

**“THE NORTH STREET COMMUNITY DEVELOPMENT– A NEW AND
REPLICABLE MODEL OF HOUSING FOR DEVELOPMENTALLY DISABLED
INDIVIDUALS?”**

by

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CHAPTER 1: INTRODUCTION

Summary

More than five years ago, Tracy Hoover sent an e-mail to close friends with a subject that read, “What If?” She didn’t know what to expect, but the e-mail explained that her son John was reaching adulthood, and she wanted to think about the idea of a community where he could be simultaneously independent yet supported. This e-mail turned into monthly meetings of friends and families in a similar situation, praying and discussing for almost two years what this could look like.

Then one day, Jeff McSwain, a participant in the meetings, went for a run and happened upon run-down buildings in an up-an-coming part of Durham, NC. He called his friend and local investor Hank Scherich to inquire about the buildings, and found out that one of the other meeting participants had asked Mr. Scherich a few days prior about the buildings. Furthermore, Mr. Scherich had bought the buildings from foreclosure the month before, without having a compelling reason or plan for them. There were too many questions, however, and as no one had any legitimate development experience the opportunity did not mature. After more discussion and praying, however, Mr. McSwain decided to call his friend Andrew Howell, a developer in Chapel Hill. Mr. Howell said this sounded like the type of project he had been exploring as his next development. Along with his partner Mark Moshier, they began to craft the details of the community.

In 2012, residents began moving into a community in Central Durham they decided to call the North Street Community. Once complete, this community will consist of 16 multi-family buildings originally constructed in the 1940’s as workforce housing but that have suffered from years of neglect. The units, located a few blocks from

downtown, range from two to four dwelling units, in a variety of customized floor plans. This allows those both with and without developmental disabilities to live in a supportive community. The residents are diverse: families with developmentally disabled children, disabled adults living alone, seminary students, young professionals, and families. Some have bought the units, while others rent. Yet covenants in place require residents who do not have a family-member with a disability to support the community in an active way. Additionally, all residents must sign a deed tying the value of their homes to a market formula for the larger Durham region and allow the neighborhood association to have first refusal on all properties.

Developing such a community in an urban context is an unprecedented approach to housing those with developmental disabilities. Yet early indications suggest it is yielding astounding results for community residents as well as the surrounding neighborhood. Those who have moved into the community feel it better facilitates social and emotional growth, and have parents have seen much more independence and confidence in their child with a disability. Such results solicit the question of whether this situation is unique, or could other groups across the country also ask “What if?” and expect to see comparable results? The following paper hopes to explore the reality of this question, examining what made the North Street community feasible and what tools, insights and lessons could be used by others hoping to develop a similar community.

Study Methods

After providing some background on housing individuals with developmental disabilities and a review of the existing literature on the topic in Chapter 2, the paper will conduct an analysis of the North Street Community development through a mixed-methods approach. Chapter 3 the paper will look at what types of housing communities currently exist in the United States to support those with intellectual and/or

developmental disabilities (I/DD), in order to identify the unique aspects of the North Street Community. A description of the area will be given in Chapter 4, as well as a description of how the concept came together, the partners, the financing structure, and site plans. Quantitative data will be highlighted, including an overall site plan, the number of units, the hard and soft costs of the development, the sales price of the units, and the floor plan of the units. Chapter 5 will provide qualitative data about other issues the community dealt with as they worked out the model. Chapter 6 will then explore the current status of the development and lessons learned from the key visionaries and developers. Using this as a background, Chapter 7 will describe what aspects were unique and what items could potentially be replicated in other contexts and communities.

CHAPTER 2: BACKGROUND AND LITERATURE REVIEW

There are a number of reports, articles and books pertaining to housing for those with intellectual or developmental disabilities (I/DD). The following highlights the most recent and pertinent literature, including a discussion of both faith-based and affordable housing models. It also looks at the types of housing options available in North Carolina, as well as existing articles that have been written about the North Street Community.

Background on Housing Individuals with Disabilities: National Reports

The Arc, in 2010, conducted a national online survey, called the “Family and Individual Needs for Disability Supports (FINDS) Survey,” to gather perceptions of individuals with I/DD and their families on a number of life-span issues (Arc, 2010). In 2011 these findings were published in a report titled “Still in the Shadows with Their Futures Uncertain,” offering a status report on the nation’s population of developmentally disabled individuals as well as a call to action on key items (Arc, 2011). The study cites progress made during the last 50 years, when President Kennedy appointed a panel to prescribe a plan of action in the field of intellectual and developmental disabilities (Arc, 2011). While in 1967 there were 187,000 people with disabilities living in state institutions, by 2009 the number had fallen to 34,000, as most individuals now live with their families or in smaller group homes. Yet the report still notes that individuals with disabilities are still in many ways living in the shadows, with a lack of educational, employment, services and housing support (Arc, 2011).

Additionally, the report notes that the broad move from a primarily institutional system to family support systems, without adequate community support, has strained families of children with I/DD. The Arc study found the majority of families are

responsible for providing personal care and transportation, managing finances, monitoring services, administering medications, etc. (Arc, 2011). This takes a toll on the entire family, as nearly half of parents/caregivers have more care responsibilities than they can handle, more than 80 percent report both physical and emotional stress/fatigue, and one in five families had to have a family member quit a job to stay with their family member. At the same time, there is a lack of support, with 62 percent reporting a cut in community services and a third of families on a wait list for various government funded services. The report states that these circumstances pose an enormous financial and emotional burden on families, which can result in negative consequences not just for the family but also the larger community (Arc, 2011). 82 percent of families report feeling their overall economic security is challenged, and many individuals with disabilities live in poverty. Most require the aide of Supplemental Security Income or Social Security, and 60% rely on Medicaid for health insurance.

The report also notes an uncertain future, as more than 700,000 people with disabilities are living with caregivers who are 60 years or older (Arc, 2011). When the caregiver becomes unable to support them, there are few alternative options, as housing is unaffordable to those with small incomes or relying on outside support. Additionally, most families do not have a plan for the future when the parents/caregivers get too old. The report states that presently there is no system in place to guarantee those with disabilities will have support they need to live in their present community, and cautions that for many a return to institutionalization may be the only alternative to homelessness.

While 98% of those with disabilities live in the community, four out of five live with their family, nine percent in group homes of one to six people, and seven percent in their own homes/apartments. The report invites all to join together to help those with

disabilities live, learn and work alongside people without disabilities, in all aspects of community life.

Another report that provides data on the strain of housing on those with I/DD is “Priced Out in 2012: The Housing Crisis for People with Disabilities” (Cooper, O’Hara, Singer, & Zovistoski, 2013). The report highlights the problem of housing non-elderly individuals with I/DD, as the national average rent for a one-bedroom apartment is greater than the entire Social Security Income (SSI) payment of the person with a disability. As finding employment is difficult or impossible for many with I/DD, often this is their only sort of funding, resulting in the need for those with disabilities to reside in substandard housing, institutional housing, or live as homeless. The key findings highlighted in the report include:

- The average annual income of a single individual receiving SSI payments was \$8,714 – equal to only 19.2% of the national median income for a one-person household and almost 22% below the 2012 federal poverty level.
 - In North Carolina, the SSI payment was \$8,376, equal to 20.7% of the median income.
- The national average rent for a modest one-bedroom rental unit was \$758, equal to 104% of the national average monthly income of a one-person SSI household. This finding confirms that in 2012, it was virtually impossible for a single adult receiving SSI to afford rental housing in the community unless they had some type of permanent rental subsidy.
 - In North Carolina, 86% of one’s SSI was needed for a 1-bedroom apartment, and 78% for an efficiency apartment. In the Durham/Chapel Hill area, this percentage was 101% for a 1-bedroom and 82% for an efficiency apartment.

- As many as 2 million non-elderly people with disabilities reside in homeless shelters, public institutions, nursing homes, unsafe and overcrowded board and care homes, at home with aging parents, or in segregated group quarters, often due to the lack of affordable housing in the community.
- In 2012, approximately 4.8 million adults with disabilities aged 18-64 received income from the SSI program. Unless they had permanent rental assistance, or were living with other household members who had higher income, virtually everyone in this group had extreme housing affordability problems.

In response to these discouraging findings, the authors argue that federal rental assistance – a permanent subsidy where renters pay no more than 30% of their income on housing – is the key to solving this housing crisis (Cooper, O’Hara, Singer, & Zovistoski, 2013). Yet, due to funding limitations at the U.S. Department of Housing and Urban Development (HUD) that are only getting worse, federal housing policymakers must work with the disability community to expand and support supportive housing opportunities and rental assistance programs. The paper provides the following four policy recommendations:

- **Expand the New Section 811 PRA Demonstration:** In 2012, 36 State Housing Agencies applied for the HUD Project Rental Assistance. The 13 state grantees announced by HUD in February of 2013 will receive a total of \$98 million in PRA funding to create 3,520 new supportive housing units – compared to a mere 650-700 units created annually under the prior Section 811 approach. The authors of the paper urge HUD and Congress to sustain their support for this program.
- **Fund the Goals and Strategies in the Federal *Opening Doors* Plan:** The *Opening Doors* document was the first ever federal strategic plan to prevent and end homelessness.

- **Provide Funding for Full Utilization of HUD’s Mainstream Housing Programs:**
These mainstream rent subsidies are provided through a combination of tenant-based and project-based assistance programs, including Housing Choice Vouchers, federal public housing units, and privately owned HUD-assisted properties with Section 8 contracted units. These resources are virtually all in use – meaning they are already assisting eligible households. A small amount of annual turnover, generally around 5-10%, within these programs has provided housing agencies the opportunity to assist a few new households from their waiting lists each year. Yet limits on federal discretionary funding is limiting the number of households that are able to be assisted, and some federally funded housing units are starting to be taken offline. The authors argue for full funding levels for HUD’s mainstream housing programs, which are important to people with disabilities and SSI-level incomes.
- **Expand Housing Opportunities for SSI Recipients through the National Housing Trust Fund:** The National Housing Trust Fund, authorized by Congress in 2008, is the first permanent federal housing program that is not subject to annual discretionary appropriations and is targeted to extremely low income (ELI) households. At the time of the paper, Congress was currently considering several proposals to create a permanent source of funding for the NHTF, which would provide communities with funds to build, preserve, and rehabilitate rental homes that are affordable for extremely- and very low-income households.¹ The proposals state that at least 90% of the funding from the NHTF must be used for

¹ There is still no capitalized funding source in place. The National Low Income Housing Coalition is currently pushing a campaign called United For Homes to fund the National Housing Trust Fund through revenue generated from tax modifications to the mortgage interest deduction.

the production, preservation, rehabilitation, or operation of rental housing and at least 75% of these funds must benefit ELI households at or below 30% of AMI.

The authors argue implementing these recommendations, combined with Section 811 PRA, could substantially benefit people with I/DD. It could also aid in the creation of new types of developments for those with disabilities, and more flexibility in funding.

Recent Changes to Section 811

There is hope that more housing will occur now through the Frank Melville Supportive Housing Investment Act of 2010, which restructured Section 811 funding (U.S. House, 111th Congress, 2nd Session). It is designed to create 3,500 – 5,000 new affordable and accessible units every year without increasing Section 811 appropriations.

The Section 811 Supportive Housing for Persons with Disabilities program was authorized by the Cranston-Gonzalez National Affordable Housing Act of 1990 (U.S. House, 101st Congress, 1990). Administered by HUD, interest-free capital advance grants are provided to nonprofit organizations to finance the construction, rehabilitation, or acquisition of independent living projects, condominium units and small group homes with the availability of supportive services for persons with disabilities. It also offers project rental assistance to subsidize very low-income renters with disabilities. Under this program, more than 30,000 units have been developed from the inception of the program through 2009.

Prior to 2010, the Section 811 program had relatively few changes, despite changes in disability policy, which made it difficult for housing developer's to integrate Section 811-financed supportive housing units within multifamily housing (the model encouraged by most state's and preferred by many people with disabilities) (Technical Assistance Collaborative , 2011). The previous program also made it difficult to blend

Section 811 with the Low Income Housing Tax Credit (LIHTC) program as well as the leveraging of other public or private resources.

The change that occurred with the Frank Melville Supportive Housing Investment Act of 2010 was the promotion of mixed-income development, through the provision of a 30-year project rental assistance contract (PRAC) renewal when a project is mixed with LIHTC or tax-exempt bonds (Technical Assistance Collaborative , 2011). Regarding this new program, the HUD website explains the Section 811 Supportive Housing for Persons with Disabilities is “authorized to operate in two ways: (1) the traditional way, by providing interest-free capital advances and operating subsidies to nonprofit developers of affordable housing for persons with disabilities; and (2) providing project rental assistance to state housing agencies (U.S. Department of Housing and Urban Development, 2014). The assistance to the state housing agencies can be applied to new or existing multifamily housing complexes funded through different sources, such as Federal Low-Income Housing Tax Credits, Federal HOME funds, and other state, Federal, and local programs” (U.S. Department of Housing and Urban Development, 2014).

