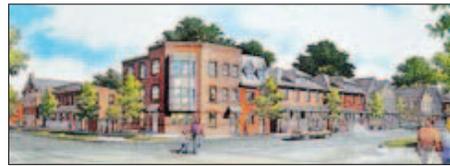


A NEW NORTH

TIMELINE: A LOOK AT THE HISTORY OF THE NORTH POINTE NEIGHBORHOOD, 2003-2018



July 2003: Housing Authority of the city of Frederick receives a \$15.9 million HUD Hope VI grant to demolish the Hanson-Taney public housing apartments and build a new, mixed-income community of homeowners and renters.



January 2005: The 146 public housing units in the Hanson-Taney apartments are demolished.



June 2010: Contract signed giving development rights to Nexus Energy Homes.



June 2011: Official ribbon-cutting at North Pointe, letting residents to sign contracts to buy the under-construction homes.



August - December 2013: Various contractors file lawsuits against Nexus for unpaid bills. Construction at North Pointe has slowed.



April 2018: All but four of the 55 town houses and duplexes in the new North Pointe neighborhood have been built and sold. Three of the four homes available for sale must go to lower-income homeowners to meet the requirements of the Hope VI grant.



April 2017: Nexus ordered to pay \$400,000 for violating state homebuyer protection laws.



January 2015: Maryland Consumer Protection Division files charges against Nexus and its owners for violating state laws to protect homebuyers.



July 2014: Housing Authority selects Lancaster Craftsmen Builders to take over the unfinished project.



March 2014: Construction stops as Nexus prepares to default on its contract for North Pointe, with about 21 of the 55 total homes completed. The company faced 19 lawsuits at the time from residents and contractors who claim unpaid funds.

Source: Frederick News-Post archives
News-Post graphic by Joseph Dever

An initial contract was signed in 2004 with developer TCG-Venezia. The new contract also includes TCG-Venezia, which passed development rights to Nexus.

How North Pointe project transformed a neighborhood, both good and bad

By **NANCY LAVIN**
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Frederick native Kristen Hill always envisioned she would return to her hometown.

But when setting off for college, she did not anticipate buying her first home in the neighborhood she referred to growing up as "the projects" — a pair of public housing communities in northern downtown Frederick known as John Hanson and Taney Apartments.

Fast forward 18 years, and evidence of the crime-ridden, low-income community has been wiped clean, replaced by rows of

town houses and single-family homes with bricks unfaded by sun and time. The energy-efficient, historic design and proximity to downtown amenities drew a slew of prospective buyers for the North Pointe neighborhood, according to Mark Lancaster, president for Lancaster Craftsmen Builders, the project developer.

Hill was also enticed by the quality construction and neighborhood amenities. And though her single-parent salary as an emergency room nurse would normally make a \$376,000 town house out of her price range, she won't be paying that.

Hill is one of eight North Pointe

homeowners to receive a second "soft" mortgage through the federal program that funded the project, cutting her share of the purchase price by \$150,000.

Hill's estimated \$59,000 salary, not including overtime if she picks up extra shifts, fell right in the sweet spot for income requirements based on her three-person family, with a strong credit score and sufficient savings to make a down payment, which are also required. Her monthly mortgage payment will be the same or even slightly less than what she pays in rent now for a town house in Frederick's North Crossing neighborhood.

And her new home, with its shiny countertops and state-of-the-art appliances, looks no different than those of her neighbors who paid full price.

Project proponents point to the diversity of incomes and high-quality construction as evidence of its success. But the path to progress was not always smooth, and to some, the end result fell short of replacing the affordable housing that was lost.

THE PATH TO PROGRESS

"Distressed" was how several

(See **NORTH POINTE** A5)

North Pointe

(Continued from A1)

Frederick News-Post stories from the 1990s and early 2000s described the Hanson and Taney apartments. The references were part of reports about crimes committed in and near the neighborhood, including three separate killings in the spring of 2000.

How to solve the violence, drugs and crumbling infrastructure associated with the neighborhood became a priority among politicians, residents and community groups, including property owner the Housing Authority of the City of Frederick. The answer came in the form of the U.S. Department of Housing and Urban Development's HOPE VI program.

