Charlotte City Council
Housing and Neighborhood Development Committee
Summary Minutes
October 6, 2010

COMMITTEE AGENDA TOPICS

1. Housing Locational Policy

COMMITTEE INFORMATION

Council Members Present:	Patsy Kinsey, Patrick D. Cannon, Warren Cooksey, and James Mitchell
Staff Resources:	Julie Burch, City Manager's Office Patrick T. Mumford, Neighborhood & Business Services Pamela Lopez, Neighborhood & Business Services
Others:	See Sign-In Sheet
Meeting Duration:	12:10 PM – 1:10 PM

ATTACHMENTS

1. Agenda Packet –October 6, 2010

DISCUSSION HIGHLIGHTS

Kinsey: Chairman Kinsey welcomed everyone to the meeting, stating that she wants to make sure there is a good understanding of this locational policy and that it's right coming out of the Committee and going to Council. She turned it over to Julie Burch for a review of the agenda.

Julie Burch: This is a follow up to our conversation last week on the housing locational policy. We received a lot of good feedback and guidance. We are back to have more discussion and make sure we heard you correctly and are going in the right direction. If the Committee is ready at the end of the meeting today, the Committee can take action to formulate that recommendation as well as consider the schedule for taking it to Council. I will now turn it over to Pamela Lopez.

1. Housing Locational Policy

Pam Lopez: If comfortable, we would ask that you approve the revised policy and then determine a schedule where we would move to a dinner briefing to the full Council, a public hearing and to full Council for final vote. (Walks through presentation).

Note that we have previously communicated using the term "assisted" but learned that the common industry language is "subsidized" so we changed "assisted" to "subsidized" throughout the presentation to stay consistent with the standard.

In terms of permissible areas, we have a new methodology that we would like your feedback on which uses a new UNCC study commissioned by the Charlotte Housing Authority.

Questions/Comment/Answers:

Cannon: On the couch homeless population, how did we determine that number? I'm trying to figure out how stagnant that number is? How do we keep up with that number? How current is the number?

Pam Lopez: I would have to have some more conversation with the folks from UNCC who did the study for the Housing Authority and CHA. I don't know how often that moves.

Cannon: It's important for us to know.

Pam Lopez: We will review the percentage on an annual basis.

Cannon: I'm a bit concerned with a year. If we see that the number moves more in six months it should be every six months but I don't know that we can determine a timeline until we know how much that number moves.

Pat Mumford: We can't answer how much effort it takes to find those numbers. We know we can get the Section 8 numbers and Hope VI numbers but I think it's difficult to calculate the couch homeless population. So an annual process is appropriate from that regard. The idea was to create the number so that we could base new projects and development funding criteria for the Trust Fund but we didn't want that to be a fixed number forever so we felt annually fits with the cycle of tax credits and Trust Fund funding. To change it twice a year wouldn't do a whole lot for us but we will take a look at how much effort it will take to have an accurate number on a real time basis and get back to you.

Note we went through some methodology changes last minute so the numbers are off a bit but more importantly, do you all agree with the approach that we are taking which mathematically derives the constraints we are putting in the policy?

Cooksey: I find it creative. How does the data tie with the famous study that says we have a 17,000 unit deficit? Where does the 17 fit in this data? When I see need is at 72,000 now, that's a larger need than we have ever seen before.

Pam Lopez: You are referring to the Charles Lesser study done in 2007. The need is vastly different. We thought we would use more current data from the CHA study. We could go back and look at the Lesser study and project a need from that.

Pat Mumford: We thought instead of using three year old data, use the data that has just been created to support this. They did not include the existing units.

Cooksey: Wasn't that 17,000 a projection over time about how many were needed?

Pam Lopez: I think that study went up to 2012 and they ramped it up by 9% each year.

Cooksey: So that is saying we would need 17,000 units by 2012.