Eligible projects can be either new or existing multi-family developments in which the development costs are paid for from other public or private sources, including projects that have a commitment of federal Low Income Housing Tax Credits, HOME funds, or other commitments of funding from federal, state, or local government or any other source. To ensure Section 811 community integration goals are achieved under this new approach to supportive housing, no more than 25 percent of the total number of dwelling units in any project receiving Section 811 Project Based Rental Assistance may be used for supportive housing or have an occupancy preference for people with disabilities (Technical Assistance Collaborative , 2011).

This allows small numbers of units for households with disabilities within larger affordable rental projects developed by non-profit groups. Yet the Section 811 still have specific requirements that do not cater to the entire special needs population. The program requires a partnership be established between the housing agency applying for Project Based Rental Assistance and the state Medicaid agency. It also is targeted solely to people with disabilities who can benefit from supportive housing with extremely low incomes – those incomes that are at or below 30 percent of the Area Median Income (AMI). While this is surely a need, as the “Priced Out” report highlights, there is still a large population of individuals who are not at this income level yet still struggle to find adequate housing (Cooper, O’Hara, Singer, & Zovistoski, 2013). Furthermore, the stipulation on income may function as a disincentive for I/DD individuals to seek employment, if doing so could hinder their housing options.

Literature on Housing Development for Individuals with Disabilities

There is substantial literature regarding the development of housing for individuals with disabilities, although much of the writing conflates physical and intellectual disabilities. As the needs of these groups are unique, discussions of housing and community options that do not distinguish between the two hold limited value. Yet one practical book that specifically focuses on those with intellectual disabilities is *Planning: Creating, and Financing Housing for Handicapped People* (Nelson-Walker, 1981). Nelson-Walker describes the housing problems that exist for these individuals, and describes the types of housing available as well as case studies of housing programs operating successfully. The book also discusses strategies to acquire capital for land, buildings, and/or development. Unfortunately, the book is more than 30 years old and some of the strategies and example are no longer possible.

HUD Housing Programs for Persons with Disabilities gives an overview of Section 811 program and how block grant programs such as HOME and the Community Development Block Grant can be used to construct or rehabilitate housing for I/DD individuals (Felker & ed., 2009). It also describes how the Low Income Housing Tax Credit (LIHTC) can be used by states to target housing to special needs populations, and how the Housing and Economic Recovery Act of 2008 made it possible for developers of Section 811 to receive a higher tax credit rate and thus make mixed financing developments more feasible. While the North Street Community did not utilize these types of development assistance, they are an option for developers and groups exploring options for funding assistance.

Finally, there are books that provide general context to community housing and how to foster a positive environment. *Group Homes for People with Intellectual Disabilities* gives a good description of how to foster a sense of community in a group home setting that can be inclusive and supportive (Clement & Bigby, 2010). Yet the North Street Community is not a group home with full-time staff and programs but rather a supportive intentional community. *Making Life Work* provides sociological context to people living with intellectual disabilities, as the work is an ethnography of a New York City group home (Levinson, 2010). Yet again it focuses on group living rather than supportive, more independent communities.

Housing Options in North Carolina

Focusing specifically on I/DD housing options in North Carolina, the Arc of North Carolina has a resource for those looking for housing titled *A Closer Look at Housing Choices: A Housing Resource Guide for People with Developmental Disabilities* (Arc of North Carolina, 2008). The resource advocates “self-determined housing,” which is “the right of people with disabilities to make choices about their own

lives, to have the same rights and responsibilities as everyone else, and to speak and advocate for themselves” (Arc of North Carolina, 2008). In the housing arena, this self-determination means having control over housing choices – not just where one lives, but also who they live with and what services are received.

The resource notes that one important way to increase control over housing is through direct rental or home ownership, and says the resource offers information and tools on options for both renting and home ownership. It discusses how to conduct a rental search, subsidized housing options available (section 8, public housing, etc.), home ownership, group living, fair housing, as well as other resources and tools for those looking for housing. For each housing option it describes how much an individual will pay, how to apply, and eligibility requirements. The resource notes that group homes are the most common group living option for adults with I/DD in North Carolina, which typically house five or six residents and offer 24-hour personal care, habilitation, and other services. While they are owned and operated by private agencies, they are licensed/monitored by the N.C. Division of Health Service Regulation, with room and board being paid for through a combination of the resident’s Social Security Income and Special Assistance (Arc of North Carolina, 2008).²

While this serves as a valuable resource for individuals looking at different housing options, it does not discuss development structure nor does it explicitly discuss the type of intentional community housing model exemplified by the North Street Community.

² Special Assistance is a state/county program that helps older adults and people with disabilities residing in licensed group homes or adult care facilities pay for their care. Each month the participant receives a personal needs allowance and the remainder goes directly to the home for payment of room and board.

Faith-Based Affordable Housing

In terms of literature pertaining to faith-based affordable housing, the most comprehensive book is *Making Housing Happen: Faith Based Affordable Housing Models, 2nd Edition* (Shook, 2012). This book explains the foundational problem of a lack of affordable housing in America and offers a myriad of models and ministries used by faith-based organizations to address the issue. These models include: sweat equity programs used by groups like Habitat for Humanity; adaptive reuse, mixed-use and mixed-income, cooperative housing, cohousing, workforce housing, community land trusts. It also looks at the ways community development function within these models, from developing local community leaders to more comprehensive community organizing. Unfortunately, the primary focus of the book is a general discussion of housing for low-income families rather than special needs housing. Nonetheless, the chapter on adaptive reuse discusses the way a shuttered prison and hospital were turned into units of affordable housing. The chapter discusses the way the faith-based organization identified a need, developed partners, did the work, and the lessons and insights gleaned from the process.

In *An Ark for the Poor*, Jean Vanier tells the story of L'Arche, which he founded in France in 1964 and is dedicated to the creation of faith-based day programs, support networks and homes for people with intellectual disabilities (Vanier, 2012). The book provides the guiding philosophy and spirituality of the communities that have spread to 36 countries as 140 communities. As described below, while the North Street Community has some similarities to the L'Arche communities, they require more capital to fund and sustain as they cater to I/DD individuals with more intensive needs.

Durham and the North Street Community

Concerning the location in Durham, the City of Durham with City and Regional Planning students from UNC constructed a comprehensive report on the surrounding

neighborhood (City of Durham; Department of City and Regional Planning at UNC, 1983). The study looks at the history of the neighborhood, resident demographics, and perceptions of safety and satisfaction in living in the area, as well as mentioning the units adapted for special needs housing by the North Street Community. Unfortunately, the document is now 30 years old and thus is not very relevant to assessing the current state of the neighborhood.

A description of the North Street Community itself can be found in a number of articles. A good description of the project is given on the website of the Legacy Real Property Group, which describes a history of the area and project, the number of units, and the process of development (Legacy Real Property Group, 2014). An article in the *News and Observer* identifies some of the key partners involved in the project as well as the impact the project is having on the residents who have moved into the community (Shimron, 2013). An article in *Christianity Today* describes the way the Reality Center spurred the development and how Duke Divinity School is partnering with the Community to allow seminary students to live in the same home as individuals with developmental disabilities (Breslin, 2012).

CHAPTER 3: EXISTING COMMUNITY HOUSING MODELS

Networked Communities

A number of housing models exist for those with developmental disabilities. They vary in form and structure in a number of ways, and can be non-profit/non-governmental, government-sponsored, or a partnership between the government and a non-profit organization. Some housing models are singular, while others are part of a broader network. Many housing options, especially government-sponsored ones, vary by jurisdiction and state based on the type of funding priorities and organizational structures that exist. Due to the variance of housing models based on context, intent, etc. the following is not an exhaustive list but rather a sample of models that exist. The two largest/most well-known non-governmental models are:

Camphill Communities

Camphill is a network of over 100 affiliates in 22 countries worldwide that “seek to enhance the lives of people in need of services and supports for daily living, as well as people committed to service, by building intentional "life-sharing" communities where the spiritual integrity of every human being is upheld” (Camphill, 2014). Different communities serve different groups, depending on their age-related developmental needs, life-stage, and social considerations. There are currently 11 communities across the United States. Some, like the Camphill Village New York, have as many as 250 individuals including more than 100 with I/DD, while others have less than 25 people. Most often the context is rural on large tracts of land, although there are exceptions, such as Camphill Hudson located in the city of Hudson, NY (Camphill Hudson, 2014).

The group was founded by Dr. Karl Koenig, who was influenced heavily by the teachings of the philosopher Rudolf Steiner. Koenig strove to focus on the abilities of each person rather than the disabilities, and thought this was best done through the experience of day-to-day living. Thus, the model of housing is on community living. According to their website, community life involves “relationships of mutual respect, education and (or) meaningful work, real participation in community life, a stress-reducing rhythm of daily activities, seasonal celebrations, a rich artistic and cultural life, natural therapies, and acceptance, individual recognition, and dignity for everyone” (Camphill, 2014).

Each community is “staffed” by individuals who choose the tasks and the lifestyle of Camphill either for a short time, for the time being, or for a life time. They are called “coworkers” to acknowledge their role of working alongside people with disabilities, and come from many countries and various walks of life. They are supported for their basic living needs. According to the website these coworkers are individuals who “have decided to live, however briefly, in a world where the dominant values are learning from others, practicing awareness, and appreciating and protecting the natural world” (Camphill, 2014).

The communities rely on donations from individuals, corporate sponsors, fundraising, as well as in-kind donations to support the work of the community and help fund new communities. Each Camphill community is its own individual non-profit organization responsible for making and meeting its own operating budget, which it does through a combination of public funds, annual fundraising, endowment monies and social enterprise (Camphill Foundation, 2014). Yet there is also a broader foundation, the Camphill Foundation, which provides strategic and financial support for collaborative activities, the development of new Camphill communities, and helps with

major capital projects at individual Camphill communities. As the communities are often built in rural areas, the costs of acquisition are generally lower.

L'Arche USA

Jean Vanier founded L'Arche in France in 1964, and is now a network of 145 communities in 40 countries, including 18 in the United States. These communities “witness to the reality that persons with intellectual disabilities possess inherent qualities of welcome, wonderment, spirituality, and friendship” (L'Arche USA, 2014). The mission of L'Arche is the following:

- Make known the gifts of people with developmental disabilities, revealed through mutually transforming relationships;
- Foster an environment in community that responds to the changing needs of our members, while being faithful to the core values of our founding story; and
- Engage in our diverse cultures, working together toward a more human society (L'Arche USA, 2014).

Some of the L'Arche communities are small – L'Arche Atlanta only has 6 residents, 3 “core residents” who have I/DD and 3 “assistants” who do not. Others, such as Boston, Massachusetts and Mobile, Alabama, have more than 30 residents. The “assistants” sign-up to serve for at least one year, while the “core residents” are able to stay in the community their entire life. Many of the core residents need direct care from the assistants, though there is the option to either live in the community or live outside the community and commute in to provide care and support (L'Arche Cleveland, 2010).

Each L'Arche community is a registered 501(c) 3 non-profit organization. While those outside the United States are often funded through a combination of government funding and fundraising, L'Arche USA communities rely more heavily on individual, foundation, organization and congregational funding (L'Arche USA, 2014).

Other Community Housing Models

In addition to these two groups, there are also a number of single communities of housing individuals with developmental disabilities. While each of these communities have contextual and distinctive aspects, what is common among the majority of them is their being constructed on greenfield locations, most are styled in a group home fashion with full or part-time supportive services, and are financed by individual and/or corporate donors. A few examples are provided below:

The Brookwood Community

This community, located in Texas, is a greenfield development on 475-acres consisting of eight group homes, two single-family staff homes, a residential inn, health and dental clinic, worship center, enterprise building, activities and administration building, 47 greenhouses, Gift and Garden Center and the Café at Brookwood, and several other support buildings (Brookwood, 2014). Residents, (or “citizens” as described by Brookwood) work in one or more of several on-site enterprises, exercise and play in the indoor swimming pool and gymnasium, worship God in an inter-faith worship center, and can receive care in an on-site clinic.

Brookwood programs serve 110 citizens who are functionally disabled and live at Brookwood full-time, and have more than 80 adults participate in a day program. Funding comes through tuition, private sector donations, and sales from entrepreneurial enterprises. The community does not accept government subsidy, and is a 501(c)3 not-for-profit organization.

Saint Andrew’s Village

This village is planned as a faith-based, mixed-use community where adults with all varying degrees of developmental disabilities and non-disabled individuals will live, work, worship, and socialize (St. Andrew's Village, 2007). The idea developed out of a partnership between parents and community members hoping to provide for adults with

special needs, and will be the first community of its kind in the state of Louisiana. The village plans to function as a mixed-use community with residential and recreational facilities, much like a retirement community.

