



Charlotte City Council
Housing and Neighborhood Development Committee
Summary
March 25, 2015

COMMITTEE AGENDA TOPICS

- I. **Housing and Urban Development Five-Year Consolidated Plan (Action Required)**
- II. **Analysis of Impediments to Fair Housing (No Action Required)**

COMMITTEE INFORMATION

Council Members Present: Patsy Kinsey, John Autry, LaWana Mayfield

Staff Resources: Ann Wall, Assistant City Manager
Pamela Wideman, Deputy Director, Neighborhood & Business Services
Warren Wooten, Neighborhood & Business Services

Meeting Duration: 12:00 PM – 12:30 PM

ATTACHMENTS

1. Agenda Packet – March 25, 2015
2. Presentation – 2016–2020 Consolidated Planning, 2016 Annual Action Plan, and Analysis of Impediments

DISCUSSION HIGHLIGHTS

Kinsey: Called the meeting to order and introductions of attendees.

Wideman: Warren Wooten works in Housing Services as the Operations Manager. He has done a wonderful job drafting both the Analysis to Impediments to Fair Housing and our Consolidated Plan.

Wooten: Thank you to the Housing Services staff who have worked very hard putting together the Consolidated Plan and the Annual Action Plan. I think this is old information for everyone, but please stop me if you have a question. Today, we are talking about the Consolidated Plan and the Annual Action Plan. This year is special because the

Consolidated Plan is up, so we have one document with the new five-year Consolidated Plan and the one-year Annual Action Plan. The five-year Consolidated Plan directs the City's use of funding from the U.S. Department of Housing and Urban Development (HUD). This does not take the place of any Council funding decisions; it is simply a plan for how those dollars are used year after year. The Annual Action Plan reviews the same information for a one-year period, which is basically a one-year slice of the five-year Consolidated Plan.

Presentation: Federal Funding Sources

The Consolidated Plan is the City's application for funding. The Plan is what keeps the funds rolling in on these entitlement dollars: the Community Development Block Grant Funds (CDBG), HOME Investment Partnership Program (HOME), Emergency Solution Grant (ESG), and Housing Opportunities for Persons with AIDs (HOPWA) funds. The first step of the Consolidated Plan process is to reach out to partners and stakeholders of these funds and talk to them about the other existing plans and community needs.

Kinsey: How many do we have?

Wooten: We also talk with non-profits agencies. In the context of these meetings, e.g., the Homeless Services Network (HSN) is a network of all of the non-profits that are working on homelessness issues.

Presentation: Schedule

Part of this action will be to request a public hearing at an upcoming Council meeting. We are also conducting public forums this week and have distributed the documents to the public libraries. The documents are also available on our website.

Presentation: Needs Assessment Key Findings

As part of the Consolidated Plan, there are several sections. One is the needs assessment, which includes information about the needs expressed by those non-profit partners and some data provided by HUD. The chart shows the income distributions for the entire city. The Council's programs are targeted at the lower percentages of 30%-50% Annual Median Income (AMI). Homeownership is targeted at 80% AMI. We continue to hear from our partners and evidenced by the data, are the continuing needs of the special needs population. When we talk about special needs population we are talking about the chronically homeless, persons with disabilities, and elderly citizens who need assistance for daily living.

When we look at 30% AMI, we are talking about 36,000 families in Charlotte that have an income at or below \$23,000. We continue to see wage stagnation, particularly in the lower income brackets. We see the housing costs trending up and anticipate that this will continue. When HUD looks at affordability, their definition of affordable is that your housing payment is less than 30% of your gross income. In the 30% and 50% categories of families, there is a deficit in housing. It does not mean the families are homeless, it means they are paying at least 30% or more of their income for housing.

Kinsey: I noticed that 50% of AMI there are more opportunities or units for that group. Do we know a reason for that?

Wooten: When you get to the lower income brackets, you must step up with subsidy in order to create affordable housing. It is hard for the market to create that housing.

Kinsey: But 80% AMI seems to be reverse of that.

Wooten: At that level, you have what looks like a surplus. Some explanation for that surplus is people making more than 80% are renting or buying houses that are much more affordable for them.

Kinsey: Are you saying some of the 80% AMI may be renting some of the units that would be affordable to the lesser AMI?

