Charlotte City Council
Housing and Neighborhood Development Committee
Summary Minutes
April 7, 2010

COMMITTEE AGENDA TOPICS

1. Boarded–Up Structures Ordinance Review
2. Johnston & Mecklenburg Mills Apartments
3. Housing Locational Policy Review

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 Walter Abernethy, Neighborhood & Business Services Stan Wilson, Neighborhood & Business Services
Others:	See Sign-in Sheet
Meeting Duration:	12:15 PM – 1:55 PM

ATTACHMENTS

1. Agenda Packet – April 7, 2010

DISCUSSION HIGHLIGHTS

Chairman Mitchell opened the meeting with introductions of the Committee and attendees. Assistant City Manager, Julie Burch provided a brief overview of the agenda. She commented that there are three agenda items, which include the Boarded-Up Structures Ordinance (Ordinance), Johnston and Mecklenburg Mills and the Housing Locational Policy.

She explained that the Ordinance was initiated in 2007. She further explained that staff is discussing proposed changes to the Ordinance, due to changes in the economy and the enforcement of the Ordinance. The second agenda item is the Johnston & Mecklenburg Mills Apartments and the future of that property. Finally, the Housing Locational Policy, which is part of the comprehensive review of the City's Housing Policies that the Committee has discussed for the last several months. Ms. Burch turned the meeting over to Walter Abernethy.

Boarded-Up Structures Ordinance Review

Mr. Walter Abernethy explained that staff received input from several neighborhood organizations and property owners about the proposed Ordinance changes. He also commented that the proposed changes are necessary due to the current economic downturn which has led to the foreclosure of both multi-family and single-family properties and the inability to sell or rent many of these properties.

Mr. Abernethy informed the Committee that this information is being provided as options for consideration. He reminded the Committee that City Council approved the Ordinance on July 23, 2007 and it allows residential structures to be boarded-up no longer than six months.

The Ordinance includes the following provisions:
Property owners must register boarded-up structures with the City's Code Enforcement Division, there is no fee and it can be done online. There are guidelines on how the structure is to be boarded-up and civil penalties for non-compliance with the Ordinance.

Code Enforcement inspectors respond to calls about these structures. They investigate open and abandoned houses and follow-up with an inspection when the timeframe for boarded-up structures has expired. The current number of boarded-up structures is approximately 200. Mr. Abernethy explained that staff is recommending an extension of six months to the current six-month time limit due to the current economic downturn. The extension would allow boarded-up structures to remain boarded-up for one year. After one-year, Code Enforcement staff will perform a Chapter 11 inspection on the property. It's important to note that a Chapter 11 Inspection is more comprehensive than a normal boarded-up construction inspection. After one year, property owners must bring the house into compliance, which is the greatest incentive for the owner to rent or sell the property. During that year, Code Enforcement can inspect at any time, if conditions worsen, or there is a community petition.

Over the last two years, several large multi-family unit properties have gone into foreclosure. Keeping those boarded and secure is really the only option the owners have. Code Enforcement can inspect with the option of bringing them up to code or demolish them, so it's a catch twenty-two with the large multi-family units. The primary issue here is when the boards come off; these structures are targets for vandalism and vagrancy.

Staff is recommending that multi-family properties be handled a little differently. For these units, we will require a yearly report. The report should include information on how the property is secured in order to protect children and prevent vagrants. The report should also address maintenance plans including grass cutting. We are proposing that on the multi-family units, the boards would not have to be removed after one year.

Questions/Comment/Answers:

Barnes: Regarding multi-family communities, how many fall in this group of boarded-up properties right now? Do you have just a feel for that number?

Abernethy: I don't have an exact number. We are hearing more and more that it's not just a geographical issue, it's widespread. Multi-family apartments are going into foreclosure. I think the number is increasing and I also think there's an impact on the practicality of enforcement of those properties.

Barnes: Would you say that there are more than ten units? And, are the properties older than twenty years?

Abernethy: Yes, more than ten. The ages of the properties vary. We have had some properties in the North Tryon Street area that have recently gone in to foreclosure. These units were older than ten years.

Barnes: Are you suggesting that if they are boarded-up to leave them that way? And, at what point would we go to Chapter 11 to deal with it?

Abernethy: I am suggesting that they remain boarded-up, but the owner should correspond with the Code Enforcement Division Manager on a regular basis about how security issues are being addressed. We have the ability to do a Chapter 11 inspection at anytime the conditions warrant.

Barnes: The reason I raised the issue is that having a unit or two in an apartment complex boarded-up is perhaps worse in many of my neighborhoods than one house for example. So, if you have an entire apartment complex boarded-up, I am just wondering how long we actually want that to exist. Again, one house boarded-up or multiple houses spread out is one thing but, one large complex is another.

Abernethy: The multi-family issue is very complex. I want them secured. The numbers of empty multi-family complexes are increasing. It's difficult to know if we should proceed with demolition of these properties or to wait for the economy to turn around.

Barnes: Do we have any data regarding the likelihood of occupancy after one year if we were to make these changes to the six-month term in the single family homes?

Abernethy: I think its economy driven. I don't know the prospect of things turning around. I do know that the current six-month time period is a real hardship for many property owners.

Barnes: The reason I bring this up is there is already six-months and then extending it another six-months is just a request to simply get more time. I'm not sure if it is likely that the property will be inhabited at the end of the twelve months?

Abernethy: I think the fact that an inspection will be required after one year, which may lead to the property owner investing money in the property to bring it up to code, is a good incentive for trying to get these properties either rented or sold. I think the more money a property owner invests in a property makes them anxious to get it rented or sold.