St. Andrew’s Village purchased its 100 acres of land for \$1.2 million, and received a \$10 million USDA direct loan for the construction of Phase 1. They have also embarked on a \$6 million capital campaign. Phase I will have four Abita-style cottages that will accommodate three residents, each with his or her own bedroom and bathroom. Each home will include a family room, laundry, and kitchen, and the three residents at each home will share meals and will be fully supported in all activities of daily living by volunteers. The site plan and residence plan can be seen in Figure 1.

Figure 1 – Saint Andrew’s Village Residence and Site Plan



Source: www.saintandrewsvillage.org

Plans for the future build out include enterprise, recreational and health services buildings, a chapel, and dining and retail buildings on the site. Yet there is emphasis on engaging with the local community also. The development is located near a new school and recreational facilities, and the Village will be open to those living and working in the

development, living in the Village and working in the community, or living in the community and working in the Village. Village residents will interact with the local community through work experiences, enterprise activities, recreational activities, and other on-site Village activities. Non-disabled persons will be encouraged to join the Village community, and some may volunteer to help.

The development broke ground in November 2013. The Village functions as a 501(c) (3) non-profit organization and relies on donations from individuals and organizations through contributions to an Annual Fund or by participating in a number of fundraisers (St. Andrew's Village, 2007).

Sólheimar Ecovillage

Solheimar is an eco-village of approximately 100 people, which according to its website is “renowned for its ecological, artistic, and international community ethics” (Solheimar Ecovillage, 2014). A small village in the countryside, where people with and without I/DD live and work together. This community was founded by Sesselja Hreindís Sigmundsdóttir in 1930, was also influenced by the work and theories of Rudolf Steiner. It began as a children’s home, especially for those without parents or whose parents were ill. The community worked to integrate children with and without disabilities centered on living in ecologically sustainable ways.

Today, Sólheimar is no longer a children’s home but a community that has more than 100 residents and serves as home and work to 43 individuals with special needs. Short and long-term volunteers, mostly from the European Voluntary Service, have worked in the community for most of the community’s existence. The buildings are constructed through donations and collections from the church on-site.

Additional Models

Finally, there are informal networks of housing, and also a number of government sponsored options, described below:

Autism Farm/Ranch Network

There are a number of developments around the country that cater to individuals with special needs, specifically focused on individuals with autism. While each has unique characteristics, they are largely set in rural areas. A map of these farms and ranches can be seen at the following website: <http://fredconference.org/2/>.

Local Government Initiatives/Partnerships

A number of governments at the local level have developed partnerships for the development of integrated housing communities, and are too numerous to list. One example is Harbor Village, an apartment complex in Costa Mesa, California, which offers 10 percent of its 522 apartments to people with I/DD (Regional Center of Orange County, 2014). 15 of the units are certified as ICF-DD (Intermediate Care Facilities - Developmental Disability) to serve people who have significant needs. The rest of the apartments are offered at fair market rent. At the state level, Oregon has a Community Housing Section that manages the maintenance and repair program for homes that house 946 persons with I/DD receiving 24 hour support (Oregon Developmental Disability Services, 2014).

Additionally, there are hundreds of intentional communities in the United States and across the world. Some of these cater and/or welcome individuals with I/DD, while others have a different focus. A directory of these communities can be found at <http://directory.ic.org/>.

Filling a Gap?

The models described are in many ways unique, and cater to people in a variety of situations, geographical locations, levels of disability, and type of support. Yet with all

the options available, there are still gaps in housing options. Most people, with or without I/DD, do not want to have to leave their school, social groups, friends and community in order to live in a more supportive environment. Also, many of the projects described above require a large amount of capital, time, and/or institutional support to become a reality. At the same time, however, across the nation there are individuals with I/DD and their families who are living in isolation and are severely burdened due to a lack of financial, emotional, and community support. They hope to offer their child freedom and opportunities to develop while maintaining a level of support. Even though a variety of housing options exist as options for individuals with I/DD, hardships still persist, as well as an overarching fear of what lifestyle their child will have when parents become too old to offer primary support. Additionally, many options are outside of cities, require that the individual live apart from his or her family, have limited flexibility, and require a large amount of funding, both from the government and the family. The following description of the North Street Community evidences a way some of these gaps can be filled by a model of development that relies on asset-based community development and support.

CHAPTER 4: DEVELOPING THE NORTH STREET COMMUNITY

Concept and Vision

The concept and vision of the North Street community began with Tracy Hoover sending an e-mail with the subject “What If?”³ This e-mail put forth the vision of a housing community, describing her son’s growing older and hoping to find a home that provided both support and independence. This e-mail turned into monthly prayer meetings of similarly situated families and friends, discussing in vague terms whether it should be rural or urban, ultimately deciding the city would be best. It was near services, and could foster the ability to live independently more than a farm could, as well as help individuals interact with others rather than be isolated from them.

Although the vision was being hammered out, there was not an active search for potentially suitable properties. Eyes had been opened, however, and so when one of the members, Jeff McSwain, went by the run-down buildings behind Fullsteam Brewery, he stopped to pray about the possibility. As it turns out, another member had already inquired about the property also, and learned that a local investor, Hank Scherich, had bought the units with partner Denny Clark in 2009 without a compelling reason or vision for them. Yet they still did not have a developer, and Mr. Scherich had no intention to take on such an endeavor.

The project sat idle until 2010 when Mr. McSwain called his friend and developer, Andrew Howell, to ask about the possibility of undertaking the project. Mr.

³ The following story is the result of numerous interviews with Susan McSwain, Mark Moshier, Andrew Howell, and Don Hoover. In instances where necessary, individual sources will be indicated.

Howell, Principal at Legacy Real Properties based in Chapel Hill, told Mr. McSwain this was exactly the type of project he was looking to do next. A number of questions remained, however, such as: how would the project be financed? What would the floor plans look like? How much would each unit cost?

Legacy Real began to look for other models to investigate models of development and financing, but had trouble finding anything similar. Nonetheless, they began to work out the logistics of the project. They would try to keep the cost of the units around \$100 a square foot, with pass-through additions an option. Each unit would be owned by an individual, except for townhomes where each side owns half. The extra rooms could be rented out at a price the owner set. There would not be a rule set on whether owners or renters had to be disabled, although a covenant stipulated they must support the community in some form.⁴ A covenant would be set on the sale of the houses, to ensure that no speculative or absentee landlords moved into the homes.

Legacy Real began bringing in partners, such as Coulter Jewel Thames, P.A. to do the engineering work and TightLines Designs, who worked on developing a streetscape (seen in Figure 2) and with perspective buyers on customized floor plan

Figure 2 – North Street Community Conceptual Drawing



Source: TightLines Designs

⁴ The subjective nature of this covenant is further discussed below. While difficult to enforce, it does concretize and emphasize the intentions of the community.

depending on individual family needs. The “what if” was becoming a “when can we move in?”

Friendship House

Simultaneously, a conversation was taking place about creating a place for persons with I/DD to live with Duke Divinity School students. Many of the students were involved in the “Real Friends” ministry, a gathering for individuals with I/DD organized by Reality Ministries. Talk began regarding what a shared living arrangement could look like. Some individuals had heard about a housing model in Holland, Michigan called Friendship House. There, a family with a young adult who had Down syndrome shared a concern with the dean of students at Western Theological Seminary, which was that their son wanted to live independently and they were not sure how to proceed. At the same time, the seminary needed to expand housing options for an expanding student body. This joint need for housing developed into a pod-style apartment complex, where 3 seminary students and one “friend resident” live together (Floding, Matthew Floding: Lessons from the Friendship House, 2012). The “friend” is expected to be employed, care for themselves, be a friend to seminarians, and work on developing independent living skills. They are able to stay at the house for 20 years, and have the option to live independently or with friends they have made, or move to a care center. The model is also financially sustainable, as the development is fully funded from the start with the rental income supporting the upkeep of the units and a housing allowance for a resident director. The development in Holland generates \$70,000 annually.

A delegation of parents and the director of Reality Ministries, who was also one of the leaders of the North Street Community, decided to fly to Michigan and meet with Matt Floding, the dean of students who led the effort to organize and raise funds for the project. They were able to envision something similar occurring at the North Street

Community. As Mr. Floding says, a project like this works because of passionate parents with high functioning disabled people, a strategic alliance with an institution with graduate students and the right environment (Floding, 2014). It also needs to be local, with local investors. Those developing the North Street Community vision felt they had all the necessary factors. As luck would have it, Mr. Floding was in the process of accepting a job at Duke Divinity School to become Director of Admissions, which allowed him to serve as a guide for implementing the project in Durham.

More conversation led to a goal of having two of the houses in the North Street Community serve as Friendship Houses, each with 3 students and 1 “friend.” There were issues, however, that had to be sorted out. Initially the idea was for Duke to take an active role, but ultimately they did not want to fund the building or hold the deed. No one else had the \$700,000 needed to fund the buildings. Out of nowhere, however, a non-profit group from Raleigh, NC, HopeSpring Village, contacted Mr. Floding and offered their financial support. They agreed to raise the money needed to fully pay for one unit and carry the mortgage on the other. Once paid in full, the income generated from the rent, approximately \$20,000 annually, will be split between Duke Divinity School, The Reality Center, and HopeSpring Village.

The benefit of having this type of community in the neighborhood has been significant. As Mr. Floding shares, “this is a housing development that changes lives and changes neighborhoods” (Floding, 2014). While both Western Theological Seminary and Duke Divinity School focused primarily on the students being seminary students, this does not necessarily have to be the case. Mr. Floding notes that another college community, Vanderbilt, is currently working on developing a Friendship House in partnership with two local churches, but that will have divinity students, nurse practitioner students, and students studying to be special needs teachers living with

I/DD friends (Floding, 2014). The program will be managed by the university and will allow for students to get hands-on experience. Mr. Floding suggests there are a number of student groups that could benefit from this type of housing arrangement –from medical students, to occupational therapy students, to counselors, and does not see any reason why this type of housing situation could not be scaled up or replicated elsewhere. He does caution, however, that generally graduate students are better situated in life to be able to offer their time and services to the friends in a way that is mutually life giving. Additionally, these types of housing situations must involve a smaller number of students and I/DD friends in order to provide adequate management and scale of support.

Description of the Area

The North Street Community is in the Central Park district of Downtown Durham. The area north of downtown has historically functioned as a mix of industrial buildings, tobacco auction warehouses, and workforce housing. In the late 20th Century, the area had suffered from years of neglect, many buildings sat abandoned, and the streets were some of the most dangerous in Durham (City of Durham; Department of City and Regional Planning at UNC, 1983).

Figure 3 – Map of Downtown Durham



Source: Downtown Durham, Inc.; www.downtowndurham.com

Yet around the turn of the century, the area began to slowly change. The Durham Farmer's Market was founded in 1998, and began meeting in Durham Central Park in 2006 (Durham Farmer's Market, 2014). In 2009, Fullsteam Brewery opened in an old warehouse, and people and food trucks started visiting the area. Other revitalization projects followed, and now within a few three-block area of North Street sits a concert venue, multiple restaurants, a coffee shop, bakery, event space, an experimental live theater, garden center, co-working space, a yoga center, charter school, and event space.

This mirrors the broader revitalization occurring in downtown Durham. From 1994 to 2008, the downtown area had more than \$1 billion of public and private investment, converting 2 million square feet of formerly vacant space into shops, restaurants and condos and adding 5,000 jobs since 2000 (Downtown Durham, Inc., 2008).

In addition to being near multiple retail and cultural establishments, it is also within walking distance of many city and county service offices. The Reality Center, where many residents participate in activities and where many attend church on Sunday, is also within walking distance.

Description of the Site

The community is located along North Street, Geer Street, Madison Street, and Northwood Circle. The land was subdivided in 1942 by the Northwood Housing Corporation, and 20 multi-family units were developed, each with an approximate total of 3,000 square feet (the 3 units on Hargrove Street no longer exist). The units were originally built as workforce housing and functioned for decades as 56-units of apartment housing. See Appendix 1 for a map of the original plat.

