or 6 square miles of land within the Town's Planning Area. Seventy (70) percent of the land has been zoned for residential purposes, 19 percent zoned for business and office uses and 12 percent allocated for industrial use (Note: these figures assume 25 percent of the land will be used for roads, parks and open space, institutional uses and other public facilities).



CHOWAN RIVER

1400

1401

ZONING MAP

	R-15		B-1
	R-9		B-2
	R-5MH		I-L
	R-3MF		I-H
	O-I		

TOWN OF
WINTON
 HERTFORD COUNTY, NORTH CAROLINA
 APRIL, 1982



1" = approx. 500'

TABLE IX

WINTON HOUSING ALLOCATION BY ZONE

DISTRICT	TOTAL ACRES	NEW UNIT* POTENTIAL
R-15	100	2100
R-9	120	230
R-5 MH	20	50
R-3 MF	20	85
Potential New Units		2465

* Based on vacant land less 25 percent for streets, institutional uses, etc.

The total 260 acres allocated for residential use in the Town will accommodate about 2900 total housing units. Given a vacancy rate of 15.4 and a household size of 2.34 persons per household, about 4880 additional people could be accommodated within Winton's corporate limits, based on housing zoning.

Thus, there is more than adequate acreage for the housing market to operate inside Winton's boundaries.

B. Goals, Objectives, Alternative Strategies and Resources

GOAL: To achieve an active residential sector serving all persons in the Winton Planning Area, which provides an enhancing spatial configuration and is supported by improved community amenities.

Objective 1: Supply

- a. To reduce the percentage of conventional units which are sub-standard from 21% to 10% by 1987.
- b. To diversify the housing stock in the Winton Planning Area from 93% (408) single family and 7% (29) multi-family (1982) to 80% (368) single family and 20% (92) multi-family by 1987.
- c. To maintain diversity of supply along private/public housing lines and ownership/rental lines until 1987.
- d. To reduce the percentage of mobile homes in the planning area from 20% to 10% by 1987 (through the provision of alternative housing).
- e. To achieve a steady 5% vacancy rate across housing types reducing it from 10.76% by 1987.
- f. To achieve the spatial configuration of residential development as set forth in the Winton Land Use Plan and articulated in the zoning ordinance (1982), namely, concentration of conventional housing stock in older parts of town, and channelizing location of mobile home development in appropriate locations.

Alternative Strategies for Achieving Supply Objectives:

- (1) Work with the County building inspector to improve enforcement activities related to the NC State Building Code.
- (2) Develop a county or town administered home improvement assistance program as an extension of the FmHA or local financial institution. This should upgrade the value of the residence and thereby raise the tax base.
- (3) Adopt the North Carolina model housing code and contract with the County to enforce it.
- (4) Undertake a demolition volunteer program consistent with the Winton Land Use Plan, page 21.
- (5) Work with developers of low cost housing (multi-family or manufactured or modular units) to develop a strategy for the Town.
- (6) Work with the Roanoke-Chowan Housing Authority to support their current plans to construct additional units of public housing in the Town.

Objective 2: Demand

- a. To activate demand for the 460 units which may be expected from the residential population by 1987.
- b. To recruit 10% of the 489 employees of Carolina Aluminum and Hertford County Government who work in Winton but do not live there by 1983.
- c. To activate demand for 71 units (53 owner and 18 renter) by 1987, at the annual rate of 11 owner and 4 rental, as follows:
 - . 29 units for the elderly
 - . 4 units for large families
 - . 38 units for young small families

Alternative Strategies for Achieving Demand Objectives.