Pat Mumford: Yes, but that is based on a real number in 2007 with an annual escalation and the annual escalation, given the economic change over the past three years, we didn't feel it was as relevant as the new numbers that were just determined by UNCC and the Housing Authority.

Kinsey: 49,053 burdened households – how is that determined? It's my understanding that none of that includes people who are getting subsidized housing.

Pam Lopez: You are correct. That number does not include people currently living in subsidized housing. I'd like to invite Deborah from CHA to explain the study.

Deborah Clark: The 49,053 were calculated per income and rent data. That includes low and very low combined. The low income threshold is much greater than the very low.

Pam Lopez: In the very low income, it's $24,179. The low income is $24,874.

Deborah Clark: It's based on hourly rates of income and the rents being paid and the difference between those.

Kinsey: So the 49,053 is in the 312,863.

Deborah Clark: Yes

Pam Lopez: According to the Quality of Life Study, those are the existing housing units we have today. (Continues with presentation)

So using the methodology we talked about, the percentage that we should we using to determine permissible areas should be 23%.

Cannon: 23% of what?

Pam Lopez: Affordable housing is permissible in the NSA's that don't have more than 23%.

Pat Mumford: We are trying to come up with an average number so if there's equal distribution throughout the community, we want to determine the total number if we met all the need (72,000 units) and compared that to the total number of units in the community so 23% of the household units in this community would need to be subsidized to meet the need out there today. In theory, every NSA shouldn't have more than 23%. We did not expect the percentage to be that big it's just the way the math worked.

Kinsey: I think we need to remember that we're talking about NSA's not specific neighborhoods. That's very difficult for some people.

Pam Lopez: We wanted to show you a depiction of those NSA's who have more than 12% subsidized housing. It should be 23% with the new numbers.

Pat Mumford: The data is pretty compelling and not what most of us expected it to be.

Cannon: So to be sure I'm clear, Lincoln Heights, for example, can have 10% more subsidized housing? Any area under that 23%, that gap can be closed?

Pam Lopez: Right. Within that NSA. This is more than we anticipated.

Mitchell: Wow. I am struggling tremendously if we are saying that 23% in an NSA area and you look at the ones up there – we will be putting City Council in a really tough spot to say we can put more in Washington Heights, more in Greenville. Personally, when we started talking about this policy, I was hoping not to burden those who already received a lot of burden of affordable housing. If we go this route, we are setting ourselves up for a lot of fights down the road. I don't know what change we can make. But this is not a pretty picture. So we would use this to replace the permissible and priority and would guide us?

Pam Lopez: Correct. For example, Lincoln Heights according to the 2010 Quality of Life and what we used to determine subsidized housing in that area, they only have 13% of subsidized housing. We are saying a permissible NSA would be a NSA that had no more than 23%

so you could have more affordable housing in Lincoln Heights according to what we are saying here. I just want to remind you, we have left the ½ mile radium proximity in so that is something to consider.

Cooksey: I appreciate the framework here. I think Mr. Mitchell raises a good point here and that is, what is an objective standard for burdening a neighborhood. We have been presented one that not everyone around the table likes the results so what's another way of calculating a objective policy guideline standard to create the threshold of what is a burden and what is not but burden may not be the best word to use from a marketing standpoint. I don't have an alternative suggestion at this point but I find this is the crux of this discussion; an objective standard has been presented to us and if we don't like the result what is the different standard we would use? I appreciate the reminder that the ½ mile radius is still in effect which would mean that you could not build another subsidized housing development in Lincoln Heights if one already is present. Then it becomes a map matter and communication matter rather than looking at the 23% standard.

Cannon: Hypothetically speaking, the Committee moves forward with this 23%. It goes back to the discussion we had about the quality of the development and standards of what it will look like. If people buy into these developments like they did at Park at Oaklawn then that's acceptable. I like the idea that the ½ mile radius is here but I am concerned with the calculations. I'm not comfortable. Is there another way to determine that? We need to get our arms around the couch homeless piece to determine who that is. It sounds like we are asking Staff to come up with another way to come up with a different calculation and I'm not sure how big of a feat that is and what that direction would be? What direction would you go in if we challenged you with that?

