Charlotte City Council
Housing and Neighborhood Development Committee
Summary Minutes
April 6, 2011

COMMITTEE AGENDA TOPICS

I. Neighborhood Symposium Update
II. FY12 Draft Annual Action Plan
III. Quality of Life Report Update and Proposed Enhancements Review
IV. Housing Trust Fund Allocations
V. Inclusionary Housing Policies Including Incentives

COMMITTEE INFORMATION

Council Members Present: Patsy Kinsey, Patrick D. Cannon, Michael Barnes and Warren Cooksey

Staff Resources: Julie Burch, Assistant City Manager
Patrick Mumford, Neighborhood & Business Services
Cynthia Woods, Neighborhood & Business Services
Pamela Wideman, Neighborhood & Business Services

Meeting Duration: 12:14 PM – 1:34 PM

ATTACHMENTS

1. Agenda Packet – April 6, 2011

DISCUSSION HIGHLIGHTS

Kinsey: Opened the meeting at 12:14 p.m. Introductions were completed.

Mayor Foxx: I came to speak to item four and unfortunately cannot stay for discussion. Of the many important things this Committee is doing, I think this is one of the most important ones that we are going to have to deal with as a Council. We need to do more to provide context in this community for affordable housing, particularly in the area of providing incentives. I struggled loudly with the vote we took a couple weeks ago on the Housing Location Policy because I did not feel we had done as much as we possibly could to address the private sector piece of this. I wanted to give you a couple of thoughts about what I mean to add to the table of conversation. I think if you look at an inclusionary

housing policy, you should see it in the context of the location policy we just adopted. We have categories; stable, transitioning and challenged, and if we are going to provide incentives, we should at least explore the possibility of adding the most aggressive incentives into the areas that are stable. Those incentives could include things like density bonuses, reduced parking requirements on sites to allow for more development space, fast track permitting – giving developers an advantage if they were to consider a certain percentage of affordable housing. I think we could also consider adding even more aggressive incentives if those developments include environmentally sustainable features because that helps cut down operating costs. Also, a concept that was shared with me from people who served on the Charlotte Housing 2007 Task Force that wasn't included in the recommendations was the concept of pre-zoning property to allow for affordable housing to be part of the zoning classification. I don't know how that works. Those are some of the ideas I thought about. I think this should be seen as part of our locational policy in that the most aggressive parts of it belong in the stable areas.

Thank you and I apologize for going out of order.

I want to thank the Staff because Staff has gone out into the community and conducted the public forums last summer. I know we have a lot of work to do, but I just wanted to thank you. *(Mayor departs)*

Burch: The first item on our agenda is the Neighborhood Symposium update from Cynthia Woods. The Committee had some discussion about this topic last time and Staff has gone back in response to those comments and tweaked the plan a bit.

Woods: You have an updated overview of the Neighborhood Symposium in your packets. In the interest of time, I don't intend to go through all of this unless you ask me too, of course. You know that the Symposium is scheduled for Saturday, April 16. We'll be down at CPCC, Central Campus on Elizabeth Avenue. For the sake of a visual aid, I brought one of our marketing signs. We are partnering with the Charlotte Clean and Green group and Sensoria to put on the three events concurrently at the campus. Based on the Committee discussion at the last meeting, the things that came out of that were to consider whether a half day program rather than a full day might limit access to information and discussion of issues. We talked a bit about low attendance in 2010 and ways that we can market more strongly to get more people there. And we talked about the possibility of providing lunch to participants.

In terms of the half day program, because we know from last year's experience, it's very difficult to keep people inside the building when there's so much going on outside, we decide to change a little bit of the format for the half day. Now we will have the opening program which will still include the neighborhood led presentation about successful projects, but the second half will be break out discussions regarding various initiatives, programs and projects that are going on in the four Community and Commerce districts of Charlotte (NE, NW, SE, SW). These could be neighborhood improvement projects, CDOT projects, parks, and opportunities to partner with schools. Those are the kinds of things we are having people coming in to talk to participants about.