Wooten: That is certainly possible.

Presentation: Needs Statements.

These statements are consistent with the City's priorities, area plans, and housing plans.

Presentation: Identified Goals

We came up with identified goals consistent with ongoing funding.

Autry: How long could someone receive temporary rental assistance?

Wooten: That fund comes through the HOME program. The contracts can be no longer than two years, but that is renewable. Most of the people who utilize the funds through the City stay for two years or less. In some cases, agencies we support with that funding will renew. The goal typically is to help families move to self-sufficiency.

Autry: Would a potential candidate be on the waiting list for the Housing Authority? Is that program unique to Charlotte?

Wideman: I do not want you to confuse this with the Away Home Endowment for short-term rental assistance.

Wooten: We also identify the resources and funding. This is a projection since we do not know what Congress will do and how that will affect the funds that come into these entitlement programs. The anticipated funding for FY16 Annual Action Plan is a little more accurate because we have some initial information from HUD.

Mayfield: Do we also have our anticipated spend out, so we can look at a comparison of what we get in and what we are giving out to the community?

Wooten: That information is included in the full Plan based on Council's historic action for funding various types of programs.

Mayfield: If we are anticipating about \$10 million, but we are only spending about \$5 million, then there is an additional \$5 million that we should be more proactive with in getting to

those that are in need. I want to make sure we are spending as close to what we have as possible.

Wooten: The plan shows full expenditure of all the dollars you are going to receive. Some of that information will be coming to you on our past performance this year. The Council has approved new projects and the ongoing projects have been very efficient this year.

Presentation: Project Highlights

One of the projects is Heritage Park. Mr. Autry and I walked through this project late last year when Council approved the rehab investment. It is ongoing and you should expect to see an invitation this summer to see this rehabilitation and what they have done to preserve affordable housing.

Autry: I became aware of this issue in March of 2012. I took photos and video. I would be happy to share that with you to show as a comparison.

Mayfield: When we talk about the rehab program in partnership with the LEAD Safe program, do we have dollar limits on how much work needs to be done?

Wooten: We do have dollar limits. That is one of your most subscribed programs. We are working diligently to get as many people through that program as possible. Right now, the limit is \$62,000, but we have been discussing lowering that limit so we can get more families in the program. Lowering the limit would allow us to rehab more houses with the same amount of money.

Wideman: If we were to decide to lower the limits, anyone previously approved would fall under the previous limits when they were approved.

Wooten: This is the end of the Consolidated Plan presentation.

Presentation: Analysis of Impediments

As recipients of HUD dollars, we are required to do an Analysis of Impediments. It analyzes barriers to fair housing in a community and puts together action steps to either eliminate or mitigate those barriers. This plan is up for renewal and is currently out for public comment. These activities are largely done by the Community Relations Committee.

The next steps to consider would be to hold public hearings for both the Consolidated Plan/Annual Action Plan and Analysis of Impediments on April 13, 2015 and consider approval on April 27, 2015.

Kinsey: We need to take action on the Five-year Consolidated Plan.

MOTION made by Council member Autry to hold public hearings on the Consolidated Plan/Annual Action Plan and the Analysis of Impediments to Fair Housing and recommend for Council approval at the April 27, 2015 City Council meeting. Motion seconded by Council member Mayfield.

Vote: Unanimous (3-0)

Wideman: At the next meeting on April 8, we will bring to you the Housing Trust Fund recommendations for your consideration and approval.

On March 31 at 8:30 a.m., we are hosting Ron Terwilliger in the Council Chamber. You should have received information in your Council-Manager Memo a week or two ago.

Kinsey: The next meeting is April 8.

Meeting adjourned.

City Council

Housing and Neighborhood Development Committee

Wednesday, March 25, 2015

12:00 p.m.

Charlotte-Mecklenburg Government Center

Room – 280

Committee Members:

Patsy Kinsey, Chair
Alvin “Al” Austin, Vice Chair
John Autry
Ed Driggs
LaWana Mayfield

Staff Resource:

Ann Wall, Assistant City Manager
Pamela Wideman, Assistant Director, Neighborhood & Business Services

AGENDA

I. Housing and Urban Development Five-Year Consolidated Plan (Action Required)

Attachment #1

Neighborhood & Business Services staff will provide an update on the proposed Five-Year Consolidated Plan and the One-Year Annual Action Plan for Housing and Community Development.