Barnes: My concern is that the neighborhoods that benefit from this Ordinance are going to be forced to look at these properties a while longer in the boarded-up condition. I am trying to figure out in my own mind if extending it another six months will actually benefit the community or the property owner?

Abernethy: I'm an optimist I would like to think that within that extra timeframe there is a better prospect of things turning around. The real key to that is the Chapter 11 inspection, because at the end of the year it's either bring it up to code or demolish.

Cannon: In going back to the multi-family communities, I heard you suggest that you would have a conversation with the property owners?

Abernethy: It's more than a conversation. We actually require that they submit an annual report detailing the security of the complex and how it's being maintained.

Cannon: There should be an end to the means of what has been going on and it sounds like you have reserved the right to listen to whoever calls you and determine whether the units can continue to exist in their current state. What and where is the end to moving something forward or off the books?

Abernethy: I think the multi-family part is the key to some of those questions. If they are still profitable we certainly don't want to go out and tear all the multi-family units down that go into foreclosure.

Abernethy: Approximately six to ten.

Cannon: Do we know how many property owners we have throughout the City and County?

Abernethy: There are thousands.

Cannon: And, you have heard from how many, 6 to 10?

Abernethy: Yes, I hear from them when the six-month timeframe expires and it's time for the boards to come off. They will call and say I live in an area of high crime; do you want me to take the boards off? My response is yes; because the Ordinance says take the boards off after six months. Then the message back to me is "I can't sell it, I can't rent it, what do I do? I say well you have to take the boards off right now.

Cannon: I understand what needs to be tweaked; I am just not sure this is the time to do it. I am going to need much more information than what has been presented today to convince me that this is something we need to consider at this time. I'm sensitive to the current economic situation, but we still have neighborhoods to protect.

Cooksey: How many boarded-up houses do we have registered at this time?

Abernethy: It could be as many as 200. It's an online registration process and the number of units fluctuates on a daily basis.

Cooksey: Do you get calls from neighborhoods complaining about the boarded-up houses?

Abernethy: We do get complaints, but not a huge number. I have some neighborhoods where they would prefer boards to be off and others that say they want the boards on. It's a mix and entirely based on what is going on in a particular neighborhood.

Cooksey: How many boarded-up houses are not in compliance? I am trying to take into consideration that at the end of the year it will come up to full compliance. What if the house is not able to be brought up to compliance? So, I am asking for data on what is the ratio of compliance of boarded-up houses?

Abernethy: The total number of substandard houses in Charlotte is very small due to our aggressive code enforcement efforts. Most cities are not as aggressive as we are with code enforcement.

Cooksey: I understand that when you look at the top level numbers things look great, but if you are the person living next to a boarded-up house, it's not good at all. If there is one bad house, if it is the one next to me, then there is a problem. Do you correlate our registrations with the NSA's and keep track of which one has the highest number of houses?

Abernethy: Most of those boarded-up houses are in our revitalization neighborhoods.

Cooksey: I imagine a data generated report that shows the number of boarded-up structures per NSA. Two observations, first we have three bad options to choose from. These are: 1) keep them boarded-up, 2) take the boards down, and 3) the idea of forcing owners to rent or sell.

If we force a property sell in this economy what would that do to a neighborhood? We are talking about properties dragging down neighborhood quality regardless of what our policy is. The second point is, if we move forward with some of these recommendations about modifying the Ordinance, we should at least consider a sunset on these scenarios. In other words, let's tweak it for two years to recognize that the economy has changed since we first adopted this Ordinance.

Cannon: When I was a District 3 Representative, Neighborhood Development tore down a lot of homes in West and South West Charlotte, but the area improved. I think if we did that same thing today when houses don't comply with the minimum housing code, even with the market conditions of today, it's not a bad thing to do. The Chapter 11 process can be slow. I am concerned that a two-year sunset will not help. The real estate industry suggests it will be at its strongest in about five years, so a two-year sunset won't help.

Abernethy: Some Chapter 11 cases move quickly depending on the property owner. In some cases, we can have a property ready for demolition in approximately 60 to 90 days. In cases where the property owner appeals through the Housing Appeals Board, more time is required.

Mumford: A house can be boarded-up for one year with a six month extension. At the end of that period, Code Enforcement can inspect it. The inspection can show that some repairs are needed and the owner can then elect to do the repairs and then have the ability to board it up for another year.

Barnes: If we were to implement the sunset provision I would be agreeable to no more than one year. Regarding our demolitions, most of the demolitions cost less than $10,000?

Abernethy: Yes.

Barnes: Have we ever considered requiring a bond from property owners who need to leave their structures boarded up for longer than six months? I'm thinking the bond could be used to cover the demolition costs, if necessary.

Abernethy: Even with the bond, there is not an assurance the property will be brought up to Code.

Mitchell: I think we need this on the next agenda for additional discussion.

Barnes: One more thing, under staff recommendations regarding the multi-family annual report, I suggest a bi-annual update rather than every six months.

Mitchell: Regarding the e-mail from United Neighbors, let's make this a part of the Neighborhood Symposium on April 17, 2010, so when we meet again on April 19, 2010, we have clearly heard from the neighborhoods on this issue.

Johnston & Mecklenburg Mills Apartments

Stan Wilson informed the Committee that on July 28, 2007, City Council approved the purchase and sale agreement between the City of Charlotte and the NoDa Mills, LLC for the sale of the Johnston and Mecklenburg Mills and adjacent properties for $475,000. NoDa Mills and Bank of America, through a due diligence process had a deadline of December 2008 of which they did not meet.

