Charlotte City Council
Housing and Neighborhood Development Committee
Summary Minutes
May 19, 2010

COMMITTEE AGENDA TOPICS

1. Housing Locational Policy Review
2. Ten-Year Implementation Plan to End and Prevent Homelessness

COMMITTEE INFORMATION

Council Members Present:	James Mitchell, Michael Barnes, Patrick D. Cannon, Warren Cooksey, and Warren Turner
Staff Resource:	Julie Burch, City Manager's Office Patrick T. Mumford, Neighborhood & Business Services Stan Wilson, Neighborhood & Business Services
Others:	See Sign-in Sheet
Meeting Duration:	12:15 PM – 1:30 PM

ATTACHMENTS

1. Agenda Packet – May 19, 2010

DISCUSSION HIGHLIGHTS

Chairman Mitchell welcomed everyone to the meeting and turned it over to Julie Burch for a review of the agenda. Ms. Burch commented that the intent was to move the two agenda items onto the full Council for its May 24, 2010 meeting. Ms. Burch then turned the meeting over to Pat Mumford

1. Housing Locational Policy Review

Mr. Mumford reminded the Committee that they requested the housing locational public input process be expedited.

Questions/Comment/Answers:

Mitchell: I would like for the Committee members to share their thoughts on an expedited process for the Housing Locational Policy. I believe it is critical to have input from citizens and move through the issue as soon as possible. He proposed to not have a

stakeholder committee but rather have public forums in concurrence with an August decision to Council. He asked the Committee to weigh in on public forums versus a stakeholder review process.

Cannon: I do not feel strongly one way or another as long as we are moving forward.

Barnes: We should review the previous work of the Charlotte Housing 2007 Committee, incorporate their recommendations into our existing policy and hold a public hearing downstairs.

Mitchell : I think we need to take the good work that has been done already and share with the community along with the public forums. We could have three meetings, one in room 267, one in Ballantyne and one on West Boulevard for example. We can explain what the locational policy is and get feedback from our citizens. I feel strongly that we need to educate the community on our policy and try to take the emotion out of the issue.

We could conduct two or three public forums during the months of July and August and come back to committee in August and still have a public hearing on August 28. If we have appointments through a stakeholder process, we will always leave someone out. Anyone is welcome at a public forum.

Cannon: I want to move forward quickly. We are already five years into 10-year plan to end and prevent homelessness.

Mumford: Would the Committee like for staff to develop a draft, revised policy for the Committee's review prior to the public forums, or would the Committee prefer that the input from the public forums be used to draft a revised policy? I think it might be better to take the House Charlotte 2007 recommendations into account, draft a policy and have public react.

Mitchell: I agree that we should be clear on the content of the draft policy before we begin the public forums.

Mumford: Staff will incorporate any relevant recommendations from the Housing Charlotte 2007 Committee and bring a draft, revised policy back to the Committee at their next meeting. If the Committee approves, we will then schedule this for approval by the full Council.

Questions/Comment/Answers:

Cooksey: I am mulling over the implications of the discussion. I am trying to balance the idea of community forums with the technical nature of issues that need to be tackled. How can we provide a sufficient enough overview to make it palatable for the public? I agree with Mr. Mumford, we can't go out with no information and these forums should include an educational component.

Mitchell: Can staff estimate cost for each forum?

Mumford: Staff would try and minimize the costs. We will need to publicize through electronic means in an effort to control costs. Logistically, if public forums are held in July and August, the Committee would need to meet again before we could have an August 23, 2010 public hearing and the draft policy could then go to City Council for approval at the end of September.

Barnes: If we pursue public forums, I think we should have four and cover all areas of the City. I suggest we work with the high schools and churches.

Mumford: Okay, we will work to schedule the forums during the months of July and August.

Cannon: Can we ensure that Corporate Communications include information about the upcoming forums on Channel 16 to inform the community?

Mumford: Yes, we will develop a communications plan for how we plan to inform the public.

Council Member Barnes made a motion to approve the Housing Locational Policy Review process based on the discussion. Council Member Barnes seconded the motion and the Committee unanimously approved.

2. Ten-Year Implementation Plan To End and Prevent Homelessness

Mr. Mumford reminded the Committee that at their last meeting, they directed staff to revise the Community-Based board's composition to include additional representation from the financial, real estate and legal industries, to be consistent with representation from the existing Housing Trust Fund Advisory Board and presented the following Community-Based Board composition.

Ten-Year Implementation Community-Based Board (15-Members)	
City Appointments	**Ex-Officio Members (Non-Voting)**
Non-Profit	Neighborhood & Business Services Director (City)
Corporate/Economic Development	Community Support Services Director (County)
Community	Chief operating Officer Charlotte Housing Authority
Affordable Housing	**County Appointments**
Faith-Based	Public Safety (Sherriff/Jail)
Donors	Education
Financial	Human Services
Real Estate	
Legal	

Council Member Cannon made a motion to approve the revised Community-Based Board composition. Council Member Barnes seconded the motion and the Committee unanimously approved.

The Committee asked staff to convey a sincere thank you to the Housing Trust Fund Board for their work and suggested they recommend names for the Community-Based Board. The Committee also

recommended that the Community-Based Board initial appointments be staggered terms, and that the Mayor's appointments be for the non-profit, community/economic development and faith-based representatives. The Committee also recommended that board members not be directly affiliated with housing provider agencies or organizations.

The Mayor will be responsible for appointing the Board Chair. This appointment can come from any of the 12 voting members. On June 14, 2010, City Council will be asked to make board nominations and board appointments on June 28, 2010.

The meeting adjourned at 1:30 PM.

City Council
Housing and Neighborhood Development Committee

Wednesday, May 19, 2010
12:30 p.m.
Charlotte-Mecklenburg Government Center
Room 280

Committee Members: James Mitchell, Chair
Warren Turner, Vice-Chair
Michael Barnes
Patrick D. Cannon
Warren Cooksey

Staff Resource: Julie Burch, Assistant City Manager

AGENDA

I. Housing Locational Policy Review

II. Ten-Year Implementation Plan to End and Prevent Homelessness

Next Meeting: June 2, 2010

Distribution:

Mayor/Council
Curt Walton, *City Manager*
City Leadership Team
Corporate Communications
Debra Campbell – *Planning Department*
Anna Schleunes- *City Attorney's Office*
Mujeeb Shah-Khan- *City Attorney's Office*
Saskia Thompson- *Manager's Office*
Housing Trust Fund Advisory Board
Neighborhood Leaders

Budget Office
Ruffin Hall
Phyllis Heath
Lisa Schumacher
Ann White
Charlotte Housing Authority
Charles Woodyard
Charlotte-Mecklenburg Housing Partnership
Pat Garrett
Charlotte-Mecklenburg Police Department
Chief Rodney Monroe
Deputy Chief Ken Miller

Community Relations
Willie Ratchford
Ledger Morrissette
Neighborhood & Business Services
Patrick Mumford
Walter Abernethy
Steve Allen
Jamie Banks
Tom Flynn
Pamela Lopez
Tom Warshauer
Richard Woodcock
Stan Wilson

Housing Locational Policy Review
Housing and Neighborhood Development Committee Meeting
May 19, 2010

Committee Action:
Approve the Housing Locational Policy review process including stakeholder charge, stakeholder categories, and review schedule. With Committee approval, it will be placed on the Council's May 24, 2010, agenda.

Policy:
- The City Council's Housing and Neighborhood Development FY2010 Focus Area Plan included a comprehensive review of the City's Housing Policies.
- The current Housing Locational Policy was approved by City Council on November 26, 2001, and amended on September 24, 2003.

Policy Review Process
A. Stakeholder Charge
   1. Review the City's Housing Locational Policy (including possible areas of discussion)
   2. Create opportunities for citizen input/feedback
   3. Provide policy recommendations to City Council for final approval and implementation

B. Stakeholders Group
   City Council appoints a stakeholders group consisting of twenty-five City Council appointed members with representation from the following areas:

Categories	Number of Appointments
• Neighborhood Representation (Each Council member has an appointment. Includes persons living in affordable housing)	12
• Faith Based Representation	2
• Housing Developer	4
• Charlotte-Mecklenburg Schools	1
• Housing Industry (i.e.: Apartment Association, Home Builder's Association, Realtors)	3
• Banking/Financial	2
• Community Sustainability (Social, Economic & Environmental)	1

**Mecklenburg County will be asked to participate as staff representation*

C . Proposed Policy Review Schedule

- H&ND Committee approval of review process and recommended stakeholder categories — May 19, 2010
- City Council approval of H&ND Committee recommendation — May 24, 2010
- City Council nomination and approval of stakeholders — June 14, 2010
- Stakeholders committee meetings — June–August 2010
- Draft Stakeholder recommendations — August 2010
- Committee review and approval of Stakeholder recommendations — September 2010
- City Council approval of Stakeholder recommendations — October 2010

D. Possible Areas for Discussion

- Policy Objectives – Are there too many competing goals of the policy?
- Does the policy effectively disperse assisted housing throughout the City?
- Should the income used in the definition of assisted housing change from 60% AMI to a lower level?
- Should inclusionary housing policies be considered to require, incent or encourage developers to make a percentage of newly developed housing units at below market rates available to lower income households?
- Should the policy continue to only apply to multi-family and only apply to rental housing?
- What has been the effect of the exemption for seniors, disabled, and special populations on the type of housing produced under the policy?
- Should the exemptions for seniors, disabled and special populations continue?
- Should the current three categories of NSA's be reduced to simply permissible and non-permissible?
- What criteria should be used to designate a NSA non-permissible?
- How does the financing of assisted housing impact the policy?
- How should the policy align with the North Carolina Housing Finance Agency's Low Income Housing Tax Credit Program?
- Should transit areas have a separate policy or be rolled into the existing policy?
- Evaluation Criteria – Should school capacity, site design traffic impacts be considered in the policy and are there other factors to consider?
- How will policy revisions influence the single room occupancy regulations that are currently being reviewed by the Planning Department and a citizen advisory group?
- Should the Section 8 program be given consideration as a part of the policy review?

Attachments:
Housing Charlotte 2007 Implementation Committee Members
Housing Charlotte 2007 Proceedings Report
Housing Charlotte 2007 Implementing Solutions
Housing Charlotte 2007 Final Report From the Housing Charlotte 2007 Implementation Committee

Housing Charlotte 2007 Implementation Committee Members

Committee Co-Chairs
Bart Landess
Shirley Fulton
Brian Simpson

Education, Outreach & Advocacy Co-Chairs
Mattie Marshall
Mark Brock

Members
Pat Adair
Ashley Askew
Astrid Chirinos
Bev Kothe
Judy Marshall
Richard McElrath
Bruce McIntyre
Judy Ranson

City Staff Resource
Steve Allen Amy Clipston

Rental Housing Subsidies Co-Chairs
Carol Hardison Ken Szymanski

Members
Rodrick Banks
Floyd Davis
Vincent Frisina, Jr.
Patrick Graham
Andrea Granados
Rickey Hall
Charles Henley
Virginia Keogh
Don Lochman
Will Miller
Troy White

City Staff Resource
Rebecca Pfeiffer
Sherry Rathod

Acquisition Strategy Co-Chairs
Roger Lewis Miles Vaughan

Members
Ted Fillette
Dionne Nelson
Mike Raible
Ted Fillette
Tracy Finch
Paul Woollard
Gwen Isley
Monica Carney
Jeff Meadows
Frank Narron
Miles Vaughan
Ellen Rogers
Louise Woods

City Staff Resource
Stan Wilson

Incentive-Based Inclusionary Housing Policies Co-Chairs
Anne Marie Howard
David Jones

Members
Bill Daleure
Bobby Drakeford
Bernard Felder
Brian Fincher
Karla Knotts
Judd Little
Thomas Pearson
Chip Shelton/Jim Burbank
Mary Thomsen
Mary Wilson
Nancy Pierce
Charles Woodyard
Mary Klenz

City Staff Resource
Debra Campbell
Bryman Stuttle

Dedicated Funding Source Co-Chairs
Pat Garrett Terry Bibleheimer

Members
Jack Brosch
Kim Graham
Rickey Hall
Dale Harrold
Lucille Howard
John Huson
Rodney Moore
Tim Morgan
Pat Mumford
Jack PenaSoto
Tony Portal
Mike Rash
Wanda Reeves
John Stokes
Craig Wagner
Bob Zweier

City Staff Resource
Stanley Watkins
Sonja Sanders

Housing Charlotte 2007

CHARLOTTE

Proceedings Report

A Community Forum on
Affordable Housing

Keeping The Economic Engine Running

Solutions for Tomorrow

February 22, 2007
Charlotte Convention Center
Charlotte, North Carolina

www.HousingCharlotte2007.org

Hosted by Charlotte City Council and organized by the Housing Charlotte 2007 Planning Committee

CHARLOTTE CITY COUNCIL

Mayor Pat McCrory

Mayor Pro Tem Susan Burgess

Michael Barnes, District 4 Council member
Nancy Carter, District 5 Council member
Andy Dulin, District 6 Council member
Anthony Foxx, Council member At Large
Patsy Kinsey, District 1 Council member
John Lassiter, Council member At Large
Don Lochman, District 7 Council member
James Mitchell, Jr., District 2 Council member
Patrick Mumford, Council member At Large
Warren Turner, District 3 Council member

HOUSING CHARLOTTE 2007 PLANNING COMMITTEE

Bart Landess, Housing Charlotte 2007 Chair
Terry Bibleheimer, Fundraising Committee Chair
Brian Simpson, Marketing/Publicity Committee Chair

Darren Ash
Mark Baldwin
Sue Breckenridge
Mark Brock
Ronnie Bryant
Anthony Bucci
Debra Campbell
Jermayne Cook
Floyd Davis, Jr.
Ernie Dehnert, Jr.
Natalie English
David Furman
Pat Garrett
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Bert Green
Dale Harrold
Boris Henderson
Anne Marie Howard
David Howard
Carol Hughes
Gwen Isley
Bob Kucab
Roger Lewis
T. Anthony Lindsey
Jud Little
Mattie Marshall
Jane McIntyre
Deronda Metz
Will Miller
Rusty Mills
Ledger Morrissette
Dave Nichols
Susan Patterson
Jack PenaSoto, II
Bo Proctor
Theresa Salmen
Kirsten Sikkelee
Major Todd Smith
Police Chief Darrel Stephens
Ken Szymanski
Rodney Tucker
Stanley Watkins
Marcia Webster
Chester Williams
Chris Wolf
Charles Woodyard
Paul Woollard

HONORARY COMMITTEE

Shirley L. Fulton, Co-Chair
Hugh L. McColl, Jr., Co-Chair

Carl Armato
John Crosland, Jr.
Jim Dulin
Thereasea D. Elder
Harvey Gantt
Dr. Peter Gorman
Tom Nelson
Tim Newman
Ruth Shaw
Michael Smith
Bill Vandiver
Kenneth White

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T. Anthony Lindsey, *Globe Crossing Realty, LLC.*
Chairman, Charlotte Housing Trust Fund Advisory Board

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EXECUTIVE SUMMARY

Housing Charlotte 2007 was a one-day event held on February 22, 2007 at the Charlotte Convention Center to address the future of affordable housing. The event, which was hosted by the Charlotte City Council and organized by the Housing Charlotte 2007 Planning Committee, was designed to bring together a cross-section of housing experts and community leaders to identify solutions to address affordable housing. Over 400 people attended the event to hear about national, regional and local housing trends, local progress made in developing affordable housing, strategies and ideas used for affordable housing in other communities, and engage in dialogue about potential solutions for Charlotte.

Charlotte has an affordable housing problem. Many residents in this community find it difficult to find a safe and decent place that they can afford on their income. One measure of the problem is that there are more than 17,000 housing units needed by 2010 to serve those in Charlotte who earn the lowest incomes. Affordable housing is a problem that touches every one of us on a daily basis. When we purchase an item in the store, require assistance by a medical technician in our doctor's office or pick up our children from daycare, we may come face to face with a Charlottean who is having difficulty finding a safe, decent and affordable place to live. Having enough affordable housing is essential to keeping the local economic engine running.

The subject of affordable housing is multi-faceted and complex, ranging from homelessness to helping families purchase their first home. Because of the broad expanse of affordable housing, the Housing Charlotte 2007 Affordable Housing Forum chose to focus on three topical areas - *financing, regulatory barriers and the community.* The key questions posed to presenters and participants at the forum were:

- How does the community pay for affordable housing, especially rental housing?
- What are some regulatory barriers that must be addressed to develop affordable housing?
- How can we better engage the community to accept affordable housing?

WELCOME

Mayor Pat McCrory and **Mayor Pro-Tem Susan Burgess** set the tone for the day by discussing the importance of affordable housing, challenging participants to address the critical questions concerning affordable housing and providing the City Council and the community with viable solutions to address the growing affordable housing crisis. The Forum's Honorary Co-Chair **Shirley L. Fulton** provided a personal perspective on the growing number of Charlotteans experiencing problems in finding affordable housing and urged the participants to make a difference in Charlotte's future by addressing this important issue.

PLENARY SESSION

Bruce Katz of the Brookings Institution, in Washington, D.C., delivered the keynote address. Mr. Katz provided an overview of the Charlotte regional affordable housing market. While he noted some disparities within the regional market, he felt Charlotte's affordable housing problem was manageable if the City seizes the opportunity to address the problem. He provided a framework for moving forward, which included the following: making policy goals explicit with regard to housing policies; strengthening families and promoting metropolitan growth; tailoring housing goals to local market conditions; focusing on the regional housing market with regard to clustering of housing and housing/job matches; utilizing available federal and state programs to raise family incomes; broadening regulatory tools with inclusionary housing policies, providing incentives and eliminating unnecessary regulations; avoiding policies that reinforce segregation and discrimination; and highlighting the importance of implementation and connecting housing policy to other neighborhood interventions (i.e., development of schools).

