AGENDA

Meeting Type:	W
Date:	10-04-1993

City of Charlotte, City Clerk's Office

City Council Workshop Oct. 4, 1993

Mayor Vinroot	✓	Parks Helms	✓
Campbell	absent	Patsy Kinsey	✓
Chafelter	absent until noted. 6:45 ✓ arrived	Bob Walton	✓
Hammond	absent	Ann Schrader	✓
McCrory	✓	Doug Booth	
Majeed	✓		
Marquis	absent		
Martin	✓		
Patterson	✓		
Reid	✓		
Scarborough	✓		
Wheeler	✓		

5:10 p.m.

Vinroot
White - Explained his viewpoints on the proposed process
Vinroot
Walton -
White
Vinroot
Walton - Wants to hear from the Manager
White

Walton
White
Walton
White
David Cooke
Walton
Helms
White - We will certainly take that into consideration.
Majeed
White
Majeed
Martin
Vinroot
McCrory
Martin
Vinroot
Reid
McCrory
Kinsey
Martin
Schrader
Majeed
Walton
Majeed

561-5161

Vinroot -
Helms
Patterson - Increase City/County Purchasing
Helms to include Schools
Scarborough - Waits Zoning Adm.
discussion with Board

Recess to get dinner
5:45

Reconvene 5:55

Vinroot
Vi Alexander - 309 units
8/ Workshop asked for
status of the 309 units
Harrison Shannon - actually 297
Pat Garrett Side 2 6:00 p.m.
Vi Alexander
Patterson
Alexander
Wheeler
Alexander
Wheeler - What was the criteria
for the split?
Garrett
McCrory

Alexander
McCrory
Shannon - Case Manager
McCrory
Shannon - In some properties we have case Managers in small projects
McCrory - Is there any of these units that could be converted to home ownership
~~McCrory~~ Shannon
McCrory
Vinroot
Martin
Garrett
Martin
Shannon - There is not rent subsidy
Patterson

#3 Zoning
Vinroot
Underhill
Walter Fields
Vinroot
Fields

McCrory
Fields
McCrory
Fields
Tom O'Brien
McCrory
Martin
O'Brien
Martin
O'Brien
Reid
Fields
Vinroot
Reid
Wheeler
Reid
O'Brien
Reid
Vinroot
#4
Manager's Quarterly Report
White
Vi Alexander
Clodfelter
Alexander

(Dan Clodfelter arrived 6:45)

Tape 2, Side 1 - 6:50 p.m.

Wilder
McCrory
Alexander
Richard Martin
Clodfelter - 25 yr. maturity in future?
R. Martin Yes.
McCrory
R. Martin
Current Fund Balance $15 mil on
Hotel/Motel Tax - from time
started to now

Saved a total of $33.9 mil.
on refundings
Wheeler - Good job!
McCrory
R. Martin - Airport very strong.

H. Martin - Commend Wendell
Majeed - Is the $33.9 m accumulative
over term of debt.
R. Martin
Clodfelter
R. Martin
Clodfelter
R. Martin

Scarborough
H. Martin -
Vinroot
Alexander - FY-93 year-end
objectives report

MC
Alexander
Clodfelter
Alexander
White
R. Martin
Vinroot
Del. Borgdorf
Vinroot
Dep. Chief Jack Boger
McCrory
Boger - Filled Grant application
for 28 officers -
McCrory - Ls grant
Alexander
Reid
Boger
Reid
Boger 163 Moore County
Reid

Boger
Wheeler
Boger
Wheeler
Boger
Martin
Boger - No overhire at present
Alexander
McCrory - Could overhire cause us
Boger
McCrory
Boger
McCrory
Vinroot
Boger
Vinroot
Boger
Reid
Boger
Reid
Boger
Reid
Boger
Reid
Boger
Reid
Boger

Winsor
White

Majeed -
Borgedorf

Tape 2, Side 2 7:34

Vendool

Scar

McCrory
adjourned

7:35 p.m.

City Council Workshop
Monday, October 4, 1993
Room 267
AGENDA

I.	Police Chief Recruitment Process. - County Commissioners are invited to attend.	5:00 p.m.
II.	Dinner.	5:30 p.m.
III.	Status Report on 309 units by Charlotte Housing Authority and Charlotte-Mecklenburg Housing Partnership.	5:45 p.m.
IV.	Zoning: Legal and Policy Issues - Zoning Committee is invited to attend.	6:15 p.m.
V.	City Manager's Quarterly Report. - Budget and Financial Status - Year End Objectives - Neighborhood Development Organization - Police Recruitment	7:00 p.m.
VI.	Adjourn.	7:30 p.m.

POLICE CHIEF RECRUITMENT PROCESS

OBJECTIVE

Employ the person who best demonstrates the knowledge, skills and abilities to lead a progressive police department, and provide leadership during the transition to a fully consolidated City/County police department

KEY COMPONENTS

- Nationwide search will be conducted Charlotte/Mecklenburg Police employees will be encouraged to apply

- An outside organization with a proven track record in assisting public jurisdictions in recruiting Police Chiefs will be retained to assist the City in the employment process

- An employment profile will be developed which will reflect the desired characteristics of the new chief An inclusive process will be used to develop the profile, with input being requested from community leaders, elected officials, and Police Department employees

- Concurrent with the recruitment process, a review will begin of the consolidated department's mission and organization structure To assist in facilitating this process, input will also be requested from the community leaders, elected officials, and employees who will be providing input to the recruitment process I anticipate using the services of a firm with expertise in conducting organizational studies of police departments to assist us in this study City staff will also play a key role in this review This process will be well underway by the time the new chief is appointed

- After input is received from various resources, and as provided by the City Charter, the City Manager will make the decision regarding the hiring of the new chief

COMMENTS BY THE CITY MANAGER
OCTOBER 4, 1993

POLICE CHIEF RECRUITMENT PROCESS

MAJOR ACTION STEPS

- Review process with City Council
- Select firm to assist in recruitment process
- Select firm to assist in departmental mission/organizational study
- Meet with community leaders, elected officials and employees to obtain input regarding future direction of the department and desired characteristics of the new chief This information will be used in developing an employment profile and in the mission/organizational study
- "Networking" by firm retained to assist in the recruitment process
- Response by applicants and initial screening
- Background checks and development of individual profile for each candidate
- Interviewing panel will be created to screen applicants
- Background check for top candidate
- Appointment

FY94 HOUSING PROGRAM – 309 UNITS
AVAILABLE FUNDING
&
PROGRAMMING RECOMMENDATION
October 4, 1993

RECOMMENDED FUNDING:

Housing Fund	$500,000
Innovative Housing Fund	329,600
HOME Grant	1,063,787
TOTAL	$1,893,387

RECOMMENDED BUDGET

Rehabilitation	$1,693,387
Relocation	200,000
TOTAL	$1,893,387

FY94 HOUSING PROGRAM – 309 UNITS

REHABILITATION AND RELOCATION FINANCING STRATEGY

October 4, 1993

	CMHP	CHA	Total
Number of Units	179	130	309
COST SUMMARY			
Rehabilitation Costs	$1,232,844	$710,124	$1,942,968
Upgrades	546,675	226,500	773,175
Soft Costs	556,481	137,763	694,244
Relocation	116,000	84,000	200,000
Total	$2,452,000	$1,158,387	$3,610,387
Per Unit Average	$13,698	$8,911	$11,684
FINANCING SUMMARY:			
CMHP Annual Funding--City Funding	$667,000	$0	$667,000
CMHP Financing	1,050,000	0	1,050,000
Sub-Total	1,717,000	0	1,717,000
City Subsidy – Rehabilitation	**619,000**	**1,074,387**	**1,693,387**
City Subsidy – Relocation	**116,000**	**84,000**	**200,000**
Sub-Total	**735,000**	**1,158,387**	**1,893,387**
Grand Total	$4,904,000	$2,316,774	$7,220,774

FY94 HOUSING PROGRAM – 309 UNITS

ANNUAL OPERATING COSTS

October 4, 1993

	CMHP	CHA
Number of Units	179	130
Net Rental Income	$715,506	$272,039
Market % of Medium Income	40–50%	30%
Rent Range	$270–$410	$174–$260
ANNUAL OPERATING BUDGET:		
Management	$169,144	$74,180
Utilities	82,877	44,240
Maintenance	127,985	85,650
General	21,480	26,000
Maintenance Reserve	62,650	41,300
Sub–Total	$464,136	$271,370
Debt Service	177,670	
Self–Sufficiency	73,340	
Sub–Total	$251,010	$0
Grand Total	$715,146	$271,370

Completing the Continuum:
Housing Dependence to Housing Independence

Background

Charlotte is noted for its commitment to affordable housing It is recognized for its innovative and collaborative approaches to helping families make the transition from housing dependence to independence and home ownership Upon advice from the City Council at its dinner meeting on August 2, 1993, the Charlotte Housing Authority and Charlotte-Mecklenburg Housing Partnership, under the guidance of the City's Community Development Department, set out to develop a comprehensive plan for bringing the 309 units owned and managed by the Housing Authority under the Transitional Housing philosophy. The attached renovation estimates and proforma are our best efforts to understand and fully estimate the costs associated achieving these goals

We employed Trammell Crow to inspect each of the developments and every unit Cost estimates were developed based on a standard which will make these units attractive to the range of higher income groups required for break-even operation Other improvements, such as vinyl siding and site improvements, are required to improve the long-term durability of the developments

Transitional Families to be Served

CHA and C-MHP jointly developed a plan which makes all developments transitional The continuum of housing services completed by this plan is as follows

Program.	Gateway	Stepping Stones	Pathways	Independence
Income Range:	<30%	30-40%	40-60%	50% or Greater
Housing:	Public Housing (non-elderly families)	CHA Grove Place (36 units) Claremont (50 units Victoria Square (32 units)	C-MHP Brighton Place (50 units) Pleasant View (50 units West Downs (29 units) Shelton Knoll (50 units)	Home Ownership

The plan draws on the strengths and experiences of each agency Community Development will assist in developing the relocation plans for current residents as the renovation and re-leasing occur The Housing Authority will provide housing assistance for the families whose incomes fall below 25% of the median income through its existing Federal public housing The Authority will continue to own three of the seven City-financed developments and will serve families in the 25-40% of median income range The Housing Partnership will serve families in the 40-60% range at the other four developments Families will have the opportunity to move along the continuum from public housing to Stepping Stones, from Stepping Stones to Pathways, and from Pathways to Home Ownership We also expect to see some graduate from each of these programs directly to home ownership and private rental developments No family may stay within any one program longer than five years

As part of our planning effort, we will review the rental, social and employment histories of the residents currently living in the units All current residents who can afford the new rent structures, have positive rental histories, and will commit to specific self-sufficiency goals and

objectives will be offered housing in the renovated communities All other current residents will be provided with alternative public housing and/or relocation benefits (including moving costs).

Management

The Authority is committed to strong management and good maintenance We will develop an RFP for a private management contract for these properties This will permit the CHA to explore which management model works best with lower-income developments – conventional public housing management, a management/case management approach, or private management The Authority will provide case management to the families through its existing Transitional Families Program The C-MHP, on the other hand, has built the cost of case management into the rent structure

The proposed plan assures that not only will the families move systematically toward housing independence, but so will the properties under consideration Where we once had a rent structure that could not sustain the properties, we now have assurance of break-even rents, where once properties languished for a lack of a replacement reserve, we now have included such reserves within the rent structure, where once families were warehoused, families will receive encouragement and assistance in breaking out of the cycle of poverty and despair that has traditionally characterized this population

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Police Chief Recruitment Process

KEY POINTS (Issues, Cost, Change in Policy): The City Manager will brief Council about the process we will use to recruit and select the new Police Chief. The County Commission has been invited to attend this briefing.