Additionally, these properties are currently in violation of the City's Boarded-Up Structures Ordinance. Mr. Wilson also commented that there is a HUD loan with a $500,000 balance that we are continuing to pay.

Recently, we have received several calls from developers stating their interest in developing these properties. Our goal would be to sell it "as is." As you are aware, Mecklenburg has structural issues, while Johnston has other issues. At this point, we will not be putting any more money into these properties as we have already invested around $6,700,000.

Questions/Comment/Answers:

Kinsey: I have real concern about the Mills. You all know that I want them saved. They are part of our history. I'd also like to see some affordable housing incorporated into this development. I have a feeling that most developers want to just level it. I hope there is some delay of that by the Historic Landmarks Commission.

Barnes: I have been dealing with this issue since Pat Mumford was on this Committee. One of the issues we confronted is termite damage. There was an inspection done some years back and it was determined that the buildings needed to be evacuated and boarded up. Have we authorized any termite abatement since that time?

Wilson: No.

Barnes: Have we considered asking any successful bidder to reclaim the bricks to reuse on the site as part of the historical concerns and to maintain the character in an architecturally sensitive fashion?

Wilson: No.

Barnes: What bothers me is that you have two structurally unsound buildings on the site. I have received e-mails about people trying to enter the buildings. I don't want the City exposed to additional legal liability by having those buildings there in poor condition. Mr. Chair, if I might ask a question of Mr. Carmichael, Attorney with K&L Gates, could you shed some light on why the deal fell through?

Carmichael: I did read an e-mail this morning, but I do not have any background. However, I do know that the developer is still interested in developing the property.

Wilson: There were some due diligence issues with the title and something with the railroad.

Charmichael: I cannot speak to that.

Barnes: Is Bank of America CDC still interested in being a part of this?

Mitchell: Perhaps we need to bring this back on April 19, 2010, with the original RFP. Can we make sure that NoDa, LLC or Tuscan Development can complete the project? Pat, have you had any discussions from a performance standpoint or are you bringing that back to us on the April 19, 2010?

Wilson: We will bring this back to you on April 19, 2010.

Housing and Locational Policy Review

Patrick Mumford reminded the Committee that during the last several months, the Committee has reviewed the City's housing policies. One of the issues of importance is the Housing Locational Policy. Debra Campbell, Charlotte-Mecklenburg Planning Director, is here to share an update on the work that her staff is doing with Single Room Occupancy Housing, which relates to the Housing Locational Policy.

Single Room Occupancy Update

Ms. Campbell provided a quick summary of the Single Room Occupancy (SRO) Process. A SRO facility is a building between 11 and 120 rooming units available for rent for periods of seven or more days with on-site management. These are prescribed conditions added to the Zoning Ordinance in 1999. SRO's in general, are the only residential units allowed in industrial zones. We think its important locational requirement of these facilities be coordinated with you in relation to Affordable Housing. We are inviting Citizens to participate in a stakeholder process. We hope to have success with these conversations and come back to you in June/July timeframe. Additionally, we hope to finalize any suggested changes by September and request Council action in October/November.

Housing Locational Policy

Mr. Wilson reminded the Committee that the Housing Locational Policy was approved in November 2001. The policy has a number of objectives; which include avoiding undue concentrations of multi-family assisted housing, dispersing geographically multi-family housing developments, supporting

revitalization efforts of the City, supporting diversity and vitality of neighborhoods as well as supporting school and transit corridors development.

The Policy also established prohibitive, permissible and priority areas. The Policy applies to multi-family units that are 24 or fewer than 100. These are units that are City, State or Federally funded. Special Needs Housing and elderly or disabled housing is exempt from the policy. Additionally, assisted housing developments for home ownership, and Market Rate City funded housing are exempt from this policy.

Some of the things we plan to consider as part of the policy review are: Does it effectively disperse Affordable Housing within our city? Assisted Housing is defined as housing for individuals making less than 60% of median income, should that change and become lower? Should there be an Inclusionary Housing Policy that is an incentive to developers to include Affordable Housing and/or should it be a mandatory policy? Should we have only Priority and Prohibitive areas? What should schools and Affordable Housing look like?

Questions/Comment/Answers:

Cooksey: I'd like to discuss the transit piece, especially in the North area. Are we avoiding undue concentrations and yet supporting transit corridor development? There is not a lot of land left in the Transit Corridors to put housing.

Cannon: I understand what the objective of the Policy is, however, I was wondering under the "undue concentrations of multi-family housing" whether or not Section 8 should be tied into that also. You may have vouchers that may be heavily concentrated in parts of the City.

Cooksey: To what extent does the presence of Section 8 rental fall under our existing Home Ownership Rental provision?

Mumford: I think it's the rental distinction of Section 8.

Cannon: We don't want high concentrations of anything that can be a negative force in a community.

The meeting adjourned at 1:55PM.

City Council
Housing and Neighborhood Development Committee

Wednesday, April 7, 2010
12:00 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. Boarded-Up Structures Ordinance Review

II. Johnston & Mecklenburg Mills Apartments

III. Housing Locational Policy Review

Next Meeting: April 19, 2010

- Housing Locational Policy Review

Attachments:
Housing Locational Policy & Map **(Attachments 1-2)**
Single Room Occupancy Standards Review **(Attachment 3)**
Neighborhood Symposium Update **(Attachment 4)**
FY2011 Housing & Neighborhood Development Focus Area Plan **(Attachment 5)**

Distribution:

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Jamie Banks
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Pamela Lopez
Tom Warshauer
Richard Woodcock
Stan Wilson

Boarded-Up Structures Ordinance Review
Housing and Neighborhood Development Committee Meeting
April 7, 2010

Committee Action:
Begin discussion and review of the City's Boarded-Up Structures Ordinance and determine if revisions are needed.