T. Anthony Lindsey, Globe Crossing Realty and Chairman of the Charlotte Housing Trust Fund, in Charlotte, N.C., provided a local perspective on affordable housing. He discussed the accomplishments of the City in affordable housing over the past five years, which include producing almost 6,300 housing units and adopting Housing Trust Fund and mixed-income housing policies. He also emphasized that more is needed to be done, given the projected 2010 gap of over 17,000 affordable units. Mr. Lindsey challenged the audience to raise community awareness of the housing issue, re-tool the local tool box for affordable housing, find ways to pay for what needs to be done and create a regulatory environment conducive to affordable housing.

After the plenary presentations, the participants engaged in three concurrent workshops – *Finance; Building, Zoning and Land Use Regulations; and Community.* The workshops were designed to hear from expert presenters in the morning and engage participants in dialogue in the afternoon. Summaries of the morning and afternoon sessions are presented sequentially to track contributions from both experts and participants.

FINANCE + AFFORDABLE HOUSING WORKSHOP

In the morning session, the presenters, **Mary Brooks**, Director of Housing Trust Fund Project at the Center for Community Change in Frazier Park, California; **Sean Gadon**, Director of Partnerships for the City of Toronto Affordable Housing in Toronto, Canada; and **Carol D. Naughton**, Executive Director of the East Lake Foundation in Atlanta, Georgia, provided the following financial solutions:

- Develop a dedicated funding source for the Housing Trust Fund.
- Develop a private, public and faith-based supportive housing model.
- Engage philanthropic community in supporting affordable housing.

In the afternoon session, the participants divided into two discussion groups. One group discussed rental finance and the other supportive housing. A total of 36 solutions were discussed by the participants. The following solutions were prioritized by the participants.

- Need more funding (dedicated source of funding for the Housing Trust Fund).
- Acquire affordable housing in conjunction with school site acquisition.
- Develop a combined supportive housing approach (provide private/faith-based led subsidy with case management).
- Engage more charitable organizations in housing, education and neighborhood issues.
- Communicate, educate and advocate more about housing needs.

BUILDING, ZONING AND LAND USE REGULATIONS + AFFORDABLE HOUSING WORKSHOP

In the morning session, the presenters **Douglas R. Porter**, President of the Growth Management Institute in Chevy Chase, Maryland; **Sandra Robles**, Manager of the HUD Regulatory Clearinghouse in Washington, D.C.; and **Will Zachmann**, HUD Office of Policy Development and Research in Washington, D.C., provided the following solutions:

- Inclusionary housing policy with incentives.
- Fee waivers for affordable housing.
- Accessory Dwelling Units Ordinance.
- Utilize zoning incentives – height waivers, density bonuses, Floor Area Ratio bonuses, etc.
- Tax exemptions for affordable housing.

In the afternoon sessions, the participants identified 12 solutions. The priority solutions were to:

- Create a General Development Policy Affordable Housing Taskforce.
- Establish a by-right density bonus system for affordable housing.
- Use tax based incentives for affordable housing (Tax Increment Financing).

THE COMMUNITY + AFFORDABLE HOUSING WORKSHOP

In the morning session, the presenters **Richard K Green**, Associate Dean of Graduate Programs with The George Washington University in Washington, D.C.; **Bob Lupton**, President of Family Consultation Services in Atlanta, Georgia; and **Dianne J. Spaulding**, Executive Director of Non-Profit Housing Association of Northern California in San Francisco, California, provided the following solutions:

- Studies around the nation have shown affordable housing does not negatively impact property appreciation.
- Gentrification is an important issue that must be addressed in inner-city neighborhoods.
- Good design and management are keys to affordable housing acceptance.
- Engage community around the myths of affordable housing.

In the afternoon session, the participants discussed 24 solutions and prioritized the following:

- The City and County should work to market the Homestead Exemption Act and explore revising the Act to increase income requirements.
- Required every apartment complex with over 50 units to set aside 3% of the units for Section 8, with no more than 5% of the units in any apartment complex.
- A wealthy neighborhood should invite an affordable housing developer to build.
- The City should provide more financial literacy education for potential homeowners.

CLOSING SESSION

Bart Harvey, Chairman of the Enterprise, in Washington, D.C., provided the closing comments. He thanked the audience for devoting time and energy to this important issue and emphasized the importance of housing as having an impact on the lives of families and children. Affordable housing is not just about land, financing and units, but it is also about the community and creating a better opportunity for the low income residents in the City of Charlotte. He summarized some ideas that had been shared at the forum and urged the participants to embrace those ideas if they are serious about addressing the affordable housing problem. He urged the community to address several critical issues: re-examine the local Affordable Housing Locational Policy that funnels developments to higher cost areas; explore the concept of mandatory inclusionary zoning and incentives for developers; embrace "green" housing, which enhances housing efficiency and quality; and explore property tax relief to help combat the effects of gentrification and keep affordable housing affordable.

NEXT STEPS

The Housing Charlotte 2007 Planning Committee wants to wholeheartedly thank the presenters and participants that contributed to developing solutions for affordable housing. The forum provided Charlotte with a wealth of potential solutions to address this important community issue. The Committee would like to be a key partner in helping bring the most viable solutions forward.

The Committee is reviewing the solutions offered by the presenters and participants and plans to recommend a list of solutions for further evaluation and implementation. Also, the Committee is recommending the establishment of an implementation taskforce, called the **Housing Charlotte Committee**, which was a recommendation from one of the workshop sessions. Membership on the taskforce should represent a cross-section of the community and candidates can be drawn from individuals that have expressed a desire to work on the next phase. The Committee will provide a suggested list of participants. The taskforce should be given a one-year charter to refine solutions and bring them forward for public discussion as soon as they are ready.

The Committee is requesting the City Council accept this proceedings report and endorse the solutions, structure and process for moving forwarded. The Committee will provide to the Council a detailed implementation plan at a later date. In order to be successful, the phase will require the continued support of the City Council and require the continued engagement of City staff resources. This next phase of turning proposed solutions into an action steps is perhaps the most difficult stage, but is essential to effectively address Charlotte's affordable housing issue.

PROCEEDINGS REPORT

WELCOME

Charlotte Mayor Pat McCrory noted that being able to house our citizens is vital to the future health and well being of the community.

Bart Landess, Housing Charlotte 2007 Planning Committee chairman, welcomed the attendees and discussed the purpose of the day. Father David Pittman of St. Peters Episcopal Church provided the invocation, after which, Mr. Landess welcomed Charlotte Mayor Pat McCrory.

Mayor Pat McCrory welcomed the participants on behalf of the Charlotte City Council and the Housing Charlotte 2007 Planning Committee. The mayor noted that being able to house our citizens and especially our workforce is vital to the future health and well being of the community. He stated that the community has made a lot of progress on affordable housing over the past five years and explained that the City created a local Housing Trust Fund and created a number of mixed-income communities through the HOPE VI program and other City investments. He said that the community's priority customers are the homeless, the workforce (teachers, nurses, mechanics, etc.) and those trying to get into homeownership. The Mayor encouraged the audience to help answer three major questions regarding affordable housing – (1) how to pay for affordable housing, (2) how to improve our zoning and land use regulations to be inclusive of affordable housing, and (3) how to create better acceptance of affordable housing within the community. He thanked everyone for their attendance and said he would look forward to seeing the results of their endeavors.

Mayor Pro Tem Susan Burgess thanked the Honorary Committee, the Planning Committee, our sponsors, speakers, panelists, volunteers, City staff and the audience for their participation. She noted the forum was sponsored by the business community, non-profits and individuals in the audience. Ms. Burgess explained Charlotte has an affordable housing problem and there are different ways to measure the need. One fact is that the City will have a shortfall of over 17,000 units by 2010. This will affect an

Mayor Pro Tem Susan Burgess encouraged the audience to work together to come up with solutions to improve our financing, regulating and locating of affordable housing.

Honorary Co-Chair Shirley L. Fulton said housing is an important subject because families cannot be successful without a decent, safe and affordable home.

important segment of our workforce – those individuals such as day care workers, customer service representatives and others who are important to keeping our economy running. She said that the forum had brought together some of the best minds from across the country to discuss affordable housing and encouraged the audience to work together to come up with solutions to improve our financing, regulating and locating of affordable housing.

Bart Landess introduced **Honorary Co-Chair Shirley L. Fulton**, who welcomed the attendees on behalf of the Honorary Committee. She noted that her co-chair, Hugh McColl, could not attend, as he was in Texas. She said many members of the Honorary Committee were present, and the large crowd in the room was a testament to the importance and local commitment to addressing Charlotte's affordable housing problem. Ms. Fulton explained affordable housing is an important subject because families cannot be successful without a decent, safe and affordable home. As Charlotte continues to grow and change, housing will become even more important as we seek to house our residents, especially our workforce. She encouraged everyone to make a difference in Charlotte's future today.

PLENARY SESSION

Bart Landess introduced keynote speaker **Bruce J. Katz**, Vice President of the Brookings Institution in Columbia, Maryland. Mr. Katz said that affordable housing used to be seen as a federal issue. He asked who would be better than people at the local level to address housing, especially since the local government makes the land use decisions. Mr. Katz said that affordable housing in Charlotte is a manageable problem because housing is relatively affordable and increasingly diverse with opportunities for additional housing development. He also noted that the supply of affordable housing is not keeping pace with incomes, and there are affordability challenges, especially among the low income. Wages are not keeping pace with housing costs, since it would require 106 hours of work at minimum wage to rent a 2-bedroom apartment or income would need to be over $13 per hour. There are racial and ethnic disparities on household income resulting from education. Clustering affordable rental and Section 8 housing reinforces the concentration of minority poverty and intensifies the housing/jobs mismatch.

Mr. Katz listed several recommendations and reminders, including:

Principle 1: Make policy goals explicit – Preserve and expand housing stock, make housing affordable and available, promote racial and economic diversity, help households build wealth, strengthen families, link housing and supportive services and promote balanced metropolitan growth.

Principle 2: Tailor housing strategies to local market conditions – Mix of strategies should be geared to current market conditions. Some strategies are more appropriate to strong housing markets while others are appropriate for weak markets.

Principle 3: Housing markets are regional – Do not cluster affordable homes in low-income neighborhoods, especially in the core. Enable low-income households to live closer to employment centers and better schools.

Principle 4: Income policy is housing policy - Local leaders can impact household incomes and, by extension, housing affordability and raise the incomes of working families through earned income tax credit, nutrition assistance, health care and child care.

Principle 5: Regulatory policy makes a difference - Eliminate or moderate regulatory barriers to affordable housing production. Identify and get rid of regulations that are exclusionary or unnecessary and provide incentives for private developers to produce more affordable housing. Create inclusionary housing policies to improve the supply of affordable housing.

Principle 6: Race matters - Implement policies that do not reinforce patterns of segregation and discrimination and be aware that "color blind" policies may not work as intended if segregation and ethnic inequalities are ignored.

Principle 7: Implementation matters - Housing programs

Bruce Katz, Vice President of the Brookings Institution, said that affordable housing in Charlotte is a manageable problem because housing is relatively affordable and increasingly diverse.

should connect directly with other neighborhood interventions (i.e., schools) and hold implementing agencies accountable through performance measures. Economic integration is the principle vehicle for sustainability.

Mr. Katz challenged the audience to connect housing policy to core priorities, including economic competitiveness, smart growth, quality education and strong families. The City's role is to advocate for federal policies that could close the gap between wages and housing prices, encourage the state to produce more affordable housing, control land use and administer the federal housing programs, as well as make its own investments in housing.

Bart Landess introduced **T. Anthony Lindsey**, of Globe Crossing Realty, LLC, and also Chairman of the Charlotte Housing Trust Fund Advisory Board. Mr. Lindsey discussed Charlotte Housing Trends. He said that affordable housing is needed to provide housing for the lower income earning individuals in our community, including day care workers, receptionists, teacher's aides, customer services representatives, medical technicians, retail clerks and many others. Assuming a Housing Trust Fund investment of 20% of the cost per unit, $710 million is needed from the fund to develop 6,265 units for the targeted income level, given the City's mixed income policy.

Mr. Lindsey noted that since 2002, the City and its housing partners have completed over 6,100 affordable housing units. About 1,400 of the units (23%) produced serve households earning less than 30% of area median income. Since 2002, the City has spent $64.4 million on affordable housing, with two-thirds of the funding coming from the local Housing Trust Fund.

Other local achievements mentioned by Mr. Lindsey include: (1) redevelopment of three large public housing communities through HOPE VI, (2) completion of the first Single Room Occupancy development and developing zoning district to support more, (3) creation of policies to provide affordable housing at transit station areas, (4) currently implementing first transit station plan, (5) working together as a community to develop 10-Year Chronic Homeless Plan and built a new Homeless Men's Emergency Shelter, and (6) constructing and/or rehabilitating over 1,144 elderly and other special needs housing units within the past five years.

He challenged the audience to promote education and advocacy, raise community awareness to gain support, re-tool our toolkit, find a permanent funding source to pay for what needs to be done and create a regulatory environment conducive to affordable housing. Mr. Lindsey added that the keys to victory are openness – challenge for something different, partnerships – everyone engaged in solutions, leadership and coordination.

T. Anthony Lindsey, of Globe Crossing Realty, LLC, and Chairman of the Charlotte Housing Trust Fund Advisory Board, challenged the audience to promote education and advocacy for affordable housing.

CONCURRENT WORKSHOPS

There were three concurrent workshop sessions at the forum focusing on finance, regulatory barriers and the community. The formats for the workshops were to hear ideas, concepts and comments from experts in the morning session, followed by an afternoon session where participants would develop and prioritize solutions for community action. The morning and afternoon sessions are presented sequentially to aid readability and understanding.

FINANCE + AFFORDABLE HOUSING WORKSHOP (MORNING SESSION)

This workshop looked at creative financing options for affordable housing. The goal of this session was to identify different ways to pay for affordable rental housing. **Roy J. Helm, Jr**., Senior Vice President for Community Development Banking with Bank of America served as Moderator.

Mary E. Brooks, Director of the Housing Trust Fund Project at the Center for Community Change in Frazier Park, California, presented Housing Trust Funds. She explained that Housing Trust Funds advance how affordable housing is funded by securing sources of revenue and committing that revenue to support critical housing needs. There are over 600 Housing Trust Funds sponsored by states, counties and cities nationwide. Most Housing Trust Funds have dedicated revenue sources, such as real estate recording fees, hotel/motel taxes, building permit fees, real estate transfer taxes, inclusionary zoning fees in lieu, sales taxes, etc. Overall, 20 different sources were identified. Dedicated funds are needed because affordable housing is fundamental to the health of any city, private markets often cannot respond to homes that require subsidies, the need is constant as long as wages lag behind, and affordable housing requires long-term planning.

She informed the group that virtually all Housing Trust Funds are administered by staff of a public agency or department. Funds are awarded either through a request for proposal process, a notification of funding availability or direct funding of specific programs. Funds are available either as grants or loans and/or other sources of financing. The application process may be combined with other available sources of affordable housing funds, such as Housing Opportunity Partnership Act (HOME), Community Development Block Grant (CDBG) and other federal, state and local programs.

Ms. Brooks said that eligible applicants for Housing Trust Funds include nonprofit developers, for-profit developers, housing authorities, governments, Native American tribes and other entities. Eligible uses of the funds are for acquisition, new construction, rehabilitation, predevelopment costs, housing related services, operating costs, capacity building, rental assistance, foreclosure assistance, etc. Application requirements include income targeting to control who benefits, long term affordability, accessibility, leveraging and other requirements. She explained that there should be dedicated public revenues to affordable housing. Affordable housing cannot be dependent on budget surpluses.

Ms. Brooks highlighted reasons why housing is good for the economy, citing examples of more full-time jobs, higher wages, and more tax revenues in Philadelphia and Lee County, Florida, linked

Participants listen during a workshop session.

Carol R. Naughton, Executive Director of the East Lake Foundation, defined the roles of the philanthropist in housing as the relentless driver to move the project forward.

to affordable housing. She noted that housing has a direct impact on the community. Housing stability can have a direct impact on a child's education and frequent moves can have a negative effect on school achievement. Children living in inadequate housing have increased hospitalizations and respiratory infections. Ms. Brooks discussed the sustainability of Housing Trust Funds. It requires an on-going government commitment of public funds, a community based process that creates and sustains the fund, integrated component of local housing policy and a flexible model that promotes cooperation and drives innovation.

Sean Gadon, Director of Partnerships for the City of Toronto Affordable Housing, Toronto, Canada, presented *Financing and Affordable Housing Solutions: Toronto's Experience*. Mr. Gadon discussed how the City of Toronto dealt with its homeless and affordable housing problem. An analysis showed it would take Toronto 67 years to build enough housing to eliminate the waiting list. The "Tent City" initiative, where homeless individuals camped out near the City Hall, and increasing rental vacancies helped the city to broaden its affordable housing strategy.

In Toronto, community stakeholders access government capital and operating grants for new rental and supportive housing. The City waives development fees/property taxes for 25 years and contributes free land. New developments, existing rental or conversions qualify for City funding.