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED: No Council action needed. This item is for information

ATTACHMENTS: Additional information will be distributed at the workshop.

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Status report on the Charlotte Housing Authority (CHA) and Charlotte-Mecklenburg Housing Partnership (CMHP) negotiations concerning the 309 public housing units owned by the Housing Authority, financed by the City.

KEY POINTS (Issues, Cost, Change in Policy): The Council had authorized the CHA and CMHP to develop a plan for the rehabilitation and use of the 309 units. Council asked that the plan address:

- Use as Transitional Housing
- Rental Rates that meet income criteria:
  - Charlotte-Mecklenburg Housing Partnership - 40-60% of median income
  - Charlotte Housing Authority - 40% and below of median income
- Cost estimates including rental revenues, rehabilitation costs and funding sources
- Self-Sufficiency Programs for the Tenants.

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED: This is a status report on the preliminary recommendations. A request for approval will be on an October Agenda

This report is to determine if the direction of the negotiation meets Council expectations prior to the agenda item.

ATTACHMENTS: Minutes of August 2, 1993 Workshop.

The City Council of the City of Charlotte, North Carolina convened for a Workshop on Monday, August 2, 1993, at 5 15 p m in Room 267 of the Charlotte-Mecklenburg Government Center, with Mayor Richard Vinroot presiding Councilmembers present were Stan Campbell, Dan Clodfelter, Ann Hammond, Pat McCrory, Tom Mangum, Hoyle Martin, Cyndee Patterson, Don Reid, Ella Scarborough and Lynn Wheeler

ABSENT None

* * * * * * *

HOUSING

Del Borgsdorf, Assistant City Manager, said Jay Walton was going to make a brief presentation that focuses on the three essential pieces of the workshop materials that Council has been given The first is, did we get the July decisions correct, and those are laid out in four basic categories The housing preservation programs which continue and affect our current code enforcement activities emphasize incentives for landlords as well as actions regarding tenants that would improve the landlord, tenant relationship Secondly, it is an important neighborhood based organization Thirdly, it is a substantial increase in our investment to self sufficiency in trying to assist people in being upwardly mobile that are public housing residents Lastly, the issue of increased affordability by upgrading the tenant's assistance in terms of the price of rent equation Then we will focus on the two issues that are up for decisions tonight One is the terms of new construction, yes or no in terms of the budget allocation in the coming year The third is the 309 units in terms of the target population that is being served

Jay Walton, Director of Community Development, gave a presentation on the options

Councilmember McCrory asked if HUD referred to any specific law or rule? Is it their rule or is it some regulation that requires we can not do it in target or geographical areas?

Mr Walton said Congress made it part of the enabling legislation that HUD has to enforce Congress says that in the home program, you have to select a person from the section eight waiting list that happens to be within the bounds He has the law with him and would be happy to share that with Council

Mr McCrory said at the last meeting Council talked about keeping a list of those things that Council might want to speak to their own Congressional Delegation about to see if we could make adjustments for the long term

Mr Walton continued his presentation

Mr McCrory said in looking at those options, it seems to be one or the other, whether it be private partnership or housing authority He is wondering, in looking at the units that we need to make a decision on, is there a possibility there could be a combination of both and maybe even divide that up?

Mr Walton said it could be, they're just showing the two extremes here, but you could have the combination on the management as well as the operational, some conventional and transitional

Mr McCrory said some units might be more targeted toward the management that the housing authority has done in the past and vice versa with partnership or others

Mr Martin asked Mr Walton how many people are on the Housing Authority's waiting list now?

Mr Walton said 8,000

Mr Martin said in that 8,000 there could be some future home owners Has there been any thought about selling the 309 units by projects to the private sector and just get rid of them,

selling them out right?

Mr Walton said when we were discussing this with the CD and Housing Committee, there was an option to do that We have not explored that option, but many of these housing units went in service after 1982 In order to utilize the type of credits that the private sector wants to utilize to upfit these houses, they can only do one of these projects currently They can do one each year thereafter because that's a continued requirement We have not explored that, but that is the possibility, if Council has a mind set to do that Mr Walton continued by explaining the advantages and disadvantages of these two approaches

Mayor Vinroot said that was a good overview and Mr Walton has done a good job summarizing the differences for Council to deal with He looks forward to any thoughts from the housing committee, before Council gets into it free willingly

Councilmember Patterson said they talked about it free willingly the last time, and she thinks Council should just vote

Councilmember McCrory said Mr Walton had mentioned a decision about who runs the units Maybe the Partnership and the Housing Authority could give us recommendation on dividing this in some suitable manner, because some of these units might more applicable for the Housing Authority to run and others might be more applicable for the Partnership to run, but he would like more input or discussion on that Mr Walton mentioned that the option may be one way or the other and he just wondered if there was another ground in there that hasn't been discussed

Councilmember Scarborough said she would be more interested in not a recommendation from them as to which of the units would be more acceptable to that, but what the needs are particularly when you're talking about emergency housing versus the traditional housing for the citizens out there She thinks one of their needs and one of their basic reasons while we are here is because emergency housing in the city is certainly a high priority when people are out and down on their luck and have no place to go, where is it that they go and how do we provide the emergency housing If you were to do a break down and do a combination, she hopes they would look at it from that perspective How many years do we need poor emergency housing and how many can we afford to put out there if we were to do the house with the Housing Partnership or just some type of allowing people to be on like a stepping stone of a project such as that

Ms Patterson said on this whole issue on emergency housing, she needs some data on who we're serving The reason she asks that question is that we have a Housing Authority waiting list with people on it who we believe have doubled up substandard housing that are on the list that we can't get in housing Her sense of emergency housing and some of that is the relationship of being doubled up for whatever reason is broken down here in the community Some of them are people coming out side of this community who thought there would be work, jobs and places to live here She needs to know more about that before she could decide how she feels about some portion of these units being emergency housing She has also some concerns about the size of these complexes, trying to pull one out and saying this is the one that's going to be emergency housing That's sort of a follow up on Ms Scarborough's

Ms Scarborough said her concept is to pull one out She would be more interested in saying that at some place that we have X number or whatever set aside for emergency where we could deal with it from that perspective and what we need to do there She is really concerned about the mother or father, whom ever, in the middle of night is strung out and having to call a Councilmember and say, " where do I go? I need some help" and there is no housing for them and trying to find a hotel or someone that would take them in the middle of the night She has real concern for that one, she's had that happen

Councilmember Clodfelter said he would get to that, but he wants to start at a different point He wants to talk about an overall strategy. He thinks that part of the problem to getting an agreement up to this point is that we may have an unconscious assumption that all three entire units should be targeted to or voted to exactly a single need, to a single resident and to a single

program He has a hunch that's one of our difficulties and why we keep talking about it and don't come to a decision is because we are faced with multiple needs, multiple target groups and multiple types of program options and financial options Maybe an overall strategy is to say, we don't have to do one thing with all 309 units, we can try to mix and match and use these units and recognize that they can't possibly accommodate all the needs fully, but try to use them to meet some of the needs in some different ways Maybe we should take that as a first step and say that there is not one magic solution that all 309 have to go this way or that way to this manager or that manager Mr McCrory was suggesting that on a management side, you're suggesting it on the target market side He thinks that might be the right answer, first to say that we are going to try to do more than one thing with these units

Mr Clodfelter continued, if that's the way we go, he has a thought about one piece of strategy to him seems to be one of the originals of these units One of the pieces that was done for the committee was a write up on how we got here, which was real useful These units didn't have a single purpose when they were built, they had several purposes One of those purposes was for relocation housing Ever since this issue has been in committee, one of the things that troubled him is what do you do if we put these 309 units to a use that takes them out of the resource base for community development relocation? What does Mr Walton do with the people who are displaced by the code enforcement actions that we have on every weekly agenda, or people who are burned out of a house, or people who are displaced because of government acquisition of the property We traditionally use some of these 309 units for relocation resources And associated with that is Mr Walton's ability to use CDBG relocation funds that are already in the budget, existing dollars, to support rental of those units for those relocation families If he doesn't have those 309 units for relocation work load, he thinks it's going to be much more difficult to run the existing relocation program Part of that is Ad Hock based on case studies over the time that he's been on Council with people calling him about problems when the relocation effort is trying to find them housing in the general market It is tough sometimes to match the family size, the family income, the immediate need which may be an emergency need element, with the available housing that may be available at the time If you have these units to use as a relocation resource, or some of the 309 as relocation resource, you can continue to run a relocation program that's pretty effective He thinks that maybe we should reaffirm that original purpose for some of these units When we originally said that we were going to do that, we said the relocatees are provided to be support services to assist them in achieving incomes sufficient to afford the contract rents at the end of the subsidy period, or failing that, then get moved into public housing if eligible

Mr Clodfelter said relocation is a transitional program for people who have lost their housing and they're in transition to a new house What we originally said was that we wanted to provide support services to make that relocation work as a transition He thinks that's transitional housing It's not transitional necessarily home ownership, but there are all kinds of transitions people make That's a good objective, and he thinks they could do that objective for some of these 309 units, within the existing relocation resources that you have through the CDBG I He thinks they ought to do that, because we don't have an alternative if we take them away from that, we can't replace it As a piece of mix and match strategy, he thinks one piece of the mix and match strategy has to say, we continue to use a significant number of these for the relocation program

Ms Patterson asked if we were using them now in that way?

Mr Walton said he thinks there are maybe 65 families of the 309 that are currently occupied by relocating

Ms Patterson asked how long have they been there?

Mr Clodfelter said he thinks the problem is that they have been there longer than what the original intent was He suggests we reaffirm the original intent and make those relocations transitional

Mr Walton said the 65 families are currently getting subsidies from the city There may be other families who reside in these units whose subsidy has expired, and that's one of the problems.

kjw

Ms Patterson asked how long was the subsidy?

Mr Walton said 42 months

Councilmember Hammond said CDBG funds are available for relocating rent subsidies for 42 months, maximum

Mr Walton said yes, for persons who had been displaced by government action

Councilmember Majeed asked how many transitional units do you have?

Ms Patterson said we have 269 transitional units

Mr Walton said plus there are another 100 units in conventional that we didn't show in that number

Mr Clodfelter said and you have to add to that to be fair the transitional units that the Housing Partnership administers Fair Market Square, Crosland, because Crosland does some of the Housing Partnership

Mr Walton said we gave Council that the last time, the total number of transitional housing

Ms Patterson said she thought it was 380

Mr Walton said he thought Mr Majeed's question was just the Housing Authority He said there are 369 transitional housing units, which does not show Gateway, which is 100

Ms Patterson said 511 if she is counting right

Mr Majeed asked Mr Hayes if he felt in the Housing Authority that he has enough transitional properties, based on his plan to move in the direction of more transitional housing or the type of objective he has for people not being permanently in public housing neighborhoods, but transitioning through it?

John Hayes, Housing Authority, said one of our commitments is trying to move towards increasing numbers of families that are moving up and out of public housing, and the key factor is to them eventually with home ownership We get a lot of families who have given up on striving for improving themselves We've got to refocus the efforts on helping them see a different future and a different direction for themselves and move in that way Our goal is by the year 2000 to have 50% of our families in a transitional fund work

Ms Hammond said when we talk about transitional housing, sometimes we make income level assumptions In looking at the break down of the waiting list and the memos that have come through the Authority, what is the target income level for transitional housing that he thinks need to be met?