The U.S. Department of Housing and Urban Development mandates the development of a Consolidated Plan every five years and an Annual Action Plan to receive federal funding for housing and community development activities. These plans outline the City’s strategy for providing housing and community development activities within the context of the City’s housing goals, which are to preserve existing housing, expand the supply of low and moderate-income housing, and support family self-sufficiency.

The next steps include a Public Hearing during City Council’s April 13, 2015 Business Meeting, and City Council will be requested to approve the document during their April 27, 2015 Business Meeting.

II. Analysis of Impediments to Fair Housing (No Action Required)

Neighborhood & Business Services staff will provide an update on the Analysis of Impediments to Fair Housing. The United States of Housing and Urban Development mandates that each jurisdiction certify that they are Affirmatively Furthering Fair Housing as a condition of receiving federal funds.

The next steps include a Public Hearing during City Council’s April 13, 2015 Business Meeting, and City Council will be requested to approve the document during their April 27, 2015 Business Meeting.

Distribution:

Mayor/Council
Ron Carlee, City Manager
City Executive Team
Corporate Communications
Anna Schleunes- City Attorney’s Office
Charlotte-Mecklenburg Coalition
for Housing

Holly Eskridge
Randy Harrington
Phyllis Heath
Fulton Meachem
Fred Dodson
Julie Porter
Kim Graham
Chief Rodney Monroe

Willie Ratchford
Ledger Morrissette
Patrick Mumford
Pamela Wideman
Tom Warshauer

FY2016-FY2020 Consolidated Plan and FY16 Annual Action Plan

Executive Summary

ES-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The City of Charlotte and Charlotte-Mecklenburg Regional Housing Consortium's Five Year Consolidated Plan and Annual Action Plan identifies the City's community development needs and outlines a comprehensive and coordinated strategy for addressing these needs. It serves as the application for funding for the following federal entitlement programs that serve low and moderate income families;

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with HIV/AIDS (HOPWA)

Overview

The City of Charlotte has weathered the worst American economic climate since the Great Depression. The job and real estate markets are both in recovery and families continue to move to the Charlotte Metropolitan Area. Unfortunately the benefits of the recovery are not shared equally; over 67,000 households in Charlotte earn less than \$32,100 a year. Households with this level of income struggle to find decent, affordable housing and housing cost crowds out spending on daily living expenses such as food and transportation.

The need for housing for households at lower income levels remains strong, particularly households with special needs such as members with development disabilities or those living with HIV/AIDS. Recent Department of Housing and Urban Development data indicates a need for over 34,000 housing units affordable to families at or below 50% of median area income. Housing needs are expected to intensify as real estate forecasts indicate market pressures will allow higher pricing on both rental units and for-sale housing. Along with housing, community partners voiced the need for community investments that improve community related infrastructure, sustain existing housing stock and increase economic opportunities.

2. Summary of the objectives and outcomes identified in the Plan

The City of Charlotte's plan builds off the successes of past plans and identifies nine goals for the 2016-2020 plan cycle:

1. Provide temporary rental assistance

2. Finance permanent supportive rental housing
3. Provide opportunities for homeownership
4. Provide programs to support persons with HIV/AIDS
5. Increase the supply of affordable rental housing
6. Improve existing housing stock
7. Support facilities and programs for the homeless
8. Increase neighborhood sustainability
9. Promote business growth and a robust workforce

Some goals will be accomplished through continued funding of the City's housing rehabilitation programs and the HouseCharlotte downpayment assistance program. Other goals will be accomplished by partnering with community agencies to rehabilitate and develop housing, provide emergency utility / rental assistance and support programs that assist families with returning to self-sufficiency. Ending and preventing homelessness continues to be a particular focus for the Charlotte community and this plan. To assist in reaching this goal, the City will continue to provide support for homeless services agencies through support of shelter operations, homelessness prevention and the provision of rental subsidies. Approval of the Consolidated Plan by City Council is a requirement for continued participation in federally funded housing and community development programs. The activities indicated in this plan address three statutory goals set by HUD:

1. Provide Decent Housing
2. Provide A Suitable Living Environment
3. Provide Expanded Economic Opportunities

3. Evaluation of past performance

From 2010 to 2015 the City of Charlotte used HUD funding in varied ways to improve the lives of low and moderate income families in Charlotte. The City of Charlotte provided over 1,000 rehabilitated housing units, funded over 800 units of new construction, approved approximately 1,200 loans for downpayment assistance and funded agencies providing housing counseling, emergency assistance payments, rental assistance, emergency housing services and continued support the ongoing redevelopment of the Brightwalk, a mixed income housing community. The City also provided job creating economic development loans and supported programs that provide educational enrichment activities for children. As the City of Charlotte grows, the need for these activities continues and services such as these play an important role in creating diverse, healthy and vibrant communities for all Charlotteans.

4. Summary of citizen participation process and consultation process

The City of Charlotte is committed to ensuring all Charlotte-Mecklenburg residents have the opportunity to learn, understand and provide comments regarding City plans. The Citizen Participation discussed in this section is underway and will be completed on April 27, 2015. Prior to developing the plan, the City consulted with its housing and community development partners. These groups included nonprofit organizations, the Charlotte Apartment Association, the Charlotte Mecklenburg Coalition for Housing, the Community Relations Committee, Carolina's Care Partnership, the Continuum of Care, the Charlotte Housing Authority and the Charlotte Mecklenburg Housing Partnership.

Based on partner feedback, a needs assessment, and market analysis, the City developed a draft plan that was presented at three community forums, one of which was provided in Spanish. The draft plan was made available for 30 days for review and comment online and at Mecklenburg County libraries. Finally, City Council will hold a public hearing prior to approving the plan. This City conducts citizen engagement that results in better plans that more wholly reflect the needs and aspirations of all Charlotteans.

5. Summary of public comments

Public comment process underway.

6. Summary of comments or views not accepted and the reasons for not accepting them

Public comment process underway.

7. Summary

The City of Charlotte embraces its responsibility to serve all Charlotteans, support diverse communities and build neighborhoods that are healthy and vibrant. This Consolidated Plan provides tools to continue this work through 2020. The plan emphasizes the City's role as a partner in a larger coalition of agencies providing diverse housing and services to the citizens of Charlotte Mecklenburg.



**2016 – 2020 Consolidated Planning
2016 Annual Action Plan
Analysis of Impediments**

Housing & Neighborhood Development
Committee
March 25, 2015



What is the Consolidated Plan?

The Consolidate Plan directs the City's use of funding from the U.S. Department of Housing and Urban Administration for a five year period by:

- Reviewing market conditions
- Assessing housing and community development needs and sets priorities
- Identifying resources
- Setting goals



What is the Action Plan?

The Annual Action the City's use of HUD funding for a one-year period by:

- Providing information on anticipated resources and proposed uses, and
- Describing anticipated outcomes



Federal Funding Sources

- **Community Development Block Grant** — The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs.
- **Home Investment Partnership** - The HOME program provides funding for activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people
- **Emergency Solutions Grant** — The ESG program provides funding for homelessness prevention and rapid re-housing. Funds are available for five program components: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and data collection through the Homeless Management Information System.
- **Housing for People With Aids** - The HOPWA Program is dedicated to the housing needs of individuals and families living with HIV/AIDS.



Partnering Organizations

Engage stakeholder organizations to align and coordinate community development programs with a range of other plans, programs and resources to achieve greater impact.

- Homelessness Services Network
- Charlotte Mecklenburg Housing Partnership
- Continuum of Care
- Carolina's Care Partnership
- Charlotte Housing Authority
- HOME Consortium Members
- Nonprofit Housing Providers/ Developers
- Greater Charlotte Apartment Association
- Charlotte Mecklenburg Housing Coalition
- Community Relations Commission



Schedule

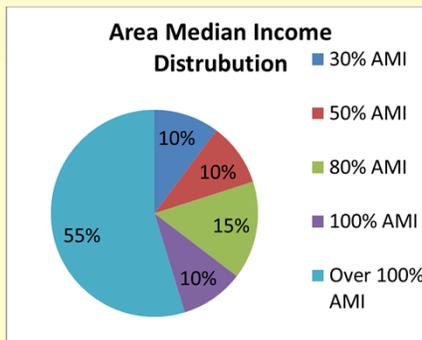
Date	Task
May 2014	Neighborhood & Business Services internal consultations
August – October 2014	External consultations
November 2014 - March 2015	Complete draft Consolidated Plan
March 2015	Public comment and hearing
April 2015	City Council Public Hearing and Approval
May 2015	Consolidated Plan submitted to HUD