- (1) Conduct a survey of employees of Carolina Aluminum and Hertford County Government to determine why they don't currently live in Winton and what they want in order to begin living there.
- (2) From survey results, design and undertake strategies to meet the relocation needs of those employees. This could include improving conditions in Winton which are perceived as barriers. Focus on both short run (quick success) issues and long-term projects.
- (3) Investigate and determine the feasibility of ways in which the Town's tax exempt status can: leverage mortgage money with banks, and other lending institutions such as the North Carolina Housing Finance Agency. Banks could loan money to the town for expressed public purposes. (See the Local Government Fiscal Control Act).
- (4) Establish a local Housing Development Corporation or a Community Development Commission responsible for leveraging and managing money for housing and development.
- (5) Prepare a Community Development Block Grant application for housing rehabilitation (1982). Contact NRCDC Field Office, Tom Richter, 946-6481.
- (6) Encourage the application of conservation measures (reduce home operating costs) through energy audits and energy conservation financing in existing housing units.
- (7) Select among the following programs directed at stimulating demand and undertake in a coordinated manner:
(NOTE: Contact persons for the following HUD programs may be identified by calling Greensboro, at 378-5361).

ONE-TO FOUR-FAMILY HOME MORTGAGE INSURANCE
(SECTION 203(b) and (i))

Federal mortgage insurance to facilitate homeownership and the construction and financing of housing.

Nature of Program: By insuring commercial lenders against loss, HUD encourages them to invest capital in the home mortgage market. HUD insures loans made by private financial institutions for up to 97 percent of the property value and for terms of up to 39 years. The loan may finance homes in both urban and rural areas (except farm homes). Less rigid construction standards are permitted in rural areas.

Applicant Eligibility: Any person able to meet the cash investment, the mortgage payments, and credit requirements.

Legal Authority: Section 203(b) and (i), National Housing Act (1934), (P.L. 73-479).

Application Dates: Anytime

CONDOMINIUM HOUSING

Federal mortgage insurance to finance ownership of individual units in multifamily housing projects.

Nature of Program: HUD insures mortgages made by private lending institutions for the purchase of individual family units in multifamily housing projects under Section 234 (c). Sponsors may also obtain FHA-insured mortgages to finance the construction or rehabilitation of housing projects which they intend to sell as individual condominium units under Section 234 (d). A project must contain at least four dwelling units; they may be in detached, semi-detached, row, walkup, or elevator structures.

A condominium is defined as joint ownership of common areas and facilities by the separate owners of single dwelling units in the project.

Applicant Eligibility: Any qualified profit-motivated or nonprofit sponsor may apply for a blanket mortgage covering the project after conferring with his local HUD-FHA Field Office; any credit-worthy person may apply for a mortgage on individual units in a project.

Legal Authority: Section 234, National Housing Act (1934), (P.L. 73-479), as added by Housing Act of 1961 (P.O. 87-70), and as amended.

Application Dates: Anytime

COOPERATIVE HOUSING

Federal mortgage insurance to finance cooperative housing projects.

Nature of Program: HUD insures mortgages made by private lending institutions on cooperative housing projects of five or more dwelling units to be occupied by members of nonprofit cooperative ownership housing corporations. These loans may finance: new construction, rehabilitation, acquisition, improvement or repair of a project already owned, and resale of individual memberships; construction of projects composed of individual family dwellings to be bought by individual members with separate insured mortgages; and construction or rehabilitation of projects that the owners intend to sell to nonprofit cooperatives.

Applicant Eligibility: Nonprofit corporations or trusts organized to construct homes for members of the corporation or beneficiaries of the trust; and qualified sponsors who intend to sell the project to a nonprofit corporation or trust.

Legal Authority: Section 213, National Housing Act (1934), (P.L. 73-479), as added by Section 114, Housing Act of 1950 (P.L. 81-475).

Application Date: Anytime

GRADUATED PAYMENT MORTGAGE

Federal mortgage insurance for Graduated Payment Mortgages.

Nature of Program: HUD insures mortgages to facilitate early homeownership for households that expect their incomes to rise substantially. These "graduated payment" mortgages allow homeowners to make smaller monthly payments initially and to increase their size gradually over time.

Five different payment plans are available, varying in duration and rate of increase. Larger than usual downpayments are required to prevent the total amount of the loan from exceeding the statutory loan to value ratios. In all other respects, the graduated payment mortgage is subject to the rules governing ordinary HUD-insured home loans.

Applicant Eligibility: All FHA-approved lenders may make graduated payment mortgages; credit-worthy applicants with reasonable expectations of increasing income may qualify for such loans.