In order to address its growing rental needs, the Toronto Community Foundation helped lead a private/public pilot program to create 400 units from the Tent City experience. Low-income tenants receive a $300 rent discount and move into a vacant unit. The private sector to rent is $150 below the average, and for market rent the government contributes $150 grant.

In 2005, Toronto introduced the "Streets to Homes" initiative to help homeless persons bypass shelters. The federal government introduced an $80 million housing allowance program in 2005. In Toronto, 3,660 new rental units were constructed or renovated, 75% of the Tent City residents are still housed, 400 tenants were helped through a modified pilot program and 1,800 federal housing allowances are being rolled out, with tenants choosing where to live.

In conclusion, Mr. Gadon recommended that cities employ a mix of flexible financing initiatives, marshal financial resources in innovative ways and foster stakeholder partnerships. He added that nothing attracts success better than success.

Carol R. Naughton, Executive Director of the East Lake Foundation in Atlanta, Georgia, presented *The Role of Philanthropy in Affordable Housing* and discussed the programs at the East Lake Foundation. The Foundation was established in 1995 to help transform the East Lake neighborhood and create new opportunities for the families who live there. She said that education is a critical element, and the children in the community can and should be able to compete against anyone in the world. Schools are needed to serve families who had not been well served while attracting families with a choice.

A participant speaks during a workshop.

Jon Gauthier, Housing Charlotte 2007 Planning Committee member, speaks during the Finance + Affordable Housing workshop.

The East Lake Foundation raised $31.5 million to build Education Village and provided operating support during the first five years of the Drew Carter School, which was founded by the foundation. Through "Golf With a Purpose," which is held at the East Lake Golf Course, children learn perseverance, honesty, integrity and discipline. Working with neighborhood residents and expert public and private partners, the Foundation developed a new community on the site of a former public housing project.

There is affordable housing component consisting of 542 units, 50% are market rate and 50% are public housing. The project is funded by Low Income Housing Tax Credits.

She defined the roles of the philanthropist in housing as the relentless driver to move the project forward, serving as a source of patient capital (operating), focusing on data, evaluation and improvements and constantly pushing partners to go beyond their comfort zones.

FINANCING + AFFORDABLE HOUSING SOLUTIONS (AFTERNOON SESSION)

The afternoon workshop was divided into two separate sessions. One session focused on solutions for financing rental housing and the other session on financing supportive housing. The participants discussed what they had heard in the morning session, proposed solutions for the community and identified the top solutions for further study. Below are the solutions the participants identified and priorities that were established.

FINANCE – RENTAL

Jon Gauthier, member of the Housing Charlotte 2007 Planning Committee, served as the facilitator for the Finance-Rental session, and 32 attendees participated in the session. The following solutions were compiled during this session.

Priority Solutions

- **Dedicated source of funding for Housing Trust Fund considering the following:**
  - Tax savings from property taxes/developer fees/rent savings
  - Recording fee
  - Transfer tax
  - Property tax
  - Inclusionary zoning with opt out fees
  - Sales tax
  - Interest on security deposit forwarded to State HTF.
  - Include broad list of options when discussing with State Legislature.
- **Acquire affordable housing in conjunction with school site acquisition.**
  - Have the County acquire more land than needed for new school sites and seek RFPs for affordable housing adjacent to schools and combine playgrounds with parcels. Fund with land transfer tax in Mecklenburg County. Highest target group to serve is families at 30% of AMI.
- **Private/Faith-Based led subsidy with case management.**
  - Focus on 30% of AMI.
  - Partner with government agencies.
  - Portable (client based) subsidy administered by Faith-Base Community or Crisis Assistance Ministry.
- **Engage more charitable organizations in housing, education and neighborhood issues.**

Other Solutions discussed by the participants included:

- Establish Community Reinvestment Act based tax credit for affordable housing.
- Explore employer financed housing.
- Provide income tax credits or real estate tax credits for landlords in exchange for reduced rents.
- Produce more private subsidy led, project-based development (i.e., McCreesh Place).
- Develop mechanism to acquire existing housing for permanent affordable housing through renovations.
- Upfit housing to qualify for North Carolina Housing Finance Agency (NCHFA) energy efficiency subsidies.

- Have special "affordable" utility rates, administered by the NCHFA, for project-based affordable housing units that meet energy efficient standards. This would cover natural gas and electricity and would require State enabling legislature.
- Establish a Low Income Housing Tax Credit Lease to Own Homeownership Incentive Program.
- Concept: Establish a lease to own program, whereby the leasing period will be the tax credit allocation period. Rent units as a transition to homeownership.
- City/State/Federal Legislative Agenda to address local gaps – 30% of AMI. Support mixed income communities.
- Modify NCHFA Qualified Allocation Plan to address urban markets and partner with other metropolitan areas.

FINANCE – SUPPORTIVE HOUSING

Stan Wilson, Housing Services Manager with the City of Charlotte Neighborhood Development Department, served as the facilitator for the Finance-Supportive Housing session, and 34 attendees participated in the session. The following solutions were compiled during this session.

Priority Solutions:

- **Need More Funding**
  - Dedicated funding (leverage) source.
  - Fast track affordable housing.
  - Employ federal funding.
  - Utilize existing land/properties for affordable housing.
- **Communicate, Educate and Advocate More About Housing Needs**
  - Use of media.
  - Educate on use of Earned Income Tax Credit (EITC).
  - Advocate for state EITC.
  - Support from business community.
- **Combined Supportive Housing Approach**
  - Rental subsidy – local, private and faith based.
  - Case management supportive services.
  - Take advantage of existing vacant properties or housing development.

Other Solutions identified by participants included:

- Examine land use.
- City/county land utilization
- Central system to track boarded properties
- Vacant land
- Foreclosures
- Review and eliminate red tape.
- Provide a clear guide on development proces (local government).
- Supportive services for families (not fixed).
- Build on the strengths of families.
- Expand initiatives on local level to people to mainstream resources.
- Coordinate available resources.
- Address needs of the Latino population.
- Centralize system to track boarded properties.
- Use McCreesh model (include diverse partners).
- Homeless prevention.
- Foreclosure prevention.
- Rent subsidy on the front end.
- Use lottery funds to address housing needs of homeless.
- Using federal funds – no child left behind.
- Vacant properties.
- Rehab properties first, then look at new construction.
- Educate public on who are the working poor.

Participants listen during a workshop session.

A participant speaks during a workshop.

BUILDING, ZONING AND LAND USE REGULATIONS + AFFORDABLE HOUSING (MORNING SESSION)

This workshop focused on regulatory barriers to affordable housing and opportunities in building, zoning and other land use regulations to promote affordable housing. The objective of this session was to identify changes that can be made in the regulatory environment to help develop affordable housing. Vi Lyles, Project Facilitator with the Lee Institute, served as Moderator.

Douglas R. Porter, President of the Growth Management Institute located in Chevy Chase, Maryland, addressed Inclusionary Zoning for Affordable Housing. Mr. Porter explained that inclusionary zoning is when developers are required to include affordable units in residential developments. He stated that inclusionary zoning stems from three trends: nationwide escalation of housing prices, an increase in households with inadequate incomes for decent housing and a decline in federal housing subsidies relative to need. He noted the following benefits of inclusionary zoning: piggybacks on market forces, creates mixed-income housing wherever residential development occurs, generates units as growth occurs and retains developer responsibility for site and housing production.

Mr. Porter explained that based on affordable units, it may be mandatory or voluntary for builders to participate. Incentives are offered to the builders, and units may be for-sale or rental. The incentives for using inclusionary zoning include density bonuses; fast-track approvals; reductions in standards, fees reduction, deferral or waiver; subsidies for affordable units; exemption from growth controls; and tax abatements.

Inclusionary zoning is practiced in the states of California, New Jersey and Massachusetts. Nationwide, there are 250 to 400 inclusionary zoning programs. Some cities that engage in inclusionary zoning are Boston, Denver, New York and San Diego. Ordinances are under consideration in Atlanta, Chicago and San Francisco. Since 1970, inclusionary zoning programs have produced 80,000 to 90,000 affordable housing units. Per Mr. Porter, the hurdles faced by most big cities are most market action is in suburbs, effective developer opposition, a fragmented constituency, complex regulatory environments and expensive construction costs.

Mr. Porter gave the following recommendations for getting started: (1) make affordable housing more than an afterthought and build leadership and political will, (2) expect to take short steps, (3) recognize the need for a rigorous administrative process, (4) knit inclusionary zoning into a comprehensive housing program, (5) borrow ideas and choose incentives that make sense, and (6) seek a state or regional commitment that will energize local governments. Some of the future trends in the use of inclusionary zoning are more

Douglas Porter (Growth Management Institute) challenged participants to make affordable housing more than an afterthought and build leadership and political will.

A participant speaks during a workshop.

state/regional leadership with requirements for local housing plans, enabling statues and model ordinances; and more comprehensive applications of the tool to housing conversions, adaptive reuse, rehabilitation of existing units and usage of fees in lieu for high-rise developments and more outlying suburban development.

Sandra Robles, Manager of the HUD Regulatory Barriers Clearinghouse (RBC) in Washington, D.C., discussed Removing Barriers with Strategies from the RBC Searchable Database. Ms. Robles indicated that some of the solutions that the Regulatory Barriers Clearinghouse database addresses include improvements to administrative processes, usage of fees and dedications and application of redevelopment and infill housing. She discussed Safe, Mixed-Income, Accessible, Reasonably priced, Transit-oriented (SMART) Housing Program used in Austin, Texas. The program's goals are to stimulate affordable housing production, provide exemptions, use public resources and stimulate housing on vacant land. If the builder provides 10% reasonably priced units, Austin provides a 25% fee waiver. For 20% reasonably priced units, Austin provides a 50% waiver. For 30% reasonably priced units, the builder gets a 75% waiver, and for 40% reasonably priced units, the builder gets a 100% fee waiver. Ms. Robles reported that via the SMART Housing program 1,185 single-family, 2,818 multi-family, and 3,102 reasonably priced units have been completed, and 7,358 units are in construction or in review.

Will Zachmann, of the Office of Policy Development and Research with HUD in Washington, D.C., presented HUD's Regulatory Barriers Clearinghouse. He explained that it is an online database of over 4,600 strategies and solutions. The database contains 10 categories as prescribed by Congress, an easy-to-use search function and targeted results and content from all 50 states and over 375 cities and counties. He noted that Charlotte's housing needs project a shortfall of 17,261 units by 2010. Mr. Zachmann discussed Accessory Dwelling Units (ADUs), also known as in-law apartments, which contribute to housing stock and provide extra income to homeowners. Charlotte's Zoning Ordinance address ADU, and Santa Cruz, California has an ADU ordinance that includes seven prototype plans, streamlined application process and financial assistance. Regulatory barriers to ADU development include parking requirements, zoning ordinances and NIMBY (Not In My Back Yard) concerns. He also noted that Seattle, Washington, has made a number of changes in its zoning ordinance to promote affordable housing. These changes include incentives for increased building height, density bonuses, increased floor-to-area ratios, sustainable construction, transfer of development rights and property tax exemptions to affordable housing developers.

BUILDING, ZONING AND LAND USE REGULATIONS + AFFORDABLE HOUSING SOLUTIONS (AFTERNOON SESSION)

During the afternoon sessions, participants discussed the key solutions and then prioritized the solutions. Keith MacVean, with the Charlotte-Mecklenburg Planning Department, served as the facilitator for the Building, Zoning and Land Use Regulations + Affordable Housing Solutions session, and 50 attendees participated in the session. The following solutions were compiled during this session.

Priority Solutions:

- Create a General Development Policy Affordable Housing Taskforce.
- Establish a by-right density bonus system for affordable housing.
- Use tax based incentives (Tax Increment Financing) for affordable housing.

Other Solutions discussed by the participants included:

- North Carolina Building Code exceeding International/National Building Code.
- Automatic approval rezonings for Housing Trust Fund projects.
- Engage in public relations campaign to address negative impacts and perceptions of affordable housing (i.e., reduction of property values).
- Expedite zoning and subdivision approval for affordable housing.
- Preservation & stability of existing affordable communities (balance in location).
- Need a countywide agency to address affordable housing.
- More dispersion of Section 8.
- Include housing as a joint use with other proposed public projects.
- Look at schools (poverty, etc.) in siting affordable housing.
- Inclusionary zoning policies.

Richard K. Green, Associate Dean of Graduate Programs with The George Washington University, said studies have found affordable housing does not adversely impact real estate development appreciation.

THE COMMUNITY + AFFORDABLE HOUSING (MORNING SESSION)

This workshop explored the myths and realities of affordable housing in the community, including how the community can better work together to integrate affordable housing in the neighborhood fabric. Chris Estes, Executive Director of the North Carolina Housing Coalition in Raleigh, North Carolina, served as Moderator.

Richard K. Green, Associate Dean of Graduate Programs with The George Washington University in Washington, D.C., spoke on Affordable Housing and Property Values. Mr. Green spoke about two approaches to finding the effect of affordable housing on property values – Treatment Group and the Control Group Method and Regression Method. He explained that the Regression Method is more practical because differences can be controlled. In one case, the neighborhood with public housing appreciated more rapidly. In a Los Angeles study, there was no statistical difference in appreciation between treatment and control groups, and in New York, the measurement of assessment data showed that property assessments near affordable housing development increased more rapidly.

There are similar outcomes from Regression Studies. In Fairfax County, Virginia, the price changed by $1.57 for each foot of distance away from the development. A national study of several types of development – high rise, large scale public housing, homeownership public housing and new publicly financed housing – found existing scattered site public and Section 8 housing existing have a modest negative impact on property values. Federal Housing Administration (FHA), public homeownership and new Section 8 new were found to have a modest positive impact on property values and Low Income Housing Tax Credits (LIHTC) have slightly negative impact in two models, and no impact in two others. In Baltimore, Maryland, Section 8 Developments were found to have a positive impact in high value areas and negative impact in low value areas. In a New York City study, no evidence was found that subsidized housing depresses property values. In studies conducted in four Wisconsin markets, Madison, Milwaukee City, Milwaukee County and Waukesha County, the presence of multi-family affordable housing projects had no impact on appreciation rates. In conclusion, studies have found that affordable housing alone does not adversely impact real estate development appreciation.

Bob Lupton, President of Family Consultation Service in Atlanta, Georgia, discussed how U.S. cities are abounding with new economic life and energy. He explained that gentrification is a new national norm bringing much needed wealth and commerce back into the heart of our urban centers. The downside of gentrification, however, is the displacement and scattering of the poor to the periphery of the city with little thought or planning of how to accommodate their needs. If our cities are to re-emerge into thriving centers where business, culture, education and family life flourish, careful attention must be given to the inclusion of those who are needed to perform the lower paying, essential services required by an optimally

Neighborhood leader Mattie Marshall, Historic Washington Heights, speaks during the Community workshop.

Bob Lupton, President of Family Consultation Service, noted that A city that fails to accommodate its diverse workforce will eventually fall victim to its own prosperity.

functioning city. Affordable housing intelligently woven throughout the city, including in-town gentrifying neighborhoods, is a strategy that requires foresight and visionary leadership. A city that fails to accommodate its diverse workforce will eventually fall victim to its own prosperity.

Mr. Lupton said that a combined cadre of visionary leadership from government, business and non-profit sectors offers the best potential for devising and steering an effective mixed-income housing strategy comprehensive enough to encompass an entire city. Non-profits along with public housing agencies may be best equipped to address the needs of the lowest income residents while the for-profit real estate community understands scale and economic viability. The public sector brings important inducements such as tax credits, density bonuses, tax abatement, bond financing and other incentives that make the bottom line realistic. Gentrification can be a 21st century movement that transforms our bankrupt cities into healthy, thriving centers that are a blessing to all our citizens.

Dianne J. Spaulding, Executive Director of Non-Profit Housing Association of Northern California in San Francisco, California, presented *Building Community Acceptance for Affordable Housing: "Making NIMBY MANAGEABLE!"* Ms. Spaulding highlighted the following development challenges: diminishing land supply, high development costs, entitlements and environmental issues, funding/subsidy layering, insufficient production capacity, growing affordability gap, workforce enduring increasingly long commutes, lack of planning for growth and NIMBYism.

Ms. Spaulding explained NIMBY (Not In My Back Yard) is rooted in the following: resistance to change, preconceived notions of bad design and media examples of urban blight and crime. She said that the NIMBY fears about affordable and high density housing include that affordable housing is inappropriate for the neighborhood, increases local traffic, decreases property values, degradation of the environment and strains to schools and other public resources. She said that NIMBY results in difficulty developing much needed housing and politically contentious issues.

Lack of public support creates:

- division in the community.
- increased time for project completion.
- projects becoming economically infeasible for developers.
- community housing goals and household needs going unmet.

She recommended the following solutions to NIMBY and approaches to community outreach: emphasize good design, emphasize management, provide myth busting and employ community acceptance planning process.

Ms. Spaulding listed the following techniques for getting public acceptance of affordable housing: do wide outreach, engage stakeholders and activists and get community leaders involved; garner media and political support early; be proactive, anticipate pitfalls and work to anticipate concerns and address them as part of project development; demonstrate the benefit of the project for the community; ensure public input and decision-making is transparent; show pictures; and conduct tours of high quality housing.

A participant speaks during a workshop.

Ms. Spaulding emphasized the importance of good design in affordable housing development. This was crucial to determining the success to new homes. It is important to use quality materials to enhance the development's longevity and appreciation. In existing neighborhoods it is important for housing to be compatible with neighborhood architecture.