Needs Assessment Key Findings

Key Findings

- 36,435 households at 30% or below Area Median Income, 35,105 below 50%
- Special needs groups have continuing high levels of housing needs



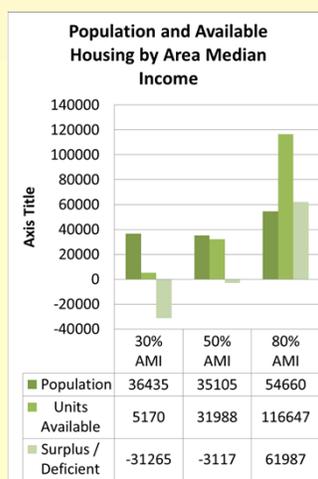
% Area Median Income	Income Maximum (Family of Four)
30%	\$23,850
50%	\$32,100
80%	\$51,350



Market Analysis Key Findings

Key Findings

- Market recovering from recession
- Good mix of industries
- Increased jobs, wage stagnation
- Supply of housing for low income households critically low
- Housing cost trending up





Identified Needs

1. Short term rental assistance
2. Rental housing providing supportive services
3. Affordable rental housing units
4. Financial support for homebuyers
5. Improvements to existing housing stock
6. Community facilities and infrastructure
7. Focused neighborhood redevelopment
8. Grow businesses and a robust workforce



Identified Goals

1. Provide temporary rental assistance
2. Finance permanent supportive rental housing
3. Provide opportunities for homeownership
4. Provide programs to support persons with HIV/AIDS
5. Increase the supply of affordable rental housing
6. Improve existing housing stock
7. Support facilities and programs for the homeless
8. Increase neighborhood sustainability
9. Promote business growth and a robust workforce



Consolidated Plan Funding

Estimated FY16 - FY20 Funding

Anticipated Resources	Funding
Community Development Block Grant (CDBG)	\$27,100,000
HOME Investment Partnership Program (HOME)	\$11,500,000
Housing Opportunities for Persons with AIDs (HOPWA)	\$8,500,000
Emergency Solutions Grant (ESG)	<u>\$2,100,000</u>
Total	\$49,200,000



Annual Action Plan Funding

Anticipated FY16 Funding

Anticipated Resources	Funding	%
Community Development Block Grant (CDBG)	\$5,433,380	52%
HOME Investment Partnership Program (HOME)	\$2,710,490	26%
Housing Opportunities for Persons with AIDs (HOPWA)	\$1,794,703	17%
Emergency Solutions Grant (ESG)	<u>\$444,353</u>	5%
total	\$10,382,926	100%



FY2014 Performance Results

- Constructed & Rehabilitated **422** affordable units.
- Brought **2,373** housing units into compliance with City Housing Code.
- Served **1,043** children through Out-of-School time activities.
- Assisted **5,814** persons through the Emergency Solution Grant Programs.
- Provided **265** families with down payment assistance.



Project Highlights





Analysis of Impediments

- A review of impediments or barriers that affect the rights of fair housing choice.
- Covers public and private policies, practices, and procedures affecting housing choice.
- Includes a plan to affirmatively further fair housing.
- Impediments to Fair Housing Choice include actions, omissions, or decisions which restrict housing choice because of protected class status.



Analysis of Impediments

- Entitlement jurisdictions must certify that they are Affirmatively Furthering Fair Housing (AFFH) as a condition of receiving federal funds from HUD
- Certification means:
 - Conduct an Analysis identifying impediments to fair housing
 - Take action on impediments
 - Maintain records of actions



Next Steps

- On April 13, 2015, a Public Hearing will be held for the Consolidated Plan/ Annual Action Plan and Analysis of Impediments to Fair Housing, during the Council Meeting.
- On April 27, 2015, City Council will be requested to approve the Consolidated Plan/ Annual Action Plan and Analysis of Impediments to Fair Housing during the Council Meeting.