The buildings were in bad shape when they were acquired by Hank Scherich and Denny Clark in 2009 under the legal entity Northwood Partners LLC, and then purchased for development by Legacy Real Properties. They were uninhabitable, not up to code, and they were full of lead paint

Figure 4 - North Street Before Renovations

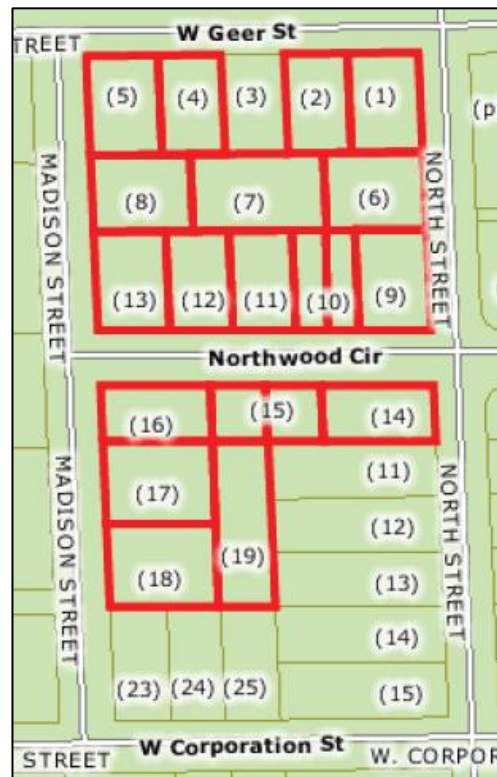


Source: Mark Moshier

and asbestos. Many of the windows were broken, and some of the roofs were deteriorating, as can be seen in Figure 4. The exterior structure of the buildings, however, was in sound condition. Additional images of the buildings as they existed before they were renovated can be seen in Appendix 2.

The North Street Community consists of the units highlighted in red in Figure 5, and indicates units already remodeled and sold, units currently being remodeled, or units under contract or controlled by the developer and which will eventually be part of the community. Lot 3 is the only original unit not owned and part of the North Street Community. Not all of the lots will be

Figure 5 – Parcel Map of North Street Community



Source: Durham GIS; gisweb.durhamnc.gov

remodeled units, however, as Lot 7 is/will be used as a parking area/community garden and lot 19 is currently a shared-outdoor area. Lots 15 and 10 have been subdivided and have two owners, and the subdivision process for Lot 4 is in progress. These 3 units will have two owners. Additionally, Lots 11 and 12 function as Friendship Houses, which are owned jointly by Duke University, Reality Center, and New Horizon. Lot 1 is also owned by a non-profit entity, Jubilee Home. While all the units are 3,000 square feet, Lots 6, 8, 14, and 16 are shaped in a rectangular fashion, while the others are square.

Each unit has 2-4 dwelling units, and each of the units has been customized to meet the needs of the families. Appendix 3 shows the elevation of the homes and porch addition, while the overall site plan for the North Street Community can be seen in Appendix 4. The site plan was submitted to the City of Durham to gain approval of modifications of the front porches, making them larger than existed on the structures. As doing so increased the amount of impervious surface area, the city required the developers to submit a site plan, and add street trees in a city-approved manner along the streets.

Description of the Units

Each unit has a unique floor plan, the result of each family having the ability to work with the architect to design a housing style tailored to the needs of the individual family. A sample of the floorplans can be seen in Appendix 5. Extensive environmental remediation was performed on the structures and homes feature high performance insulation and HVAC systems, as well as low-e windows sized to the original openings. The buildings received ENERGY STAR 3.0 certification, and also have enlarged front porches. There are also shared common areas and green spaces, and parking and a community garden are currently being designed and constructed.

Financing

North Street Community

Legacy Real Properties was able to finance the entire North Street development without the use of a financial institution or external investor. This was done for a number of reasons. First, it was because the developer had the resources to build the units and carry the costs until the homes were closed and moved into. Another reason was that, as the units were uninhabitable, not up to code, and had a number of environmental concerns, acquiring a standard loan would have been extremely difficult if not impossible (Moshier, 2014). Institutional investors looking for low-risk investments would most likely not be interested in this type of project, and while local investor options could have been explored, the developer would not be able to offer them a feasible return on their investment.

Another potential option to offset costs is through tax credits/grants. Yet trying to acquire Historic Preservation Tax Credits to reduce costs for this project would have been difficult and infeasible, as there was no obvious historical significance to the building. Also, the developer would have had to keep the original 4' by 4' stoop rather than add the front porches, and would have been more restricted on the energy efficient items such as windows, used in order to keep cost low for the new homeowners. New Market Tax Credits could have been an option, but would have likely involved working with another organization. And while various grants could have offset some costs, they are not guaranteed and are difficult to anticipate.

Ultimately, Legacy Real Properties did not want to be encumbered by red tape, and tried to simplify the model to avoid complications and headaches. Finally, as there were no existing models of a successful project to show banks or investors, or for the developers to explore as a replicable model, they decided to take the risk upon

themselves and be able to deliver the product to the homeowner at as low a cost as it took to develop the homes.

The original goal was to have the cost come in at \$100 per square foot (Moshier, 2014). As each of the units was 3,000 square feet, the goal regarding the final cost to each buyer was set at \$300,000 per house, with costs increasing if the buyer added upgrades or additional features. The townhomes would be approximately half of this. Ultimately the average cost per completion has been more than this, with a higher per square foot cost averaging \$108.33.

The breakdown of the desired and average actual costs (for those units that have been completed), including acquisition costs, hard construction costs, financing, soft costs, and payment to the common area fund are found in Table 1 below:

Table 1 - North Street Community Financing

North Street Community Financing Model	Initial Goal Cost		Average Completion Cost	
	Percentage of Total Cost	Cost/SF	Percentage of Total Cost	Cost/SF
Acquisition Costs	18.33%	\$ 18.33	17.60%	\$ 19.07
Hard Construction Costs	66.11%	\$ 66.11	66.17%	\$ 71.68
Common Area Fund	3.25%	\$ 3.25	3.00%	\$ 3.25
Financing	3.60%	\$ 3.60	3.35%	\$ 3.63
Soft Costs (including entitlements, design, engineering, taxes, insurance, legal, and environmental)	8.71%	\$ 8.71	9.88%	\$ 10.70
Total Cost Per Square Foot		\$ 100.00		\$ 108.33

Source: Legacy Real Property Group

Some of these costs are distinct from a typical market rate project. The soft costs are lower than they would have been on a market-rate project, as the architect, engineer, and legal charged less than they typically would. Also, as the developer did not intend to profit from the sale of the units, but also did not want to lose money on the project, the

additional costs of construction were ultimately passed onto either the homeowner or the broader community.

If additional environmental remediation or exterior rehabilitation work was known to be needed before construction began, the cost of the additional work was passed to the purchaser of the individual unit, resulting in a higher sales price. This was possible as the units were still sold less than the appraised value. If there were unknown issues that arose during construction, or issues that affected the broader community such as water line problems, funds from the Common Area Fund levied on each home sale were used. This fund created the ability to mitigate risk and account for unexpected issues.

Four of the units were significantly more distressed than the others, resulting in higher costs, especially in the construction costs but also acquisition, which increased the larger average cost (Moshier, 2014). The average cost breakdown of these units can be seen in Table 2 below:

Table 2 - North Street Community Financing, Highly Distressed Units

North Street Community Financing Model	Distressed Units	
	Percentage of Total Cost	Cost/SF
Acquisition Costs	18.10%	\$ 21.12
Hard Construction Costs	66.34%	\$ 77.40
Common Area Fund	2.79%	\$ 3.26
Financing	3.10%	\$ 3.62
Soft Costs (including entitlements, design, engineering, taxes, insurance, legal, and environmental)	9.67%	\$ 11.28
Total Cost Per Square Foot		\$ 116.67

Source: Legacy Real Property Group

After construction of the units is complete, funds from the Common Area Fund will be used for their namesake, common areas in the community including green space, parking, and a community garden. If any additional funding exists after the community

is fully developed, it will be given to the property owner's association to be used for future improvements, etc.

Friendship House

As stated above in the conception and vision, the financial structure for The Friendship House was based on a similar project in Holland, MI. The idea is to raise most, if not all, of the capital upfront so that the project can be financially sustainable based on the rents generated from the tenants. The Durham Friendship house was financed by HopeSprings, who was able to purchase one of the buildings outright and manage the mortgage on the other (Floding, 2014). Duke Divinity School is assisting in the placement of students in the house, and The Reality Center helps the students transition into the homes and gets them connected with the broader I/DD community. These three entities will share the expected \$20 thousand dollar annual revenue generated from the project, after the mortgage has been paid off.

This financing structure provides certainty for the "friends" who live in the house, and also helps garner support for those raising money for this type of housing model. With upfront financial support, the project can ultimately make money for the partners involved, allowing for reinvestment.

CHAPTER 5: BECOMING THE NORTH STREET COMMUNITY

Even after the financing and partners were in place and development was underway, there were still external and internal issues that had to be addressed in order to ensure the viability and long-term protection of the community. The following highlights the issues that the community had to confront and how they ultimately addressed each item.

Gentrification/Issues of Affordability

The redevelopment of these units was not without universally lauded. One group protesting the redevelopment of the units was El Kilombo Intergalactico, an advocacy group “dedicated to bringing together people from student, migrant, low-income, and people of color communities to tackle the challenges we face in Durham, NC” (El Kilombo Intergalactico, 2014). Although the units had been condemned and in a state of foreclosure did not mean they were uninhabited. El Kilombo’s community center is located on the opposite side of Geer Street from the units, and the group knew many of those living in the units. They argued that the group was displacing low-income people of color without addressing the issue of affordable housing, and simultaneously gentrifying the area.

Susan McSwain sympathizes with these concerns, but argues the group had to make the decision to focus on those with disability, rather than also ensuring affordability, which would have limited the scope of who they were trying to reach (McSwain, 2013). The issue they ran into at the onset was the cost to remodel the units versus the rent that could be afforded. No housing subsidies are received for any of the units, and no tax credits or benefits were used in the development of the properties. The

group has brainstormed ways to make the units as affordable as possible for a diverse population.

The goal was, and is, that the units could be affordable and adequate for both buyers and renters. By attempting to keep the initial cost at/around \$100 a square foot, and providing the option of home owners receiving additional rental income, living in a duplex, or renting, the desire is that anyone that wants to live in the community is able to do so. The goal of Real Legacy Property Group was to not have the cost of the units be prohibitive, making them as affordable as possible given the cost of construction and rehab, and selling them regardless of the amount of equity a person could put into the home initially (Moshier, 2014).

Unfortunately, the renovation of the units, along with additional new homes being built as an infill housing development, has led to landlords and owners to begin seeing the increased value of their homes and forcing long-time residents to move out. Three families along North Street, along with their children who had developed relationships with others in the community, have already had to move out. As one of the residents in the North Street Community shares, “what we feared could happen, is happening. People are being forced to move out, as they are rebuilding or remodeling homes. We need to realize that we are part of the reason for this movement” (Payne, 2014).

Faith-Based Housing?

Unlike many other models of community based housing for I/DD individuals, there is no requirement to believe in a particular faith or denomination to be part of the North Street Community. However, all of the current residents met through their participation at the Reality Center, which states that its mission is “to create opportunities for teens and adults with and without developmental disabilities to

experience belonging, kinship and life-changing Reality of Christ's love” (Reality Ministries, Inc., 2014). Additionally, their website states that the Center “is a place where we strive to reflect God's heart for humanity, a place with no margins where everyone is accepted, valued and celebrated.” The Center brought like-situated people and families together and provided them with a supportive community, activities for their children, and a place to share their concerns. Thus in the relationships and community there is an undergirding level of faith-based connection and support. There are some residents, however, who do not consider themselves Christian and/or part of any particular faith.

Additionally, the Friendship House, and the Duke Divinity School students who are residents in them, contributes to the level of theological discussions, reflections, and practices surrounding the community (Friendship House Durham, 2014). As these houses are at the center of the community, there is a sense that they are the ones leading the community in terms of its witness to the broader community and internal depth of development.

There was also a pre-existing level of prayer. As the developers shared, “the huge amount of prayer from the community of people that now lives in the homes cannot be underestimated” (Moshier & Howell, 2014). The level of prayer continues to play an active role in the community as some members from the community gather each morning for Morning Prayer. Many of the community members do not believe such a community could exist without their faith, but also do not see this as a necessity or requirement for the joining of the community.

The North Street Community is not tied to any one particular denomination, and thus does not receive any support from a church body. While having a denominational connection or partnership was an option that was discussed, and could be a potential

opportunity for others to pursue, the group instead wanted to intentionally be a community that is open and inviting to all who wish to be a part.

Protecting the Community

The structure of the neighborhood is loose and organic, as residents say they are “just trying to learn how to be a neighborhood” (McSwain, 2013). There are no “required” activities or mandatory contributions to the community. That being said, the neighborhood does have some protections in place to ensure the vision they had is sustainable for the long-term.

Property Owner Association

The deed to each home carries with it a mandatory property owners association (POA), pursuant to the provisions of the North Carolina Planned Community Act, NC General Statute 47F-1-101. The POA is responsible for the “Area of Common Responsibility,” the enforcement of the covenants and restrictions established, and any new duties the Board of Directors deems in the best interests of the community. Each year the Board will estimate the total amount of yearly expenses anticipated to be incurred, determine a budget, and levy an assessment on each property owner in order to cover the needed expenses. More detail can be seen in Appendix 6.