Policy:
One of the City Council's Housing and Neighborhood Development strategies focuses on effective code enforcement to ensure clean and safe neighborhoods.

Explanation:
- On February 22, 2010, City Council received a Dinner Briefing presentation regarding the Boarded Up Structures Ordinance and approved the City Manager's recommendation to refer this item to the Housing and Neighborhood Development Committee.
- On July 23, 2007, City Council approved the Boarded Up Structures Ordinance.
- The current ordinance requires the following:
    - Registration of boarded structures,
    - Allows residential structures to be boarded-up for no longer than six months,
    - Code Enforcement responds to citizen requests and issues notices and penalties for violating the boarded-up regulations, and
- Code staff has heard from property owners and neighborhood leaders that the current economic conditions necessitate review of the boarded-up structures ordinance.
- On April 7, 2010, staff will introduce this topic, provide options for recommended revisions to the current ordinance and seek direction for committee members.

Staff Recommendation:
- Staff is recommending the following enforcement provisions:
    - Continue requiring registration of boarded-up structures.
    - **Propose** expanding the time limit for boarded-up structures to one year due to the current economic conditions. The current time limit is six-months.
    - **Propose** that Code Enforcement staff will inspect boarded-up properties after one year and require them to be brought up to Minimum Housing Code standards under Chapter 11.
    - **Propose** that once the property is brought into compliance; allow the structure to be boarded-up for another year.
    - Continue requiring that multi-family buildings with greater than ten units boarded-up, to be registered.
    - **Propose** that multi-family property owners will be required to provide a yearly written report to the Code Enforcement Division Manager addressing the following:
        - Security of property from unauthorized access (vagrants, children, etc.)
        - Security arrangements to ensure the properties remain secure
        - Property Maintenance (grass cutting, dumping, etc.)

Johnston and Mecklenburg Mills Apartments
Housing and Neighborhood Development Committee Meeting
April 7, 2010

Committee Action:
Approve a Request for Proposal process for the disposition of the Johnston and Mecklenburg Mill apartments and the adjacent properties.

Policy:
- The City's FY2006 – 2010 Consolidated Action Plan was approved by City Council on June 13, 2005. The Plan identified the need for affordable, sale and decent housing for low and moderate-income families. The Plan reaffirmed the goals of the City's Housing Policy, which are: preserve the existing housing stock, expand the supply of affordable housing and support family self-sufficiency initiatives.

Explanation:
- On February 22, 2010, City Council received a Dinner Briefing presentation regarding the Johnston and Mecklenburg Mill apartments and approved the City Manager's recommendation to refer this item to the Housing and Neighborhood Development Committee.
- On July 28, 2008, City Council approved the purchase and sale agreement between the City of Charlotte and the NoDa Mills, LLC for the sale of the Johnston and Mecklenburg Mills and the adjacent properties for $475,000.
- NoDa Mills LLC is a partnership between Banc of America Community Development Corporation and Tuscan Development. NoDa Mills, LLC was selected as the developer through a Request for Proposal (RFP) process.
- NoDa Mills LLC completed the due diligence period to review the property and make the necessary inspections, however, due to economic conditions, including financing challenges, the closing on the sale of the property and the redevelopment did not occur.
- The purchase and sale agreement included an expiration date of December 30, 2008. Therefore, the City no longer has a contractual obligation with the NoDa Mills, LLC.
- The Mecklenburg and Johnston Mill properties are not in compliance with the City's Boarded-Up Structures Ordinance due to the unsuccessful sale of the properties. However, staff routinely inspects these properties to ensure these buildings remain secure and are not a hazard to the public.

Staff Recommendation:
- Staff is recommending that a Request for Proposal (RFP) process be used to dispose of the Mill properties.
- Proposals will be reviewed and evaluated based on the following selection criteria:
    1. Proposed sale price.
    2. Ability to secure construction and permanent financing for the project.
    3. Timeliness in closing on the sale of the properties.

4. Proven ability and experience of the development team to successfully develop and manage higher density residential projects.

- Proposals will be given additional consideration based on:
  - Ability to meet the City's affordable housing goals.
  - A development plan that complements and bolsters the existing historic character of the neighborhood.
- Proposals must demonstrate the ability to meet City policy goals such as the Charlotte Region Transit Station Area Joint Development Principles and Policy Guidelines: The Joint Development Policies, adopted by the Charlotte City Council in April 2003.
- The City's intention is to sell the property "as is" encouraging developers to conduct their own investigation of the property.
- The City will not invest any additional funds in the redevelopment of the mill properties with the exception of its investment in the assets (land and buildings).

Proposed Request for Proposal Schedule:

1.	Receive City Council approval of the RFP process	April 26, 2010
2.	Issue Request for Proposals	April 28, 2010
3.	Proposal Due Date	June 1, 2010
4.	Selection Reviews and Short List	July 12, 2010
5.	Selection Recommendation	July 19, 2010
6.	City Council Approval of the Development Team	August 23, 2010

Background:

- Mecklenburg Mill Apartments is a 60-unit complex located at 3327 North Davidson Street and Johnston Mill Apartments is a 90-unit complex located at 3315 North Davidson Street.
- The City made its initial loan for the acquisition and rehabilitation of the Johnston and Mecklenburg Mill properties in 1990 and has invested $6.7 million.
- In January 2006 the City foreclosed and took possession of both the Mecklenburg Mill and Johnston Mill apartments.