Mr Hayes said he thinks the key is to work at all levels at the same time, but the major key is to try to work with those families who have given up hope and who constantly generation after generation live in public housing or assisted housing or low income housing to make up that revolving door with the homeless families, to help break that cycle dependency, to help them move into transition We've been fairly successful

Ms Hammond said so we can help with transitional housing at the $10 to $12,000 income level and probably ought to be talking about that

Mr Hayes said that is the group that we need to be talking about, there are significant problems to emerge with that group They sometimes need subsidy and come back and do retraining which we forget about because most of them are locked into dead end jobs and never will get out of that $10,000 to $15,000 income bracket and will never make it into the home ownership or make it out of the system, unless we do some pretty radical thinking with those families

Unless we have the resources to say for a period of time, we're willing to subsidize you while you obtain an education and skills to help you to move beyond that $15,000 bracket We are getting to that position where we have people in housing that we call transitional that they may not ever be able to get out unless we do some serious radical thinking about how we approach working with those families by getting them to see different futures than the one they already live in Different possibilities and then helping to train them for those possibilities That's our challenge

Ms Scarborough said he just mentioned that unless we do those kinds of radical things of getting those families there, one have you thought about that, and two have you thought about what it would cost to do that because if we're going to do anything in America, we're going to be serious The one thing that we had better do and that is to give those families just what you said, otherwise we're going to be in this business for life What we're trying to do is to help ourselves get out of the business

Mr Hayes said part of the cost we're going to have to pay is the admission that some people are going to have to take a step backwards, and rent subsidizing housing and make it affordable That's what we have been able to do with public housing Some of it had to do with public housing because we can begin to charge rent of 30% of income if we see some subsidating Allow that family in two to three years to get that education, to get those skills and move up and out We have been successful in moving them from the $5,000 income up to $18 or $19,000 income Jump starting them into the private sector through that kind of approach It is going to require that for those families A two year period subsidy, maybe they'll work in part while doing that, or have AFDC, but there is some kind of support network out there for them to achieve it If we could keep the rent load off in these properties that we could support them and give them a small subsidy property for two and then they could pay for themselves in the next three years while they're getting themselves ready to move up and out It does require $100 per month subsidy On an average cost the subsidy we figure is about $4200 to get them in that position where they're ready to move up out

Mr Majeed said he is looking at the overall picture He noticed that there are 6,000 to 8,000 people on the waiting list and how valid that waiting list is It seems like the Housing Authority doesn't have enough units, and maybe we never want enough units, to meet the need Those parameters for needs could be widened to such a degree that it accomplishes many more people He is leading to the thing about cost based on what we have, this relocation work load These are 309 units The Housing Authority needs more transitional housing based on their new goals and objectives approaching the year 2000 It seems like it is more of an argument for holding what we have and dealing with the cost of rehabilitation and the deferred maintenance associated with these units that we have The more he hears the more argument he has for letting the Housing Authority use what ever combination of that, more transitional housing and some straight to the rows where we have our basic public housing neighborhoods and that would be more towards the urban area whether we like it or not, they're not going to lend themselves to a transitional housing His argument based on the information is that we would come to the final conclusion that we would find out the cost to rehabilitate these units and let the Housing Authority do it because it might be a combination of this and that in order to meet their needs and at the same time grow into the new vision of the goals and objectives of bringing more transition in these houses Also we could still do those 50 units of new housing with the Housing Partnership and public private partnership?

Mr Walton said yes

Mr Majeed said we could have the best for both worlds as far as the needs of the Housing Authority is concerned, and possibly getting some rehabilitation He has heard some astronomical figures, but whatever it is, if we allow that to happen and follow with the mission of the Housing Authority we would be very efficient in targeting what we have to target as far as transitional housing Again what Mr Clodfelter was talking about was which relocation of workload we wouldn't lose because we have a certain amount of people on that We would be upgrading those houses and moving those houses that didn't lend themselves towards transitional housing and towards the urban core

kjw

Mr Walton said he wanted to clarify his response When he said yes, it depends upon the rehabilitation cost of the 309 units If they cost some where between $500 and a million, it would not effect the funding of the Partnership, but if it is higher, it may have to reduce the $2 million level to $1.2

Mr Martin said Mr Clodfelter was talking about the relocating of the 309 units in the very basic concept of transition from the 309 units even if meant into public housing He thinks Mr Clodfelter asked a question about how many of those went into public housing and he wants to come back to that If those folks are in relocation of the 309 units, do they still have to go on the Housing Authority's waiting list before they could go into conventional public housing if they ever get there at all?

Mr Walton said the person that is on the City's relocation waiting list, has to be on the Housing Authority's waiting and they're given priority

Mr Martin said so when they go into one of the 309 units, they automatically go on the Housing Authority waiting list at that time?

Mr Walton said they go on the waiting list and are given choices as to which of the units are available for them to live in

Mr Martin said we have limited money and a lot of needs He thinks the first need needs to be those who probably need conventional public housing, he agrees with Mr Clodfelter He doesn't think they need to take all the units and put them into one particular program, that's too costly The idea of losing a possibility of building an additional of 550 units is a concern on one hand, and if we don't do that it is going to be more cost efficient and not do that and do all these other things There is no limit as to what needs to be done out there Are we in the business of what Ms Scarborough was talking about when she said emergency housing? He didn't think they were

Mr Walton said we have not been in that business but one thing that he would like for the Council to consider is raising it If you could keep the two separate at 309 units, you have agreed to a tenant based subsidy, you could take a portion of the tenant based subsidy and allocate it for emergency housing purposes if you want He thinks Ms Scarborough is concerned with families who have fallen through the cracks

Mr Martin asked if they knew what resources are in the community now that address that problem

Mr Walton said they have a very limited shelter

Councilmember Reid asked Mr Walton as head of Community Development, has he gotten together with the head of the Housing Partnership and Housing Authority and discussed what they think we should do with these 309 units and made a recommendation to Council on what we should be doing? He doesn't see that anywhere, maybe everyone understands this thing very well, he hopes they understand it better than he does because if they don't, we really have a problem It seems to him that they work at it all the time and the three of them should have the same objectives Unless he's missed it, he doesn't see where they recommended anything

Mr Walton said he is the City's liaison with the Authority in the Charlotte Mecklenburg Housing Partnership We have met and our discussions have been as interested and various as it is today, but the decisions have been made by the Authority The Authority's Board of Commissioners has voted that these units be taken to management, and the ownership of these units being taken over by the Charlotte Mecklenburg Housing Partnership The Charlotte Mecklenburg Housing Partnership has come back and asked for a new building study before they will make their recommendations as to whether or not they will accept it. There are some additional conditions that they outlined with that.

Mayor Vinroot said Council needs to resolve this tonight The purpose of all this discussion this time and the last time is to bring to the full Council what Community Development and the

Housing Committee has beat over and over and apparently have a difference of mind about it, and he understands it, he hears it tonight around the table, there are two sides to this thing Philosophically where is your priority? Is it on the lowest of the low and more the same, or is it on the highest of the low with a chance to move out He thinks there are probably three minds from the folks that are sitting in the room from the institutions that are represented, Mr Walton's, Housing Authority's and the Partnership He doesn't think they are going to reach a perfect solution to make the best decision He thinks they have elevated their decision in their knowledge level He personally thinks from what he's heard, and he is not much ahead of them, but he thinks they should lean in the transitional way He is not adverse to divvying it out as opposed to all or nothing He thinks they should lean towards the Housing Partnership and giving them time to do their due diligence to proceed in that direction We also have not talked at all about the 50 units and maybe that's one that they all are of one mind, so that's not so difficult He hopes that they will get to these two issues tonight unless they think another one of these sessions would be productive, he's not sure that it will

Ms Hammond said she would like to suggest that Council set aside for the moment who owns and manages these units and look at it from a policy level, who do we think we ought to be providing assistant housing for, given the dynamics of the need in the community as shown by the waiting list She thinks that's the bite we can deal with tonight. She likes what both Pat and Dan has said about trying meet the diversity of need because there clearly is She said Ms Patterson raised a question that she thought was important and we still really haven't dealt with it and she needs the answer too What constitutes the population that needs emergency housing Her understanding is that people enter Charlotte emergency housing, or at least that is one way they bubble up as needing emergency housing The notion is to move these folks into more permanent housing very quickly, but because there is no more permanent housing available to them or is hard to find, we have people in emergency housing that are there much more longer than was ever intended Therefore people are on the street that could be cycling through the emergency housing, in different stages of getting through emergency housing and into more permanent housing, she doesn't know who these folks are She doesn't know whether they are people who have come here from out of town looking for a better life or people who are from parts of families that have doubled up, tripled up and some reason living situation has exploded and somebody has to get out She doesn't necessarily need the these statistics but she would like somebody who could give a representative sample as to what that would be like She asked Mr Walton if he has an answer to that?

Mr Walton said his understanding is that people in emergency housing situations have been self sufficient, but because of lost jobs, divorce or domestic violence, they need temporary assistance subsidy, assistance to get themselves together We want a mechanism to keep them from falling between the cracks and if they can be given this mechanism or subsidy for 3 to 6 months, it is believed that they can become self sufficient again, rather than going the other way to become homeless

Ms Hammond said it is her understanding that Travelers Aid has received a grant for 3 caseworkers for 3 years, and the caseworkers need to be married to a physical, geographical area where people in need of emergency housing are being offered opportunities to live on this longer term basis If we could put that together, we would have in essence another partner in the community providing caseworkers to help these people do just what you say, which is to get back on their feet and move out of any kind of assisted housing and back into the private sector housing If that kind of partnership could be developed, she thinks that would be a really effective way of bringing to bear the social services side of this unique transition She would like to see them try to do that. She talked to Mr Walton and one of the suggestions he had was that our local tenant based rent subsidies as a way to take a small set aside for that amount, but she doesn't know the right number, 30, more or less, she doesn't know, and try to marry that with some mixture of the units of the 309 She would like to see that or something of that nature as our emergency housing strategy that would be added to the relocation strategy that Mr Clodfelter suggested and perhaps some higher end transitional housing, and see that as a package She doesn't know what the right blend is, but if we could agree on that much then we could ask the staff to work on that and bring a blend back

Ms Patterson said she thinks everybody realizes that there are more needs than one solution can

handle for these 309 units She thinks the relocating thing is something that we have commitment to that we can't walk away from, and on top of that you have 65 currently and how many per year are we adding to get 42 months There is some kind of mathematical equation that tells us how many units in general have to become vacant during the year and are we making that really work if we set aside 65 units or whatever the number is She tends to like Ms Hammond's and Mr Walton's suggestion of using emergency housing using some of our tenant based subsidies perhaps rather than specific units because some of the issues that we talked about on impacts of neighborhoods and on perceptions. It's not whether it is or is not, it's a our perceptional issue suddenly that this particular set of units is going to be emergency housing and this neighborhood you're going to have the kind of problems that we have all the time anyway At a grander scale anyway because that's almost more perceptionally scary to a neighborhood because they think you're talking about people that are living in their cars She thinks the tenant based thing allows people to be placed nearer to jobs as they find them, a whole lot of pluses for that As much as she hates, because she has spent now almost a year with this, she thinks that Council is going to have to ask that the staff bring back to Council some alternatives for the 309 units that include 3 components, the relocatee component and how do we number that, because we have to still be in that business legally The Emergency Housing component and transitional housing and she doesn't know how that all divides up and she doesn't know what portion of the 309 units become signed She said she would put this in form of a motion

<u>Carole Hoeffener, Chair of the Housing Authority</u>, said she wants to tell Council how she perceives the history of this First we recognized the problem and went to Ms Patterson and talked to her and researched the problem and found out how large it was with the deficits being incurred and we're going on two years now We worked with Mr Walton, and brought an option to the Council where the Housing Authority would retain control with subsidy of these units At that point it was $1 2 million and it was our understanding that the Council wanted to look at other ways to react to that, at which time a lot of different things were talked about and partnership was one We were then asked to work with the partnership, perhaps to validate their proposal which we did, and work with the partnership in anyway we can to come to a resolution with this Our option I-A is an option we presented to the Council That figure of rehabilitation is now in question after looking more deeply at the money

Ms Hoeffener continued, emergency housing is one the greatest problems that we have in this community She went to a public hearing that Mr Walton had and spoke very strongly about how she felt about that She visited transitional housing facilities all through the country, in San Diego, Minneapolis and on the Chamber tour, she feels that this community needs a substantial emergency housing facility to incorporate lots of different things She thinks it's much grander than one 50 unit facility The one in San Diego is $110 million and we're talking about a big situation This gets into the County's human service area and she thinks it is something that needs to be looked at by the City Council and the County Commission to see what is the real need for this and what the best solution for this is She is not sure that it's in one of our units She talked to Ted Fillette about that on numerous occasions She thinks that this is an issue that has to be very case management driven, it's a big issue and not one that should be just sort of pocketed into one of our 50 unit community centers

Ms Catherine said we would like to work with those 309 units We are looking forward to a decision on that, and think there is a big need for transitional housing, but if Council wants to split them in half, we would be glad to do that We just want to go in and look at them and study them and run the numbers on them with all the bankers and figure out the markets and not jump into that We would be glad to work with Council in any way possible, but we can't make a pledge, we want to study it

Ms Patterson asked how long would it take them to study it?