Other Covenants

Additionally, there are covenants placed on the deed of each house that protects the community from buyers not interested in the community or those who saw the opportunity as a way to invest in an emerging real estate market. While there was discussion of developing the community as a type of land trust, where the land would be owned by the community, the founders and developers ultimately decided the appreciation of each owner’s house was a necessary incentive to get families to move from existing single-family homes into the North Street Community (Hoover, 2014). Yet

the community also did not want individuals to speculatively purchase a unit in the quickly redeveloping area, or become an absentee landlord and not participate in the community. As such, there are covenants established that gives right of first-refusal to the community. The price of the resale is pegged to the larger regional market context, and the buyer is not able to sell the property for the first two years after it is purchased.

There is also a covenant that restricts each occupant of the structures to be: “(a) persons who have cognitive, emotional, or physical disabilities that have been diagnosed by a health care provider who is licensed by the State of North Carolina, has been trained in a branch of medicine related to such disability and who routinely practices in such field,” as well as “(b) persons who are dedicated to providing care for the persons identified (b).” (Burns, 2012). While the language allows for flexibility in what is meant by “dedicated to providing care,” it helps ensure that a common cause and understanding undergirds the community, as well as if corrective action was needed against an owner who was actively pushing against the mission described in this covenant.

There are also covenants frequently seen in homeowner’s or property owners associations, such as restrictions on architectural modifications, the approval process needed before changing the structure, enforcement, prohibited activities, signs, animal control, maintenance, etc. The entire covenant can be seen in Appendix 6.

Key Partners

A number of partners were key to starting the vision of a joint community for individuals with I/DD and helping transport this vision to reality.

Reality Ministries, Inc.

This ministry launched in 2007, beginning with a vision to show those with I/DD that “the deepest reality of life is God’s love in Jesus Christ” (Reality Ministries, Inc.,

2014). In May 2008, Reality bought an old church building near downtown Durham, which became The Reality Center. The ministry soon branched out to support not just those with disabilities but also disadvantaged youth from inner-city Durham. The Reality Center became a place for Durham's often overlooked populations to gather to play games, receive tutoring, and develop lasting relationships. The Reality Center also has a gathering to make handmade items such as candles to sell at local markets, providing employment opportunities.

The ministry continues to grow, with both daytime and evening programs. These events are where relationships among those with I/DD are formed, as well as allowing for support, networking and relationship building among their families. Such developed networks allowed for excitement to build and for an applicant pool to exist that was interested in and willing to take a chance with this innovative type of housing option. The Executive Director is Susan McSwain, one of the early visionaries of the North Street Community, and also one of the first residents.

Network of Families

What started with an e-mail turned into a monthly meeting of visioning and praying about what this community could look like. This built a level of trust, support, and preparation to be able to act when an opportunity arose. They also had a key network of relationships. They knew the person who initially owned the land, as well as the developer's, enabling the right connections to be made and allowing for the vision to become a reality.

Duke Divinity School

While the school itself did not play a significant role, the student's role in pushing for the Friendship House model of housing, as well as the proximity of the school to the community, were influential. Many have stated that these houses are the "soul" or "glue"

of the community, adding youthful vibrancy and outreach, and also coordinating and leading events such as community dinners, daily prayer, birthday parties, and movie nights (Moshier & Howell, 2014).

HopeSpring Village

The non-profit group stepped in to fund the Friendship Houses when the financial situation was faltering. Their stated goal is “to build an extraordinary residential community in the Triangle area of North Carolina, giving adults with special needs a place to live fully, safely, and among friends” (HopeSpring Village, 2014). Starting in 2005, they organized an annual golf event to raise funds to start this type of community. When they heard about the desire to develop a Friendship House in Durham, they agreed to fully fund one of the units and carry the mortgage on the second unite, thus making the houses financially feasible.

Real Legacy Property Group and Associates

Real Legacy Property Group was key to moving the project from dream to reality and getting the project off-the-ground. They were able to navigate the regulatory environment, pull in others who supported the vision, and develop a project that did not have to be charitable but also was not primarily about the bottom line. Being able to offer a product at less than what the market dictated was important. They also allowed the residents to customize their floor plans, and financed the project themselves so that banks did not have

Figure 6 – North Street Community Developer and Partners



to be involved. This allowed for a more simple and streamlined process of development and ownership transfer. They also brought in other partners who agreed to work on the project at diminished rates, and who were also key to making the project a success. This includes the architect, TightLines Design, the engineering firm Coulter Jewell Thames, and the contractor Housewright Building Company. The architect at Tightlines provided the families with multiple meetings where they were able to customize their floor plans and decide which amenities they wanted to add. The general contractor was also a key to the project, as the developers said they had to trust him regarding the costs to ensure there were minimal cost overruns, as they did not working with a profit margin.

CHAPTER 6: THE NORTH STREET COMMUNITY TODAY

Impact on Community Residents

The first families moved into the community in the fall of 2012, and now 12 of the 16 buildings have residents. The change in the neighborhood is palpable, as evidenced both by the improved exteriors and in the residents who call them home.

The parents of children with I/DD in the community tell how much their son or daughter has grown since they moved into the area. They describe how they have become more sociable, independent, and confident. One of the parents explained that their child was doing better in school and also had

gained friends, and was inviting them to their new home and events in the community.

Another resident explained that it is amazing to see people who were shy and quiet come out of their shell. They are walking to work, walking down the street and initiating conversation with neighbors, and inviting people over to hang out. This is “an opportunity they wouldn’t have otherwise had” (Payne, 2014).

Figure 7 – The North Street Community Today



One of the residents, Amy, has made friends with many employees at nearby restaurants and is able to walk to her work at a local theater where she sells concessions. She explains that before, she was surrounded by nothing and had to always wait and drive to meet friends (Papinchak, 2014). Here, she exclaims, she has freedom, is

surrounded by friends, and gets to make new friends every day. Her parents share that they now have to make sure she does not overcommit herself or become tired as a result of the numerous activities and friend groups she is a part of.

When Nathan and Alex, two “friends” living in the Friendship House, were asked what their favorite part of living in the neighborhood was, they exclaimed that it was having so many new friends to be able to hang out with and meeting so many new people (Bond, Freshwater, & Furiness, 2014). One of the students living in the house discussed how they were learning together how to determine what items in the house and refrigerator were communal versus private, and had also developed a chore board that ensured the house stayed clean. Nathan is also been learning how to plan in advance to get rides to the grocery store to ensure he has enough food in the house. As Friendship house resident Greg Little reflects, it is through these relationships of mutuality that “we hope to grow into a perpetually-repetitive chorus of saying to one another: ‘you are a gift to me and to this community’” (Little, 2013).

When one of the younger residents, Erin Payne, explained that she moved into the community, she said she had to repeatedly call and plead to rent a room from a resident who originally wanted to lease it to someone else. She said “I recognized these people had such insight and could love people so clearly and exactly as they are, so I knew being near them would not only change me but having them in the center of downtown would really impact the city. I really just didn’t want to miss out on something so rare and so powerful and so beautiful” (Payne, 2014). When asked what she had learned since living here, she responded, “there is so much joy. To get to see people’s lives blossom, you have such deeper insight on the joyful things but then also the hardships that come along with life and having to cope with developmental disabilities” (Payne, 2014). She also said there she continually has conversations with people who

have been given such hope that this is happening, as most people have a relative, friend, or someone they know who is impacted by those with disabilities. Unfortunately, they often feel like something like this is an impossibility. She says, “for them to hear that it is happening and actually going *well* is music to their ears” (Payne, 2014). It is obvious that people see the value in the community, or they meet people in the community and get drawn in and want to be a part of the neighborhood. Ms. Payne says she gets phone calls daily about people wanting to know how to move into the community.

Impact on the Neighborhood

The North Street Community is not just bettering the lives of those moving into the renovated structures. The impact of the community is being felt by the neighbors who called the area home prior to the revitalization project and others who have moved nearby since then.

Soon after the first neighbors moved in, an event in/outside the community room was held in conjunction with the National Night Out event. Many longer-time residents of the area, intrigued by the new

Figure 8 – Friendship House Ribbon Cutting



Source: Mark Moshier

construction occurring, came out with their children to have hot dogs and meet their new neighbors. Many of the children accepted additional invitations to community events, birthday parties, play times, and strong relationships have formed. Many of the residents go for walks around the neighborhood, and are also consistently on their porches in the summer. One resident who lives nearby says it can take a half hour to walk down

Northwood Circle in the summer due to the number of conversations you can have with neighbors.

Another neighbor, who moved into a nearby single-family home last December, was greeted to more than 20 Christmas carolers from the North Street Community within the first week of living at her residence. She exclaimed that she had never had carolers in any of her previous residences, and it immediately made her feel welcomed and a part of the greater neighborhood (Hoover, 2014).

Neighbors are invited to be a part of the community Morning Prayer time, and are engaged in projects in the garden and other neighborhood initiatives. While one resident of the North Street Community shared that while there is an initial hesitance to show people the community does not hold “weird beliefs” or have a hidden agenda, most soon see that most people in the community just want to get to know the people in the area (Payne, 2014). As noted earlier, the issue of gentrification in the neighborhood is becoming a reality, as the broader area redevelops and attracts more people. In some ways inevitable, the community has expressed the need to be deliberate in discerning how they can keep the diversity and long-term residents in the area.

Future Plans

There are no real definite plans for the future, according to Susan McSwain. This summer the community hopes to develop a parking lot in the center of the row of homes between Geer and Northwood Streets, and also develop a community garden and outdoor meeting space. Other than most members of the community seem content with trying to figure out what it means to be a neighborhood and how to welcome those who are still moving into their homes once constructed.

As such, the group is beginning to settle into patterns of life. Some members meet daily for Morning Prayer, the Friendship Houses are beginning to interview for the next

group of residents, there are weekly dinners and monthly community meetings. Some nights, the area seems like a typical residential neighborhood, with families going about their own business and taking care of normal chores. Yet other nights the area is alive with activity on the street, or basketball court, or in the backyard, or in the community room.

This organic and loosely structured neighborhood could be what makes it special. As Ms. Payne explains, one thing that sets this community apart is that, while the Friendship House has a few things encouraged, nothing is required. This element has set the tone, so “that everything feels like an honor and privilege more than a duty or obligation” (Payne, 2014). When you move in no one tells you this is what you do in the community or this is who you have to be, and this fact makes you want to be drawn into it. The community is “more life giving and full because of this” (Payne, 2014).

Lessons Learned

Patience Is Needed

One of the key lessons from the community is that this style of development takes time, and is organic and fluid. As Mr. Howell and Mr. Moshier from Legacy Real Properties describe, this is not the style of development that a master developer can dictate or that can be imposed on an area. In order to foster a strong and supportive community, the project must develop over time. This does not mean that nothing can be done, as seen in the monthly prayer meetings that took place for years before any discussion of a physical location (Moshier & Howell, 2014).

Friendship Houses Create Core of Identity

One thing that has become evident in the community is the importance of the Friendship House. While not an original part of the community housing model, it has been noted by many that they are the core of who the North Street Community is, and

represent what the community is about. They organize events, such as daily Morning Prayer and community dinners and parties, and also bring friends and others over to their houses to highlight to the broader population what is going on in the neighborhood. They are the “glue” that helps hold the community together and also brings others from the outside to interact with residents (Moshier & Howell, 2014). Additionally, since each year one ‘class’ of students will rotate out, there will be new friendships developed and a broader network of relationships can develop. While this model is only feasible in certain contexts, i.e. where a seminary or other similar graduate school exists, having this type of model has proven to be a key component in the life of the community.

People Are More Important Than Buildings

It will be unlikely to find this number of old work-force housing buildings for sale. But this should not be seen as a prohibitive factor, as the reason the project worked was not because of the buildings. According to the developer Mr. Moshier, the reason the project worked was because of the faith the group shared, which allowed all of these individuals to meet, to have fellowship, to have nights out, etc. before the opportunity ever arose to move into this type of community (Moshier, 2014).

Not For Everyone

This type of housing is not for everyone. The needs of individuals with I/DD vary, just as they do for everyone. While some individuals will thrive in this type of community, others may need more direct supervisions, or less social setting. That being said, many residents noted that there are a wide diversity of personalities on display in the community, and that each person is encouraged to be who they are with no expectations or strings attached. Having a group meeting like Real Friends at The Reality Center was an important place where social interaction could occur, as well as being a place where parents could build networks. This helped ensure the best-suited families

moved into the homes and the correct individuals were chosen to be friends in the Friendship Houses.

CHAPTER 7: A REPLICABLE MODEL?