Legal Authority: Section 245, National Housing Act (1934) (P.L. 73-479), as added by Section 308, Housing and Community Development Act of 1974 (P.L. 93-383).

MULTIFAMILY RENTAL HOUSING

Federal mortgage insurance to facilitate construction and financing of a broad cross section of rental housing.

Nature of Program: HUD insures mortgages made by private lending institutions to finance the construction or rehabilitation of multifamily rental housing by private or public developers. The project must contain at least five dwelling units. Housing financed under this program, whether in urban or suburban areas, should be able to accommodate families (with or without children) at reasonable rents.

Applicant Eligibility: Investors, builders, developers, and others who meet HUD requirements may apply for funds to an FHA-approved lending institution after conferring with their local HUD office. The housing project must be located in an area approved by HUD for rental housing and in which market conditions show a need for such housing.

Legal Authority: Section 207, National Housing Act (1934), (P.L. 79-479), as amended.

Application Dates: Anytime

EXISTING MULTIFAMILY RENTAL HOUSING

Federal mortgage insurance to facilitate purchase or refinancing of existing apartment projects.

Nature of Program: HUD insures mortgages to purchase or refinance existing multifamily projects originally financed with or without Federal mortgage insurance. HUD may insure mortgages on existing multifamily projects under this program that do not require substantial rehabilitation. Project must contain eight or more units, and must be at least three years old.

Applicant Eligibility: Investors, builders, developers, and other who meet HUD requirements.

Legal Authority: Section 223(f), National Housing Act (1934), (P.L. 73-479), as added by Section 311, Housing and Community Development Act of 1974 (P.L. 93-383).

Application Dates: Anytime

MULTIFAMILY HOUSING COINSURANCE

Joint mortgage insurance by the Federal Government and State Housing Finance Agencies to facilitate financing of rental housing.

Nature of Program: State Housing Finance Agencies which are approved for participation in the program, effectively assume the responsibilities of a HUD/FHA Area Office with respect to underwriting mortgage loans and those responsibilities of an FHA-approved mortgagee.

An annual mortgage insurance premium of one-half of one percent of the average outstanding principal balance of the loan is collected from the mortgagor and is shared by HUD and the Housing Finance Agency in direct proportion to their risk on the coinsured loans.

Applicant Eligibility: State Housing Finance Agencies as mortgagee and coinsurer. Nonprofit, limited dividend, and profit-motivated entities are eligible to apply to approved State agencies for loans.

Legal Authority: Section 244, National Housing Act (1934) (P.L. 73-479), as added by Section 307, Housing and Community Development Act of 1974 (P.L. 93-383).

Application Dates: Anytime

Objective 3: Need for Housing Assistance

a. To meet the projected 1987 need for housing assistance for each submarket as follows:

1. Elderly: Assist 74 units for housing of the elderly, consisting of:
9 units which are deteriorated in a major fashion or dilapidated;
The 3 families in need of rent supplement;
7 rental units with need for minor repair;
6 units where tenants are in need of rent supplements;
39 units owned by occupants in need of maintenance assistance.
(1982 totals 64, increasing to 74 in need by 1987).

2. Large Family: Assist 22 units for housing of large families, consisting of:

2 units needing replacement;
8 units in need of minor repair
5 units whose tenants need rental assistance; and
3 units whose owners need maintenance assistance
(1982 totals 18, increasing to 19 by 1987).

3. Small Family (non-elderly): Assist 95 units for housing of small families consisting of:

7 units for replacement;
5 units for major rehabilitation;
11 units in need of minor repair;
12 units in need of rent supplement; and
50 units whose renters require financial assistance for maintenance.
(1982 totals 85, increasing to 95 in 1987).

b. To meet the need for multi-family housing in Winton by 1983.

c. To meet the need for home ownership in Winton by 1987.

Alternative Strategies for Meeting the Need for Housing Assistance.

- (1) Establish a non-profit housing corporation locally (or regionally) designed to borrow money from FmHA for the purpose of acquiring land, constructing houses or apartments, selling, conveying, assigning, mortgaging or leasing any real or personal property. Coordinate the operation of this agency with the Roanoke Chowan Housing Authority and ARPDC.