Mr Catherine said 90 days

Velva Woollen said she has to make one comment after listening to Council She feels, and the authority and the partnership knows that she feels this way, they need to assert more leadership and help Council We have heard what your needs are and when we brought this to the table

it was purely physical and now we hear back and she thinks their goal is to serve the people she hears Council talk about She thinks they are putting a round peg in a square hole and keep meeting and trying to do that She hopes that Council would vote today to let them work out what they want Obviously the units outside can not get our people to the buses and can not get those people in conventional housing, conventional transitional It's a new way of thinking and we have to be visionary in this 309 units Let's not look at who owns it, but let's look at who we are trying to serve now She personally thinks that the city knows best and after all this information the authority knows what bite they could take, and the Housing Partnership knows what bite they could take She thinks that they could back to Council with a fiscal dollar, not over what Council has allotted, and that they could serve the relocates, transitional and mention this homeless factor and see what is in the community She is saying this to Council because she thinks this has been a very difficult problem and these people that work in housing all the time, she believes can solve the problem

Ms Patterson said the motion is that Council ask staff to come back to them with a recommendation which includes the 3 different components that Council talked about and maybe not all 3 are out of the 309 units, but probably the relocates and transitional are for sure and tell us what we should be doing about emergency housing

Mr McCrory said when we say staff we are talking about also maybe locking up the Housing Authority and Housing Partnership in a room along with the staff to get some consensus and agreement He wanted to make this point, to him the philosophy of Council should be to continue to help those who want to help themselves, but sooner or later we will have to cut the purse strings to those people who are content with the status quo We can't afford to keep them any longer if that's all they're going to do We're going to have to reach that point sooner or later and make that philosophical

Mr Martin said about the emergency housing, for the most part you're dealing with people who have the value system that with a little help they are going to get up and go and he really supports that component and the motion

[Motion was made by Councilmember Patterson, seconded by Councilmember Reid,]
[and carried unanimously, for staff to bring back alternatives for the 309 units]

Mr Reid said he wanted to make a comment about what Council just did His disappointment is that we have 3 major components here and they have not gotten together and come to us and made a recommendation, he feels that's wrong He thinks if they don't know about the housing situation, then we need to replace them and get somebody that does He means this in all kindness, because he believes they do The whole thing is that we're sitting around talking about a lot of things and he thinks that they should have some kind of recommendation on a problem like this from the 3 different agencies who have in fact gotten together and discussed this Number two is he did a little quick arithematic, on the high side if it costs a million bucks to rehabilitate these places, that's $32,000 each and he thinks that along with Mr McCrory's philosophy that ours should be trying to think of a way that these places don't get destroyed again in a few short years, and we wind up spending another $32,000

Mayor Vinroot said they did have a recommendation The recommendation was towards the transition as he recalls and it was a question of where

Ms Patterson said they asked for policy direction from us on target rent levels and it has taken us this long to get the policy direction Now that we've gotten there she thinks they certainly can go up

Mr Walton said the replacement reserve which means all the funds they bring back to Council, so trying to find money to maintain these units is not the problem

Ms Patterson said based on the fact that they had an issue raised by the Housing Partnership consultants about what it would really take to have these units, that we say that we've taken RFP on 50 units which is in the budget, only after we saw what the cost was going to be on the 309 That we would take an RFP just like we've done with innovative housing RFP in the past, but

only after we saw that we really had $750,000 based on what would happen to the 309 units

Mr Martin said he believes that when Council has a meeting with the school board and county later this month that we have some discussion about relationship between our scattered site policy program and the location of additional new schools He understands they are going to build 30 new schools in the next ten years, and we certainly need to look at these things together

Mr Clodfelter said he thinks to be consistent with that concept, we should give fair signals to folks about that money and that is that the potential $750,000 is in a holding pattern and therefore neither should it be committed now to the Housing Partnership contract It's in a holding pattern until we get the rehabs called back It could go either way If it goes towards 50 unit[illegible] would mean the partnership would only have a million six, so we should make sure th[illegible]o one thinks that they have any more than that until we get the rehab call

Mr M[illegible]um said he could not commit to spending new dollars on new units when we have units t[illegible] even the newspaper put photographs in that are in code violation, and we tend to go out an[illegible]nforce the private industries housing and level all kinds of fines on them to bring their units u[illegible]o code and then we don't do it ourselves $750,000 can go a long way back into rehabin[illegible]hese other units Being on the planning committee and taking tours around this city and se[illegible]g what we have boarded up brick, really nice apartment units that are just standing there v[illegible]nt and getting comments back that people don't want to live in those parts of town because [illegible]ey're run down When we're trying to do community policing and everything else, we nee[illegible]o go back in there and wage war on those areas and clean those up before we commit to new [illegible]llars for new scattered site housing.

[Motio[illegible] was made by Councilmember Patterson, seconded by Councilmember Wheeler,]
[to tal[illegible]n RFP on the 50 units after seeing what the cost was on the 309]

The vot[illegible]as taken on the motion and carried as follows

YEAS [illegible]ouncilmembers Clodfelter, Hammond, Majeed, Martin, Patterson, Scarborough and [illegible]heeler

NAYS [illegible]members Campbell, McCrory, Mangum and Reid

**The meeting was recessed at 6:25 p.m. for dinner
and reconvened at 6:30 p.m.**

* * * * * * *

MAYOR'S PRIVATIZATION TASK FORCE

Mayor Vinroot to introduced Stan Vaughan, whom he asked to chair the committee

Stan Vaughan, Chairman of Privatization Task Force, introduced the committee and then gave a presentation along with Mr Bobby Lowery, co-chairman, who explained the servicing contract of the report, and Randy Arthur who explained asset management

Mr Vaughan said he wanted to recognize the assistance they received from internal consultanting David Cooke and his staff deserve a lot of recognition for their hard work and efforts

Mayor Vinroot said he would open the floor for questions or comments

Mr Mangum said we tend to shoot the messenger sometimes and he wanted to get off on the right foot before anyone starts taking pot shots He was one that was a little skeptical of this from the start. He wants to take it very methodical, very slow, and let's make sure we're doing it right He thinks it is something that Council needs to test, something they need to do He thinks the employees will rise to the challenge, and he thinks the community will be better off with this He thinks the task force has done an excellent job and even though he doesn't agree

September 20, 1993

Tax Value Impact of Rezonings

A property's tax value is equal to the value of the land plus any improvements (eg ,buildings and structures) located on the land

Tax Value = Land Value + Improvement Value

A property's zoning designation initially contributes to 100% of the property's land value evaluation The land value is then decreased based upon attributes of the land which may lower the property's desirability such as location, size, shape, topography (gullies, steep slopes, etc), access to transportation systems, and availability of utilities.

The property's improvement value is based on the type of building or structure on the property Commercial structures generally carry an higher value than residential structures but factors such as whether the improvement represents the highest and best use, and age and condition of the structure determine final improvement value

Local Property Evaluations

The zoning classification has the greatest impact on the value assigned to the land in a property evaluation. The value of various zoning classifications is determined by market evaluations of previous property sales within a general area

Generally, properties designated with business zoning classifications (B-1SCD, B-1, B-2, etc) carry the highest market evaluations followed by office zoning classifications (O-1, O-2, etc), industrial zoning classifications (I-2, I-2, etc.), multifamily zoning classifications (R-8MF, R-22MF, etc.) and finally single family zoning classifications (R-3, R-4, etc.). Individual zoning districts within a general category such as I-1 and I-2 are valued about the same

When general zoning categories are compared, business zoned properties are valued 10% to 20% higher than office zoned properties, 20% to 30% higher than industrial zoned properties, 30% to 50% higher than multi-family zoned properties, and 50% to 70% higher than single family zoned properties. Tax value relationships among other zoning categories are shown in Table 1 on the next page.

Table 1.

IMPACT ON LAND TAX VALUE FOR CHANGES IN GENERAL ZONING CATEGORIES*

Proposed Zoning

Existing Zoning: Tax Value Changes	*Business*	*Office*	*Industrial*	*Multi-Family*	*Single Family*
Business	**No Change**	10% - 20% Decrease	20% - 30% Decrease	30% - 50% Decrease	50% - 70% Decrease
Office	10% - 20% Increase	**No Change**	20% - 30% Decrease	30% - 50% Decrease	50% -70% Decrease
Industrial	20% - 30% Increase	20% - 30% Increase	**No Change**	20% - 30% Decrease	30 - 60% Decrease
Multi-Family	30% - 50% Increase	30% - 50% Increase	20% - 30% Increase	**No Change**	30% - 60% Decrease
Single Family	50% - 70% Increase	50% - 70% Increase	30% - 60% Increase	30% - 50% Increase	**No Change**

* - *Indicated tax increases and decreases represent approximations and are based on field experiences of property assessors in the Mecklenburg County Tax Office*

Impact of Rezonings on South Boulevard

Based on the above analysis, the impact of corrective rezonings in the Central District Plan along South Boulevard will have the following general impacts

Petition No.	Zoning Change	Impact on Tax Value
93-67, Part A	0-2 to R-4	No Change in Tax Value**
93-67, Part B	I-2 to B-2	20% to 30% Increase
93-67, Part C	I-2 to B-2	20% to 30% Increase
93-67, Part D	I-2 to I-1	No Change in Tax Value
93-67, Part E	I-1 & I-2 to B-2	20% to 30% Increase
93-67, Part F	I-2 to B-2	20% to 30% Increase
93-68, Part A	I-2 to B-2	20% to 30% Increase
93-68, Part B	I-2 to I-1	No Change In Tax Value

** - *Misplaced improvements, properties are currently used for single family residents*

This analysis assumes any improvement currently in place will remain and continue to operate

AUTHOR NOTE: This information was compiled from an interview conducted by Planning Staff with Mr. Robert L. Bonti, Real Estate Division Manager, Mecklenburg County Tax Administrator Office on September 10, 1993.

CHARLOTTE.