The organic and time-intensive development of the North Street Community involved a lot of learning, guessing, and organic growth. Without a comparable project or experienced guide, with the exception of Matt Floding for the Friendship House, the families and developers had to make decisions by faith that they would ultimately turn out for the best. Yet now, as the project has been largely built out, and lessons have been learned, it is conceivable to determine whether the model can be replicated in other contexts, neighborhoods, and cities. The following explores the factors unique to this site and community, alternatives to address these unique characteristics, and finally what key factors are needed to replicate this type of development.

Unique Factors

One unique factor was having developers that could finance the project. The fact that no banks were involved, both in the financing of the construction and the purchasing of the units by the individuals, allowed for freedom in the construction timetable and the method of sale. The first units were begun with only a verbal commitment to purchase, and under the assumption that payment could only be received after the families sold their existing homes. As Mr. Howell puts it, "Only the Lord could match the seemingly disparate needs of a forgotten part of downtown Durham with a community of friends ... sharing a focus on those with cognitive and physical disabilities, with a developer who prefers projects that carry purpose beyond financial returns and who was looking for a debut for Legacy" (Breslin, 2012).

Another unique factor was the opportunity to purchase these types of units, 16 buildings that had a solid external foundation and could be renovated at a non-

prohibitive cost. The building structure and layout allows for families to live independently while also being open to the community. Additionally, the spacing of the buildings along a publicly accessed street allows for greater interaction with neighbors and visitors to the neighborhood. A similar model of housing is unlikely to exist elsewhere, although similar methods could be used in the conversion of a school, apartment complex, etc.

Other Options for Financing

While the North Street Community did not use any supportive financing, this does not mean options do not exist that could help with the feasibility of projects. In addition to federal programs, there are also state and local options that should be explored when exploring project feasibility. The following options focus specifically on North Carolina.

One option is to pursue Historic Tax Credits, which offers a 20% federal income tax credit for the rehabilitation of income-producing properties (i.e. apartment complexes or commercial buildings). Since 1998, the North Carolina government has offered an additional 20% state income tax credit on these income-producing properties, and thus a 40% total tax credit. Such a credit could be used if the housing units were developed similar to the Friendship House, with each unit being rented as an apartment. Additionally, the state offers a 30% tax credit on non-income producing properties (i.e. privately owned residences). (North Carolina State Historic Preservation Office, 2013).

Another option for groups to consider would be New Market Tax Credits. This program was developed in 2000 to spur investment in low-income communities, by offering tax credits to individuals and corporations who invest in Community Development Entities (CDE). Since the program's inception, 749 awards have been given allocating a total of \$36.5 billion in tax credit authority to CDEs through a competitive

application process. (U.S. Department of the Treasury, 2014). To receive funds the group must be a CDE, which requires an organization:

- Be a domestic corporation or partnership at the time of the certification application;
- Demonstrate a primary a mission of serving, or providing investment capital for, low-income communities or low-income persons; and
- Maintain accountability to residents of low-income communities through representation on a governing board of or advisory board to the entity.

While it may be difficult to formally organize and be competitive for fund money, there is the opportunity to partner with another organization that could offer financial support and cooperation. One organization that specializes in this in North Carolina is CAHEC. In 2012 they were allocated \$45 million dollars through the New Market Tax Credits program. (U.S Department of the Treasury, 2012). According to CAHEC's website, their mission is twofold: "to raise and invest equity capital in qualified low-income housing tax credit projects and other tax credit products, and also to provide capital through a series of Community Investments that empower residents, promote the development of affordable rental and ownership housing, and foster sustainability within the communities we serve" (Community Affordable Housing Equity Corporation, 2014). They have done a number of special needs housing projects, and are an example of the type of partner that could aide with financing and/or development.⁵

Another option is to utilize the Federal Low Income Housing Tax Credit (LIHTC) Program. This program was enacted by Congress in 1986 to give the market an incentive to invest in affordable rental housing. In the program, Federal housing tax credits are

⁵ Partnership Village II, a 24-unit complex in Greensboro, NC catering to special needs individuals, is one such property: <http://www.cahec.com/portfolio/details/233.htm> (Community Affordable Housing Equity Corporation, 2014).

awarded to developers of qualified projects, who then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. As the debt is lower, a tax credit property can subsequently offer lower, more affordable rents (U.S. Department of Housing and Urban Development, 2014). To be eligible, a proposed project must:

- Be a residential rental property.
- Commit to one of two possible low-income occupancy threshold requirements.
- Restrict rents, including utility charges, in low-income units.
- Operate under the rent and income restrictions for 30 years or longer, pursuant to written agreements with the agency issuing the tax credits (U.S. Department of Housing and Urban Development, 2014).

Each year the IRS allocates these housing tax credits to designated state agencies, which are usually state housing finance agencies. They then award the credits to developers of qualified projects. Similar to the New Market Tax Credits, a novice developer may have trouble competing for the awarded credits. Yet working with a syndicator or a developer with experience in these types of projects could make this a feasible option. In North Carolina, there are approximately 2,000 apartment units created under this program each year (Arc of North Carolina, 2008).

Three Key Items

The North Street Community began as an undefined vision, but has developed into a community where people both with and without I/DD are thriving, lifelong friendships are being formed, and a new neighborhood has formed in a once dilapidated and abandoned part of Durham. As has been evidenced, there were a number of uncertainties and items that had to be learned, and patience was paramount. For the

dream to become reality, however, there appear to be three things that were most important for success:

Community/Relationships

There were a number of networks and connections already in place as a result of The Reality Center. Many of the families knew one another, and were united around a common cause of having a supportive community for their maturing children to live. As Mr. Moshier notes, The Reality Center “was a crystalized ministry with momentum and participants that could get behind this idea” (Moshier, 2014).

It also allowed for the combining of assets and relationships in order to have the right people in place able to make the project happen. The people with the vision knew the person that owned the land, as well as the developers. Thus, when the property came up for sale and was bought out of foreclosure for the protection of other assets, the relationship with the owner allowed the developers to buy the properties at a low-enough cost to be able to deliver a finished product at less than what the market dictated.

Proximity/Location

The proximity was another key aspect for the success of the project. It was not just about finding a low-cost property, although this is extremely important. This was one of the reasons the developers were behind the project, as they argue, “you can’t just go into the country and buy a bunch of houses. Being urban has to be part of the model so there can be access to services, jobs, and amenities” (Moshier & Howell, 2014). The urban setting is very necessary for the project to not only make financial sense but also be a place where residents will be able to access jobs, services, food, etc. While many of the other I/DD community housing models discussed above were located in rural settings, they also required more support-staff or formal structure to ensure that those

with I/DD and unable to drive would be able to access necessary services. As the developer Mark Moshier says, “it’s all about finding the right spot” (Moshier, 2014).

Additionally, being located in an urban center is not solely important for the residents, but also the benefits the surrounding neighborhood and community. Neighbors who live in the area, but were not previously connected or aware of the North Street Community or The Reality Center, have expressed the joy that has come into their neighborhood. It is hard to walk down Northwood Circle and not be greeted with a hello and be welcomed into conversation or invited inside. One resident shared how she now has more supervision for her kids and loves that “there is always something happening on that street!”⁶ Neighborhood residents are invited to community dinners, prayer time, and block parties. This strengthens the bonds not only in the development but in the entire neighborhood.

Cost

While the proximity is important, cost is still an issue to make this type of housing feasible. Focusing on a population that is frequently financially overburdened, the final product must be reasonably priced. As the developers from Legacy Real Property Group note, the developer does not have to make the project a charitable write-off, but they also must focus on trying to develop a product that is less than what the broader market would dictate (Moshier & Howell, 2014). By offering the product at a lower per square foot cost than the broader real estate market would dictate, and additionally allowing the buyer to customize the units to suit their needs, enabled the units to be feasible for prospective buyers and tenants.

While the North Street Community’s financing structure was unique, having a developer solely able and willing to finance the project, there are other options that could

⁶ This resident asked that their name not be used in the report.

help mitigate the cost to the buyer and developer, as stated above. The Friendship House, additionally, has proven to be a financially sustainable housing model, by having enough up-front equity to be able to provide a return on investment to the investors or partners involved in the development.

CHAPTER 8: CONCLUSION

The North Street Community began with a small vision, a group of people envisioning what living together in a supportive community could look like, which over time was able to evolve into a housing opportunity that helped renovate buildings, revitalize a neighborhood, and ultimately change lives. Such a development did not come without a series of lessons learned and guesswork along the way. The group learned the importance of patience in finding the right place and then moving along with the development, the importance of having a group of students living within the community in the Friendship House's, that the people are inevitably more important than the type or style of the buildings, and that this type of community and housing development is not for everyone.

There were also a number of factors that made the project unique, most significantly having developers that could finance the entire project, allowing for freedom of financing, construction, and sale of the units. Additionally, the developers renovated the units and sold them without taking profits and sold them lower than what the market would have dictated for this size and type of unit in downtown Durham. The ability to do so, in addition to the developers, was a result of purchasing the units and getting discounts on architectural drawings, engineering work, etc. that allowed the development to occur without the development becoming infeasible. The style of buildings, spaced out along a public street, also played a key role in stimulating interaction between neighbors within the community as well as long-time residents in the existing neighborhood.

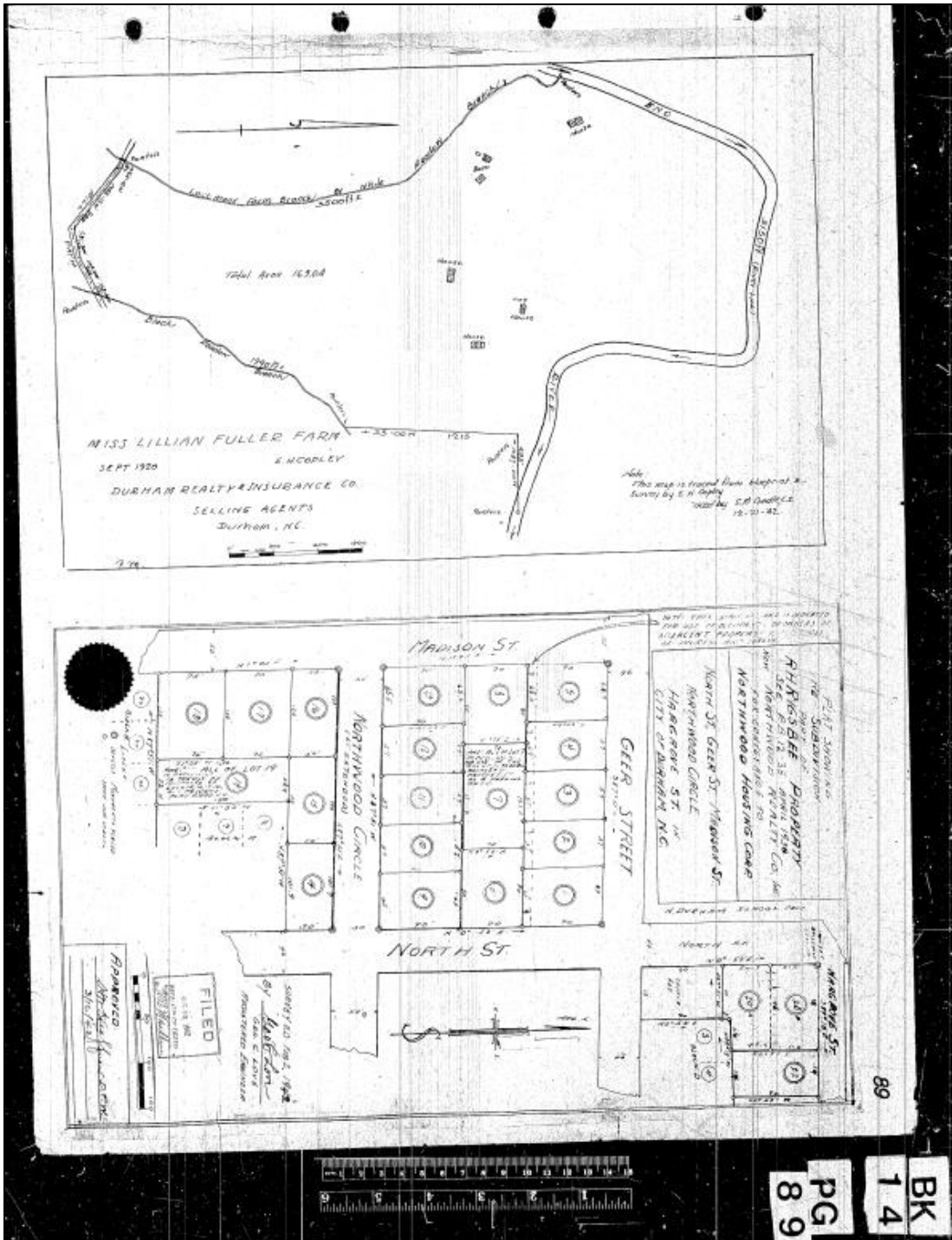
Yet, despite the particularities noted above, there are also a number of replicable methods and lessons learned that can aide others who envision something similar in their community. One of the things that could be replicated is the development of a network of like-minded individuals. The development of the North Street Community highlights the importance of building partnerships, of having connections and a community in place, so that families can know one another and become united in a common cause such as having a supportive community. This allows for the better utilization of assets and networks to aide in the process and helps mitigate any unexpected complications.