Housing Locational Policy Review
Housing and Neighborhood Development Committee Meeting
April 7, 2010

Committee Action:
Receive as information:

A. An introduction to Housing Locational Policy,
B. Possible areas for discussion which includes the single room occupancy standards review (see SRO Standards Review attachment), and
C. Policy review process

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.

Explanation:

- The Housing Locational Policy provides a guide for the financing and/or development of new multi-family rental housing projects designed to serve, in whole or part, households that earn 60% or less than the area median income. The objectives of the policy are to:
  - Avoid undue concentration of multi-family assisted housing;
  - Disperse geographically new multi-family housing developments;
  - Support the City's neighborhood revitalization efforts;
  - Promote diversity and vitality of neighborhoods; and
  - Support school development, transit corridor development and other public development initiatives.
- The policy establishes *prohibited*, *permissible* and *priority areas* for the development of new multi-family rental housing. The areas are delineated based on Neighborhood Statistical Areas (NSA) in the City of Charlotte.
- The policy applies to the construction of new assisted multi-family rental housing greater than 24 units, but no more than 100 units per site.
- The following types of housing are <u>exempt</u> from the requirements of this policy:
  - Assisted housing undergoing rehabilitation,
  - Assisted housing designed to serve the elderly, disabled or special populations,
  - Assisted housing developed for homeownership, and
  - Conversions of market rate housing to assisted housing where no more than 50% of the housing units are receiving City funding assistance

Possible Areas for Discussion

- Policy Objectives – Are there too many competing goals of the policy?
- Does the policy effectively disperse affordable 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 or incent 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 an NSA non-permissible?
- Should transit areas have a separate policy or be rolled into the existing policy?
- Evaluation Criteria - Should school capacity, site design, and traffic impacts be included as part of the policy?
- How will policy revisions influence the single room occupancy regulations that are currently being reviewed by the Planning Department and a citizen advisory group?

Policy Review Process

A. Stakeholders Group
   City Council appoints a stakeholders group to review the policy, consider best practices and make recommendations to City Council. Stakeholder representation would include representatives from the housing industry, private and non-profit housing developers, housing support agencies, financial institutions, neighborhood representation, Charlotte Mecklenburg Schools and Mecklenburg County.

B. Proposed Policy Review Schedule
   - H&ND Committee approval of review process and recommended stakeholder participants — April 19, 2010
   - City Council approval of H&ND recommendation — May 24, 2010
   - Stakeholders committee review* — June–Sept. 2010
   - Draft Stakeholder recommendations — October 2010
   - City Council review of Stakeholder recommendations — November 2010
   - City Council approval of Stakeholder recommendations — December 2010

   *City Council receives monthly updates

Attachments:

Housing Locational Policy & Map - 1-2
Single Room Occupancy Standards Review - 3

Housing Policy
Approved by City Council on November 26, 2001

Housing Locational Policy:

I. Policy

The Housing Locational Policy provides a guide for the financing and/or development of new multi-family rental housing projects designed to serve, in whole or part, households that earn 60% or less than the area median income. The objectives of the policy are to:

- Avoid undue concentration of multi-family assisted housing;
- Disperse geographically new multi-family housing developments;
- Support the City's neighborhood revitalization efforts;
- Promote diversity and vitality of neighborhoods; and
- Support school development, transit corridor development and other public development initiatives.

The policy establishes *prohibited, permissible* and *priority areas* for the development of new multi-family rental housing. These areas are delineated based on Neighborhood Statistical Areas in the City of Charlotte.

II. Policy Description

A. General Applicability

This policy applies to the construction of new assisted multi-family rental housing greater than 24 units, but no more than 100 units per site. However, new multi-family housing transit station areas are developed pursuant to the requirements of the *Joint Development Policy for Transit Station Areas* and *Section F, Transit Station Areas.*

The following types of housing are exempt from the requirements of this policy:

- Assisted housing undergoing rehabilitation;
- Assisted housing designed to serve the elderly, disabled or special populations;
- Assisted housing developed for homeownership; and
- Conversions of market rate housing to assisted housing where no more than 50% of the housing units are receiving City funding assistance.

In order for the City to financially participate in an assisted housing development, a minimum of 20% of the housing units must be set-aside for income-qualifying households. The City Council may exempt any assisted housing development from the requirements of this policy on a case-by-case basis.

B. Definition

1. **Assisted Multi-Family Housing** – Any existing or proposed multi-family rental housing development consisting of five or more residential units receiving assistance from local, state or federal government, and the housing units are restricted to serve households earning 60% or less than the area median income.*

   [Note: the definition includes Safe Harbor Housing, but excludes utilizing housing using Section 8 and Relocation vouchers.]

* The area median income is established by the U. S. Department of Housing and Urban Development and is adjusted for household size.

2. **Multi-Family Housing –** Housing developments of five or more residential units, including detached, semi-detached and attached housing units, under unified ownership.