MAYOR AND CITY COUNCIL WORKSHOP AGENDA

OCTOBER 4, 1993

COUNCIL WORKSHOP AGENDA ITEM SUMMARY

TOPIC:

Zoning: Legal and Policy Issues

KEY POINTS:

- Overview of legal basis and rationale for staff initiated rezonings
- History of district and area plan process and staff initiated rezonings
- Impact of zoning changes on industrial properties

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED:

- General information and discussion
- No action is required by Council

ATTACHMENTS:

- Overview of Legal Basis for Zoning (Prepared by the City Attorney)
- Chronology of Central District Plan Process
- Central District Plan Rezonings/Impact of Zoning Changes on Industrial Properties

ZONING OVERVIEW

A. INTRODUCTION

Of all of the programs, tools, and techniques associated with land use planning, zoning is the most common and best known Zoning is used to achieve a variety of purposes First, it can insure that the community's land uses are properly situated in relation to each other so that one use does not become a nuisance for its neighbors Second, zoning can insure that adequate land and space is available for various types of development Third, it can also insure that the location and density of development is consistent with a municipality's ability to provide adequate streets, utilities, fire protection, and recreational services Finally, it can set minimum design standards so that new development reflects aesthetic values, is of appropriate scale, and helps to protect privacy

Zoning involves the exercise of the state's police power to regulate private property on behalf of the general health, safety and welfare The North Carolina General Assembly has delegated its police powers to enact zoning regulations to the legislative bodies of municipalities

B STATUTORY AUTHORITY

G S § 160A-381 Grant of Power

"For the purpose of promoting health, safety, morals, or the general welfare of the community, any city may regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of lots that may be occupied, the size of yards, courts and other open spaces, the density of population, and the location or use and buildings, structures and land for trade, industry, residence or other purposes "

G S § 160A-382 Districts

"For any or all these purposes, the city may divide its territorial jurisdiction into districts of any number, shape, and area that may be deemed best suited to carry out the purposes of this Part, and within those districts it may regulate and restrict the erection, construction, reconstruction, alteration, repair or use of buildings, structures, or land "

G S. § 160A-383 Purposes in view

"Zoning regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the streets, to secure safety from fire, panic and other dangers, to promote health and the general welfare, to provide adequate

light and air, to prevent the overcrowding of land, to avoid undue concentration of population, and to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements The regulations shall be made with reasonable consideration, among other things as to the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such city "

G S § 160A-383 Changes

"(a) Zoning regulations and restrictions and zone boundaries may from time to time be amended, supplemented, changed, modified or repealed "

C **CASE LAW: REZONINGS**

(1) **IN GENERAL**

- The enactment of a zoning ordinance is not a contract with the property owners of the city and confers upon them no vested right to have the zoning ordinance remain forever in force or to demand that the boundaries of each zone or the uses to be made of property in each zone remain as declared in the original ordinance Such legislation by the city may be repealed in its entirety, or amended as the city's legislative body determines from time to time to be in the best interest of the public, subject only to the limitations of the enabling statute and the limitations of the Constitution Zopfi v City of Wilmington, 273 NC 430 (1968).

- A comprehensive zoning ordinance does not constitute a contract between a municipality and the property owners which precludes the municipality from changing the boundaries if at a later date it deems a change to be desirable, nor does it vest in any property owner the right that the restrictions imposed by it upon his property or the property of others shall remain unaltered Allgood v Town of Tarboro, 281 NC 430 (1972)

- A city's legislative body has authority to rezone property when it is reasonably necessary to do so in the interest of the public health, the public safety, the public morals or the public welfare Allred v City of Raleigh, 277 NC 530 (1971)

- The zoning statutes obviously do not contemplate that the zoning pattern must be, or should be designed to permit each individual tract of land to be devoted to its own most profitable use, irrespective of the surrounding area. Blades v City of Raleigh, 280 NC 531 (1972)

(2) **TAKINGS**

The courts have struggled to define the point at which a land use regulation, including rezonings, becomes a taking that requires compensation under the Fifth Amendment to the U S Constitution Set forth below are cases that illustrate the legal standards adopted by both the North Carolina and Federal courts to determine whether a governmental regulation, particularly a rezoning, has resulted in a taking

- It is a general rule that zoning cannot render private property valueless In other words, if the application of a zoning ordinance has the effect of completely depriving an owner of the beneficial use of his property by precluding all practical uses or the only use to which it is reasonably adapted, the ordinance is invalid The mere fact that a zoning ordinance seriously depreciates the value of a complainant's property is not enough, standing alone, to establish its invalidity Helms v City of Charlotte, 255 NC 687 (1961)

- We hold that the plaintiff could not prevail merely upon a showing that the property in question could be more profitably and efficiently used for business or commercial use What plaintiff had to establish was that the property could not reasonably be adapted to any use permissible under the challenged zoning regulation, and that that fact rendered the property valueless or virtually so Roberson's Beverages, Inc v City of New Bern, 6 NC App 632 (1969), (cert den'd)

- The last "downzoning" case decided by the North Carolina appellate courts involved the City of Durham's rezoning or a 2 6 acre parcel adjacent to I-85 from an office-institutional zone to a residential zoning district The property was originally zoned for residential use, was rezoned to office use in 1979 and rezoned back to residential use in 1985 The property owner brought suit and contended that the 1985 rezoning reduced the value of the property from $550,000 (if used for a proposed motel) down to $20,000 (one

single-family lot). The city contended other valuable uses were also available, including use as a church or day care site or additional single-family lots The trial court invalidated the rezoning and awarded $150,937 in damages

The North Carolina Supreme Court reversed the decision finding that no taking had occurred The Supreme Court reaffirmed the North Carolina test that there is no taking unless the owner is deprived of all practical use of the property and the property was rendered of no reasonable value The Court found that deprivation of previously held property rights and diminution of value do not in and of themselves constitute a taking The Court further concluded that the ordinance had a reasonable connection to a legitimate public objective, that alternative rezonings such as clustered residential had been proposed by the City but not pursued by the owner, and that the property in any event retained practical use and reasonable value Finch v City of Durham, 325 NC 352 (1989)

- The **federal** rule is best illustrated by examining the Nollan case The Nollan case did not involve a rezoning. Instead the issue in Nollan was whether or not requiring a property owner to grant an easement to the public as a condition of a building permit constituted a compensable taking Although the U S Supreme Court ultimately struck down the regulation in question, Justice Scalia, in writing for the majority stated that the Court had "long recognized that a land use regulation does not effect a taking if it substantially advances legitimate state interests and does not deny an owner economically viable use of his land " Nollan v California Coastal Commission, 483 US 825 (1987)

ATTACHMENT I.

CHRONOLOGY OF CENTRAL DISTRICT PLAN PROCESS

1) March, 1988 - February, 1991

Central District Study Group formed and the study process began

<u>Study Group Members.</u>

Mahlon Adams	Jim Patterson
Mary Dawn Bailey	Tony Pressley
Nancy Garber	Louise Sellers
Mary Ann Hammond	George Warren
Pat Holleman	Isaac Heard
Terry Orell	Terry Smith
Eleanor Washington	Rickey Hall

(John Berry was added later to replace Terry Orell)

2) May, 1988

(Issue Identification Process) District was divided into five sub-areas and public meetings were held

<u>Meeting Schedule:</u>

Sub-Area 1.	May 2, 1988	Chantilly Elementary School
Sub -Area 2	May 5, 1988	Myers Park High School
Sub-Area 3	May 9, 1988	Barringer Elementary School
Sub-Area 4	May 16, 1988	Johnson C Smith University
Sub-Area 5	May 23, 1988	Tryon Hills Elementary School

3) April, 1989

Study group process recessed until draft report could be written.

4) January, 1991

Study group reconvened to review the draft document

5) February, 1991

Study group process ended with few changes or disagreements between staff and study group

6) June, 1991

Public information workshops were held in the lobby of the Government Center Building to answer questions on plan recommendations Over 5,000 people including property owners where rezonings were recommended and neighborhood leaders were notified about the workshop and upcoming public meeting for Planning Committee

7) July, 1991

Public meeting for Planning Committee was held in the Government Center

8) August, 1991 - January, 1992

Planning Committee began the review process for Central District Plan and four small area plans (Villa Heights, Cherry, Wilmore, and Reid Park)

Planning Committee Members:
Frank Emory
Tim Meade
John Lassiter
Rowe Motley
Nasif Majeed
Vincent James
Don Welchel
John Tabor

Note. Some members rotated on and/or off the Planning Committee or to Zoning Committee during the review process

9) January, 1992

Central District Plan was adopted by Planning Committee and forwarded to Council

10) February, 1992

Public meeting for City Council was held on district plan and small area plans. Staff notified over 5,000 property owners and neighborhood leaders

11) March, 1992 - November, 1992

Council's Planning and Public Works Committee began reviewing the district plan and four area plans

Committee Members:
Dan Clodfelter, Chairperson
Lynn Wheeler, Vice-Chairperson

Nasif Majeed
Tom Mangum
Ella Scarborough
Hoyle Martin (attended as a guest at some of the meetings)

The committee toured each sub-area focusing in particular on individual rezonings in which opposition or differences of opinion had been expressed The pros and cons of each controversial rezoning were then discussed following the tours before recommendations were made

12) November, 1992

Planning and Public Works concluded its' review of the plan and forwarded to Council for adoption

13) January, 1993

City Council adopted the Central District Plan and four small area plans

14) July, 1993

Council approved the schedule for Central District rezonings.

ATTACHMENT II.

CENTRAL DISTRICT REZONINGS
IMPACT OF ZONING CHANGES ON INDUSTRIAL PROPERTIES

SEPTEMBER 20, 1993

Petition No	93-63	93-63	93-67	93-67	93-67
Company Address	Counterpoint Co 3114 Monroe Road	Morris Costumes 3118 Monroe Road	Shuman Company 3332 South Boulevard	Carolina Marble 3232 South Boulevard	Federal Mogul Service 4301 South Boulevard
Proposed Zoning Change	I-1 to B-1	I-1 to B-1	I-2 TO I-1	I-2 TO I-1	I-1 to B-2
No of Employees	3	20 +	10	2-5	15
Current Values					
Improvement	$131,060	$21,570	$182,050	$22,880	$1,151,720
Land	$22,750	$22,400	$128,580	$83,070	$415,620
Total Value	$153,810	$43,970	$310,630	$105,950	$1,567,340
Tax Bill (City Rate 429/$100)	$660	$189	$1,333	$455	$6,724
Change Values					
Improvements (No Change)	$131,060	$21,570	$182,050	$22,880	$1,151,720
*Average Land Value Change**	25%	25%	-15%	-15%	25%
Land	$28,438	$28,000	$109,293	$70,610	$519,525
Total Value	$159,498	$49,570	$291,343	$93,490	$1,671,245
Tax Bill (City Rate 429/$100)	$684	$213	$1,250	$401	$7,170
Change In Annual City Tax Revenue	$24	$24	($83)	($53)	$446

* - See attached explanation

CENTRAL DISTRICT REZONINGS
IMPACT OF ZONING CHANGES ON INDUSTRIAL PROPERTIES

SEPTEMBER 20, 1993

Petition No	93-68	93-68	93-87	93-92	93-94
Company	Accent Glass	ICCA	Foy Electric	Industrial Valve & Gauge	Westside Electric
Address	4031 South Boulevard	529 Briarbend Road	2725 West Boulevard	1514 Wilmore Drive	2906 Rozzelles Ferry
Proposed Zoning Change	I 2 TO B-2	I-2 TO B 2	I-1 to R 8MF	I-2 TO I-1	I 1 to B 2
No of Employees	6	90	12	41	2
Current Values					
Improvement	$107,780	$421,570	$7,630	$396,510	$6,620
Land	$4,879	$132,440	$17,750	$110,260	$12,500
Total Value	$112,659	$554,010	$25,380	$506,770	$19,120
Tax Bill (City Rate 429/$100)	$483	$2,377	$109	$2,174	$82
Change Values					
Improvements (No Change)	$106,020	$421,570	$7,630	$396,510	$6,620
*Average Land Value Change**	25%	25%	-25%	-15%	25%
Land	$6,099	$165,550	$13,313	$93,721	$15,625
Total Value	$112,119	$587,120	$20,943	$490,231	$22,245
Tax Bill (City Rate 429/$100)	$481	$2,519	$90	$2,103	$95
Change In Annual City Tax Revenue	($2)	$142	($19)	($71)	$13

* - See attached explanation

CENTRAL DISTRICT REZONINGS
IMPACT OF ZONING CHANGES ON INDUSTRIAL PROPERTIES

SEPTEMBER 20, 1993

Petition No	93-101
Company	H A Holden Co
Address	*600 Moretz Avenue*
Proposed Zoning Change	I-1 to R-5
No of Employees	N A
Current Values	
Improvement	$251,700
Land	$31,250
Total Value	$282,950
Tax Bill (City Rate 429/$100)	$1,214
Change Values	
Improvements (No Change)	$251,700
*Average Land Value Change**	-45%
Land	$17,188
Total Value	$268,888
Tax Bill (City Rate 429/$100)	$1,154
Change In Annual City Tax Revenue	($60)

* - See attached explanation

NEIGHBORHOOD DEVELOPMENT

I. OBJECTIVE:

Combine the departments which focus on strengthening neighborhoods to provide a comprehensive approach to neighborhood preservation and development.