Pat Mumford: We attempted to look at this holistically with the Quality of Life categories. We talked about that the last time. The Committee wasn't 100% supportive of only putting new developments in stable communities. That was one way we could frame it with some data. So we said let's look very mathematically at this with sheer numbers and the numbers are rather shocking at 23%. What we don't want to do is come up with something that just feels good. That becomes extremely subjective and difficult to manage going down the road so without the study numbers we presented today or the Quality of Life data an option. We are going to struggle quite a bit with how we ground this thing with some validated numbers somewhere to defend it.

Cooksey: What would be useful to this Committee would be a mapped combination of the 23% factor and the ½ mile radius. I think we can safely say that maintaining the ½ mile radium will protect a lot of those areas such as Lincoln Heights.

Mitchell: When I left here I thought stable was still in play. What was the discussion that Committee had that to make you feel like stable was not part of further discussion as a parameter. Refresh my memory.

Pam Lopez: I want to follow up on Mr. Cooksey's point. I just want to make sure you are ok – this policy applies to multifamily development more than 24 units. And to Mr. Mitchell's point, it has been a long time but when we left the last meeting it seemed like you were giving us direction to come up with a percentage. You weren't just comfortable with saying new multifamily developments could be located in just stable neighborhoods. From the forums and previous proposed policy that is what we discussed.

Pat Mumford: I would add that there was some discussion on the merits of the new developments. We are suggesting that the new developments are built in such a way that they are benefits to the community, why would they not be allowed in areas outside the stable communities? We didn't sense that you wanted to go with the Quality of Life as a guiding framework for this. We did get into the actually percentage of subsidized housing in an area and thought that would be a better way to take a look at this. Now we have both of those and can certainly go between the two.

Mitchell: Just to follow up, I thought the percentage of all subsidized housing were looking at Section 8, tax credits, Hope VI, etc. and that was replacing the ½ mile radius. How do you create a policy that's fair and we can get in all areas of town and folks feel like they don't have too much affordable housing.

I don't know how we direct Staff. I think we need to be open minded about what type of policy we can do at the end of the day. It's about creating more affordable housing for the City of Charlotte. I was totally confused with the 49,000 units because I had the 17,000 in my brain. And now the 49,000 is such a big number.

Julie Burch: The 49,000 are unsubsidized.

Pat Mumford: Two points – I agree we were thinking the percentage would take care of the proximity issue and eliminate the ½ mile radius. But when we looked at this practically, given the geography in any given NSA, a project could be proposed on the edge of a NSA and could be across the street from a large subsidized development but that wouldn't come into play because the development technically isn't in the same NSA. The street may be the dividing factor. We didn't feel that neighborhoods would agree. It adds to the over concentration factor. That's why the ½ mile is back in there. It doesn't have to be.

Cooksey: I'm still in favor of having no locational policy at all.

Kinsey: It's difficult to communicate "fair share" to neighborhoods who feel they are over burdened. I think some of those neighborhoods probably have very low rental properties that don't receive any subsidy and we can't do anything about that. So that could come in to play for some of the neighborhoods in District 1.

Pat Mumford: We toyed with the idea to include those non-subsidized apartment complexes. I believe most of the issues come from those complexes. Is there a way we could capture this real time data of apartment complexes serving below 60% median income level? We could do that from rent rates. There is potential we could bring in the non-subsidize number and add it to the subsidized number and recalibrate concentration and impact on neighborhoods.

Cannon: You kept in the ½ mile to suggest that even though the number is 13% in Lincoln Heights there's still a great chance you won't be able to develop there because of the ½ mile radius factor.

I need to see another map that shows, even though these NSA's are at less than 23%, what would be excluded because of the ½ mile radius? This may keep us from going back to the drawing board. I just want to see what that will look like.