(3) Investigate each of the following programs for the following sub-markets (see attached program summaries (pages 32-41):

Elderly: FmHA 515, 502, 504, 523
Title I Main Rehab.
Title I Mobile Homes
HUD 203K Maintenance Assistance
HUD 231 Rental
HUD 202 Non-profit Sponsor
HUD 106 (a) & (b) Non-profit Sponsor
Section 8 Rent Supplement
NCHFA Rehab Loan

Large Family: FmHA 502, 504, 523
HUD Title I
HUD 203K
Section 8
NCHFA Rehab Loan

Small Family: FmHA 502, 504, 523
HUD Title I (Title I, Mobile Homes)
HUD 203K
Section 8
NCHFA Rehab Loan

(4) Investigate each of the following programs for multi-family housing assistance (see attached program summaries).

HUD 241
HUD 221 (d)(3) and (d)(4)

(5) Investigate each of the following programs for assistance in increasing ability of families to purchase houses:

HUD 221 (d)(2)
Revised Section 235
Title I
FmHA 502 and 504

NOTE: Contact persons for the aforementioned HUD programs may be identified by calling Greensboro, 378-5361. The Hertford County FmHA Office is in Winton, at 358-7611.

MOBILE HOMES (Title I)

Federal insurance of loans to finance the purchase of mobile homes.

Nature of Program: To facilitate financing of mobile home purchases, thereby providing alternative lower-cost housing, HUD insures mobile home loans by private lending institutions. Loans may be insured for up to \$18,000 and 15 years on single-module units, and for \$27,000 over 20 years for double-module units. The maximum allowable interest on both types is 13½ percent.

Applicant Eligibility: Any person able to make the cash investment and the mortgage payments.

Legal Authority: Section 2, Title I, National Housing Act (1934), (P.L. 73-479).

Application Date: Anytime.

HOME IMPROVEMENT LOAN INSURANCE (Title I)

Federal Insurance of loans to finance home improvements.

Nature of Program: HUD insures loans to finance major and minor improvements, alterations and repairs of individual homes and non-residential structures (whether owned or leased). The loans may be up to \$15,000, bear interest up to 13 percent, and be paid back over 15 years. Loans on apartment buildings may be as high as \$7,500 per unit, but the total for the building may not exceed \$37,500, and the term may not exceed 15 years. Loans may also finance new construction for agriculture or non-residential use. Lenders determine eligibility for and process these loans. Loans of not more than \$7,500 are generally unsecured personal loans.

Legal Authority: Section 2, Title I, National Housing Act (1934), (P.L. 73-479) as amended by Housing Act of 1956 (P.L. 84-1020).

Application Date: Anytime

REHABILITATION MORTGAGE INSURANCE (REVISED) SECTION 203(k)

Mortgage insurance to facilitate rehabilitation of one-to-four-family properties.

Nature of Program: HUD insures rehabilitation loans to (1) finance rehabilitation of an existing property; (2) finance rehabilitation and refinancing of the outstanding indebtedness of a property; (3) finance purchase and rehabilitation of a property. An eligible rehabilitation loan must involve a principal obligation not exceeding the amount allowed under Section 203 (b) home mortgage insurance.

Applicant Eligibility: Any person able to make the cash investment and the mortgage payments.

Legal Authority: Section 203(k), National Housing Act (1934), as amended by Section 101(c), Housing and Community Development Amendments of 1978, (P.L. 95-557).

Application Date: Anytime

MORTGAGE INSURANCE FOR HOUSING FOR THE ELDERLY

Federal mortgage insurance to facilitate financing of rental housing for the elderly or handicapped.

Nature of Program: To assure a supply of rental housing suited to the needs of the elderly or handicapped, HUD insures mortgages to build or rehabilitate multi-family projects consisting of eight or more units.

Applicant Eligibility: Investors, builders, developers, public bodies, and non-profit sponsors may qualify for mortgage insurance. Persons at least 62 years old are eligible to rent such units.