C. Prohibited Areas

Assisted multi-family housing is prohibited in a Neighborhood Statistical Area (NSA), if one of the criteria below applies:

1. The proposed housing development is located within a 1/2 mile (property line to property line) of any existing local, state or federal assisted multi-family housing development greater than 24 units *(excluding exempted assisted housing developments)*;

2. The NSA median income is less than 60% of the area median income (AMI) *(Based on the area median income established by the U.S. Department of Housing and Urban Development)*;

3. The percentage of homeownership is less than 50% (*Based on the most recent Quality of Life Index)*;

4. The total number of city, state or federal assisted multi-family housing units exceeds 10% of all the housing units in the Neighborhood Statistical Area (*Based on the most recent assisted multi-family housing unit count)*; or

5. The Neighborhood Statistical Area meets any two of the three following criteria:

Criteria	Range
a. NSA Median Income	Between 60% - 65% of AMI
b. NSA Homeownership	Between 50% - 55%
c. Assisted Housing Units	Between 5% - 10%

D. Permissible Areas

The Neighborhood Statistical Area has one or more assisted multi-family housing developments, but the total number of assisted multi-family units does not exceed 10% of the total number housing units in the area. The area is eligible to receive additional multi-family assisted housing units up to the maximum limit.

E. Priority Areas

Assisted multi-family housing is permitted in a NSA with the following factors:

(1) the NSA does not meet the Prohibited and Permissible criteria stated above; or

(2) the NSA has a median income greater than or equal to 120% of the AMI, and the number of assisted multi-family housing units in the NSA is less than 5%. (Homeownership is not included as a factor) This area will be given priority for funding.

F. <u>Transit Station Areas</u>

[See the Assisted Multi-family Housing at Transit Stations Policy]

G. Special Objective Areas

Areas encompassing approved Neighborhood Plans, Economic Development Plans or Special Project Plans with a revitalization component (including recommendations for City assisted multi-family rental housing) will be considered for additional multi-family assisted housing by City Council on a case-by-case basis, even when located within a prohibited Neighborhood Statistical Area.

H. On-Site Property Management

Assisted multi-family housing developments over 50 units must have an on-site office and provide management personnel as outlined below:

Size of Development	Minimum Requirements
50 units	20 hours per week
75 units	30 - 40 hours per week
100 units	40 hours per week with on-site resident employee or 80 hours per week *

* Includes a combination of resident office staff and maintenance staff

III. Project Evaluation Process

The following process and evaluation will be used for multi-family assisted housing proposals:

A. **Review Process** - Housing proposals are reviewed for compliance with the *City of Charlotte Housing Trust Program Guidelines* and evaluated in accordance with the *Assisted Multi-Family Evaluation Criteria* listed in Section III B, below. The proposal's analysis and evaluation will be presented to City Council at least two weeks prior to a briefing of City Council. For proposals requiring a waiver of the policy, notification will be sent to adjoining property owners and neighborhood organizations two weeks prior to the City Council review. At the City Council briefing session, the Council may refer the housing proposal to a City Council Committee for further review or send it to City Council for a decision.

B. **Assisted Multi-Family Evaluation Criteria** – The City will prepare an impact report which will include information on the neighborhood profile/trends and be assessed in accordance with the following:

1. Compliance with land use recommendations of applicable District and/or Neighborhood Plan(s);

2. Compliance with the Housing Locational Policy – the geographic disbursement of proposed projects and proximity to other assisted housing will be considered;

3. Compliance with applicable local zoning and land development regulations;

4. Compliance with applicable federal environmental regulations;

5. Project design and compatibility with the adjoining neighborhood including site layout, building orientation, vehicle and pedestrian circulation, landscaping and screening, and type and quality of materials to be used in construction;

6. Impact of the project on the street network and proximity to transit services;

7. Impact on enrollment for assigned schools serving the proposed housing project - including, but not limited to school capacity, current enrollment, usage of mobile units and the percentage of students that have changed schools;

8. Quality of the project's management plan and supportive services;

9. Impact on the City's neighborhood revitalization strategy; and

10. Compliance with the Crime Prevention Through Environmental Design (CPTED) review process with information on crime "hot spot" analysis within 1,000 feet radius of the property line.*

* Included in the appendix of the report is a map and crime hot spot information within a one-mile radius of the housing development site.