Another replicable item is the location. While it may not be in Durham, North Carolina, being located in an area that is within walking distance of goods, jobs and services is important for individuals to become more self-sufficient, especially as their parents grow older and they are required to become more independent. The higher density of living in a downtown also allows there to be more interaction with the broader neighborhood. This must be balanced with the cost, and while each item will look unique, this project shows that a product can be delivered to families with an I/DD individual in an urban environment that is not cost-prohibitive.

Finally, it is now possible to sell people on the vision of this type of community and what it can look like when people take a chance on living in a different type of neighborhood and housing model. Before this project, there was not anything to point to showing the benefits such a model of housing could have on individuals, neighborhoods, and the broader community. With the apparent success of this development, however, it is now possible to demonstrate how a vision of creating an intentionally supportive community can become a reality. The organic yet structured nature of development and community life allows for the existence of a neighborhood that offers families the chance

to live personal lives within a broader community, yet offers support and understanding that they previously could not find anywhere else.

APPENDIX 1 – NORTH STREET COMMUNITY PLAT



Source: Durham County Register of Deeds; dconc.gov

APPENDIX 2 – NORTH STREET COMMUNITY PICTURES



Prior to redevelopment on Geer Street



Prior to redevelopment on Northwood Circle



Start of the redevelopment on Northwood Circle



Contrast between units before and after redevelopment



Units completed along Northwood Circle



Units complete along Madison Street

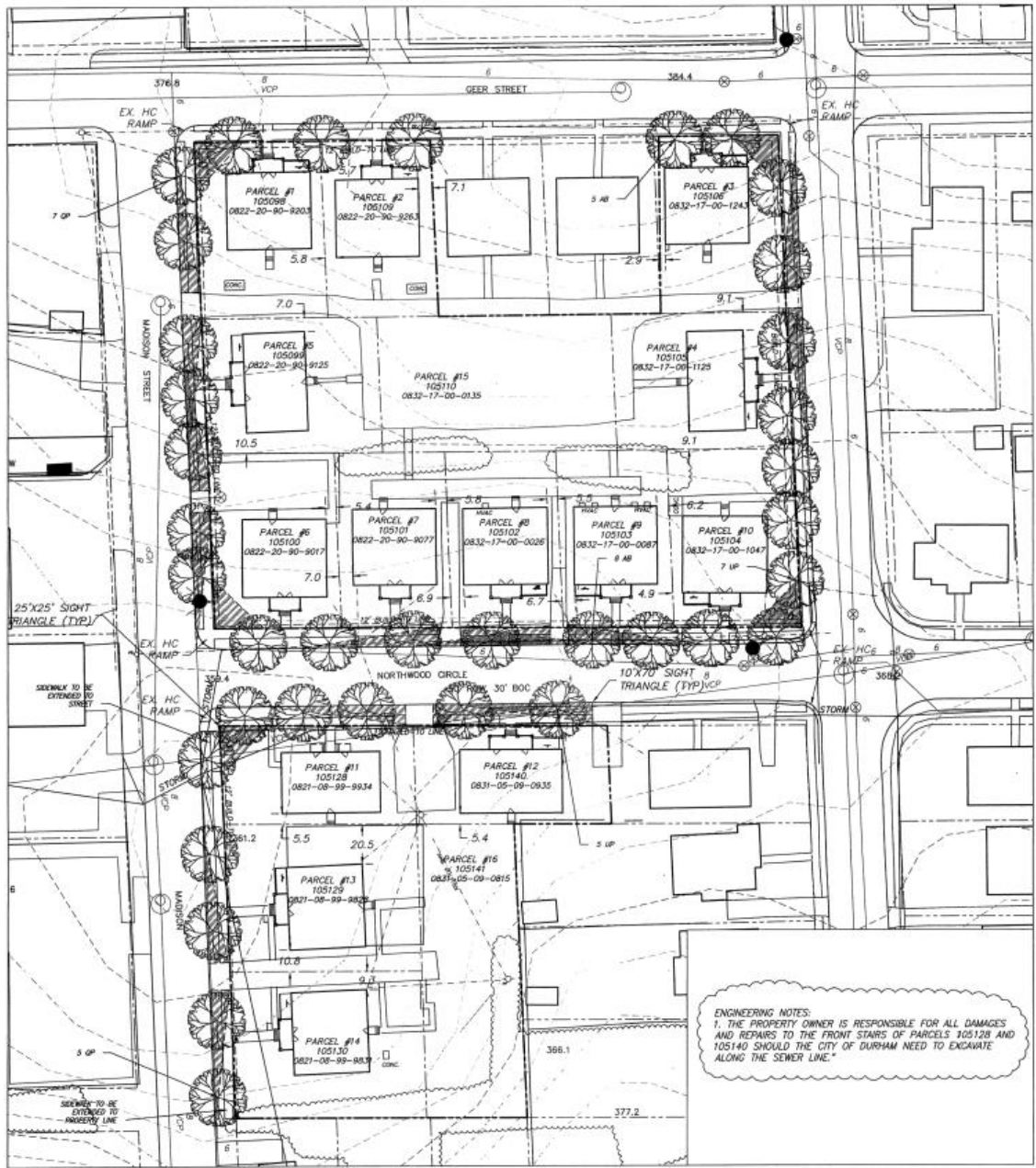


Units along Geer Street not yet developed

APPENDIX 3 – UNIT ELEVATION



APPENDIX 4 – SITE PLAN

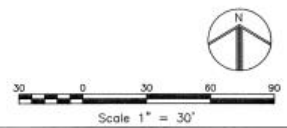


ENGINEERING NOTES:
 1. THE PROPERTY OWNER IS RESPONSIBLE FOR ALL DAMAGES AND REPAIRS TO THE FRONT STAIRS OF PARCELS 105128 AND 105140 SHOULD THE CITY OF DURHAM NEED TO EXCAVATE ALONG THE SEWER LINE."

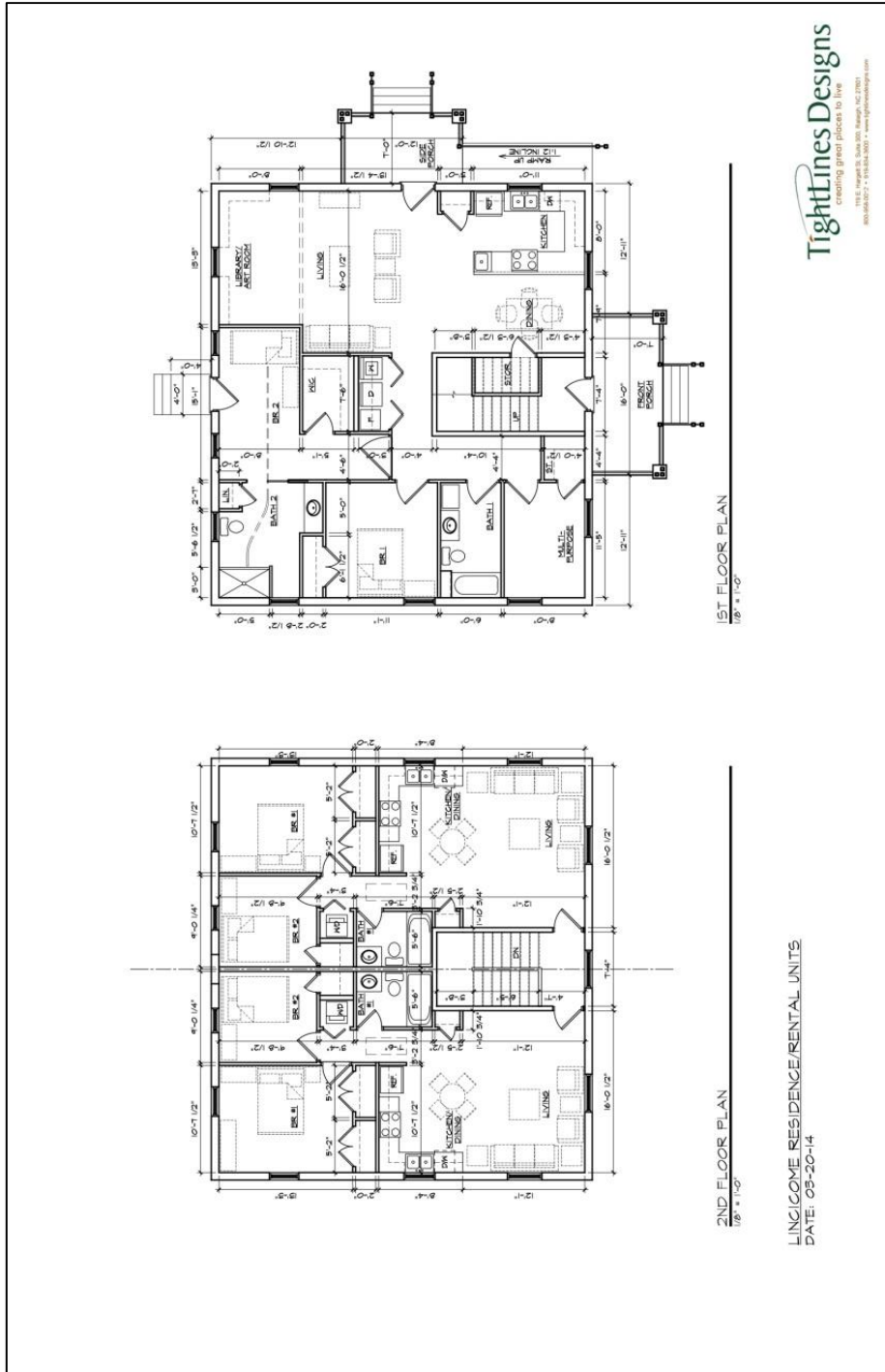
1/SD-2.0
 SITE PLAN
 1"=30'

NOTES:
 -GRADES SHOWN ARE EXISTING.
 -BUILDINGS, SIDEWALKS, DRIVEWAYS & PARKING LOT ARE EXISTING.
 -BUILDINGS HAVE EXISTING WATER AND SEWER CONNECTIONS.
 -EXISTING PROPERTY LINES, BUILDINGS AND PAVEMENT ARE PER DURHAM GIS.

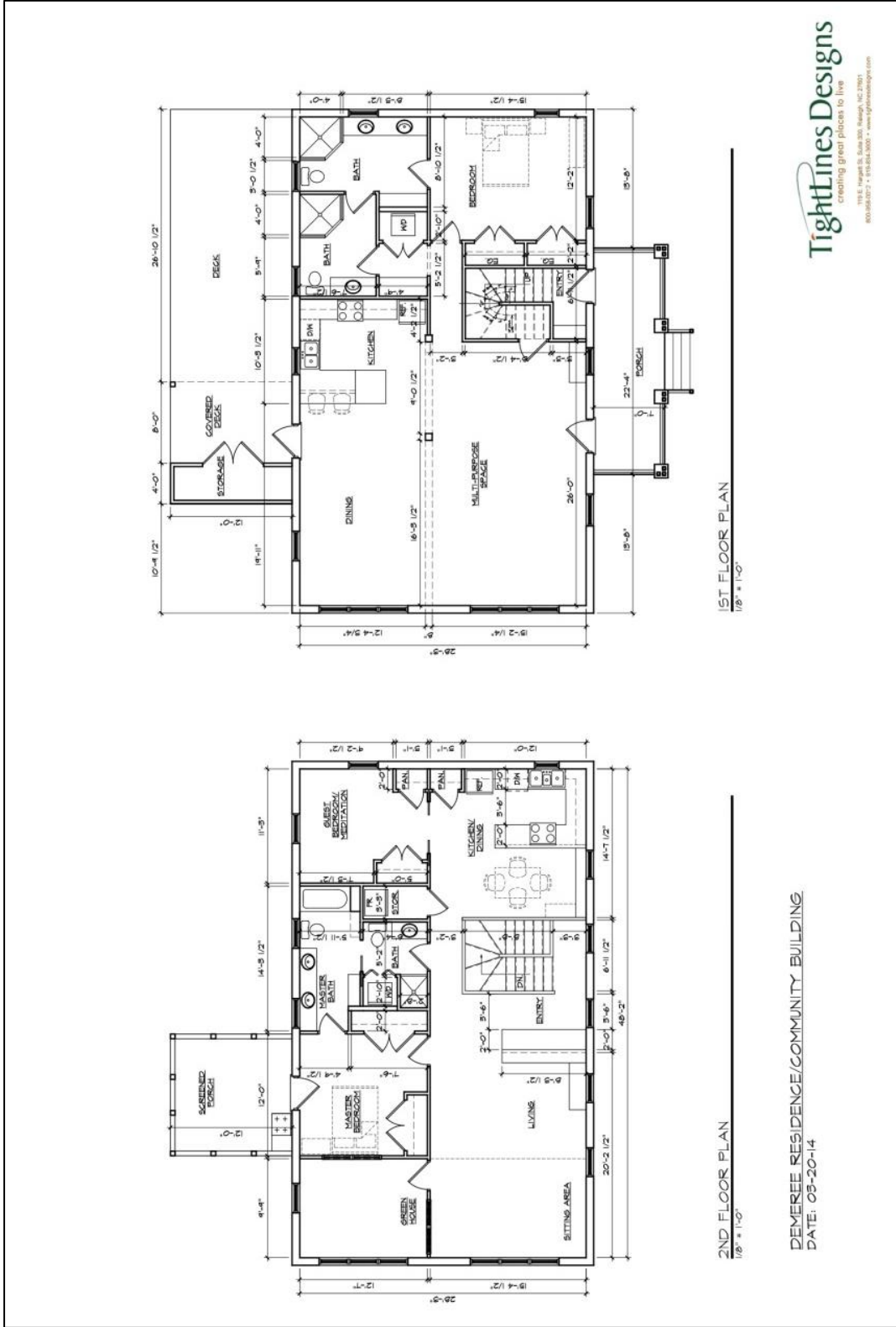
DEVELOPMENT NOTES:
 1. PROJECT LOTS MAY ACQUIRE C.O.'S ON AN INDIVIDUAL BASIS.
 2. OPTIONAL ACCESSIBLE RAMPS (SEE A1.1) SHALL BE CONSTRUCTED WITH PERVIOUS SPACED DECKING BOARDS.