Legal Authority: Section 231, National Housing Act (1934), (P.L. 73-479), added by Section 201 Housing Act of 1959 (P.L. 86-372).

Application Date: Anytime.

DIRECT LOANS FOR HOUSING FOR THE ELDERLY OR HANDICAPPED (SECTION 202)

To provide housing and related facilities for the elderly or handicapped.

Nature of Program: Long-term direct loans to eligible, private non-profit sponsors finance rental or cooperative housing facilities for elderly or handicapped persons. The current interest rate is based on the average rate paid on Federal obligations during the preceding fiscal year. (Until the program was revised in 1974, the statutory rate was 3 percent). Participation in the Section 8 rental housing program is required for a minimum of 20 percent of the Section 202 units.

Applicant Eligibility: Private, non-profit sponsors may qualify for loans. Households of one or more persons, the head of which is at least 52 years old or is handicapped, are eligible to live in the structures.

Legal Authority: Section 202, Housing Act of 1959 (P.L. 86-372).

Application Date: Anytime.

ASSISTANCE TO NON-PROFIT SPONSORS OF LOW AND MODERATE INCOME HOUSING.

Technical assistance and loans to sponsors of certain HUD-assisted housing.

Nature of Program: To stimulate the production of housing for low and moderate income families, HUD provides information and technical advise to non-profit organizations that sponsor such multi-family income housing.

HUD also makes interest-free "seed money" loans to non-profit sponsors or public housing agencies to cover 80 percent of the preliminary development costs. Current HUD regulations limit these loans to non-profit sponsors of Section 202 housing for the elderly or handicapped. Loans may be used to meet typical project development costs, such as surveys and market analysis, site engineering, architecture fees, site acquisition, and application and loan commitment fees. Loans are made from a revolving low and moderate Income Sponsor Fund.

Applicant Eligibility: Non-profit sponsors eligible under HUD regulations and public housing agencies.

Legal Authority: Sections 106(a) and (b), Housing and Urban Development Act of 1968, (P.L. 90-448).

Application Date: Anytime.

LOWER-INCOME RENTAL ASSISTANCE (SECTION 8)

A rent subsidy for lower-income families to help them afford decent housing in the private market.

Nature of Program: HUD makes up the difference between what a lower-income household can afford and the fair market rent for an adequate housing unit. No eligible tenant need pay more than 25 percent of adjusted income toward rent. Housing thus subsidized by HUD must meet certain standards of safety and sanitation, and rents for these units must fall within the range of fair market rents as determined by HUD. This rental assistance may be used in existing housing, in new construction, and in moderately or substantially rehabilitated units. Different procedures apply in each case.

Local public housing agencies administer the existing housing and moderate rehabilitation programs, certifying eligible tenants, inspecting the units proposed for subsidy, and contracting with approved landlords for payment. (Tenants execute separate leases with landlords to pay their share of rent). In the Moderate Rehab program, local public housing agencies also provide technical assistance to owners of units being rehabilitated.

Non-profit and profit-motivated developers, alone or together with public housing agencies, submit proposals for rehabilitation or new construction in response to invitations from HUD; or they may apply to their State housing finance agency. On approval of the proposals, HUD contracts to subsidize the units to be occupied by eligible families.

Applicant Eligibility: Tenants must be lower-income households with incomes amounting to 80 percent of the area median income or less. Project sponsors may be private owners, profit-motivated and non-profit or cooperative organizations, public housing agencies and State housing finance agencies.

Legal Authority: Section 8, U.S. Housing Act of 1937, (P.L. 73-479), as added by Housing and Community Development Act of 1974, (P.L. 93-383).

Application Date: Anytime.

HOMEOWNERSHIP ASSISTANCE FOR LOW AND MODERATE INCOME FAMILIES
(Section 221(d)(2))

Mortgage insurance to increase homeownership opportunities to low and moderate income families, especially those displaced by urban renewal.