She also emphasizes the importance of good management. It is important to maintain strict standards of required maintenance of the property and thoroughly screen potential residents.

Also, it is important for local housing advocates to engage in myth busting. Some examples are:

- High density housing will cause too much traffic.
  Fact: People who live in affordable housing own fewer cars and drive less.
- Affordable Housing reduces property values.
  Fact: No study in California has shown affordable housing to reduce property values.
- High density housing and affordable housing increase crime.
  Fact: Design and use of space has more significant effect on crime than density and income levels.

Finally, she recommended the following six steps to gaining community acceptance of affordable housing:

Step 1: Plan meetings to research, assess and plan strategies in five key areas. Work with local advocates and the development team.

Step 2: Prepare a political strategy that coordinates all your work toward getting the votes you need.

Step 3: Prepare a strategy to build active community support for your proposal.

Step 4: Prepare a strategy to work through concerns of community members and to deal with active opposition.

Step 5: Prepare a strategy to protect and use your legal rights.

Step 6: Prepare a public/media strategy to send your message to decision-makers and the public.

Ms. Spaulding's conclusion included the following points: communities need more housing choices for a growing population; build support emphasizing good design and good project management; debunk myths; know the facts in your own community; spread the word; and share your knowledge and success stories.

THE COMMUNITY + AFFORDABLE HOUSING SOLUTIONS

During the afternoon sessions, participants discussed the key solutions and then prioritized the solutions. Stephanie Small,

A participant speaks during a workshop.

Neighborhood Services Manager with the City of Charlotte Neighborhood Development Department, served as the facilitator for the Community + Affordable Housing Solutions session, and 125 attendees participated in the session. The following solutions were compiled during this session.

Priority Solutions:

- The City and County should work to market the Homestead Exemption Act and work to revise the **Homestead Exemption Act** to increase income requirements.
- **Require every apartment complex over 50 units to set aside at least 3% of its units for Section 8 recipients**, but no more than 5% of the units should be rented to Section 8 recipients.
- A **wealthy neighborhood should invite an affordable housing developer to build** affordable housing in their neighborhood.
- The City's Leadership should **provide more financial literacy education** for potential homeowners.

Other Solutions offered by the participants included:

- Explore ways to allow residents back once public housing is rebuilt. One possible solution is to educate people so that they can re-enter public or other housing.
- Relax restrictions/standards/stipulations so that people can re-enter affordable housing once it is rebuilt. (Ex., criminal records).
- Develop affordable housing with community input. This will eliminate distrust from the community and surrounding neighborhoods and help to eliminate the NIMBY syndrome.
- Address regulatory barriers associated with affordable housing.
- Expedite homeownership loan processing.
- Neighborhoods must be diverse; therefore, we need mixed income housing.
- Work with schools to ensure that currently integrated schools do not allow other poor students to be integrated into their schools. Schools should be balanced with families from mixed income families.
- Address and improve Supportive Housing Services.
- Partner to create permanent supportive services with housing focused on chronic homelessness and mental health issues.
- Partner with Charlotte-Mecklenburg Schools to create additional strategic partnerships to assist children living in and or needing affordable housing.
- Get back to a more community oriented environment. Work to bring resources to the community. Support decentralized housing/supportive services.
- Partner with churches and other community partners to address affordable housing issues.
- The City should provide low-interest rate loans to Community Development Corporations to acquire land so that the community can tell CDCs what they want to see as affordable housing.
- The City should inform residents about reverse mortgages for seniors.
- Explore the possibility of using manufactured housing as a solution for affordable housing.
- Provide more dollars for housing counseling.
- Examine inclusionary zoning.
- Relax the credit criteria for people needing affordable housing. This will help to reduce barriers of homeownership.
- Develop an Affordable Housing Campaign to help educate the public on the issue.
- Seek legislative relief to help affordable housing residents with utilities.

A participant speaks during a workshop.

LUNCHEON

Carol Hughes, Crisis Assistance Ministry, presents Tough Choices, an affordable housing exercise, during lunch.

Bart Landess recognized elected officials along with the Housing Charlotte 2007 Subcommittee chairs and their members. He recognized the Honorary Committee and the Planning Committee. Mr. Landess thanked the sponsors and he also announced that the affordable housing centerpieces were designed and assembled by UNCC architectural student Charlie McFarland. He reminded the attendees to visit the showcase/exhibit area to see the nine companies and organizations with booths set up in the area and reminded attendees of the event web site www.HousingCharlotte2007.org.

During lunch, the audience watched *Charlotte's Affordable Housing Story – Success and Challenges*, a video produced by the City of Charlotte's Neighborhood Development Department and Corporate Communications. The video featured the following spokespeople: Charlotte Mayor Pat McCrory; Housing Charlotte 2007 Honorary Co-Chairs Shirley L. Fulton and Hugh L. McColl; Joelle Pittallo, affordable housing resident; Jud Little of Crosland; Chris Wolf of A Way Home; Pat Garrett of the Housing Partnership; and Charles Woodyard of the Charlotte Housing Authority.

Bart Landess introduced **Carol Hughes**, with Crisis Assistance Ministries, who presented an Affordable Housing Exercise: *Tough Choices*. During the exercise, participants were given the total monthly net income for a fictional working couple, along with monthly expenses. Participants were asked to decide what bills to pay, given that the salary did not cover the allotted expenses. The goal of the exercise was to show how difficult it can be for working families to afford their monthly expenses.

Participants at lunch.

REPORTING ON SOLUTIONS

At the conclusion of the afternoon solutions session, Bart Landess welcomed everyone back and called the session reporters to the stage to present the groups' top four solutions. Floyd Davis, with Community Link, gave the workshop report for Finance – Supportive Housing. Jon Gauthier, member of the Housing Charlotte 2007 Planning Committee, gave the workshop report for the Finance-Rental session. Mattie Marshall, member of the Housing Charlotte 2007 Planning Committee, reported for the Community + Affordable Housing. Also, a report was given for Building, Zoning and Land Use Regulations + Affordable Housing Solutions.

Bart Landess, Housing Charlotte 2007 Planning Committee chairman, served as master of ceremony for the day.

CLOSING ADDRESS

Mr. Landess then introduced F. Barton Harvey, III, Chairman of Enterprise in Columbia Maryland, who delivered the closing address. Mr. Harvey thanked Stanley Watkins, the City Council and the Housing Charlotte Planning Committee for inviting him. He also thanked the audience for devoting time and resources to a critical question for Charlotte – how can you be inclusive in the design of the future of the city, how do you retain and enhance the life of the service sector – the working people – and their families – how do you provide for those who have been left behind? He said that great cities are diverse, interesting, creative, and attract people of all incomes with special attention paid by the best cities to accommodate those who need help. He highlighted that the bipartisan Millennial Housing Commission in 2000 found that: "Decent and affordable housing has a demonstrable impact on family stability and the life outcomes of children. Decent housing is an indispensable building block of healthy neighborhoods, and thus shapes the quality of community life. Better housing can lead to better outcomes for individuals, communities, and American society as a whole. In short, housing matters."

F. Barton Harvey, III, Chairman of Enterprise, called Charlotte a "Can-do City."

He explained that there is a whole continuum of people who need different levels of help, and there are proven ways to serve them. It is not just about land, financing, and units but also about community – creating a better opportunity for a more productive life for low and moderate income families which in turn helps Charlotte. He concentrated on five key items: locational policy, inclusionary zoning, connection to schools, green affordable housing, and property tax relief.

He said Charlotte's locational policy forces affordable housing developers to try to funnel development into higher cost housing and land areas. Or at the margins where there aren't adequate services or

a supportive community, it forces the negative economics of costly land or development in undesirable locations. He noted that the current locational policy may hinder new affordable housing development without all the tools necessary to carry it out. Mr. Harvey also said that because of the sheer magnitude of the projected shortage, 17,000 primarily rental units, the private sector has to be more deeply involved. They are typically building in the more costly housing and land areas.

He also said that Charlotte needs to explore mandatory inclusionary zoning and the incentives necessary, including real subsidies. He noted that the Housing Trust Fund needs to be more fully funded and might be made to easily interface with other policy initiatives such as inclusionary zoning. He suggested that mission driven developers look at making project-based Section 8's from the Housing Authority through its moving to work demonstration interface with inclusionary zoning. He said that there are opportunities around Charlotte's new light rail stops, and denser transit-oriented development certainly makes sense, particularly since transportation is the second highest cost for low-income families after shelter.

To summarize, Mr. Harvey suggested the following: maximize the use of surplus and underutilized land; increase resources though the Housing Trust Fund and other means; adopt best practices around supportive housing; utilize available federal, state and local resources; and build nonprofit capacity and tap the for-profit development community to more fully implement the locational policy, which can be carried out through inclusionary zoning that works. He suggested offering good educational opportunity as part of any affordable housing strategy. He said that "green" affordable housing makes sense, meaning energy efficient, water efficient, well located affordable homes with good indoor air quality.

Bart Landess returned to the podium and thanked everyone for coming and participating in Housing Charlotte 2007.

SHOWCASE AND RECEPTION

Dale Harrold, Self-Help, and Terry Bibleheimer, Wachovia, discuss the Wachovia display during the Showcase and Reception.

The following sponsors participated in the sponsor showcase: Bank of America, Wachovia, Crosland, RBC Capital Markets/Apollo Equity Partners, the Reznik Group, the Charlotte Housing Authority, HUD, Charlotte Regional Realtor Association, Lending Tree and the City of Charlotte Neighborhood Development Department.

Participants during the Showcase and Reception.

NEXT STEPS

The Housing Charlotte 2007 Planning Committee wants to wholeheartedly thank the presenters and participants that contributed to developing solutions for affordable housing. The forum provided Charlotte with a wealth of potential solutions to address this important community issue. The Committee feels very strongly that the most promising solutions need to be further developed, refined and implemented.

The Housing Charlotte 2007 Planning Committee would like to be a key partner in helping bring the most viable solutions forward. The Committee is reviewing the solutions offered by the presenters and participants and plans to recommend a list of solutions for further evaluation and implementation.

Also, the Committee is recommending the establishment of an implementation taskforce, called the Housing Charlotte Committee, which was a recommendation from one of the workshop sessions. The taskforce would be organized with a steering committee and have sub-groups organized around topical areas. Membership on the taskforce should represent a cross-section of the community and candidate names can be drawn from the Planning Committee and those 64 individuals from the forum who expressed a desire to help work on the next phase. The Planning Committee will provide a suggested list of participants.

The taskforce should be given a one-year charter to refine solutions and bring them forward for public discussion as soon as they are ready. A multi-track approach is preferred in order to get solutions implemented as soon as possible. Some of the solutions will require government approval while other solutions only require endorsement in that they can be implemented by the private and non-profit sectors. The key objective is to push forward the best solutions.

The Committee is requesting the City Council accept this proceedings report and endorse the solutions, structure and process for moving forwarded. The Committee will provide a detailed implementation plan at a later date. In order to be successful, the phase will require the continued support of the City Council and require the continued engagement of City staff resources. This next phase of turning proposed solutions into action steps is perhaps the most difficult stage, but is essential to effectively address Charlotte's affordable housing issue.

Housing Charlotte 2007

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Housing Charlotte 2007

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Implementing Solutions

Report from the Housing Charlotte 2007 Planning Committee

A Community Forum on

Affordable Housing

Keeping The Economic Engine Running

Solutions for Tomorrow

May 14, 2007

www.HousingCharlotte2007.org

Hosted by Charlotte City Council and organized by the Housing Charlotte 2007 Planning Committee

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INTRODUCTION

The Housing Charlotte 2007 Planning Committee wants to thank City Council, presenters, participants, and sponsors for contributing to the affordable housing forum held on February 22, 2007. Over 400 hundred people attended the one-day event, which produced a treasure trove of recommendations to preserve and increase the supply of affordable housing in Charlotte.

The forum focused on three areas of affordable housing – *financing, regulatory and community.* The goals were to bring together the best ideas and solutions from across the country in these areas and engage in public discussion about the merits of the ideas and recommendations.

The Planning Committee believes the *Housing Charlotte 2007 Affordable Housing Forum*[1] was successful and accomplished its goals. However, the next steps to implement some of the solutions from the forum will require further study and work on the part of the community.

Below are some recommendations from the Planning Committee on a process, structure and priority solutions for further study. References to specific tools or techniques discussed in the priority solutions are only for explanatory purposes and not intended to suggest a specific course or direction at this time. Making those recommendations will be the work of the Implementation Committee.

RECOMMENDATIONS FOR IMPLEMENTATION PROCESS

The Housing Charlotte 2007 Planning Committee is recommending that it be dissolved and a new *Housing Charlotte Implementation Committee* established to further develop and refine these recommendations for implementation. The goal of the new committee is to present recommendations to local government, the public or other appropriate entities as soon as they are ready for consideration.

The structure of the new committee is a three-member steering committee with a 21-member implementation committee that includes an appointed chair. The implementation committee should be equally represented by individuals from business, non-profit and neighborhood interests. Over 60 people who attended the Housing Charlotte 2007 event indicated an interest in working on defining the recommendations coming out of the event. The Housing Charlotte 2007 Planning Committee would like to present a list of candidates for the Steering Committee and the Implementation Committee for the City Council support.

The Committee should engage available community resources and institutions to conduct research and obtain feedback on proposed recommendations being developed. The time limit for the

[1] The event and all of the solutions brought forward by presenters and participants are chronicled in a proceedings report, which can be found on the HousingCharlotte2007.org website. The site also contains presentations, video and pictures from the event.

EXECUTIVE SUMMARY

This report provides recommendations from the Planning Committee on a process, structure and priority solutions for further study on recommendations coming out of the Housing Charlotte 2007 Affordable Housing Forum.

The Planning Committee is proposing the establishment of a 24-member implementation committee. The Committee will bring forward solutions for public consideration as they are completed over a 12-month period.

The recommended priority solutions for further development, refinement and implementation are:

- Education, Outreach & Advocacy
- Rental Housing Subsidy
- Acquisition Strategy
- Dedicated Funding Source
- Incentive-Based Inclusionary Housing Policies

These recommendations provide the high leverage opportunities to preserve and increase the supply of affordable housing.

committee's performance should be no longer than 12 months. The Committee should provide periodic reports to the City Council and public on its progress.

As in any endeavor, staff support and in-kind resources are critical to the project's success. The Planning Committee was satisfied with the level of support provided by the City for the production of the affordable housing forum and asked that the City commit resources to this next phase to assist in coordination, committee staffing, research and report preparation.

RECOMMENDATIONS FOR FURTHER STUDY

In many respects, holding the forum, which had its own set of challenges, was the easy part for the community. Which recommendations from the forum that the community should invest additional time and resources is a major challenge. After considerable debate and dialogue, the Planning Committee recommends the solutions which merit additional development, refinement and implementation for Charlotte are:

- Education, Outreach and Advocacy
- Rental Housing Subsidy
- Acquisition Strategy
- Dedicated Funding Source
- Incentive-Based Inclusionary Housing Policies

In making its recommendations, the Planning Committee reviewed the proceedings report and other materials produced from the forum. The Planning Committee not only considered the consensus opinions reached by the participants, but also the ideas and recommendations offered by the experts presented at the event. Some of the recommendations by the experts may be controversial locally, but merit discussion if the community is really serious about addressing affordable housing.

The Planning Committee recommends these solutions because they represented high leverage opportunities to create more affordable housing, encompassed a number of recommendations identified at the forum and represented a manageable number of solutions that can be addressed in a short time frame. However, these recommendations do not preclude the Implementation Committee from studying other ideas from the forum not listed in this report.

The description of each recommendation area and how it can help further affordable housing in Charlotte are discussed below:

Education, Outreach and Advocacy – This recommendation promotes ways to make affordable housing information available to consumers, producers and the general public. Armed with good information, better informed individual and community decisions can be made about housing products, choices and strategies. To provide this information, it takes some institution(s) dedicated to helping consumers, producers and the public better understand, measure and track the need for affordable housing.

For the affordable housing consumer, there is a lot of information available today about housing choices and options; however, much of that information is not reaching the consumers that could benefit from that information. For producers or developers of affordable housing, there is a lot of information regarding best practices about building, management and community relations. It is essential that all producers embrace these best practices. In the general public, there is often fear and misunderstanding about the impacts of affordable housing on neighborhoods. Separating myths from reality is an ongoing communication challenge. Nevertheless, it must be done for affordable housing to be accepted throughout the community.

Rental Housing Subsidy – This recommendation provides rental housing subsidies to the very low-income families. Modeled after a similar program in Toronto, Canada, this program brings together the private sector, volunteers, philanthropic and/or faith community and government to provide cash payments to landlords of market-rate apartments with vacancies to house

these families. The program would limit the number of subsidies (i.e., no more than 15 percent) at any one apartment complex and be administered by a local non-profit. The number of subsidies provided by the program will be based on government support and fundraising among the partners and agreements with apartment owners.

This program addresses an area of critical housing shortage in Charlotte, families that earn less than 24 percent of the area median income ($16,000 based on a family of four). The most recent affordable housing projections call for a shortfall of over 17,000 units for these families by 2010. The program also takes advantage of current demand/supply imbalances in the local apartment market.

Acquisition Strategy – This recommendation seeks ways to produce affordable housing through:

- Preserving existing housing developments.
- Acquiring or reserving land for future housing development.
- Creating a resource pool and mechanism to purchase existing properties for preservation and construction.
- Pursuing the reservation of government owned land for the production of housing in conjunction with other public uses.