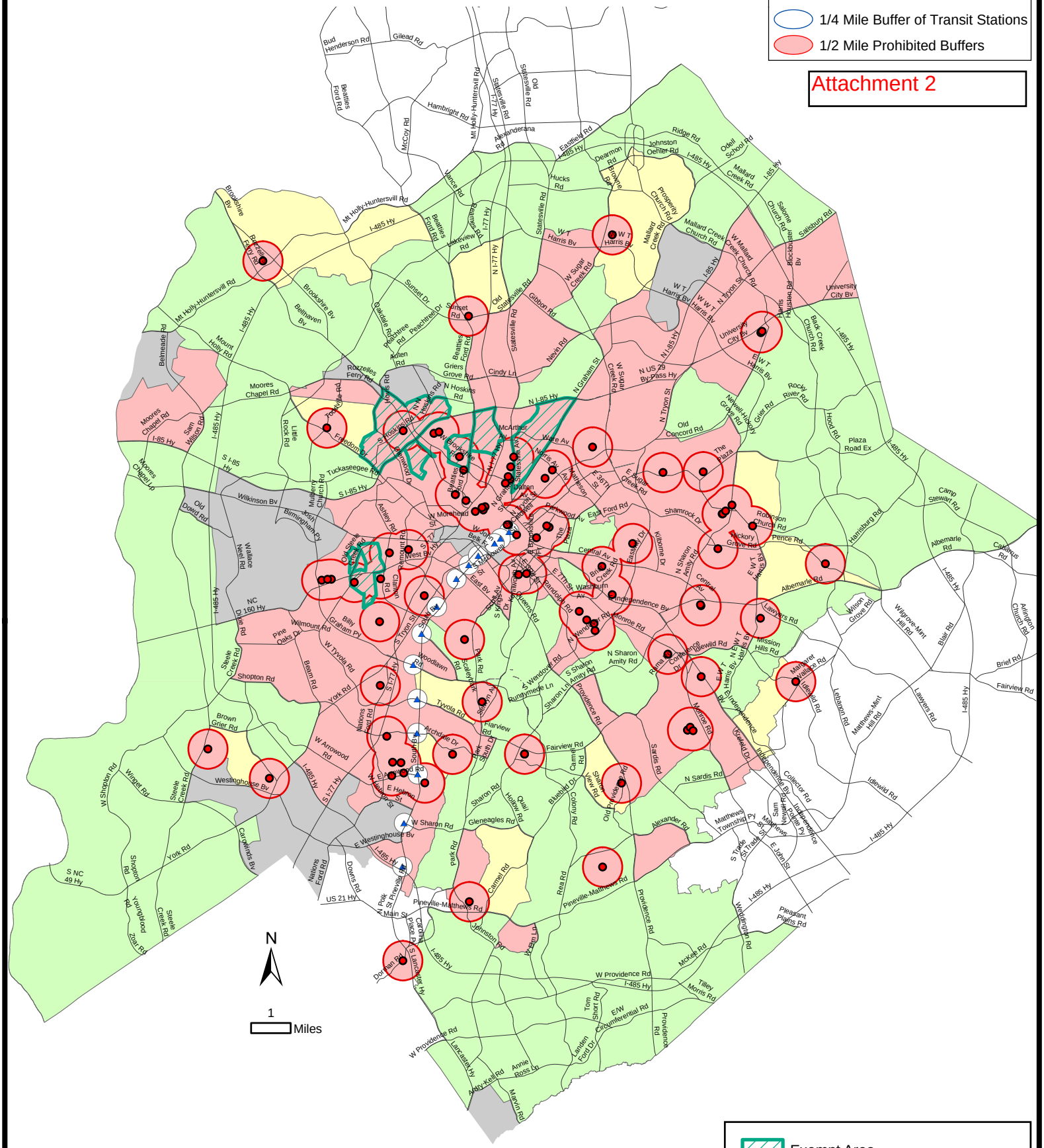
IV. Effective Date

Effective Date: January 1, 2002. Amended Date: September 24, 2003

2010 Multifamily Housing Locational Policy

Assisted Housing Projects
Transit Stations
1/4 Mile Buffer of Transit Stations
1/2 Mile Prohibited Buffers

Attachment 2



Exempt Area

2010 Housing Locational Policy:

Prohibited
Permissible
Priority

CHARLOTTE.
NEIGHBORHOOD & BUSINESS SERVICES

September 28, 2009

Single Room Occupancy Standards Review

The Charlotte-Mecklenburg Planning Department staff is providing information to the Housing and Neighborhood Development Committee regarding proposed amendments to the current single room occupancy regulations in the City of Charlotte Zoning Ordinance. Amendments to Housing Locational Policy may have a correlation to the single room occupancy regulations being reviewed by the Planning Department and its citizen advisory group.

Policy:

- Single room occupancy (SRO) residences are currently permitted under prescribed conditions in the following zoning districts: Institutional, B-2, UMUD, TOD-R, TOD-E, TOD-M, TOD-RO, TOD-EO, TOD-MO, U-I, and I-1.

Explanation:

- At the July 20, 2009, City Council Zoning Meeting, Council referred the issue of "special needs housing" (i.e. SROs, shelters, group homes, boarding houses, short-term care facilities) being allowed in the light industrial, I-1 zoning district to Council's former ED&P Committee for review and discussion.

- The following issues were raised:
  - Are too many uses being permitted in the I-1 zoning district?
  - Should nearby property owners be notified when "special needs housing" is proposed nearby?
  - Why is "special needs housing" allowed in I-1 districts?

- In March 2010, staff requested more direction from the Transportation and Planning Committee. The Committee narrowed the topic from "special needs housing" to "single room occupancy residences." The Committee also directed staff to move forward with a process that involves forming a citizen advisory group to consider:
  - Providing notification and/ or increased awareness of proposed projects.
  - Proximity of other SROs and similar uses in an area.
  - Coordination of any zoning ordinance changes with proposed Housing Locational Policy amendments to minimize conflicts.
  - Identification of appropriate zoning classifications for SROs.

- Planning staff will be attending future Housing and Neighborhood Development Committee meetings in order to facilitate the coordination of these processes.

Neighborhood Symposium Update **Attachment 4**

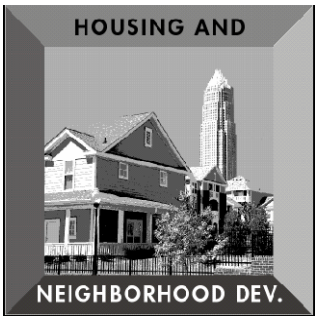
The City of Charlotte's 15th annual Neighborhood Symposium, "Creating Community: A Symposium for Neighborhoods," is scheduled for Saturday, April 17, 2010 in the Overcash Building on the central campus of Central Piedmont Community College (CPCC). CPCC's Charlotte Clean and Green environmental festival and Sensoria Celebration of the Arts will be held on campus on the same date. This collaboration is expected to attract a diverse audience for the three events.

Symposium doors will open at 7:45 am. Participants will enjoy continental breakfast and neighborhood networking while they browse the exhibits that will be displayed in the Overcash lobby and along Elizabeth Avenue. More than 50 city and county departments, non-profits and neighborhood organizations have reserved exhibit space. In addition, Charlotte Clean and Green and Sensoria activities will begin at 10:00 am, adding to the variety of exhibits and resources made available to the public.