Nature of Program: HUD insures lenders against loss on mortgage loans to finance the purchase, construction or rehabilitation of low cost, one-to-four family housing. Maximum insurable loans for an owner-occupant are \$31,000 for a single-family home (up to \$36,000 in high cost areas). For a larger family (five or more persons), the limits are \$36,000 or up to \$42,000 in high costs areas. Higher mortgage limits apply to two-to-four-family housing.

Applicant Eligibility: Anyone may apply; displaced households qualify for special terms.

Legal Authority: National Housing Act (1934), (P.L. 73-479), as added by Section 123, Section 221 (d)(2), Housing Act of 1954 (P.L. 83-560).

Application Date: Anytime.

SUPPLEMENTAL LOANS FOR MULTI-FAMILY PROJECTS AND HEALTH CARE FACILITIES

Federal loans insurance to facilitate financing of improvements to multi-family rental housing and health care facilities.

Nature of Program: HUD insures loans made by private lending institutions to pay for improvements to apartment projects, nursing homes, hospitals or group practice facilities that carry HUD-insured mortgages. By law, projects in the above categories may also obtain FHA insurance on loans to expand housing opportunities to provide fire and safety equipment or energy-related improvements regardless of whether HUD insured the original mortgage, though HUD regulations currently restrict the program to insured or Secretary-held mortgages.

Applicant Eligibility: Qualified owners of projects and health care facilities (as specified above) may apply for insured loans after conferring with their local HUD office.

Legal Authority: Section 241, National Housing Act (1934), (P.L. 73-479), as added by Section 307, Housing and Urban Development Act of 1968 (P.L. 90-448).

Application Date: Anytime.

MULTI-FAMILY RENTAL HOUSING FOR LOW AND MODERATE INCOME FAMILIES
(Section 221(d)(3) and (4))

Mortgage insurance to finance rental or cooperative multi-family housing for low and moderate income households.

Nature of Program: To help finance construction or substantial rehabilitation of multi-family (5 or more units) rental or cooperative housing for low and moderate income or displaced families, HUD conducts two related programs. Both insure project mortgages at the FHA ceiling interest rate. Projects in both cases may consist of detached, semi-detached, row, walk-up, or elevator structures. The insured mortgage amounts are controlled by statutory dollar limits per unit which are intended to assure moderate construction costs. Units financed under both programs may qualify for assistance under Section 8 if occupied by eligible low-income families.

Currently, the principal difference between the programs is that HUD may insure 100 percent of total project cost under Section 221 221(d)(3) for non-profit and cooperative mortgagors but only 90 percent under Section 221(d)(4) irrespective of the type of mortgagor.

Applicant Eligibility: Sections 221(d)(3) and 221(d)(4) mortgages may be obtained by: public agencies; non-profit, limited-dividend or cooperative organizations, private builders or investors who sell completed projects to such organizations. Additionally, Section 221(d)(4) mortgages may be obtained by profit-motivated sponsors. Tenant occupancy is not restricted by income limits, except in the case of tenants receiving subsidies.

Legal Authority: Sections 221(d)(3) and (4), National Housing Act (1934), (P.L. 73-479), as added by Housing Act of 1954, (P.L. 83-560).

Application Date: Anytime.

HOMEOWNERSHIP ASSISTANCE FOR LOW AND MODERATE INCOME FAMILIES
(REVISED SECTION 235)

Mortgage insurance and interest subsidy for low and moderate income home buyers.

Nature of Program: To enable eligible families to purchase new homes that meet HUD standards. HUD insures mortgages and makes monthly payments to lenders to reduce interest to as low as 4 percent. The homeowner must contribute 20 percent of adjusted income to monthly mortgage payments and must make a downpayment of 3 percent of the cost of acquisition. There are dollar limits on mortgage loans and sales prices. Mortgage limits are \$32,000 (\$38,000 for homes for 5 or more persons), and in high cost areas \$38,000 (\$44,000 for homes for 5 or more persons). The income limit for initial eligibility is 95 percent of the area median income for a family of four and the sale price may not exceed 125 percent of the mortgage limit.

Applicant Eligibility: A home buyer's adjusted family income may not exceed a certain percentage of local median income, dependant upon family size. There is no restriction on assets.