Two major challenges in Charlotte are finding suitable housing sites and having the resources available to acquire and hold the properties until development. For major multi-family developments, properties may have to be held 12-24 months before the development process starts. Also, locating housing on properties owned or acquired by units of local government represents significant opportunities to produce more affordable housing.

Dedicated Funding Source - This recommendation searches for a more permanent funding source. Many communities across the country have established alternative ways to pay for affordable housing to offset the loss of federal funds or reduce impacts on the local property tax base. Some recommendations discussed at the forum as alternatives were:

- Recording fee
- Transfer tax
- Incentive-based option-out fees from inclusionary zoning regulations
- Sales tax
- Interest on security deposit forwarded to State Housing Trust Fund

Over the years, funding sources for affordable housing at all levels – federal, state and local – have been reduced or faced increased pressure from other competing community priorities. Charlotte has experienced a $3.2 million reduction in federal funding over the past three years, which could have been used for housing preservation and construction. Although Charlotte has been successful with three housing bond initiatives since 2002 with approval ratings between 55-60 percent of the voters, the level of bond funding in each successive round was reduced. Having a more permanent funding source would better aid in planning and making investments in housing.

Incentive-Based Inclusionary Housing Policies – This recommendation engages the private sector more in the production of affordable housing. By adopting an incentive-based inclusionary housing program, private sector developers would set aside a certain percentage of their market rate developments (typically between 10-25 percent) for more moderately priced housing units. The program is usually applicable for developments over a minimum threshold size (i.e., between 1 and 50 units). Some of the incentives discussed at the forum included:

- Zoning density bonuses
- Waivers of fees
- Tax abatement
- Accelerated plan and permit reviews
- Cash subsidies for providing affordable housing

Some programs permit developers to pay fees into an affordable housing program to achieve incentives. Incentive-based inclusionary housing policies work best in communities experiencing increases in housing prices.

In Charlotte, incentive-based inclusionary housing policies could increase the range of housing opportunities available throughout the community. It could help reduce concentrations of lower income housing, promote economic and school diversity and create a more inclusive environment.

The primary targets in our community for all these recommendations are households that earned 60 percent or less of the area median income ($38,640 for a family of four). This represents in excess of 115,000 households in the Charlotte area. These affordable housing households include teachers, policemen, firemen, medical technicians, daycare workers and many others who contribute to keeping our local economic engine running.

CONCLUSION

The Housing Charlotte 2007 Planning Committee was proud to serve the City Council and the community in producing the affordable housing forum. However, this next phase of the process is even more critical than the event. This is where the hard work has to be done. The Planning Committee strongly believes that Charlotte will follow through, given the enthusiasm and support of the community thus far. As one of the presenters at the forum said, “If anyone can solve its affordable housing problem, Charlotte can.”

Housing Charlotte 2007

CHARLOTTE

Final Report From The Housing Charlotte 2007 Implementation Committee

December 2008

www.HousingCharlotte2007.org

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I. Introduction

The Housing Charlotte 2007 Implementation Committee report provides recommendations on affordable housing policies, programs and ordinances for consideration by the City of Charlotte, Mecklenburg County and the general community. The Implementation Committee is a self-appointed citizen's committee that was created as a result of Housing Charlotte 2007 Affordable Housing Forum. This one-day event was held on February 22, 2007, where over 400 community leaders gathered to discuss affordable housing issues in the community[1]. The outcome of that event was the identification of five affordable housing solution areas for further study of five solution areas.

The five solution areas recommended for further study included:

- Education, Outreach and Advocacy
- Rental housing subsidy
- Acquisition strategy
- Dedicated funding source
- Incentive-based inclusionary housing policies

The Housing Charlotte 2007 Implementation Committee was formed by the Steering Committee for the Forum and consisted of individuals with business, neighborhood and/or non-profit backgrounds. The Forum Steering Committee appointed three co-chairs to oversee the process. The Co-chairs established an Executive Committee and selected the membership for the five subcommittees to address each of the identified solution areas. This report contains the recommendations of the Implementation Committee.

II. Affordable Housing Demands

Affordable Housing Defined
Generally, affordable housing is defined as housing for which no more than 30 percent of the gross income is paid for rent and utilities or mortgage and other costs associated with homeownership[2]. More specifically, affordable housing is defined as housing designed to serve low and moderate income households in a community. This is measured in relationship to the Area Median Income (AMI), which is $64,400 in the Charlotte area. The AMI is based on a household size of four and adjusted up or down for different household sizes.

For the City of Charlotte, the City Council has defined affordable rental housing as that housing which serves households making $38,640 (60 percent of the AMI) or less. For homeownership housing, affordable housing is defined as households earning $51,520 (80% of the AMI) or less.

The Charlotte City Council has also adopted other policies, which create special provisions and prioritized the delivery of affordable housing. These policies include, but are not limited to policies placing a priority on producing affordable rental housing which serves families earning $19,320 (30% of the AMI) or less. This allows homeowner down payment assistance funds for households that earned up to (110% of the AMI) in selected neighborhoods, encouraging mixed income housing for long-term project and community sustainability.

[1] The proceeding report for the Housing Charlotte 2007 can be found at HousingCharlotte2007.org.
[2] U.S. Department of Housing and Urban Development Web Site

There are several ways to measure the affordable housing problem in Charlotte. These key measures include affordability, adequacy and availability.

Relative to affordability, in Charlotte in 2005 more than 37,000 households paid more than half of their income for housing. More than 29,000 households of the 120,000 rental households pay more than 50% of income for housing. A rule of thumb is that a household should pay no more than 30% of its income for rent and utilities or mortgage and other housing cost. Paying more than half of your income for housing leaves little else for transportation, food, health and other household needs.

With regard to adequacy, an estimated 8,000 households live in substandard housing, and approximately 7,230 households are considered over crowed by federal standards. These are housing units that are inadequate to meet the need.

In terms of availability, a housing study prepared by the City in 2007, showed an unmet housing need for 16,924 rental housing units by 2012 for households earning less than $16,000. Over 9,500 of the units are needed for households that earn less than $12,000 in our community.

By any measure, there is an affordable housing problem in our community. The challenge is how the community adequately addresses the various affordable housing segments in the community.

III. Implementation Committee Process

There were 75 of citizens and staff involved in the Implementation Committee process. Below is outlined the structure, charge and process for the reviewing the affordable housing solutions areas.

Implementation Committee Structure
Implementation Team Co-Chairs
The three Co-Chairs run the Executive Committee, oversee the individual committees, plan and implement committee policy, and act as liaisons with City Council and the media.

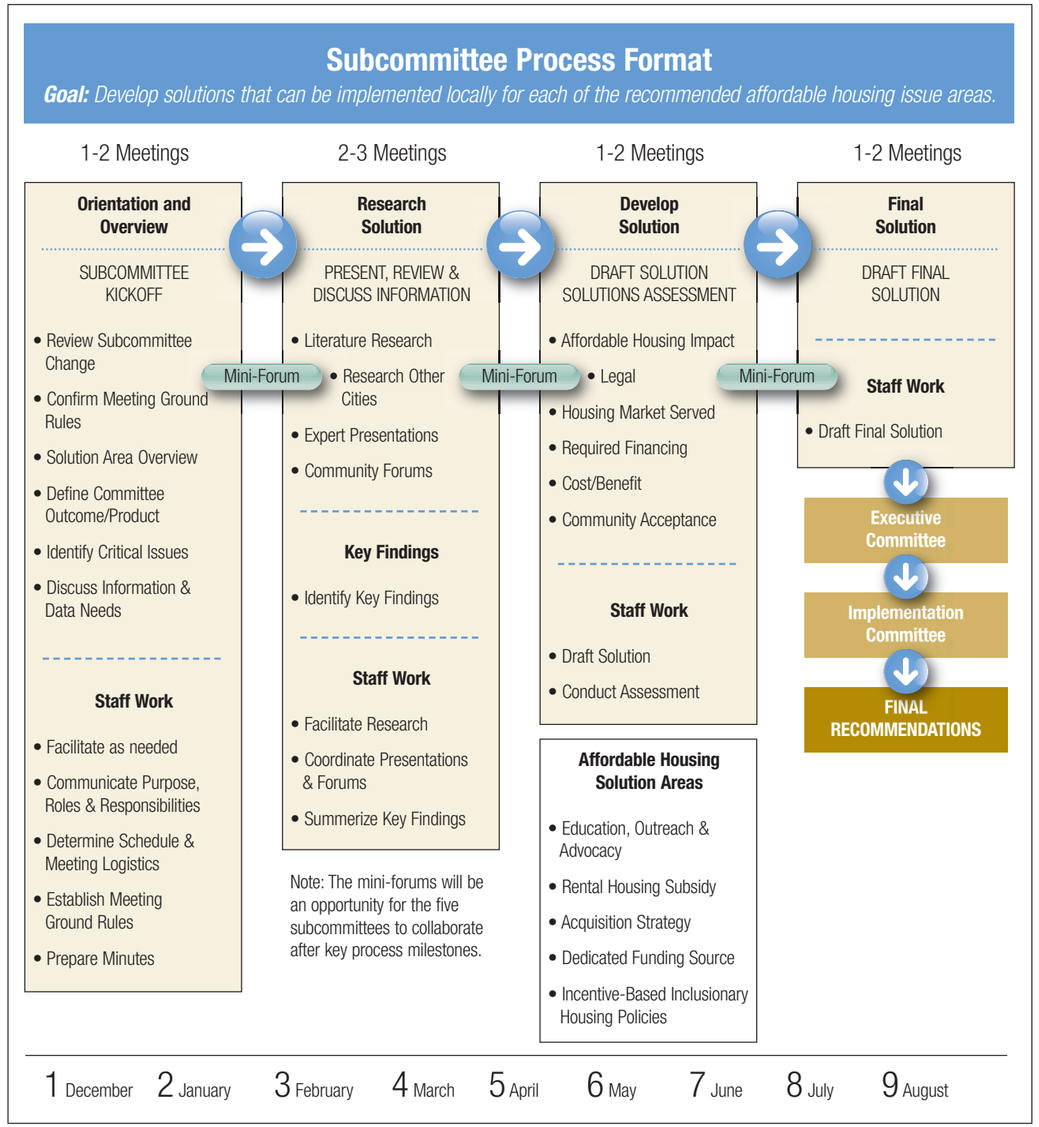
Subcommittee Co-Chairs
Each of the five subcommittees has two co-chairs. The subcommittee co-chairs serve on Executive Committee, identify members from business, neighborhood and non-profit sectors to serve on the subcommittees; communicate charge, roles and responsibilities to subcommittee members; coordinate with assigned staff to facilitate the subcommittee work assignments; and provide monthly reports to the Executive Committee.

Subcommittee Charge
Subcommittee members study the assigned issue area in depth; formulate the "best" solution that can be implemented in Charlotte to address the assigned issue area; and allow broad latitude in how to approach the subject area.

City Staff
The Housing Charlotte 2007 Committee requested that City Council provide staff to support the Implementation Committee. City staff from Neighborhood Development and Planning provided support to the process and subcommittees. City staff members communicate with co-chairs regarding the subcommittee assignment and direction of the work; provide staffing for the subcommittee and help organize the process; assist with meeting coordination and facilitation, as needed; undertake research as requested by the subcommittee; make

arrangements for guest speakers and public presentations, as needed; prepare interim and final solution reports; and prepare summary meeting minutes.

Implementation Committee Process
The Implementation Committee designed a year-long process that included subcommittee meeting and mini-forums which were designed enhance committee collaboration and receive citizen input. The process is depicted in the chart below.



The first few meetings consisted of orientation and overview, including reviewing the subcommittee charge, confirming meeting ground rules, discussing the solution area overview, defining the committee outcome or product, identifying critical issues and discussing information and data needs. During this time, staff facilitated as needed; communicated the purpose, roles and responsibilities; determined the schedule and meeting logistics; established ground rules; and prepared meeting minutes.

During the next few meetings, the committees delved into research and identified key findings. City staff facilitated research, coordinated presentations, and summarized findings. In the next phase, subcommittees developed and drafted their solutions, assessing the affordable housing impact, legal aspects, housing market served, required financing, cost/benefit ratio and community acceptance. Staff work included drafting the solutions and conducting an assessment. The full implementation team also held mini-forums as an opportunity for the five subcommittees to collaborate after key process milestones and present research to the public.

IV. Summary of HC 2007 Implementation Committee Recommendations

Below is a summary of the recommendations from each of the subcommittees. Each of the recommendations are discussed in detailed in the next section.

A. EDUCATION, OUTREACH AND ADVOCACY SUBCOMMITTEE
Charge: *Promoting ways to make affordable housing information available to consumers, producers and general public.*

Recommendation 1 - Conduct a comprehensive survey be completed of the Charlotte community to explore knowledge and attitudes toward affordable housing. The survey should reach all segments of the community and address language differences to assure a comprehensive view.

Recommendation 2 – Establish an Affordable Housing Public Information Program to address the diverse cultural and language make-up of Charlotte today. In developing and implementing the program, there should be steps taken to address multi-lingual needs and to assure that communications reaches each audience in a manner that is relevant and clear.

B. ACQUISITION STRATEGY SUBCOMMITTEE
Charge: *Expanding the number and desirability of sites and land banking for affordable housing.*

Recommendation 1 - Obtain land near public schools for affordable housing by executing long term land leases for excess land owned by Charlotte Mecklenburg Schools.

Recommendation 2 - Replace the Existing Housing Locational Policy with site selection criteria that broaden and better defines City policies and standards for identifying and selecting sites for the development of sound affordable housing.

C. DEDICATED FUNDING SOURCE SUBCOMMITTEE
Charge: *Exploring alternatives in addition to general obligations bonds to finance affordable housing.*

Recommendation 1 - City Council should set aside sufficient funds to annually provide $10 million in capital funding for affordable housing.

Recommendation 2 - Appoint a task force to study using interest earned from Property Managers/Realtor Residential Rental Security Deposit Accounts to assist extremely low-income households with rental deposits.

D. RENTAL HOUSING SUBSIDY SUBCOMMITTEE
Charge: *Provide a local rental subsidy program to very low-income families.*

Recommendation - Create a local subsidy program that provides rental assistance to families who have income less than 24% of the Area Median Income (AMI.) The program is targeted towards existing vacant, market rate apartment units. This program will bring together financial supporters from the private sector, faith community and government.

E. INCENTIVE-BASED INCLUSIONARY HOUSING POLICIES SUBCOMMITTEE
Charge: *Developing incentive programs to engage the private sector in the development of affordable housing.*

Recommendation 1 - Develop a voluntary single family zoning density bonus program.

Recommendation 2 - Amend current zoning ordinance to expand accessory use ordinance to allow non-relatives to occupy accessory dwelling units (ADU's).

Recommendation 3 - Amend zoning ordinance to allow duplex units on any lot (not just corner lots) if it meets current standards (e.g., lot size at 1.5 times base zoning requirement).

V. Detailed Implementation Report Recommendations

Below are detailed recommendations from the Housing Charlotte 2007 Implementation Committee. Each recommendation has a description, cost-benefit analysis, impact statement and Implementation steps. Again, these recommendations are arranged by solution area.

EDUCATION, ADVOCACY, OUTREACH SUBCOMMITTEE RECOMMENDATIONS

Recommendation 1 – Conduct Community Attitude/Knowledge Research on affordable housing

Description
Conduct a community-wide survey of attitudes toward affordable housing. This is essential in formulating a program of education, advocacy and outreach that can support progress in meeting the community's growing need for safe, affordable housing. This recommendation will not require a specific ordinance, but it will require funding by a public or private source.

Cost-Benefit Analysis
The estimated cost for a comprehensive community-wide research program is $36,500. Following is a summary of the research approach:

SURVEY OF CHARLOTTE RESIDENTS – Sample size of 400.

OBJECTIVES
- Measure awareness and perceptions of lack of affordable housing in the area
- Determine how serious the problem is perceived to be
- Measure knowledge and attitudes toward lack of affordable and related issues
- Measure support for initiatives, programs and funding alternatives
- Determine major sources of credible information about community issues
- Develop demographic profile to determine where support exists and where educational messages should be targeted

Estimated Cost: $21,000

CHARLOTTE-AREA BUSINESSES – Sample size of 150 stratified by number of employees.

OBJECTIVES:
- Measure awareness and perceptions of affordable housing's impact on business
- Measure knowledge and perceptions of specific issues related to lack of affordable housing
- Measure support for initiatives, programs and funding alternatives
- Determine sources of information about issues affecting the Charlotte business community

Estimated Cost: $15,500

Grand Total: $36,000

Expected Impact
Information generated by this research will provide insights into potential misinformation related to affordable housing, which can be corrected through outreach and education. Solutions to Charlotte's affordable housing issues will require public support and consensus around the issue and the starting point for forming this groundswell of support must be an objective understanding of attitudes as they currently exist.

Implementation Steps
- Establish specific goals for the surveys
- Issue and award RFP for professional survey company
- Draft survey questions
- Conduct the survey
- Analyze results
- Final report and recommendations
- Formulate action plans
- Implement

Recommendation 2 – Ongoing Public Information Program focused on affordable housing education

Description
The committee recommends an ongoing public information program focused on affordable housing education. This program will be based on preliminary work already completed by the subcommittee, including the identification and description of target audiences, definition of mindsets of those audiences and features and benefits of affordable housing. The program should address communications surrounding the broad issue of affordable housing and how outdated attitudes can be updated. This recommendation will not require a specific ordinance or enabling legislation. It will require funding from public, private or combined resources on an ongoing basis. The subcommittee recommends that the initial commitment be to a five-year program.