The now-defunct program aimed to "eradicate severely distressed public housing communities" by providing grants to revitalize the neighborhoods with new, mixed-income housing and social and community services.

The \$15.89 million the Housing Authority received in July 2003 marked the start to a 15-year transformation, now nearly complete after a long and complicated journey.

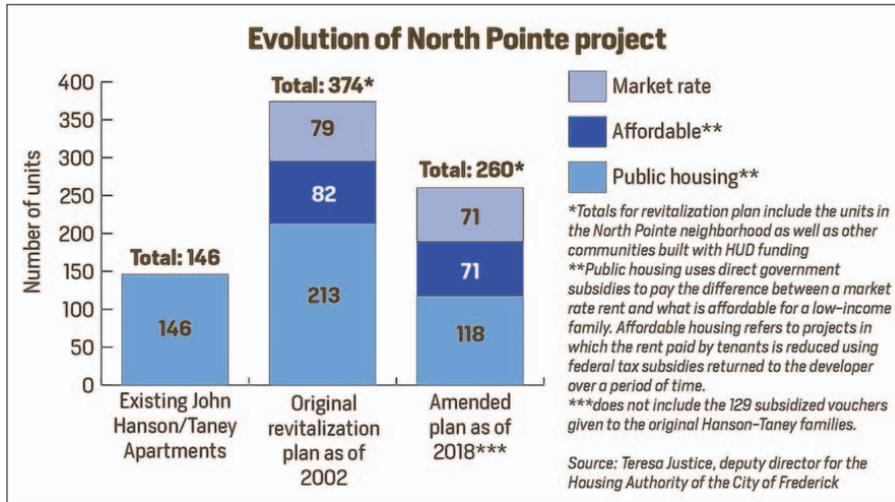
Lancaster Craftsmen Builders was the third developer brought onto the project. The Middletown-based company signed on in 2014 to a half-finished set of homes after former developer Nexus Energy Homes filed for bankruptcy and defaulted on its contract.

The Maryland Consumer Protection Division of the Office of the Attorney General later filed charges against Nexus for violating several homebuyer protection laws, and ordered Nexus to pay \$400,000 to the residents and subcontractors it left in the lurch.

Lancaster wasn't able to resume construction in earnest until 2017, bogged down by paperwork tied to federal funding and the requisite approvals by the city Historic Preservation Commission, which must authorize major exterior changes including new construction within the Frederick Town Historic District, according to Mark Lancaster. Liens from what Nexus owed the Housing Authority, homeowners and subcontractors had to be resolved as well, he said.

Construction plans were also amended from original outlines approved under the HUD grant funding. The initial plan called for 374 new housing units: 95 within North Pointe, including 65 single-family and town houses plus 30 rental apartments, plus 297 units in other sites across the city.

Reflecting the HOPE VI emphasis on mixed-income communities, most of the off-site projects combined public housing, affordable and market-rate units. Public housing uses direct government subsidies to pay the difference between a market rate rent and what is affordable for a low-income family. Affordable housing refers to projects in which the rent paid by tenants is reduced using feder-



News-Post graphic

al tax subsidies returned to the developer over a period of time.

The final 260 homes built by 2018 is 114 fewer than originally planned. North Pointe's plans remained relatively unchanged, with 97 instead of 95 units, although there are more rental apartments and fewer single-family and town houses for ownership. Of the 55 for-sale homes, those for lower-income buyers using the second soft mortgage dropped from 12 to eight.

Off-site housing options were slashed from 297 to 163. A majority of the units lost, 95, were those intended as public housing.

Teresa Justice, the Housing Authority's deputy director, said plans changed because of residents' requests and site availability. For example, the organization was unable to secure a site along Carroll Creek where it had originally planned one of its off-site neighborhoods, she said. In another planned community in west Frederick, Hillcrest Commons, rental units were reduced and ownership units added based on resident feedback.

The strict eligibility requirements for the reduced-mortgage town houses at North Pointe narrowed the pool of potential participants substantially, forcing the authority to cut the number included in the neighborhood, Justice said. Lancaster also noted that while the market-rate homes sold quickly, they struggled to find buyers for the reduced mortgage homes.