II DEPARTMENTS:

- Community Development
- Employment and Training
- Neighborhood Services
- Community Relations
- Economic Development

(combined resources: $15,000,000; 110 employees)

III. ACTION PLAN:

- Department presentations on objectives and service coordination
- Organization and relocation of workforce to Old City Hall
- Expansion of partnerships with neighborhoods, County government, non-profits, churches, foundations and others

IV SUPPORTING CAST:

- Community-based policing and decentralization of services (Police)
- Neighborhood Matching Grants
  Neighborhood Reinvestment & Assessment (Planning)
- Community Improvement (Solid Waste)
- Organizational Development (Human Resources & Training)
- Performance Evaluation (Budget)

GOAL: ACHIEVE AND MAINTAIN 100% POLICE STAFFING IN THE FIELD

	Allocation	Actual	Vacancies
July 1992	981	863	118
June 1993	981	963	18
October 1993	1151	1105	46
November 1993	1151	1151	0
Number of new-hires in FY 93			156

Projected date for full staffing November 17, 1993

Projected date for full staffing in the field March, 1994

MANAGEMENT IMPROVEMENTS TO HELP ACHIEVE THE GOAL OF 100% STAFFING

(1) A lateral entry program for experienced officers

(2) Field training is now a self-paced program, reducing time required by approximately 30%

(3) Recruitment is now constant rather than tied to anticipated recruit academy dates

(4) Limited duty personnel are regularly assigned to Recruitment to increase the capacity of that unit

STRATEGIES FOR MID-YEAR

Once it is achieved, maintain one hundred percent staffing levels in operational areas of the Department by over-hiring according to the following guidelines

(1) Over-hire by approximately 2 5% to overcome the drain on staff created by mandatory in-service training

(2) Overhire by a rate equivalent to the previous year's attrition rate to overcome the drain on staff caused by attrition (Actual rate would be adjusted periodically)

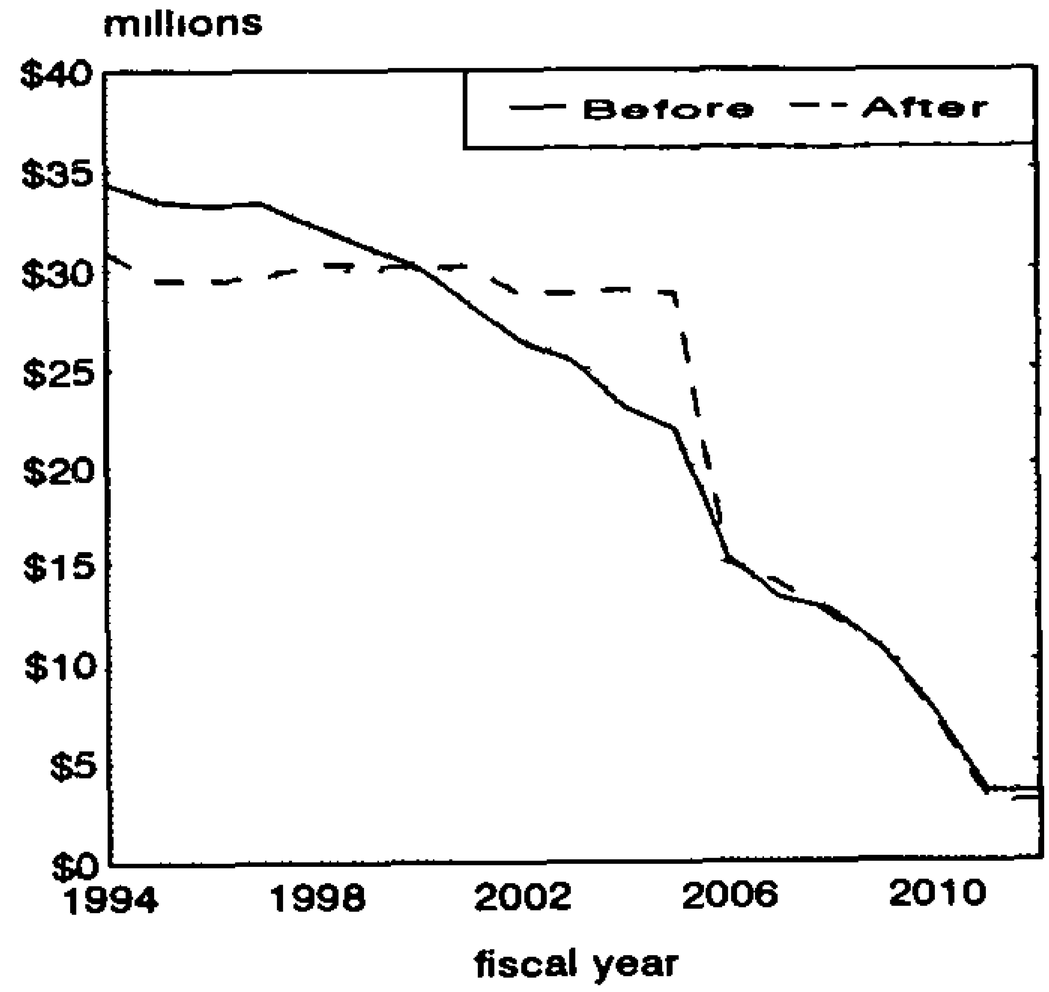
(3) Increase overhires to prepare for future increases in personnel allocations as soon as such increases become evident

City of Charlotte
General Government Refunding Savings

Date	Amount	Interest Rate Before	Interest Rate After	Savings
9/92	$87.4m	6.8%	5.3%	$1.2m
12/92	$55.3m	7.11%	5.2%	$1.9m
7/93	$128.5m	6.74%	4.8%	$4.5m
			Total Savings	$7.6m

Refundings

Impact on Debt Service



general government only

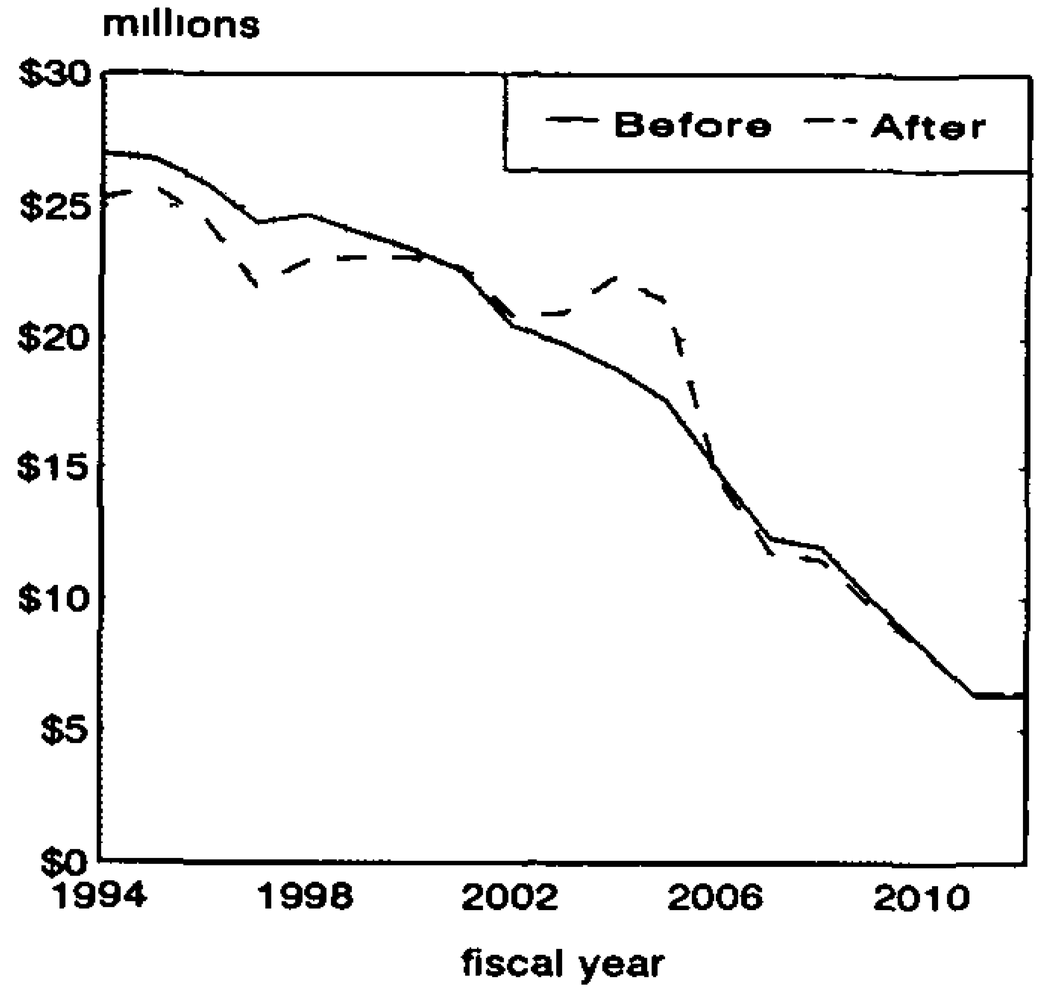
October, 1993

City of Charlotte
Water & Sewer Refunding Savings

Date	Amount	Interest Rate Before	After	Savings
9/92	$37.8m	6.8%	5.3%	$0.5m
12/92	$67.6m	7.11%	5.2%	$2.4m
7/93	$55.6m	6.74%	4.8%	$2.0m
			Total Savings	$4.9m