Cost-Benefit Analysis

The cost for a public information program at estimated at $500,000 annually, broken down in the following manner:

- Professional staffing $ 75,000
- Community outreach $250,000
- Collateral $ 85,000
- Special events $ 75,000
- Related expenses $ 15,000

TOTAL $500,000

Expected Impact
This program will help create awareness and support for affordable housing initiatives to enhance the City's overall quality of life and image as a community that provides for all of its people regardless of income level. In addition, a public information program will help to assure the successful adoption of the various subcommittees' recommendations.

Implementation Steps
The following are essential process steps for implementing a public information program:

- Draft plan in support of Housing Charlotte recommendations
- Determine structure for an ongoing program of education/outreach
- Generate needed financial support
- Recruit a communications professional
- Develop short and long-range plans
- Implement
- Evaluate

Acquisition Strategy Subcommittee Recommendations

Recommendation 1 – Obtain land near public schools for affordable housing by executing long-term land leases for excess land owned by Charlotte Mecklenburg Schools (CMS).

Description
In accordance with a resolution adopted by Board of Education to promote the growth and dispersion of affordable housing throughout Mecklenburg County, CMS should consider leasing excess land to affordable housing developers with Board of Education and Board of County Commissioners approval. The goal would be to broaden the economic diversity of school enrollment, making land available for affordable housing in communities where high quality affordable developments would expand the profile of families served by the school. These communities would also make affordable/workforce housing available to CMS employees meeting income requirements, enabling them to live near their places of work.

Cost-Benefit Analysis
This recommendation makes use of excess land owned by CMS. As excess land, the value creation from such parcels would be extremely limited. As such, cost to CMS are associated with the time invested by its employees to make parcels available, negotiate long-term land lease agreements and obtain approval of such agreements from the Board of Education and the County Commissioners. Benefits to CMS would include:

- Payments received for the land lease
- Expanded economic diversity of its school enrollment
- Availability of affordable housing for its workforce near its school locations

Other entities involved in this collaboration would not experience new or increased costs. Benefits to the community would include:

- Increased opportunities to develop affordable housing near schools
- Increased support in the rezoning process especially in addressing NIMBY pressures

Expected Impact
Implementation of the proposed recommendation would result in increased land availability for affordable housing. If development is successful, the community would receive more affordable housing located near schools and increased economic diversity of its public school enrollment.

Implementation Steps
A. CMS should work with developers to make excess land available for affordable housing and structure transaction terms that are consistent with the requirements of funding sources for these developments.
1) Provide options to lease so that rezoning approval and funding sources can be obtained.
2) Consider pricing and payment structure compatible with affordable housing deals.
3) Execute long-term ground lease when rezoning approval and funding sources are obtained.
4) If rezoning and/or funding cannot be obtained, the option would expire and land control would remain with CMS.

B. Requests should be made of the North Carolina Housing Finance Agency and Charlotte Housing Trust Fund to award points for developments that take advantage of education collaborations and broaden the economic profiles of neighborhood school enrollment.
C. Requests should be made of legislators to support links between future HOPE VI funding/other funding sources and education agency collaborations. Charlotte could become a national model for education/affordable housing collaborations.

Recommendation 2 – Create site selection criteria that broaden and better defines City policies and standards for identifying and selecting sites for the development of sound affordable housing.

Description
The current locational policy map is used as a guide to facilitate the development of subsidized affordable housing. However, the map and City housing policies need to be revised and should entail utilization of a site evaluation system that:

- Increases the number of acceptable locations by being less restrictive than the current evaluation system
- Incorporates a point scoring system offering incentives to developers for developing affordable housing that incorporates desirable characteristics
- Provides developers with a better sense of what constitutes a superior, mediocre, and weak site prior to incurring significant predevelopment costs
- Allows affordable housing financing decisions to be more impacted by need and less impacted by political factors

Cost-Benefit Analysis
The subcommittee has given preliminary consideration to the cost/benefit analysis since the recommendation will entail a policy change. It would not require an increase in direct cost; therefore, implementation should be nominal. The recommendation will enable City staff to better channel limited funding by identifying the optimal sites for development. Legally, the recommendation would require City Council approval, and it would not be a revenue generator for the City. While the comparative strength is that it will allow for better targeting of subsidized affordable housing development, the comparative weakness are that it would require political and community acceptance and it would not govern the actions of private affordable housing owners.

Expected Impact
The proposed recommendation would result in a more equitable distribution of affordable housing as well as a greater diversity of uses within and near affordable communities. City staff would be armed with a mechanism to quantify the strengths and weaknesses of proposals from affordable housing developers.

Implementation Steps
Steps to implement the recommendation include:
- Finalizing the recommendation with full Executive Committee approval
- Gain support from affordable housing developers and advocates
- Obtain City Council approval

Dedicated Funding Source Subcommittee Recommendations

Recommendation 1 – City Council should set aside sufficient funds to annually provide $10 million in capital funding for affordable housing.

Description
Since 2002, the City of Charlotte has used General Obligation Bonds for capital expenditures associated with affordable housing. A General Obligation Bond is a municipal bond secured by the taxing and borrowing power of the municipality issuing it. General Obligation Bonds are authorized by the City Council and approved by voters in the City. Bonds are repaid over a 20-year period and generally are tax-exempted. The City of Charlotte has an “AAA” bond rating, which enables it to borrow at very low interest rates. In 2002, 2004 and 2006 bond referendums, the City raised $45 million in general obligation bonds for affordable housing. Voter approval of referendums has ranged from 58 percent to 60 percent. The Charlotte City Council is recommending a $10 million taxable bond referendum for November 2008.

Cost-Benefit Analysis
The Subcommittee developed a host of criteria for evaluating various funding mechanisms for affordable housing. Below is the Subcommittee's assessment of $10 million annually in General Obligations Bonds for affordable housing.

Criteria	Assessment
Relationship to Housing / Real Estate	■ General Obligation Bonds are used by local governments for a variety of capital expenditures – roads, infrastructure, schools construction, public buildings, etc. ■ Use of these funds is related to real estate
Legality	■ North Carolina General Statues Chapter 159, Article 4 authorizes municipalities to use General Obligation Bonds ■ Must be placed before the voters for approval ■ Bond funds must be expended within seven years of obligation
Revenue Potential	■ One penny on the City's tax rate generates $7.1 million annually. At a current interest rate of 4.5% for a 20-year bond, a $1 million bond costs the City about $77,000 a year. Therefore, a $10 million bond issue will cost $770,000 or about a tenth of a penny on the tax rate ■ Past housing bonds have ranged between $10 million and $20 million ■ Revenues raised from General Obligation Bonds are limited based on competing community priorities & local government's ability to support debt
Competitiveness	■ General Obligation Bonds are also used to fund transportation, infrastructure, neighborhood improvements and public facilities based on community priorities. The City Council establishes community priorities
Stability	■ Funding is dependent upon voter approval
Equitability	■ Bond debt is repaid through property taxes, sale taxes and City fees ■ Bond repayments are included as debt service in the municipal budget
Efficiency	■ Funds are generated through the sale of general obligation bonds in the municipal bond market
Political Acceptance	■ General Obligations Bonds for affordable housing have been supported by the City Council in the past

The comparative strengths of General Obligations Bonds are:
- Authorized source of funding for local municipalities
- All property owners share in repayment of the bonds through tax proceeds
- Previous bond referendums have met with community acceptance

The comparative weaknesses of General Obligation Bonds are:
- Dependent on bi-annual voter approval and, as such, cannot be considered a dependable source of funding
- Unpredictability of the source for long-range affordable housing planning

Expected Impact
Bi-annual approval of $20 million in General Obligation Bonds for housing are expected to generate about 800 – 900 affordable housing units every two years depending upon on the type and mix of affordable housing development funded. Funds will address homeownership, rental and special needs housing and will be capital expenses associated with acquisition, preservation (rehabilitation) and new construction.

Implementation Steps

First, affordable housing advocates and community must convince the current and future City Councils that the minimum level of investments in affordable housing bonds should be $20 million bi-annually. Second, affordable housing advocates must continuously convince the community of the importance of developing affordable housing units and their contribution to helping keep the local economy strong.

Recommendation 2 – Appoint a task force to study using interest earned from Property Managers/Realtor Residential Rental Security Deposit Accounts to assist extremely low-income households with rental deposits.

This recommendation proposes a local initiative to encourage the use of interest earned on Property Managers/ Realtor Residential Security Deposit Accounts to help households earning 30 percent or less of the Area Median Income make rental security deposits. The funds will be used to remove a major barrier for households earning $19,230 or less (based in a household size of four) to access rental apartments. The City already has rental security deposit program operated by Crisis Assistance Ministry. This recommendation will expand the number of people that can access the program and secure a dedicated funding source. This recommendation is similar to "Interest in Lawyers Trust Account" program, which is currently a voluntary initiative in North Carolina and raises about $3 million a year that is used to fund pro-bono work and other charitable initiatives. The North Carolina Bar has made it mandatory that all law firms participate in this program beginning in January 2009. The projected revenue from the statewide initiative is expected to be $4 - $5 million annually. The task force will study the feasibility of the program, design the details of this program and coordinate with the various entities involved to implement the program. The Housing Charlotte 2007 should take the initiative to establish the task force.

Cost-Benefit Analysis
The Subcommittee did not have sufficient time to explore this recommendation in depth, but strongly feels that it is worthy of additional consideration.

Expected Impact
The amount of funding that can be generated from this source is unknown at this time. [Note: Analysis by Ken Szymanski, Executive Director of the Charlotte Apartment Association estimated about $300,000 annually for Mecklenburg County]

Implementation Steps
The Housing Charlotte 2007 Implementation Committee should establish mission, structure, timetable, deliverables and suggested membership for the task force. Study of this recommendation will require collaboration with the North Carolina Banker Associations, North Carolina Apartment Association, North Carolina Real Estate Commission, North Carolina Association of Realtors, Charlotte Apartment Association and Charlotte Regional Realtor Association. It will also require the City Council, Mecklenburg County Board of Commissioners and the North Carolina General Assembly approval as well.

Rental Housing Subcommittee Recommendations

Recommendation: Create a local rental subsidy program

Description
The Rental Housing Subsidy Subcommittee was charged with creating a local subsidy program that provides rental assistance to families who have income less than 24% of the Area Median Income (AMI.) The program is to target existing vacant, market rate apartment units and shall not require building new housing. This program is to bring together financial supporters from the private sector, faith community and government.

The Rental Housing Subsidy Subcommittee believes that for this program to be successful, numerous components must be adopted in concert with financial subsidies. Using the human capital of trained social workers with dedicated volunteers, the provision of social services is the key component of the program design. Supportive social services must be attached to all rent subsidies in this program. The social services provided will be based on the varying level of needs of the participants.

Supportive services start with a thorough family or household assessment and will lead to the development of a plan with goals for success. A primary social worker relationship must be established for each family/household in the program. Close tracking of goals and results is expected. Examples of supportive services include job training, life skills training, financial management, substance abuse counseling, goal monitoring, etc. The goal of this program is to help targeted families become more financially stable. The hope of the program is for a family to move off of the subsidy and no longer need dedicated social services. In addition to the primary component of supportive social services, the following program characteristics are recommended by the Subcommittee:

Program Component	Description
1. Geographic Dispersion To facilitate wider location choices and reduce concentration in specific areas of Charlotte	■ Requests for Proposals for units in targeted areas can be solicited from landlords ■ Subsidy level can vary to account for higher market rates in certain areas of town
2. Implementation Options	■ Tenant based (per individual family unit) Apartment Community/Site based (per complex)
3. Referral based	■ Households eligible for subsidy must be referred by local social service/non-profit agency – that is, an applicant cannot self refer into the program
4. Housing Assistance Payment	■ Household's portion of rent will be based on individual budget assessment and can vary throughout participation in the program
5. Inspections	■ Each unit will be required to under go a Housing Quality or Minimum Housing Code inspection prior to move-in with expedited process
6. Pre-program training	■ All households must participate in a training program prior to moving into housing such as training to be a good neighbor
7. Accountability	■ Each participating household and landlord will be required to comply with guidelines to remain in the program
8. Administration	■ One designated lead agency/organization to administer program and manage program metrics ■ Provide in-depth screening for potential households including criminal and credit checks
9. Program evaluation by independent body	■ Individual outcomes for households ■ Rental subsidy effects on neighborhoods

ADDITIONAL CONSIDERATIONS/OPEN ISSUES
These items were briefly discussed by the subcommittee without final resolution. We recommend further discussion and evaluation.

- Need to determine a reasonable finite term of subsidy
- Admission Preferences: Consider that some admission preferences may be included to make the program more responsive to needs of the community

Cost-Benefit Analysis
Cost of Program will vary depending on the level of support and because the funding source and amount have

not been determined, the subcommittee was unable to determine an annual cost of a program. In serving these very-low income households, it is important to keep in mind the relationships between the depth of individual subsidies, the total number of households served and neighborhood geographic dispersion. See the following table for a breakdown of average annual subsidy per geographic distribution. All information based on two bedroom units for a family of three at 24% of median income.

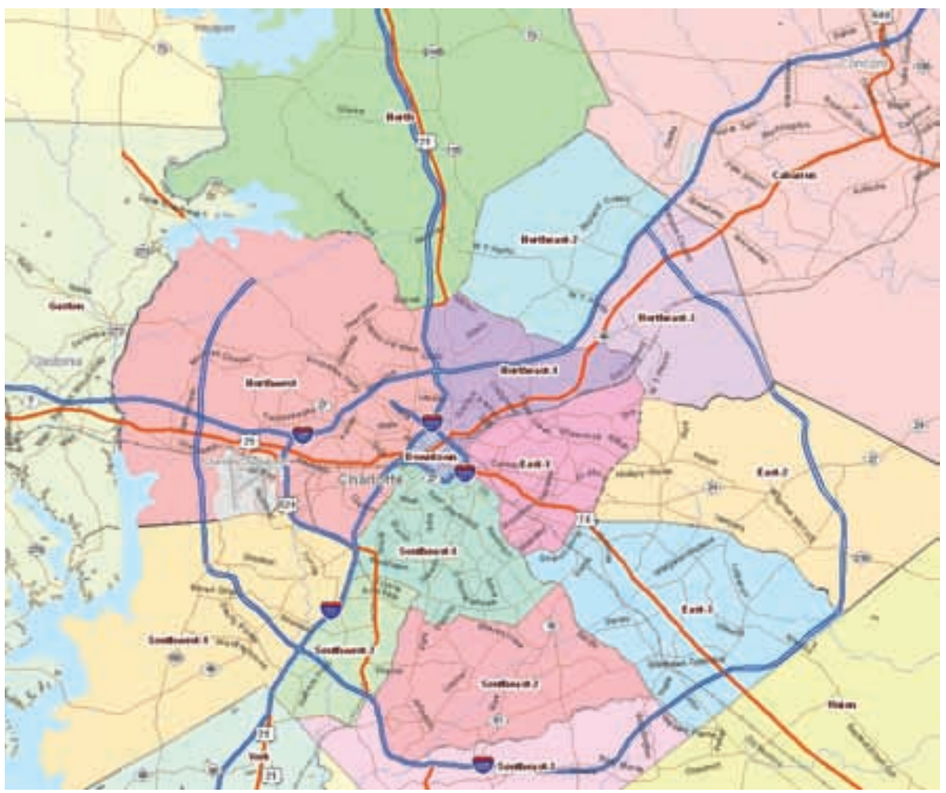
Expected Impact

Subsidy program will address goals stated in Charlotte-Mecklenburg's Ten Year Implementation Plan to End and Prevent Homelessness. The subcommittee did not define goals for determining effectiveness of program.

Implementation Steps

1) Identify administrative agency/organization
2) Run a pilot subsidy program
3) Evaluate pilot program and make necessary changes
4) Determine steps necessary to bring the program to scale
5) Implement program

Charlotte Real Estate Areas



Charlotte Ave Rents by Geography Adjusted

	GCAA Member Apartments Geographic Distribution (1)						24% of Median		
	Total 2 BR Units	Vacant Units	Vacancy Rate	Average Sq. Ft.	Average Rent	Est. Average Renter HH Income (2)	Max HH Income Limit Family of 3 (3)	Max Rent Ability to Pay (4)	Annual Per Unit Subsidy Cost (5)
Downtown	577	168	0	895	$ 1,324	$ 68,200	$ 13,910	$ 252	$ 14,019
East 1	4,139	632	0	880	$ 667	$ 36,600	$ 13,910	$ 252	$ 6,135
East 2	2,952	495	0	898	$ 673	$ 36,900	$ 13,910	$ 252	$ 6,207
East 3	4,010	728	0	915	$ 737	$ 40,000	$ 13,910	$ 252	$ 6,975
North	2,252	558	0	978	$ 834	$ 44,600	$ 13,910	$ 252	$ 8,139
NE-1	2,422	712	0	825	$ 540	$ 30,500	$ 13,910	$ 252	$ 4,611
NE-2	2,693	277	0	985	$ 869	$ 46,300	$ 13,910	$ 252	$ 8,559
NE-3	3,001	570	0	1,013	$ 836	$ 44,700	$ 13,910	$ 252	$ 8,163
Northwest	1,802	377	0	820	$ 533	$ 30,200	$ 13,910	$ 252	$ 4,527
SE-1	3,423	641	0	995	$ 976	$ 51,500	$ 13,910	$ 252	$ 9,843
SE-2	4,029	562	0	981	$ 807	$ 43,300	$ 13,910	$ 252	$ 7,815
SE-3	2,249	529	0	1,061	$ 936	$ 49,500	$ 13,910	$ 252	$ 9,363
SW-1	2,514	545	0	964	$ 826	$ 44,300	$ 13,910	$ 252	$ 8,043
SW-2	2,816	554	0	909	$ 694	$ 37,900	$ 13,910	$ 252	$ 6,459
	38,879	7,348	0	941	$ 777	$ 41,900	$ 13,910	$ 252	$ 7,449

(1) Source: Charlotte Apartment Index, Real Data. March 2008
(2) Assumptions - Average HH pays 25% of Income for Rent + Utilities, Utilities average $96/month ($8 Utilitiy Allowance Pre 2006)
(3) Uses HUD protocol for HH size adjustments (for example, 3 person HH income limit for 24% median = $64,400 x 24% x 9)
(4) Assumptions - Average HH can afford 30% of income for Rent + Utilities
(5) Calculated by subtracting "Max Rent Ability to Pay" from "Average Rent" for geographic submarket

Incentive-Based Inclusionary Housing Policies Subcommittee

Recommendation 1 - Develop a voluntary single family zoning density bonus program.