Pat Mumford: We will map any development that's more than 24 units in size. We will map out a ½ mile radius surrounding that unit.

Cooksey: Is there a language that says that if a NSA has below 23%, the subsidized development can't take it over 23%?

If neighborhood index has high unemployment index and most if not all fold who are in subsidized have to have a job, that development would actually improve the Quality of Life index because it would raise the unemployment index. Bottom line is find a language that the 23% is a hard line and a new development can't take a NSA over.

Pam Lopez: We can do that.

Mitchell: I think we need to take a look at the true picture of the whole community and what is on the ground now before we allow another development to go in.

Cooksey: It's impossible to construct a 24 unit multifamily subsidized development in Seversville that keeps the percentage of subsidized housing below 23%. So a lot of these neighborhoods who are currently below the 23% would not be eligible to receive new developments.

Kinsey: Many of the NSA's are not on this list that feels they are burdened.

Pat Mumford: Another point to make, we shouldn't hold it against the development within a ½ mile of another subsidized project if that project is an exempt project from the policy. So we will not draw the ½ mile radius around the exempt projects, senior development for example.

We will bring back a new map drawing the ½ mile radius with the 23%. We will introduce language around the 23% cap. You may see an NSA creep up above 23% with Section 8 vouchers that legally you can't restrict. We will take a look at the nonsubsidized market rate units and figure out how that comes in to play. We will make sure you understand the impact of the exempt units in these calculations.

Mitchell: Can you add the Quality of Life catagories (Stable, Transitioning or Challenged) to each NSA that you list under 23%?

Pam Lopez: Sure. Based on this discussion, we have more work to do. Let's talk about the schedule moving forward. We need to propose an additional meeting this month to stay on schedule and have the dinner briefing on November 8.

Julie Burch: Discussed scheduling. We will reach out to Mr. Barnes to see if we can have a discussion with him to catch him up. Next meeting scheduled for October 18.

Mitchell: Can we get a new powerpoint with the updated numbers?

Pam Lopez: Yes. We will email that to you all. Thank you for your feedback

The meeting adjourned at 1:10 pm.

City Council
Housing and Neighborhood Development Committee

Wednesday, October 6, 2010
12:00 p.m.
Charlotte-Mecklenburg Government Center
Rooms 280

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

Staff Resource: Julie Burch, Assistant City Manager

AGENDA

I. Housing Locational Policy
Discussion and Consideration of Recommendations for Policy Revisions

Future Agenda Topics:
- Council Referral: Impacts of Tree Ordinance on Affordable Housing
- Assisted Multi-Family Housing at Transit Stations Policy
- Inclusionary Zoning
- FY2012 Focus Area Plan Discussion

Distribution:
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Corporate Communications
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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

Housing Locational Policy Update
Housing and Neighborhood Development Committee Meeting
October 6, 2010

Committee Action:
Review and act on recommendations to Council on revisions to the Housing Locational Policy.

Policy:
- The current Housing Locational Policy was approved by City Council on November 26, 2001, and amended on September 24, 2003.

Policy Review Process:
- On June 24, 2010, City Council approved a draft revised Housing Locational Policy and requested that Neighborhood & Business Services staff host a series of public forums during the months of July and August to gain input on a new Housing Locational Policy.
- During the months of July and August, five public forums were hosted throughout the City. Forums were held in the North, South, East, West and Central regions.
- A total of 158 citizens attended the forums and the following reoccurring concerns were raised at each of the forums:
  - Half-mile proximity restriction
  - Necessity of a Housing Locational Policy
  - Geographical Dispersion
  - Aesthetics and on-site property management
  - Impact on property values
  - Inclusionary Zoning
  - Proximity to goods and services
  - Policy application to City assisted developments
  - Policy Exemptions for seniors, disabled, and special needs populations

- On August 25, 2010, staff provided the Committee an update on the input received during the public forums.