Three of the four homes still available in North Pointe must be sold under this program to meet the required total of eight.

TWO SIDES OF THE STORY

Lancaster attributed the difficulty finding buyers for reduced mortgage homes in part to the eligibility requirements as well as the tarnished reputation the Hanson-Taney apartments earned among locals. A majority of those who bought homes, market-price or reduced, are out-of-towners, presumably less familiar with the prior public housing project, he said.



Staff photo by Bill Green

Kristen Hill and her children Hunter, 9, and Zoey, 7, sit on the front steps of the North Pointe home they will soon occupy. Hill is one of eight North Pointe homeowners to receive a second "soft" mortgage through the federal program that funded the project, cutting her share of the purchase price by \$150,000.

Hill wasn't put off by what North Pointe had been previously, but her mother was a little concerned, she said. Her mom changed her tune after the two paid a visit, struck by the community feel as they strolled along the narrow streets. Existing homeowners greeted them, one even invited them to see the inside of his home, she said.

Hill, who used to work for a building company, was also impressed by what her expert-eye detected as signs of high quality construction, well above industry standards.

That the affordable nature of the homes didn't compromise construction integrity also appealed to Lancaster, he said. And while that quality may have added time to the project, he dubbed the final product worth it.

"To have this community as kind of a gateway into downtown, I think it's good for the city," Lancaster said.

Justice agreed. The project was not perfect, but the end result achieved the goals of deconcentrating poverty and creating mixed-income neighborhoods, she said.

Others painted the outcome differently, including its impact on the 129 Hanson-Taney families who lost their homes and community when the neighborhood was demolished. The Housing Authority gave them subsidized vouchers or alternative public housing, with the promise to give first preference to former residents when the new neighborhood was finished.

The initial plan anticipated 70 of the former Hanson-Taney residents would return to North Pointe or one of the new neighborhoods built with the Hope VI grant. But just seven of them did: six in the affordable rental apartments at North Pointe and one who bought a home in Hillcrest, according to Justice.

Justice said it was by choice

that former residents did not return to the neighborhood; they were happy where they were, or had moved elsewhere. All changes to the original project plans, including the decrease in off-site public housing, received the requisite federal approval, according to Justice.

Bill Hall, a former Frederick alderman who objected to the project when it was starting out, was not convinced.

"I guess from a legal standpoint that's OK," Hall said. "But from a moral standpoint, I don't know."

James Upchurch also criticized the project in its early stages. Under Upchurch's leadership at Interfaith Housing Alliance — then known as Interfaith Housing of Western Maryland — the nonprofit development company submitted a letter to HUD citing its concerns with plans for relocating the Hanson-Taney residents, according to a News-Post story in 2000.

Upchurch, who now lives in Florida after retiring as Interfaith's president in 2009, never saw the end result. But he questioned whether the higher-priced homes built in place of the public housing community at North Pointe truly decentralized poverty, or just pushed the lower-income residents out of downtown.

"There is substantial evidence that the original residents of HOPE VI projects have not always benefited from redevelopment," according to a 2004 report published by the Urban Institute evaluating the success of the now-defunct HOPE VI program. The mixed-income communities the program supported also created a net loss in "permanently affordable" housing for very low income residents, the report stated.

Replacement plans for the 94,600 public housing units in developments awarded HOPE VI funds from 1993 to 2003 included 95,100 new affordable units, but only 48,800 were to receive the "deep, permanent" subsidies necessary for very low-income residents.

The 118 public housing units created through Frederick's project is fewer than the 146 originally in Hanson-Taney, although that doesn't account for the vouchers given to the original residents displaced by the North Pointe project, Justice noted.

Joanne Rollins, who lived in the Taney apartments for 33 years and served as president of the neighborhood's resident council, was among those who chose not to return when the new neighborhood was finished.

Rollins preferred to stay in her home in Carver Apartments, another public housing community with some of the aspects she loved about Taney. She recalled the lawn chairs where neighbors would sit out and chat early in the morning, and the clotheslines that hung from their small backyards.

"You would get a knock on your door as soon as the coffee started brewing, someone wanting to come in and chat," she recalled. "It's not the same now as before."

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