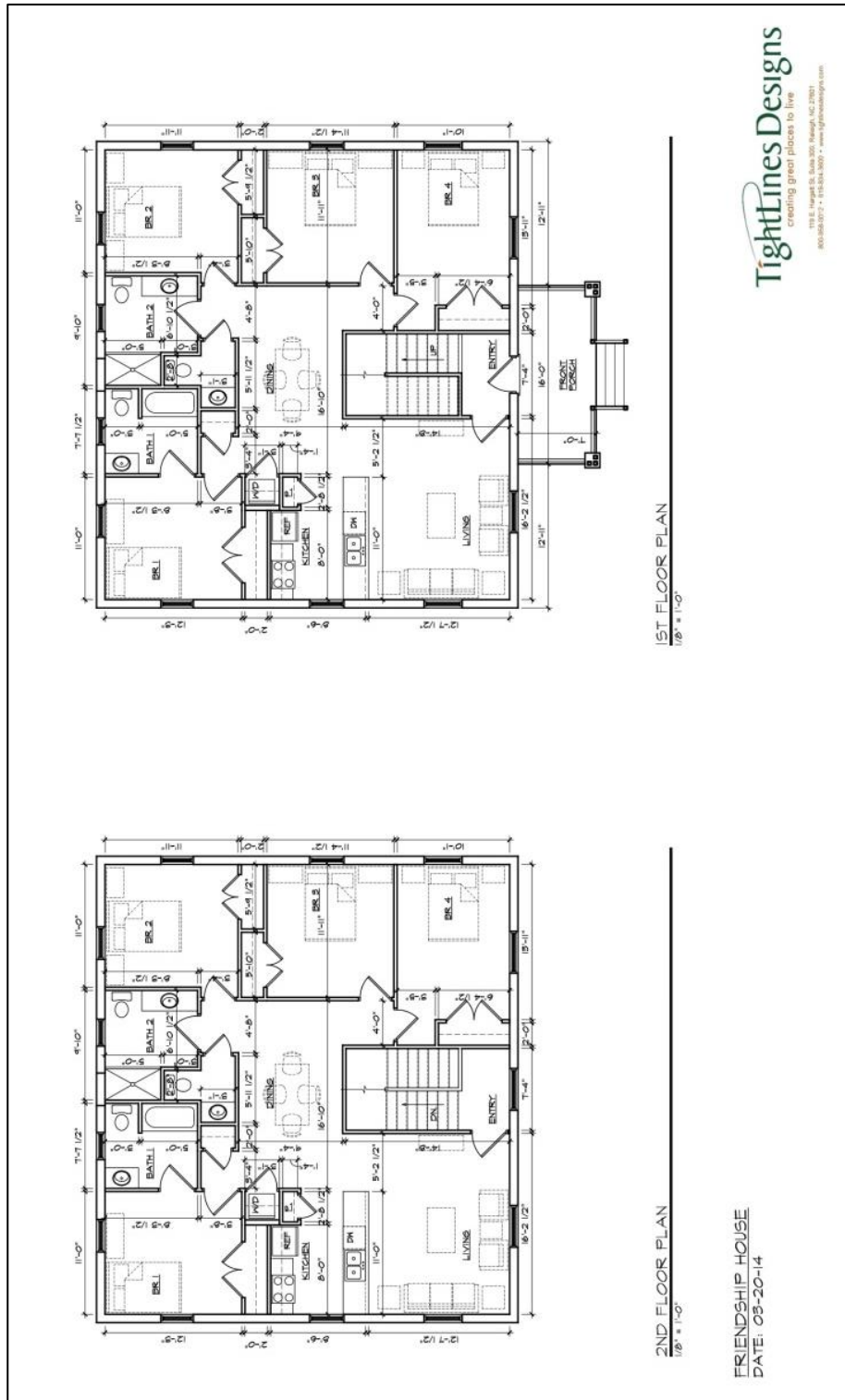
APPENDIX 5 – FLOOR PLANS



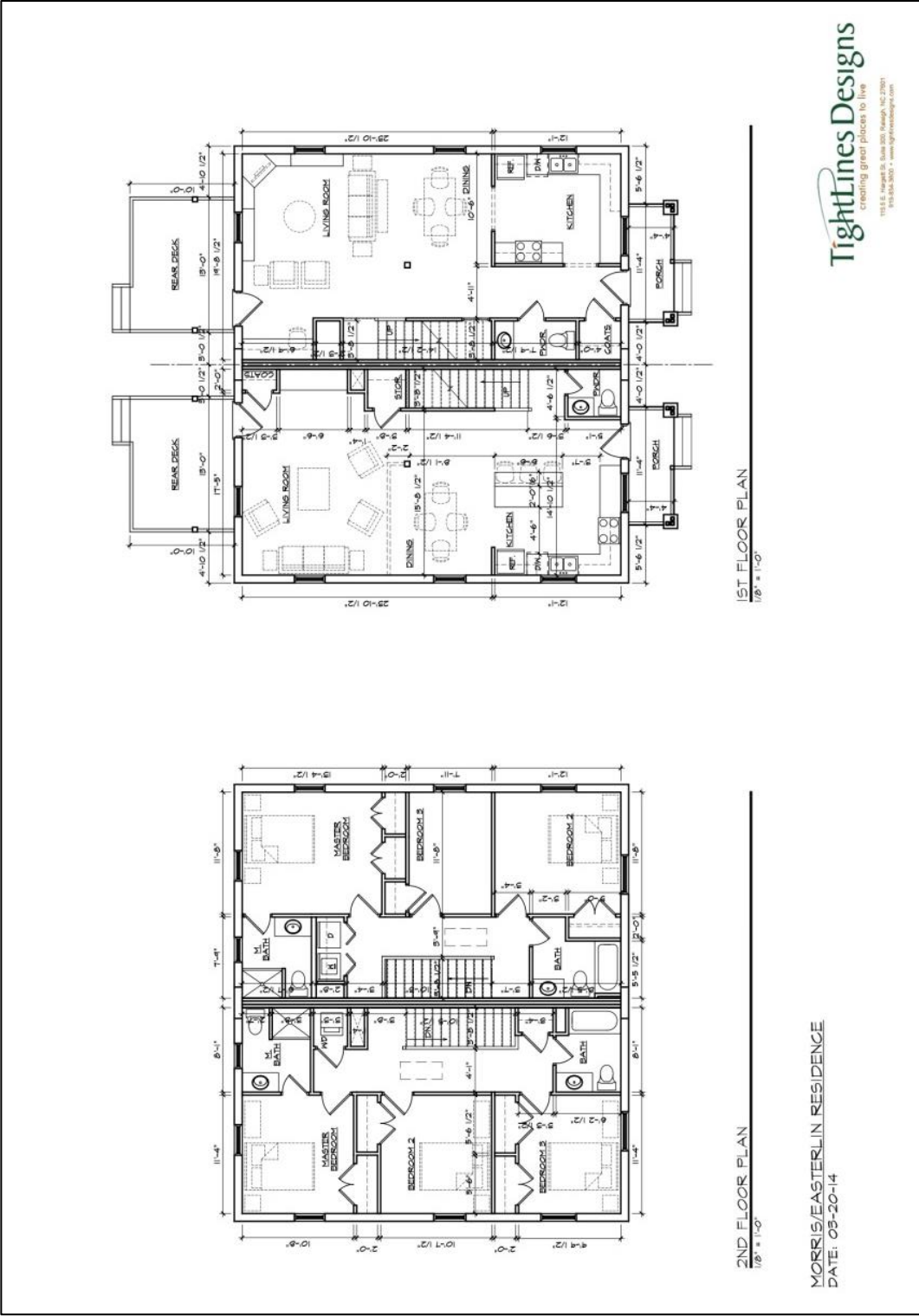
The bottom floor of this unit is dedicated to accommodate an individual with cerebral palsy and caretaker. The dashed lines in the top left bedroom on the first floor represent the track to help the individual move from the bed to the bathroom. On the top floor are two rental units for additional income.



This unit functions as a private residence on top, with windows added, and some green and passive solar design solutions. The bottom floor is the community building for the neighborhood.



The Friendship Houses are identical four bedroom plans on each floor intended to house three students and one I/DD “friend”/resident on each floor, enabling the four to live in community while also maintaining a level of privacy.



This unit highlights how some units were converted into townhouses with a partition wall down the middle dividing the two separate residences.

APPENDIX 6 – NORTH STREET COMMUNITY COVENANT

DECLARATION OF
COVENANTS, RESTRICTIONS AND EASEMENTS
FOR
NORTH STREET COMMUNITY
DURHAM COUNTY, NORTH CAROLINA

THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF THE FLAG OF THE UNITED STATES OF AMERICA OR STATE OF NORTH CAROLINA. THIS DOCUMENT REGULATES OR PROHIBITS THE DISPLAY OF POLITICAL SIGNS.

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**ARTICLE VIII.
RESTRICTIONS**

Section 18 Occupancy Restriction Occupancy of the Units is restricted to (a) persons who have cognitive, emotional or physical disabilities that have been diagnosed by a health care provider who is licensed by the State of North Carolina, has been trained in a branch of medicine related to such disability and who routinely practices in such field and (b) persons who are dedicated to providing care for the persons identified in (a)

**ARTICLE XIII
MISCELLANEOUS**

Section 8 Right of First Refusal The Association shall have an option to purchase to each of the Units. After an Owner enters into a contract to sell any Unit, the Owner shall give the Association written notice of such contract, which notice must include the name of the buyer, information regarding the person(s) who intend to occupy the unit and such other information as the Association may reasonably request (the "Sale Notice") For thirty (30) days following the date on which the Association receives the Sale Notice the Association shall have the option to purchase the Unit. During the first three years following the Owner's acquisition of the Unit the option price shall be the total compensation the Owner paid for the Unit as reflected on the tax shown on the deed by which the owner acquired the property. On January 1 following the third anniversary of the date on which Owner acquired the Unit the option price shall be adjusted to account for changes in the CPI (defined below) over such three year period. In each subsequent year the option price will increase as of each January 1 by the product of the option price in effect as of the immediately preceding December multiplied by one plus the Consumer Price Index ("CPI") with the CPI being determined with reference to changes in the Consumer Price Index – All Urban Consumers, South Region, 1982-1984 = 100 as published by the U.S. Department of Labor, Bureau of Labor Statistics between January 1 of the year preceding the year and December 31 of that same year. Such calculation to be performed by subtracting the CPI for December from the CPI for the preceding January and dividing the result by the CPI for the previous January. The Association must give Owner written notice of its intent to exercise the option within thirty (30) days following the date on which the Association receives the Sale Notice and failure to exercise the option in such period shall constitute a waiver of the option. If the Association exercises the option, it shall close on the purchase within the longer of sixty (60) days following the date on which it exercised the option to purchase or the date specified in the contract between the Owner and the third-party purchaser identified in the Sale Notice. The Association may assign the option right created herein and may assign any contract that arises out of the exercise of its option rights.

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