- On September 1, 2010, staff engaged the Committee in a discussion on the proposed revised Housing Locational Policy. During that discussion staff:
  - Engaged the Committee in a discussion about which projects should be subject to the revised Housing Locational Policy.
  - Suggested that the current percentage of all assisted housing units (including Section 8, NC Housing Finance Agency Tax Credit Developments, City assisted, and Hope VI developments) in each NSA be used as a basis for determining permissible and non-permissible areas.
  - Discussed possible developments that would be exempt from the Housing Locational Policy, and
  - Discussed strengthening the existing Housing Trust Fund Guidelines to ensure adequate design and on-site management criteria.

- On October 6, 2010, staff will:
    - Discuss the rationale for the recommended percentages used to determine permissible and non-permissible NSAs.
    - Make recommendations on the types of developments that would be exempt from the revised Housing Locational Policy, and
    - Discuss the review process and evaluation criteria used to evaluate Housing Trust Fund requests.
    - Be prepared to discuss the current proposal, address Committee questions and seek guidance for any additional changes and next steps.

Policy Review Schedule:

• H&ND Committee review and approve revised Housing Locational Policy	October 6, 2010
• City Council Public Hearing on revised Housing Locational Policy	TBD
• City Council approval of revised Housing Locational Policy	TBD

Attachments:

- Draft Revised Housing Locational Policy
- Assisted Multi-Family Development Project Evaluation Process and Criteria

DRAFT

Housing Locational Policy

I. Policy

The Housing Locational Policy provides a guide for the development of new, **rehabilitated or converted City, State or Federally** subsidized, multi-family rental housing projects designed to serve, in whole or part, households earning 60% or below the area median income.

The objectives of the policy are to:

- Avoid undue concentration of multi-family assisted housing;
- Geographically disperse new assisted 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 ***non-permissible*** ~~*priority*~~ *areas* for the development of subsidized multi-family housing. **These areas are determined by the existing percentage of subsidized housing units in a Neighborhood Statistical Area (NSA).**~~Neighborhood Statistical Areas in the City of Charlotte.~~

II. Policy Description

A. General Applicability

This policy applies to the development of subsidized multi-family rental housing between 25 and **120** 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:

- Subsidized housing undergoing rehabilitation that **does not add additional housing units;**
- Subsidized housing designed to serve the elderly and physically disabled; ~~, disabled or special populations;~~
- ~~Assisted housing developed for homeownership; and~~
- Conversions of market rate **multi-family rental** housing to subsidized housing where no more than 24 units receive public subsidy. ~~City~~**~~, Federal or State~~** ~~funding assistance.~~

The City Council may also exempt any subsidized housing development from the requirements of this policy on a case-by-case basis.

C. ~~Prohibited Areas~~ Non-Permissible

Subsidized multi-family housing is not permitted in a NSA, if:

1. **<u>The total number of subsidized housing units exceeds 13% of the total number of housing units in the NSA.</u>**

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

3. ~~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)*;~~

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

5. ~~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~~

6. ~~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

Any NSA where the total number of subsidized housing units does not exceed 13% ~~10%~~ of the total number of housing units in the NSA.

Any area not defined as an NSA.

~~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.~~

IV. Effective Date

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

Effective Date: TBD **Amended Date: TBD**

Assisted Multi-Family Development Project Evaluation Process and Criteria

The following process and evaluation criteria will be used for multi-family assisted housing proposals seeking award of City Housing Trust Funds:

A. Review Process

Multi-Family development 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.

For proposals requiring a waiver of the Housing Locational Policy, notification will be sent to the Council District Representative, adjoining property owners and neighborhood organizations **four** ~~two~~ weeks prior to the City Council review.

B. Assisted Multi-Family Evaluation Criteria – For each proposal, the City will prepare an impact report which will include information on the neighborhood 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 on-site management plan and supportive services. 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*

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.*