Refundings

Impact on Debt Service



October, 1993

water & sewer only

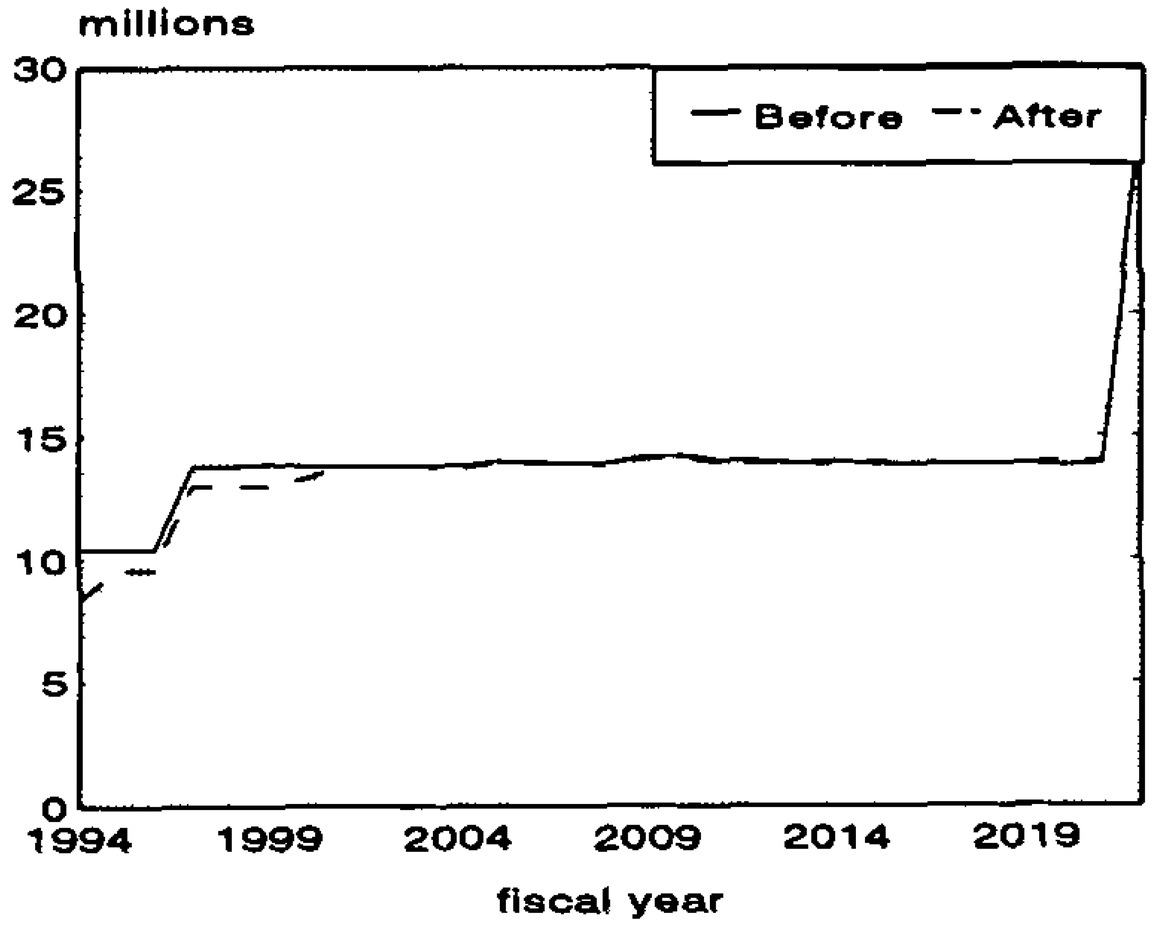
City of Charlotte

New Convention Center Refunding Savings

Date	Amount	Interest Rate Before	Interest Rate After	Savings
8/93	$142.7	7.1%	5.5%	$6.4m

Refundings

Impact on Debt Service



new convention center only

October, 1993

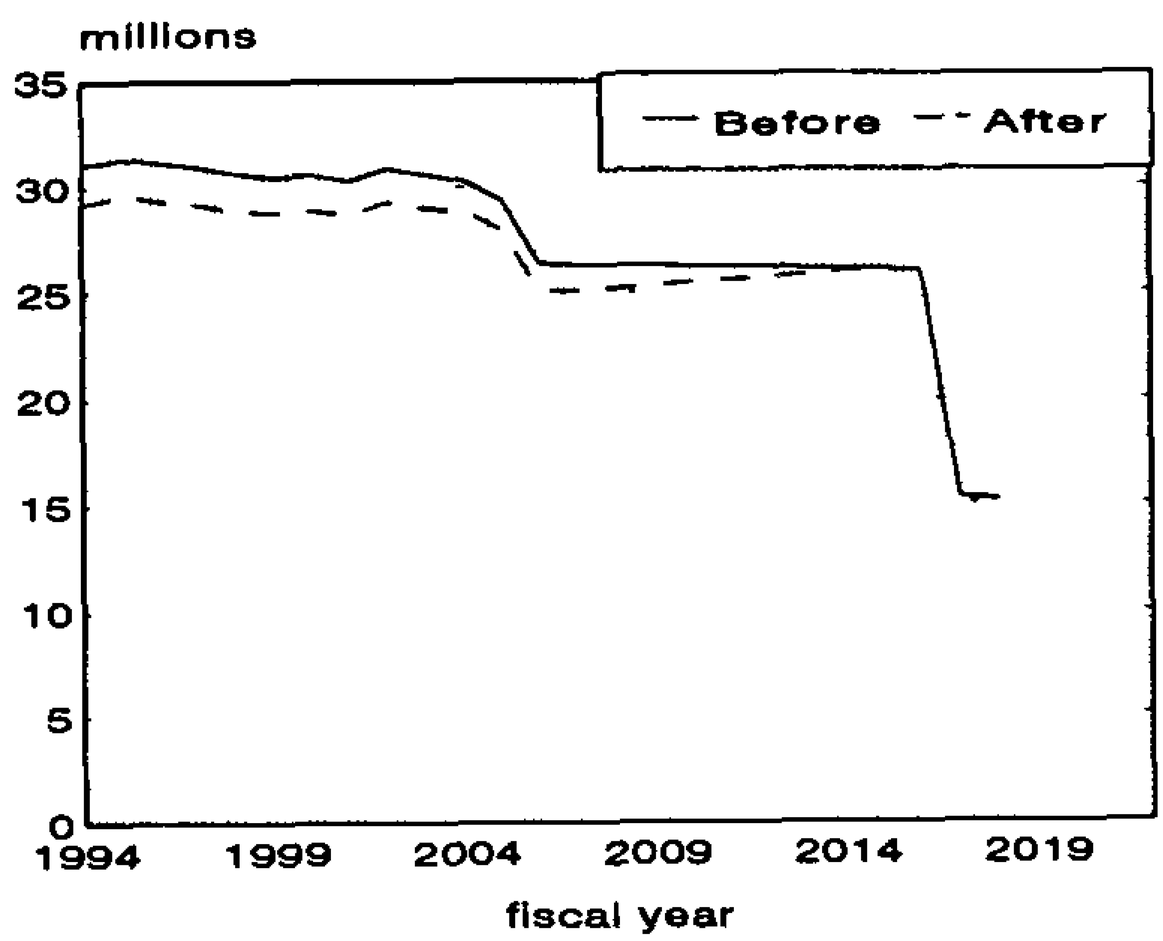
City of Charlotte

Airport Refunding Savings

Date	Amount	Interest Rate Before	Interest Rate After	Savings
6/93	$107.9	8.9%	6.3%	$15.0m

Refundings

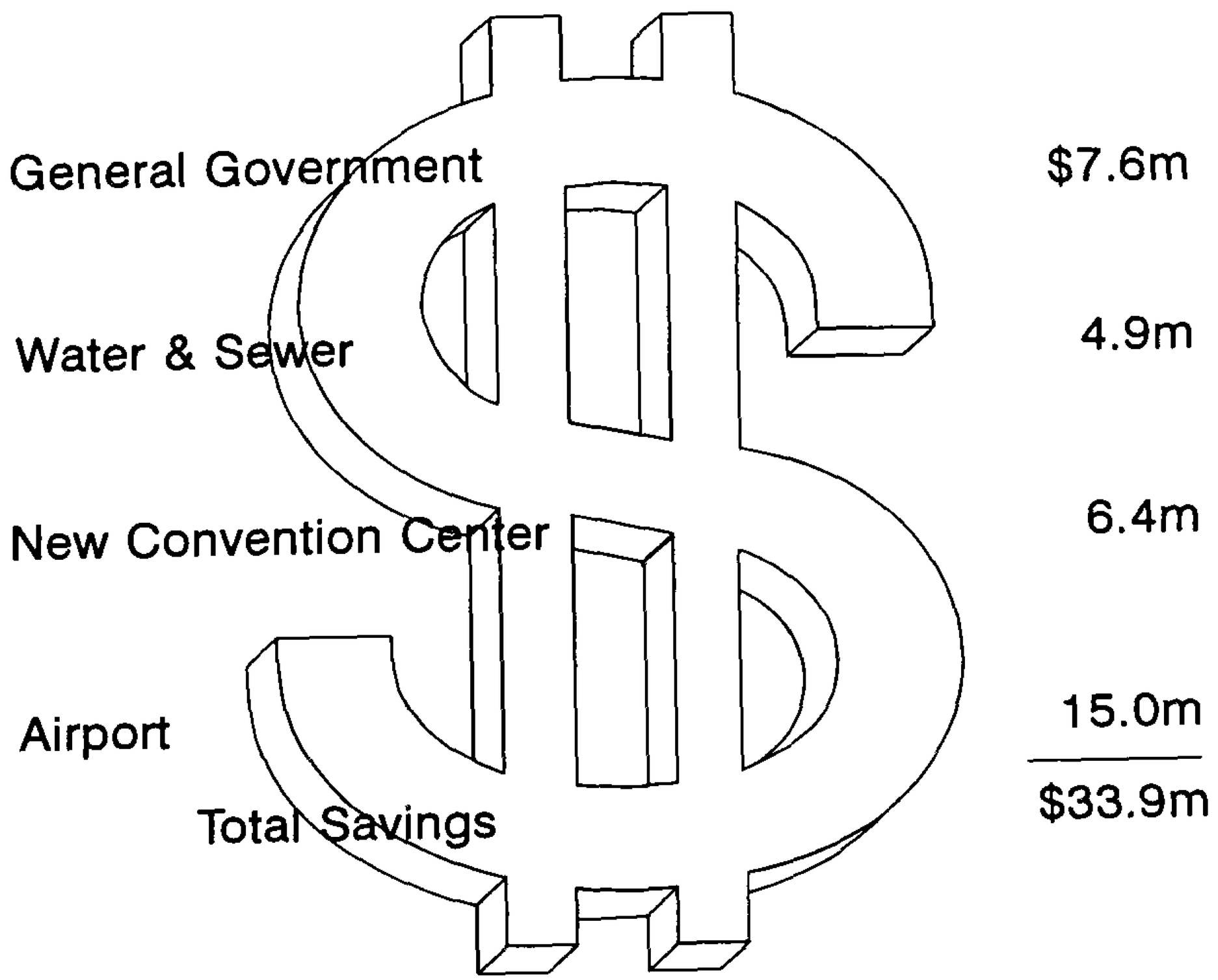
Impact on Debt Service



airport only

October, 1993

Summary of Refunding Savings



Charlotte's Tax Rate Compares Favorably

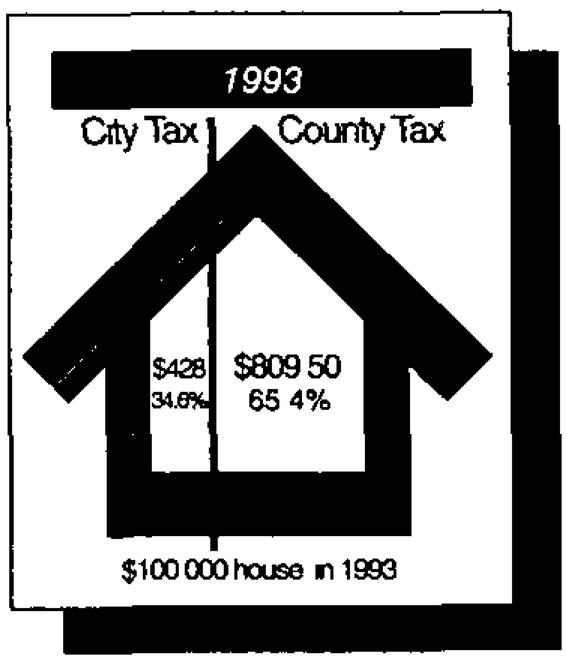
As a resident of Charlotte, you are paying more taxes than in years past Where is the money going? What services are you receiving for your tax dollars?