Legal Authority: Section 235, National Housing Act (1934), as added by Section 101, Housing and Urban Development Act of 1968, (P.L. 90-448).

Application Date: Anytime.

LOW TO MODERATE INCOME HOUSING LOANS -- HOMEOWNERSHIP
(SECTION 502 and 504 RURAL HOUSING LOANS)

Type of Assistance: Guaranteed/Insured Loans

Uses: Loans can be used to purchase a new or existing structure or to build, rehabilitate, or relocate an owner-occupied single family dwelling. The loan includes the cost of buying a "minimum but adequate site". Low and moderate income families are eligible who cannot obtain credit on reasonable terms elsewhere.

Eligible Sponsors: Non-profit or private corporations

How to Apply: Contact County Farmers Home Administration Supervisor

RURAL RENTAL HOUSING LOANS (SECTION 515)

Type of Assistance: Guaranteed/Insured Loan

Uses: Construct, purchase, improve, or repair rental or cooperative housing. Can also be used to provide recreational and service facilities appropriate for use in connection with housing and to buy and improve land on which buildings are to be located.

Eligible Sponsors: Individuals, cooperatives, non-profit organizations, or corporations unable to finance with either their own resources or with credit obtained from private resources.

How to Apply: Letter to County Farmers Home Administration Supervisor with preliminary market data, cost estimates, and financial statements and plans, if available.

Documentation required: 1) comprehensive market analysis showing need; 2) legal capability to incur the obligation and operate the housing; 3) sound budget; 4) is unable to obtain funds from other sources.

RURAL HOUSING SITE LOANS (SECTIONS 523 and 524)

Type of Assistance: Loans

Uses: To purchase and develop sites including necessary equipment which will become part of the site; for water and sewer facilities; payment of necessary engineering, legal and closing fees.

Purpose: To assist public/private non-profit organizations to acquire and develop lands in rural areas to be subdivided as adequate building sites and sold on a non-profit basis to eligible low and moderate income families, cooperative and non-profit applicants.

Eligible Sponsors: A private/public non-profit organization that will provide the developed sites to qualified borrowers on a non-profit basis.

How to Apply: Contact County Supervisor for FmHA. Submit letter with supporting information and costs included.

Documentation required: 1) market analysis showing need for such services; 2) legal capacity to borrow funds and develop land for sale; 3) a sound budget.

RURAL SELF-HELP TECHNICAL ASSISTANCE (SECTION 523 TECHNICAL ASSISTANCE)

Type of Assistance: Project grants
To provide financial support for the program of technical and supervisory assistance which will aid needy low income individuals and their families in carrying out mutual self-help efforts in rural areas.

Uses: Hire personnel to carry out a program of technical assistance for self-help housing in rural areas; pay reasonable and necessary office and administrative costs; make essential equipment such as power tools available to families; to pay fees for training self-help group members in construction techniques or for other professional services needed.

Eligible Sponsors/Applicants: Local government or public/private non-profit corporations

How to Apply: Letter to County FmHA Supervisor fully documenting needs and proposed amount needed. Attachments relating to size of project, estimated costs, budgets and need are also required.

Must provide evidence of need for such services, have legal capacity to incur the obligation and operate proposed project, and be unable to obtain necessary funds from other sources.

Objective 4: Spatial Configuration of the Residential Sector

- a. To achieve the spatial distribution called for in the Winton Land Use Plan and specified in the 1982 Winton Zoning Ordinance.
- b. To discourage the segregation of housing patterns.
- c. To identify concentration of blight and undertake concentrated renewal strategies by 1987.
- d. To avoid undue concentration of assisted housing in areas containing a high proportion of low income persons.

Alternative Strategies for Achieving Spatial Configuration Objectives.

- (1) Promote development where capacity to serve (water and sewer) already exist, particularly in the older sections of town.
- (2) Identify 10 choice plats for residential development, especially within the already developed municipal boundaries, and

Work with owners to determine propensity to sell.

Work with developers/builders and realtors to reach agreements with willing owners.

Consider tax deferments for residential development on choice lots (as a Town policy).

Acquire lots and hold for resale for residential development.