The Symposium opening program will begin at 8:45 am in the Halton Theatre with greetings from Mayor Anthony Foxx. One highlight of the program is expected to be the presentation of a grant award from the Dollar Wi$e Summer Youth Campaign (U.S. Conference of Mayors) to support the City of Charlotte's efforts to help youth become more financially literate. Other recognition will include Neighborhood & Business Services' Neighborhood Achievement Awards, presented to five neighborhoods for outstanding achievements in 2009.

Workshops for youth (ages 12-18) and adults will fill the remainder of the day. The partnership with CPCC provides attendees many additional options on campus, including environmental seminars, exhibits and arts and cultural activities.

For additional information about the event, or to RSVP/Register (not required), please visit http://neighborhoods.charmeck.org.



FY2011 Strategic Focus Area Plan

"Creating healthy and vibrant neighborhoods"

The City of Charlotte's long-term health, vitality, and distinction as a leading city is predicated upon its ability to maintain safe, **healthy, vibrant** and sustainable neighborhoods. The City will be responsive to the needs of all neighborhoods and will develop unique approaches and solutions for the City's challenged and transitioning neighborhoods.

Social changes, crime and disorder, physical deterioration, and economic disinvestments create challenges for the City's residential, commercial and industrial areas. The City's housing and neighborhood strategy focuses on strengthening neighborhoods by developing comprehensive neighborhood infrastructure, promoting economic opportunities through collaborative neighborhood and business corridor revitalization, improving quality of life measures, expanding affordable housing, achieving model neighborhood standards, and addressing the growing foreclosure crisis. (*Also see Community Safety, Economic Development and Transportation Focus Area Plans for more housing and neighborhood development initiatives.*)

Housing and Neighborhood Development

Invest in Infrastructure

H&ND.1 Focus Area Initiative: Improve the safety and appearance of neighborhoods by implementing comprehensive infrastructure improvements

- FY11 Measure: Number of neighborhood transportation, storm water, area plans and infrastructure projects completed
  Targets: FY11 - 36
  FY10 – 24
  FY09 Target: N/A – new measure for FY10

Promote Economic Development

H&ND.2 Focus Area Initiative: Determine the number of adjoining neighborhood youth residents gaining access to jobs, goods and services along the business corridors through City funded programs

- FY11 Measure: **Number of adjoining neighborhood youth residents gaining employment**
  Targets: FY11 – 275
  FY10 - Establish Baseline
  FY09 Target: N/A - new measure for FY10

- FY11 Measure: Increase in access to retail opportunities percentage as measured by the Neighborhood Quality of Life Study
  Targets: FY11 - N/A
  FY10 - 5%
  FY09 Target: N/A - new measure for FY10

- FY11 Measure: Reduction in crime in the corridor and adjoining neighborhoods
  Targets: FY11 - 5%
  FY10 - 5%
  FY09 Target: N/A – new measure for FY10

Strengthen Neighborhoods

H&ND.3 Focus Area Initiative: Develop a "Comprehensive Affordable Housing Strategy

- FY11 Measure: **Update the City's Affordable Housing Policies including Council action, if necessary**
  Targets: FY11 - TBD
  FY10 - 100%
  FY09 Target: N/A – new measure for FY10

Housing and Neighborhood Development

H&ND.4 Focus Area Initiative: Improve the quality of life trends in challenged, transitioning and stable Neighborhood Statistical Areas

- FY11 Measures: Reduce the number of challenged neighborhood statistical areas as measured by the bi-annual Neighborhood Quality of Life Study (QoL).

  QoL Targets

  Targets: FY11 - N/A (survey is conducted bi-annually)
  FY10 – 18 - reduction from 20 to 18

  FY09 Target: No target established

- FY11 Measure: Graduate neighborhoods from the City's revitalization program

  Targets: FY11 - 1
  FY10 - 1

  FY09 Target: 1

  FY11 Measures: The number and percent of improvement in declining NSAs based on the bi-annual Neighborhood Quality of Life Study

	Number	Percent Improving
Targets:	FY11 – N/A	N/A
	FY10 - 9 of 12	75%

FY09 Target: N/A (survey is conducted bi-annually)

H&ND.5 Focus Area Initiative: Increase the supply of affordable housing units, number of units serving households earning 80%, 60% and 30% or less of the area median income (AMI) and number of homeownership units

- FY11 Measures: Number of affordable housing units completed and number of units serving the targeted market

		Total Unit Production	80% to 61% (AMI) Units	60% to 31% (AMI) Units	30% to 0% (AMI) Units
Targets:	FY11 -	1,000	400	430	170
	FY10 -	1,000	400	440	160
FY09 Target:		1,000	400	450	150

		Homeowner Production
Targets:	FY11 -	450
	FY10	450
	FY09-	492

Housing and Neighborhood Development

H&ND.6 Focus Area Initiative: Address deteriorating and blighted non-residential structures

- FY11 Measure: **Number of commercial structures inspected and brought into compliance (Targets will be established after the program is operational on April 1, 2010)**

	#. Inspected	**# of Compliances**
Targets:	**FY11 - TBD**	
	FY10 – N/A	
FY09 Target:	N/A – new measure for FY11	

H&ND.7 Focus Area Initiative: Address foreclosures in targeted revitalization areas.

- FY11 Measure: Implementation of the Neighborhood Stabilization Program and number of units completed

		Program Implementation	Number of Units Acquired and or Rehabilitated
Targets:	FY11 -	Did not receive NSP2 funding	8
	FY10 -	100%	25
	FY09 :	N/A – new measure for FY10	