Description
The solutions to Charlotte's lack of affordable housing lie in the joint efforts of business, faith, charitable and governmental institutions. While the focus of our committee is on government action, we would be mistaken if we thought that governmental action alone is the solution. Recommendations beyond government action are beyond the scope of this subcommittee, but we feel strongly that all components of our community need to be engaged and we caution the community against complacently believing that governmental policy changes are all we need to do.

The subcommittee assumed that its initial focus should be on a density bonus program as a way of increasing the number of affordable ownership and rental units. The subcommittee's research into density bonus however resulted in its conclusion that as to multi-family rental projects, there is no statistical evidence that voluntary density bonus programs have been effective. In fact, information provided by experienced multi-family developers on the subcommittee as well as other studies reviewed by the subcommittee indicates that a density bonus program for multi-family rental projects is counterproductive because the rents for the market rate units have to subsidize part of the expenses of the affordable units raising the cost of housing for market rate renters. The underlying economic reasons for this counter-productivity lies in the way that returns are measured within the industry. Newly developed projects are judged based on a "return on cost" methodology. In essence, the market judges a newly developed project by its total return (net cash flow and net gain on sale) compared to its total cost. When viewed in this light, it becomes clear that a density bonus in exchange for affordable rental units, results in a negative double whammy for a multi-family rental developer. By adding units you are increasing the multi-family rental developer's cost. By requiring that some of those units be affordable at below market rents, you are not only reducing the cash flow component of the return measure but the sales component as well since buyers of multi-family rental product, like all income producing property, calculate sales price as a function of total revenue in excess of operating expenses. An affordable unit's operating expenses are no less than a market rate unit's but the rent, however, is less. Therefore, the net revenue upon which a purchase price decision is made is lower.

There appear to be two necessary preconditions for a density bonus to work as a way of increasing multi-family affordable rental units. The first precondition is that the program must be mandatory. Everyone in a given market area must play by the same rules. In other words, the bonus must be a condition to entitlement in the same way that compliance with the building codes is a condition to entitlement. The second precondition is that the market itself must be such that developers simply won't flock to the nearest jurisdiction without such requirements and build their projects there. Markets like San Francisco, Boston and Washington, DC, may fall into this category. Charlotte does not. By trying to have a mandatory density bonus program, multi-family developers will likely abandon the Charlotte market and build their projects in neighboring counties resulting in, ironically, fewer affordable units. As a result, our subcommittee is recommending no density bonus incentive for rental development (apart from recommendation #2 concerning accessory dwelling units and recommendation #3 concerning duplex units).

The Committee feels that with respect to traditional multi-family developments, the best incentives are those which will promote lower costs to the apartment developer or higher rents paid by low to moderate income tenants. Our recommendations affect the housing trust fund, land acquisition and private rental subsidy programs. We recognize that there are separate subcommittees on rental subsidies and land acquisition. Those subcommittees have spent much more time considering those issues and their recommendations will be more thoughtful and far reaching. However, it is our subcommittee's conclusion that a robust and well managed rental subsidy and the acquisition of suitable land at discounted prices are so critical in this arena that we will make recommendations along those lines as well, while acknowledging that our thoughts here are likely to be redundant and less nuanced than those coming from those subcommittees.

The dynamics of a single-family ownership project are different. Allowing more lots or for-sale units within the same number of acres under a density bonus program does not result in a material cost increase. Additionally, these projects tend to be judged on basis of total sales price versus total costs. Although adding additional lots and units will add costs to the overall development, the negative impact to the developer resulting from below-market sales prices for some of them can be offset by lower per lot/unit land costs and lower per lot/unit infrastructure costs. Additionally, the "by right"[3] nature of our proposal will save rezoning costs. These potential cost savings should reduce the amount that may be passed on to the market-rate buyers. We believe a density bonus program for single-family ownership developments has less of an adverse economic impact to the developer and market-rate buyers than such a program would have on multi-family developers and market-rate renters.

The subcommittee reviewed inclusionary housing policies in other communities that did not include meaningful density bonus incentives, as we are recommending here, and concluded that such policies were not successful and made providing affordable housing more difficult by raising the cost of all housing. Without these incentives market-rate housing would need to subsidize inclusionary housing, raising the home prices of new housing which in turn raises the price of existing housing. We need to lessen the barriers to providing affordable housing in Charlotte, not create more.

Underlying all of our recommendations are the following principles: (i) these incentives should be applied in a way that, to the greatest extent possible, results in mixed-income communities; (ii) affordable housing should be spread throughout Charlotte so that those in need of affordable housing can find it readily available near schools and employment; (iii) the incentives should not burden the real estate development community or the market-rate buyer or renter in such a way so that a disincentive to build affordable housing is created; (iv) the public should have confidence that the incentives are administered appropriately and that truly affordable housing is created; and (v) the incentives should be monitored and results measured to determine that our goals are being met. Use regulatory incentives to increase affordable housing opportunities for households earning less than 80% of median income.

The Subcommittee recommends developing a Single Family Density Bonus Zoning Overlay District based on the following criteria:

A) *APPLICABILITY*
- R-3, R-4, & R-5 Single Family Zoning
- Allow a conditional change in density from 3 to 6; 4 to 6; and 5 to 6 dwelling units per acre (DUA) subject to staff review
- Allow attached multi-family housing in single family districts by right subject to the 6 unit an acre limit on the overall property[4]

B) *SET-ASIDE*
- 50% of additional units must be affordable (3-6 DUA)
- 40% of additional units must be affordable (4-6 DUA)
- 0% of additional units must be affordable (5-6 DUA)
- Number of affordable units not to exceed 25% of total development

C) *THRESHOLD LEVEL OF DEVELOPMENT*
- Minimum of 5 acres

[3] The term "by right" means the developer is not required to go through the rezoning process, which is a public process and requires council action. However, this does not imply the developer would be exempt from staff review and approval.
[4] This would also be subject to staff review.

D) *INCOME TARGETING*

- Households earning 80% or less than Area Median Income (AMI); $51,520 annually for a 4-person household in 2008, and be adjusted in the future based on the actual AMI at the time of submittal of the neighborhood plan to Planning.

E) *LOCATION TARGETING*

- Apply to locations currently underserved by affordable housing and where mixed income communities can be achieved – which we have determined to be to census block groups where median assessed tax value for residences is greater than $140,000, and be adjusted, periodically in the future (and no less often than every general ad valorem tax revaluation year) based on the actual median assessed tax value for City census blocks that meets the target income home price at the time of submittal of the neighborhood plan to Planning. (See color-coded map on page 22 showing the preferred locations for this program.)

F) *ENFORCEMENT*

- Qualified buyers would be allowed to sell their units without regard to whether it would remain affordable; however, the City would have a "shared-appreciation" type second mortgage. On a sale, the City would be entitled to a share of the purchase price over the original cost of the home. In the early years the City would receive nearly all of the appreciation, but this share would decline over time until the City's share of any appreciation is fixed at 10% after the original buyer had owned the unit for 20 years. Money received by the City would be dedicated to other affordable housing initiatives.

G) *DESIGN GUIDELINES*

- Units must blend in architecturally with other units
- Affordable units must be dispersed within the development as far as it is possible
- Perimeter of development must reflect the character of adjacent neighborhoods
- Subject to General Development Policy (GDP) residential design guidelines
- Subject to staff review and approval

H) *PROGRAM ADMINISTRATION*

- Processing of the development application and project approval to be administered by Planning Department
- Income qualification, training, and certification of homebuyers to be administered by Neighborhood Development
- Long-term monitoring and enforcement of the resale of homes to be administered by Neighborhood Development
- Provision of adequate staffing equivalent to ½ - full time employee to ensure the efficient and fair implementation of the program

Cost-Benefit Analysis

Our subcommittee does not perceive a significant public cost to our proposal beyond the addition of an employee to the City's Neighborhood Development Department to monitor the program. The overall benefit in terms of number of affordable for-sale units added is difficult to predict, but the addition of the units themselves should not result in any increased public cost as any additional infrastructure needed will likely be paid for in the same manner in which it is currently paid in single family developments. We see the potential for a number of non-economic benefits to the community such as the disbursement of affordable for-sale units throughout a larger geographic region which, as a consequence, should result in a more equitable distribution of children from low to moderate income families throughout the school system.

Expected Impact

Data exists in other markets that have used density bonuses. Because of market differences and differences in the nature of the programs, the subcommittee did not do a detailed analysis of this information. If this recommendation is considered by City Council, it would be appropriate for staff to thoroughly review this data and provide information to City Council as to the impact seen in markets most like Charlotte and with programs similar in scope to this recommendation.

Enabling Legislation

We have been advised by counsel for the City that other jurisdictions in North Carolina (with one exception) have obtained special legislation which authorizes certain affordable housing incentives. If, after review of our proposal, counsel for the City is of the opinion that enabling legislation is needed, then City Council should request its delegation to obtain such authority.

Implementation Steps

1. Determine if State Enabling Legislation is needed to authorize the City to use regulatory incentives to achieve affordable housing objectives
2. Develop Single Family Density Bonus Zoning Overlay District
3. Approve Text amendment(s) for the Zoning Ordinance

Recommendation 2 - Amend current zoning ordinance to expand accessory use ordinance to allow non-relatives to occupy accessory dwelling units (ADU's).

Cost/Benefit Analysis

We do not anticipate a significant cost to the City beyond perhaps a slight expansion in the building inspection department if the demand for the construction of accessory dwelling units requires additional employees.

Expected Impact

It is difficult to predict the number of homeowners who may take advantage of this provision without undertaking a scientific survey.

Enabling Legislation

No enabling state legislation is required.

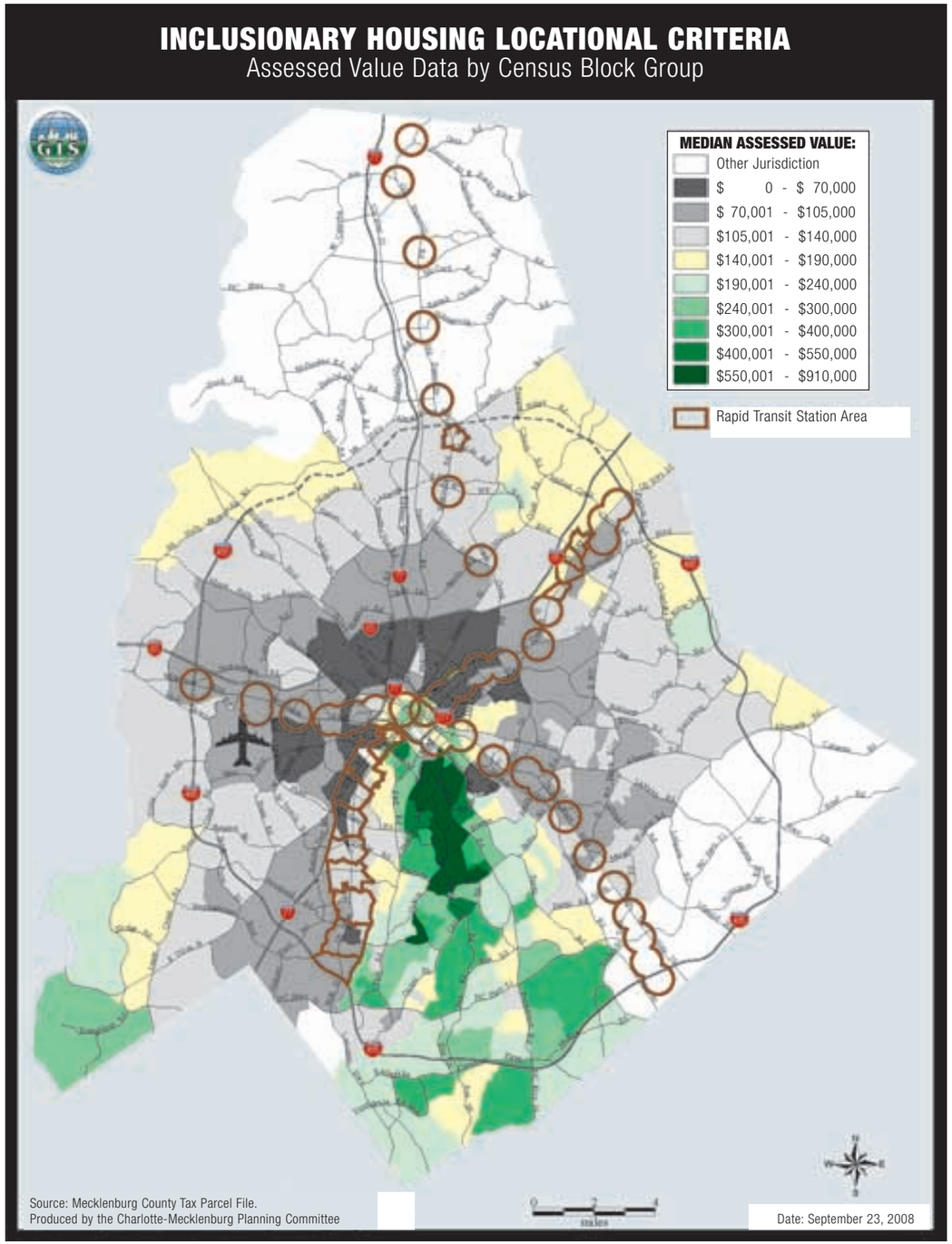
Implementation

Text amendment(s) will be needed to the Zoning Ordinance

Recommendation 3 - Amend zoning ordinance to allow duplex units on any lot (not just corner lots) if it meets current standards (e.g., lot size at 1.5 times base zoning requirement).

Cost/Benefit Analysis

Beyond perhaps some minor administrative costs, we do not believe there is a significant cost in enacting this recommendation.

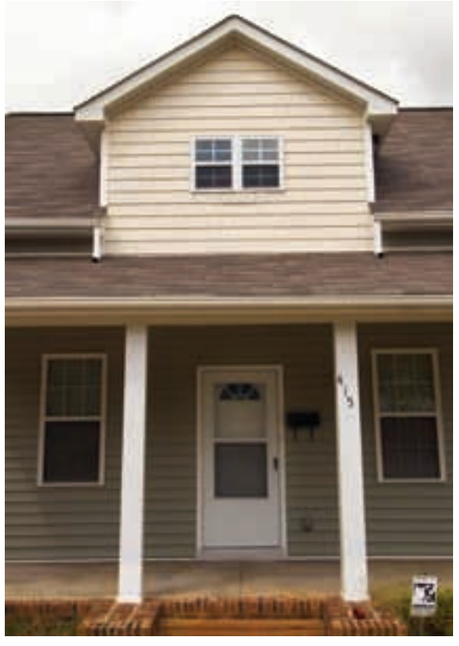


Expected Impact
There are a number of older neighborhoods where duplex units were allowed "mid-block" before the zoning ordinance limiting them to corner lots was enacted. There are a number of neighborhoods in Charlotte where lot sizes mid-block would be sufficient to permit the construction of duplex housing. While our Committee does not have the statistical analysis tools necessary to make a prediction, it seems likely that a number of houses might be added as a result of this change.

Enabling Legislation
No enabling state legislation is required.

Implementation
Text amendment(s) will be needed to the Zoning Ordinance

For additional recommendations for affordable housing by the Incentive-Based Inclusionary Housing Policies Subcommittee that impact other solution areas, please see the Appendix.



VI. Next Steps

With the help of approximately 60 community volunteers, the Housing Charlotte 2007 Implementation Committee has been working for 10 months to development implementable recommendations for affordable housing in five areas: 1) Education, Outreach and Advocacy, 2) Rental Subsidies, 3) Incentive Based Inclusionary Housing Policies, 4) Land Acquisition and 5) Dedicated Funding Source.

One of the recommendations of the Education, Outreach and Advocacy Committee is to find a community partner who can build more community support for affordable housing generally and the recommendations in the report in particular. There is a concern among our members that, even with the Housing Charlotte 2007 event in February of 2007 and the continued work of the Implementation Committee, the recommendations in the report are likely to need more community support in order to be adopted.

Though the volunteers do not believe that there is a distaste for affordable housing generally, it is clear from their efforts that land use generally, and affordable housing in particular, generate strong feelings. Frequently those feelings are based upon insufficient or incorrect facts.