The City of Charlotte and Mecklenburg County provide different services to the community For Charlotte residents the City provides public safety, traffic control, road construction public buildings and garbage/trash collection The County has responsibility for solid waste disposal, the judicial system, education and providing for growing needs in social and health services

Charlotte residents pay both City and County taxes which this year total $1 2375 per $100 valuation of their property That is the equivalent of $1,237 50 annually on a $100 000 home Of that amount

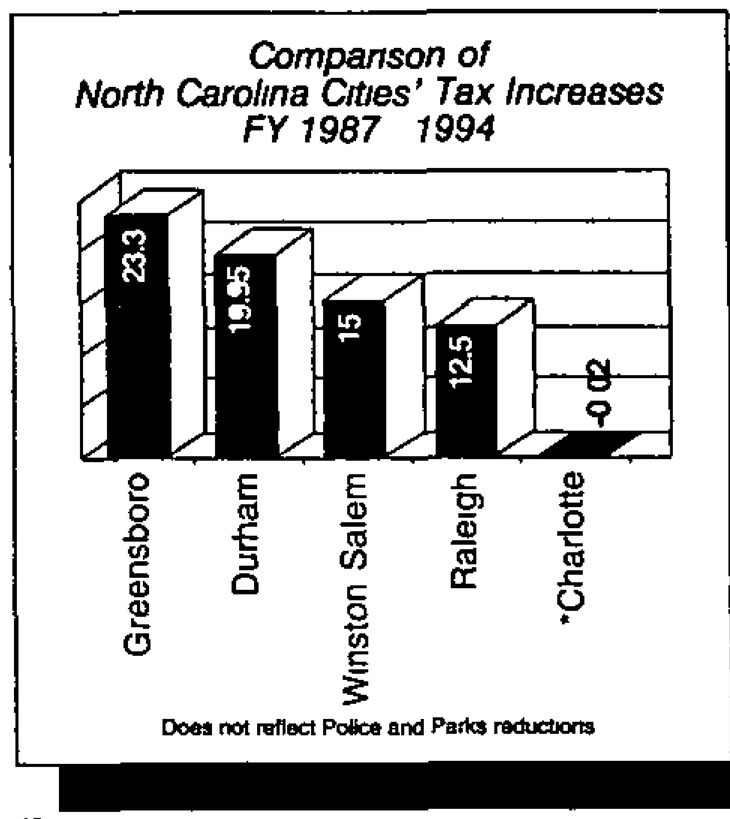
- 34 6% or $428 goes to the City of Charlotte
- 65 4% or $809 50 goes to Mecklenburg County

Of the $809 50 that the County receives $68 is returned to the City as a County contribution for Police tax equity



Charlotte's tax rate compares favorably with other cities in North Carolina In the past seven years other North Carolina cities have experienced significant increases in their tax rates, we have kept our property tax stable Since 1988, Greensboro's taxes have increased by 23 3 cents per $100 valuation, Durham by 19 95 cents, Winston-Salem by 15 cents and Raleigh by 12 5 cents Charlotte City taxes, by comparison, are 02 cents less than they were July I, 1986 And these figures do not reflect the changes in the tax rate made by the Police tax equity or the reduction in taxes which occurred when the Charlotte Parks and Recreation Department merged with the Mecklenburg County Parks Department under County administration

During the past seven years other North Carolina cities have experienced significant increases in their tax rate, we have kept our property tax stable.



Government Changes To Meet Customer Needs

Since the last *State of the City Report*, Charlotte has made significant changes in its organization We are changing the way we operate as well as changing some of the services we provide to Charlotte residents

City Government Reorganizes

For a more efficient operation and to enhance customer service, Charlotte City government has reorganized into key businesses Key businesses are Police Fire Transportation Solid Waste, Aviation, Public Facilities and Engineering, Planning, Utilities and Neighborhood Development Key business support units are Budget and Evaluation, Finance, Human Resources and Business Support Services

This reorganization, which follows some of the suggestions of the Mayor's Organizational

(*Continued on back page*)

Task Force, will help Charlotte City government be more responsive to our customers and focus on the delivery of basic services

Police Consolidate

The Charlotte City Council and the Mecklenburg Board of County Commissioners recently voted to consolidate the Charlotte and the Mecklenburg County police departments Effective October 1, 1993, there will be one consolidated police department under the administration of City government The consolidated department, to be called the Charlotte-Mecklenburg Police Department, will have two divisions The Urban Division will consist of the present Charlotte Police Department, the Suburban Division will consist of the current Mecklenburg County Police Department

Community Policing Expanded

On July 1, we expanded community policing into the Adam Two and Adam Three districts in the north and west portions of the city Community policing was extended into these locations following a successful six-month program in Charlie One Crime in that patrol district during the six-month community policing pilot program was reduced by 16 9 percent from the same period last year

Community policing is a way for us to build strong partnerships between police and local residents because it is directed at quality of life problems, which are often the root causes of crime

Rollout Garbage to Save Money

In a decision estimated to save City taxpayers $40 million during the next 10 years, City Council voted to shift garbage collection from backyard to the curb When the program begins in July 1994, the City will provide residents with rollout containers to take refuse to the curb for pick-up Recyclables and yard waste will continue to be collected from the curb on a once-a-week basis

City Council also agreed to select one-fourth of the city to allow both private haulers and City workers to bid on the work The garbage collection contract will be awarded to the successful bidder in September 1994, two months after the entire city is switched to curbside

Health Care Plan to Reduce Costs

We have restructured our employee health benefits package to help control the rising costs of health care Through a new Point of Service program which went into effect September 1, our employees enrolled in a network of approved physicians and health care facilities and now participate in paying for their health insurance

CHARLOTTE
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State of the City Report is published quarterly by the Office of the City Manager

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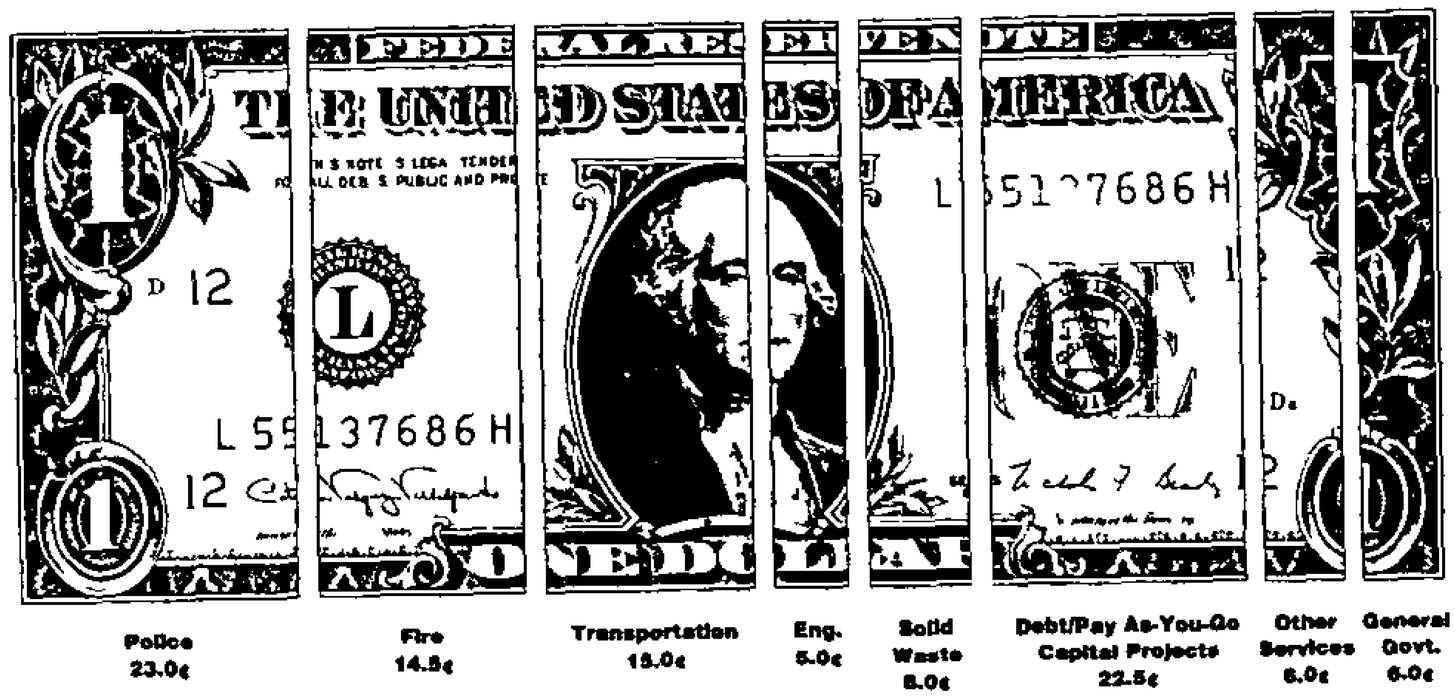
City Council Approves Tax Reduction

The Charlotte City Council has approved a reduction in property taxes for 1993-94 The property tax was lowered by eight-tenths of a cent to 42 8 cents per $100 of assessed property value This was the sixth year out of the last seven that we have not increased Charlotte's property taxes This year's City tax reduction was accomplished by using $8 1 million in savings We achieved these savings through employee innovations and the reduction of 272 permanent positions We've actually lowered the general fund budget by 2 6 percent from last year Water-sewer rates have increased about $1 08 per month for residential customers of the Charlotte-Mecklenburg Utility Department Fares on the Charlotte Transit System did not change



How the City tax dollar is spent.

The budget also includes a $98 2 million fall bond referendum for continued expansion and improvements to the water and sewer systems and for environmental cleanup of City-owned property

Competition Plays Vital Role in Providing City Services

In August, Mayor Richard Vinroot's Privatization Task Force recommended the City undertake a competitive bidding program in which the public sector would compete for work with the private sector City Council is developing the process that will be used to compare the delivery of a variety of services

Many cities throughout the country have turned to competition as a way to save money And privatization and competition are not new to Charlotte City government The current operating budget includes more than $7 million in contracts with private companies for services ranging from multi-family recycling collection to maintenance of computers Many of the jobs are those that the City could, but has chosen not to, perform in-house

Most of the private sector contracts are found in the City's capital construction budget In April 1993, the City had 219 active contracts totaling $146 million with private sector firms

Charlotte will continue to pursue ways to become more competitive in both the operating and capital programs We can compete successfully with the private sector We have the knowledge and the expertise to provide required services at the lowest cost, while maintaining excellent customer service

CHARLOTTE

State of the City Report

Second Quarter

1993

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: City Manager's Quarterly Report

KEY POINTS (Issues, Cost, Change in Policy): The City Manager will present key business reports including:

- Budget and Financial Status
- Year End Objectives
- Neighborhood Development Organization
- Police Recruitment

OPTIONS: None

COUNCIL DECISION OR DIRECTION REQUESTED: None

ATTACHMENTS: None