Consider using municipal powers of condemnation and eminent domain to achieve spatial configuration objectives in the public interest.

Protect existing established residential areas from intrusions of incompatible uses.

Place priority on use of housing assistance programs upon areas where there is undue concentration of minorities and low income families.

Objective 5: Amenities

- a. To increase the employment base in Winton so as to increase the ability to afford housing by 1987.
- b. To improve recreational and cultural amenities (mini-park or neighborhood recreational sites) by 1984.
- c. To improve streets by 1987.
- d. To maximize the potential of the new water system and forthcoming wastewater treatment systems as a stimulant to development, through developing extension policies which entice developers to take advantage of already located services, and advertising the location of cost-effective lots.
- e. Improve the public (regional) impact of Winton as a place to live (as well as work) by 1983.

C. Recommended Course of Action

From the aforementioned alternative actions, the following are selected and recommended as a three year work program for the Town of Winton, toward the goals and objectives of this residential development guide.

Year 1:

- (1) Adopt the North Carolina model housing code and contract with the County to enforce it. (Obtain model code from N.C. Department of Insurance).
- (2) Undertake a demolition volunteer program consistent with the Winton Land Use Plan, page 21. Assign town staff responsibility to ensure implementation.
- (3) Work with developers of low cost housing (multi-family or manufactured or modular units) to develop a strategy for the Town.
- (4) Work with the Roanoke-Chowan Housing Authority to support their current plans to construct additional units of public housing in the Town.
- (5) Conduct a survey of employees of Carolina Aluminum and Hertford County Government to determine why they don't currently live in Winton and what they want in order to begin living there.
- (6) From survey results, design and undertake strategies to meet the relocation needs of those employees. This could include improving conditions in Winton which are perceived as barriers. Focus on both short run (quick success) issues and long-term projects.
- (7) Encourage the application of conservation measures (reduce home operating costs(through energy audits and energy conservation. financing in existing housing units.

Year 2:

- (1) Promote development of multi-family housing by recruiting developers and selecting financial institutions for participation in HUD 234(d) (see page 26); HUD 213 (page 27) and FmHA 523 and 524.
- (2) Establish a non-profit cooperative ownership housing corporation and select private lending institutions to use HUD 213 (see page 27).
- (3) Recruit private developers and select lending institutions to build rental multi-family units, using HUD 207 (see page 28).
- (4) Support efforts by the Roanoke-Chowan Housing Authority to establish housing for the elderly, using HUD 202 (see page 34).
- (5) Promote development where capacity to serve (water and sewer) already exist, particularly in the older sections of town.
- (6) Identify 10 choice plats for residential development, especially within the already developed municipal boundaries, and

Work with owners to determine propensity to sell.

Work with developers/buildiers and realtors to reach agreements with willing owners.

Consider tax deferments for residential development on choice lots (as a Town policy).

Acquire lots and hold for resale for residential development.

Consider using municipal powers of condemnation and eminent domain to achieve spatial configuration objectives in the public interest.

Protect existing established residential areas from intrusions of incompatible uses.

Place priority on use of housing assistance programs upon areas where there is undue concentration of minorities and low income families.

Year 3:

- (1) Investigate and determine the feasibility of ways in which the Town's tax exempt status can: leverage mortgage money with banks, and other lending institutions such as the North Carolina Housing Finance Agency. Banks could loan money to the town for expressed public purposes. (See the Local Government Fiscal Control Act).
- (2) Establish a local Housing Development Corporation or a Community Development Commission responsible for leveraging and managing money for housing and development.
- (3) Prepare a Community Development Block Grant application for housing rehabilitation (1982).

- (4) Establish a non-profit housing corporation locally (or regionally) designed to borrow money from FmHA for the purpose of acquiring land, constructing houses or apartments, selling, conveying, assigning, mortgaging or leasing any real or personal property. Coordinate the operation of this agency with the Roanoke Chowan Housing Authority and ARPDC.
- (5) Establish or assist a low interest revolving loan fund of \$20,000 to be insured by HUD Title I loan insurance and HUD 203(K) (see page 33).

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