As a result, the Implementation Committee feels that it would be helpful for the Foundation For The Carolinas to assume steering the affordable housing efforts. The Committee has asked the Foundation to convene meetings in the community regarding affordable housing and develop a process whereby the community will be more receptive to affordable housing.

VII. Appendix

Additional Recommendations from the Incentive-Based Inclusionary Housing Policies Subcommittee That Impact Other Solution Areas

Recommendation 1 - Create a local rent subsidy program which (1) uses an existing landlord's lease in non-tax credit projects, (2) carefully prescreens families to give priority to those with the highest likelihood of becoming self-sufficient, (3) pays a monthly rent subsidy payment equal to the difference between what a selected family can afford to pay based on 30% of its gross income and a fair rental value and (4) combines an appropriate social service component having the goal of moving the family toward self-sufficiency in housing. The subsidy would apply to citizens earning 60% or less of the AMI.

Comment
This approach seems competitive with the Housing Authority's Section 8 Voucher Program. However, this program may be tailored to a segment of the population earning up to 60% of the area median income. The Housing Authority is generally concerned with individuals and families earning 30% and less of the area median income. The Housing Authority's use of federal dollars in the Section 8 Voucher Program comes with a number of restrictions (such as requirement that a Section 8 approved form lease be used) which meets some resistance among private landlords. This subcommittee acknowledges that the Housing Authority, under its new Moving to Work Program, will be revisiting the program's restrictions and will be enhancing its own service delivery to those families. Additionally the Housing Authority's ability to issue Section 8 vouchers is financially limited by allocations from HUD. We view the need for a private rental subsidy as complementary to the Housing Authority with a focus perhaps on families with fewer barriers to self-sufficiency and at the higher end of the lower income levels. It is vital that this program be coordinated with the Section 8 program so that the programs work together and not in competition.

Cost-Benefit Analysis
There will be a significant cost to this program. If we assume that the average family of four in this program earns 45% of the area median income ($28,980) then that family can pay $8,694 per year (or $724.50 per month) in rent at 30% of its income. If the average fair market rent for a two bedroom apartment in Charlotte is $900 per month (or $10,800 annually), then this results in an annual subsidy need of $2,106 per family. If we assume that the cost of additional services for each such family is $1,000 a year, this results in a total annual per family payment of $3,106. For every 100 families in the program, the annual cost based on these assumptions would be $310,600 plus some level of administrative cost in operating and monitoring the program.

Expected Impact
We believe that, based on the waiting list for Section 8 vouchers and the initial success of the WISH Program (both of which currently target lower income levels), we would expect a significant impact that would benefit those families who, while housed, are in a housing crisis because they are paying too high a percentage of their income for rent.

Enabling Legislation
No enabling state legislation is required.

Implementation
1. Designate an agency to screen applicants, manage the funds flow between the subsidy sources, monitor landlord compliance, field questions from neighborhoods, and to contract with the appropriate social service agencies for service delivery. While coordination with the Housing Authority is critical, because this incentive will be funded differently and will be dealing with landlords and tenants who, in many cases are not participating in the Section 8 program, we recommend that the City contract with an outside agency, such as the WISH program to manage the rental subsidy program.
2. Allocate sufficient funds as part of the annual budget toward funding the rental subsidy. It is suggested that this program be started initially as a pilot project with City funding calculated to be sufficient to house 500 families in gradually increasing numbers over a five-year period and then apply measurement standards below to ascertain if the program is being successful. If WISH is the designated agency, then this pilot project will also allow WISH to continue to build its capacity.
3. Create locational and concentration guidelines with a goal of maximizing the number of areas of Charlotte where these subsidies are being used while bearing in mind issues of cost and the need to house as many people as feasible.
4. Require the contracting agency to establish maintenance standards for the landlords and conduct standards for the tenants and strictly monitor and enforce both sets.
5. Establish a measurement standard to measure success. The ultimate measure of success would be helping families raise their incomes to a level where they no longer need the rental subsidy and the number of families needing assistance drops to 0. The services needed to help families achieve this goal will vary from family to family and will range from psychological support, to affordable and conveniently located childcare, to completion of education. Success, too, will be an individual standard. The measurements will need to be appropriately nuanced but should show clear progress toward self sufficiency and either a reduction in the subsidy needed over time or the ability to live without the subsidy.

Recommendation 2 - Increase the Charlotte Housing Trust Fund commitments for projects competing for the 9% federal low income housing tax credit.

Comment
The most effective production program for low to moderate income housing has been the federal 9% tax credit. In North Carolina, competition for the credits, which are allocated by the North Carolina Housing Finance Agency, is intense. The credits are awarded based on a point system. Extra points are awarded for investments in the project by other sources such as housing trust funds – thus our recommendation that the City proactively work to increase the number of Charlotte area projects that receive the credits.

Cost/Benefit Analysis
The cost of this program would be the annual interest cost for increased Charlotte Housing Trust Fund commitments. If we assume an additional $10,000,000 is sought in each biennial bond referendum, then at 6%, the annual borrowing cost on $10,000,000 would be $600,000 a year. We would expect that any commitment of Housing Trust Fund money in these projects would be in the nature of second mortgage financing and structured in such a way that principal and perhaps some small interest component could be repaid over time.

Expected Impact
To properly gauge the expected impact, this recommendation is somewhat dependent on Recommendation 3 below. Assuming that Recommendation 3 is adopted and that the NCHFA requirements are appropriately modified, then it is reasonable to expect that the Charlotte area could end up with an estimated additional 100 to 200 low income housing tax credit units per year.

Enabling Legislation
No enabling state legislation is required.

Implementation
1. Expand the volume of the biennial housing trust fund bond referendum to increase the total dollars available.
2. Require the Housing Trust Fund to write rules which provide a commitment for a level of financing for each tax credit project which meets a defined set of requirements.
3. Develop a set of requirements which will entitle developers to an automatic commitment of housing tax credit funds in order to maximize the project's score under the NCHFA's scoring rules. These funds would only be invested if tax credits were rewarded. Some of the areas that the requirements might cover would include locational policy, number of units in the project set aside for low to moderate income tenants, and prior experience of the development team in order to insure success.

Recommendation 3 - Lobby the NCHFA for changes to its Qualified Application Process (QAP) to allow urban projects to rate higher scores in the low-income housing tax credit allocation process

Comment
There are a number of criteria in the NCHFA's scoring system that penalize projects coming out of the more urban areas of the state and result in fewer tax credits being allocated to Charlotte projects.

Cost/Benefit Analysis
There is no significant cost associated with this recommendation.

Expected Impact
See discussion of Expected Impact under Recommendation 2 above.

Enabling Legislation
No enabling legislation is required though political capital will be required as discussed below.

Implementation
1. Appoint a Citizens Task Force composed of Charlotte area individuals knowledgeable in NCHFA's tax credit allocation process to make recommendations for change.
2. Engage Charlotte's State legislative delegation and lobbyists to provide political guidance in making the appropriate recommendations to NCHFA.

Recommendation 4 – Develop a program that makes sites owned by the City, County and School System available for affordable housing.

Develop a program that makes available sites which are owned or acquired by the City, the County or the School Board including any which are acquired under the recommendations of the land acquisition subcommittee, available to affordable multi- family housing developers at a reduced cost in exchange for 15-year affordability restrictive covenants modeled upon the standard covenants now applicable to tax credit projects. The amount of discount, if any, would be established by a policy to be administered by Neighborhood Development or other appropriate agency and designed, to the extent feasible, to reduce land costs enough to offset the revenue loss resulting from the affordable units such that the return on costs for this project with affordable units would roughly equate to the same return on costs for a similar sized market rate project that bore full market rate land costs.

Cost-Benefit Analysis
The cost of this proposal would be a function of whether the excess land could be sold at fair market values for uses compatible with the adjacent governmental use. In many cases this land has been simply land banked and therefore, selling this unused land, even at below market rates, creates revenue for the governmental agency in question rather than cost. On the benefit side, in addition to potential for adding affordable units, this would create opportunities for well located work force housing for workers at the adjacent governmental uses. This would be particularly useful in the case of vacant land near school sites. Additionally, particularly with respect to school sites, it creates potential for affordable housing within walking distance of schools for children attending those schools.

Expected Impact
It is difficult to assess the expected impact until a full inventory of sites and a determination of their suitability is done.

Enabling Legislation
Research will be needed to determine whether state enabling legislation will be required for this recommendation.

Implementation
1. Establish guidelines for when City, County or School Board property can be considered "excess" and therefore available for housing.
2. Empower Neighborhood Development or other applicable agency to inventory surplus City, County and School System land, suitable for development, as well as the other land acquired for this purpose pursuant to other recommendations of the land acquisition subcommittee.
3. Enter into an inter-local agreement among the City, the County and the School Board which commits all parties to participate.
4. Enact necessary zoning to create a by-right multi-family zoning for designated sites subject to the following conditions (among others): (i) a minimum number of affordable units (at least 20%) subject to a 15-year affordability restriction; (ii) adequate traffic controls, parking, utilities, etc.; (iii) in the case of school site, adequately addressing safety issues; (iv) design guidelines.
5. Establish an RFQ or RFP process by which the land is made available to qualified developers at appropriately discounted prices.

Alternative Implementation
The Implementation steps above assume that this land would be made available at discounted prices in order to lower the overall cost of providing housing. Alternatively, the availability of this land also creates the opportunity to follow the lead of other localities and universities in creating a Leased-Lot program. Under these programs, the locality or university retains ownership of the finished home sites and the home sites are leased under a long-term ground lease a qualifying home buyer, but subject to the rights of the locality or university under the ground lease. In addition to "surplus" land, this technique could be used in fragile neighborhoods where the City wants to promote home-ownership as a stabilizing force. The City can acquire land in these neighborhoods and establish a leased-lot program. Some components of such a program might include the following steps:

- The City invests in the land and hires a developer to develop neighborhood lots for a fee
- The City retains a builder to build the appropriate housing product for a fee
- The City sees to the selling of these homes to families that meet the City's affordability criteria and retains ownership of the lot the home resides on and leases it to the owner for $1/yr thus reducing the buyer's mortgage by approximately 20%
- The home can only be sold to parties that meet the City's affordability criteria and the deed specifies how any profit from the sale will be divided between the City and the home seller
- When the City decides that it no longer needs to provide affordable housing in this location, it can divest itself of the investment when the next house sale occurs and collect its entire investment with profit. These funds can then be used for new affordable housing in another area that the City deems necessary

Recommendation 5 - Extend the recently enacted tax assessment rules for tax credit properties to affordable properties that are not tax credit supported.

Comment
Recently enacted legislation now requires tax assessors to take reduced rents into account when valuing tax credit properties. Extending this to non-tax credit properties would reduce some expense burden on those properties.

Cost/Benefit Analysis
There will be a loss of tax revenue to the City and County. The extent of this loss cannot be quantified until we know the number of projects that might be eligible. Benefits are listed under "Expected Impact."

Expected Impact
There are a number of projects which are currently being rented to low to moderate income tenants because of market conditions and which do not have the benefit of low income housing tax credit. By reducing the tax bill on these properties, we will be providing encouragement to the owners of these properties to keep the properties affordable and not look for ways to redeploy these assets away from affordable housing.

Enabling Legislation
This will require a legislative amendment to the recently enacted tax assessment rules.

Implementation
Engage the local delegation in the annual General Assembly to sponsor and support a bill amending the recently enacted legislation to include any multi-family rental property that commits to a 15-year affordable restriction along the lines required of tax credit properties as they relate to maximum rents and income levels of the tenants

Recommendation 6 - Perform further study and analysis on the following policy ideas:

A) Consider revising Zoning Ordinance(s) to allow a mixture of residential housing types within a new development (without exceeding base density and being consistent with the design standards of the voluntary density bonus program) in order to promote product and geographic dispersion of rental and for-sale housing choices.

B) Consider revising Zoning Ordinance(s) to allow live/work units to be built by right on thoroughfares in order to promote product and geographic dispersion of rental and for-sale housing choices.

C) Consider revising Zoning Ordinance(s) to eliminate or modify buffers between different housing types, like single family and multi-family, within a new development in order to remove an Ordinance barrier to implementation of the voluntary single family density bonus program.

D) Consider City loans for creation of ADU's that are forgiven if it is maintained affordable for a specified number of years in order to promote the dispersion of affordable rentals throughout the City while removing the development difficulties detailed in the multi-family development discussion.

E) Consider City loans for creation of affordable duplex units that are forgiven if they are maintained affordable for a specified number of years in order to promote the dispersion of affordable rentals throughout the City while removing the development difficulties detailed in the multi-family development discussion.

F) Establish and fund an aggressive acquisition program for existing multi-family apartments which are currently in financial difficulty or underutilized.
Comment: The subcommittee believes that there are a substantial number of units in certain areas of town which are suffering from high vacancy and are in financial distress which could be acquired and then made available, after appropriate renovation, for the provision of affordable housing. If adequate resources were available, this would probably, in fact, have the biggest near term impact on creating affordable housing units.

G) Engage a third party to undertake a thorough review of all City planning, zoning and related policies to isolate those that seem to impede affordable housing production so that a public debate can be had as to whether the underlying purpose of the policy should be allowed to outweigh the need for affordable housing production.

CLOSING NOTES

Our subcommittee received strong feedback from prominent members of the development community that one of the most significant hurdles in providing affordable housing was the cost imposed by the community at large on new developments. In particular, the cost of streets, sidewalks, storm water controls, open space, tree save and other public amenities were cited as a principal factor in driving up the cost of housing in a community. We bring this to the community's attention in the hopes that a public discussion will occur over how these costs are borne and whether some or all of these costs should be reallocated to the larger community so that important quality-of-life amenities are built without driving up the cost of housing even more.

In our deliberations a recurrent theme was the need for our community to have a single identifiable ombudsman or advocate for affordable housing. The Affordable Housing Advocate (AHA) could serve as a single point of entry for anyone who needs or who wants to develop affordable housing. The AHA could also be responsible for making affordable housing easier and more practical to provide by reviewing and commenting on City policies and procedures that impact affordable housing. Finally some or all of the administrative duties necessary to administer our recommendations could be lodged in the AHA.

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Ten-Year Implementation Plan to End and Prevent Homelessness
Housing and Neighborhood Development Committee Meeting
May 19, 2010

Committee Action:
Approve the recommended Ten-Year Implementation Plan to End and Prevent Homelessness Leadership Structure. With Committee approval, it will be placed on the Council's May 24, 2010, agenda.

Policy:
- On November 12, 2007 City Council adopted the Ten Year Implementation Plan to End and Prevent Homelessness
- The City's FY2010 Consolidated Plan was approved by City Council on May 26, 2009. The Plan identified the need for affordable, safe and decent housing for low and moderate-income families. The plan reaffirmed the three basic goals of the City's Housing Policy, which are:
  - Preserve the existing housing stock
  - Expand the supply of affordable housing
  - Support family self-sufficiency initiatives

Explanation:
- On November 12, 2007, City Council approved the Ten-Year Implementation Plan to End and Prevent Homelessness (Plan), including the leadership structure to ensure coordination, oversight and accountability for plan execution. City Council also designated A Way Home as the manager and coordinator of the ongoing development of the plan. The Plan is mandated by the U.S. Department of Housing and Urban Development (HUD) and is a requirement for receiving federal funds.

- The Plan goals are:
  1. **Housing** – Get homeless families and individuals into appropriate and safe permanent housing as soon as possible;
  2. **Outreach and Engagement** – Link chronic homeless to housing, treatment and services through intensive outreach and engagement; and
  3. **Prevention** – Promote housing stability for those families and individuals most at risk of becoming homeless.

- In October 2009, due to a change in leadership structure at A Way Home, the City of Charlotte, Mecklenburg County and the Foundation for the Carolinas contracted with the Lee Institute to research the implementation of other Ten-Year Plans. Their research yielded findings in the following categories:
  1. Current Environment
  2. Community Perceptions
  3. Structures in Comparable Communities
  4. Observations from the Review of the Plan
  5. Leadership Recommendations

6. Impact of Recommendations on Current Organizations

- On May 3, 2010, Neighborhood & Business Services staff provided a dinner briefing to City Council on the Lee Institute's research findings and presented a new Plan leadership structure. The proposed structure encompasses the existing Housing Trust Fund Advisory Board and A Way Home Board responsibilities, which include funding allocation and advocacy. The proposed leadership structure was referred to the Housing and Neighborhood Development Committee for additional discussion and review.

- On May 5, 2010, the Housing & Neighborhood Development Committee discussed the proposed Ten-Year Implementation Plan Leadership Structure and directed staff to revise the Community-Based Board's composition to include additional representation from the financial, real estate and legal industries, consistent with representation from the existing Housing Trust Fund Advisory Board. Through Committee discussion, it was suggested that the City's Neighborhood & Business Services Director, Mecklenburg County's Community Support Services Director, and the Charlotte Housing Authority's Chief Executive Officer serve as non-voting, ex-officio board members.

- Based on the Committee's discussion, the composition of the Community-Based Board is as follows:

Ten-Year Implantation Community-Based Board (15–members)	
City Appointments	**County Appointments**
Non-Profit	Public Safety (Sherriff/Jail)
Corporate/Economic Development	Education
Community	Human Services
Affordable Housing	
Faith-Based	
Donors	
Financial	
Real Estate	
Legal	
Ex-Officio Members (non-voting)	
Neighborhood & Business Services Director (City)	
Community Support Services Director (County)	
Charlotte Housing Authority CEO	

- On June 14, 2010, City Council will be asked to make board nominations and Board appointments on June 28, 2010.