In terms of the attendance, I think we have a really good marketing strategy that was beefed up a little bit. We do have flyers and the marketing strategy that I will pass out to you. Justine did you want to talk about the marketing?

Gazzola: Sure. We began our plan back in about February this year. We worked a lot with the Government Channel, creating TV billboards and the Government Channel will be running a City Source show on the Symposium after the event. We did save the date postcards which were mailed out on March 4th. We did a social media campaign with our City Facebook and Twitter accounts and utilized the City's Cmail mailing. We did a large word of mouth campaign, having our neighborhood specialists that work in Community & Commerce as well as some of our Code Enforcement folks spread the word out in the field and at neighborhood meetings they attend. We used the 2nd floor light box in CMGC and the posters and flyers that you have seen. We spent no money on actually media buys, but we did send a press release out. The Observer picked it up in the neighbors section. We were on the Channel 14, In Depth show. Cynthia was on Bea Thompson's radio show yesterday, Mayor Pro Tem Cannon is going to be having us on his radio show on Saturday, and we will be on the Fox Rising Morning show on Monday morning. And a website was created to help with promotion and information.

Cannon: If I might add, there will be promos that will be rotated 24 hours a day going through the Symposium information.

Woods: In terms of checking into lunch, we heard your interest in that so we did start to investigate some options for lunch. Our first preference was to find out if we could get someone to donate lunch to us. We have not been successful with that. I will say that just yesterday I asked a vendor about it and he said he would consider it and call me back. In the meantime, I'm going to assume we don't have donated lunch. We have been negotiating some really good prices. We were interested in working with small businesses. The other consideration was that since one of our partners is Charlotte Clean and Green, and they will have food vendors on site, we use one of them. The interest is to have an environmentally conscious green vendor so that would be guaranteed if we went with one of the vendors involved in the Clean and Green Festival. I do have one that we are close to committing. We could get lunch for $7 per person. These would be boxed lunches. After I hear from the person who may give it to use for free, I'll be calling that vendor back.

Barnes: Just to clarify, was it your idea, staff's idea, or did you interpret it as our idea that we would pay for the lunch?

Woods: What we came away from that meeting with was that you wanted us to do lunch. The preference was to get it for free but if we could not, if we could get it for a low price, we would still do lunch. One thing that's going to happen during lunch, we wanted to give people a chance to have close contact with the people who are presenting. There won't be an awful lot of time for questions and answers during the breakout sessions. So lunch would be an opportunity for them to follow up with questions for the presenters and network with each other.

Barnes: The reason I ask the questions is as I recall a few years ago, when we had the event at the Convention Center, we got a fairly good rate from CRVA for lunch. Have we talked with them?

Woods: We did not talk with CRVA.

Burch: The venue is not the convention center so we were looking at inexpensive boxed lunches if we were going to need to pay for it. My understanding is it would still keep us within the budget.

Barnes: The deal was that we would buy boxed lunch from CRVA in the past.

Burch: But that was because we were at the convention center.

Barnes: We couldn't have them prepare it and deliver it?

Burch: I would seriously doubt that. We haven't followed that path but I seriously doubt it because I don't think they do anything off site. And this is at CPCC.

Barnes: The point is that they are in the business of making some money right now and we are in the business of trying not to spend too much money. I think it's worth at least asking.

Woods: We can certainly ask. Is it the cost or giving CRVA business?

Barnes: For me it's the cost issue. $7 is probably a good rate.

Woods: We can check with others to see if we can get better rates.

Kinsey: Does the $7 include beverage?

Woods: Yes.

Kinsey: I was going to ask if we could check with the culinary school at Central Piedmont but I'm not sure they could do it for $7.

Woods: We checked with Community Culinary School who is affiliated with this $7 per person caterer. But that's not CPCC's culinary school.

Burch: Do you want us to check with Tim on this?

Barnes: Time is kind of short so probably not. But there are a host of issues I think I have and James has and other folks have that we need to take up with you guys after this.

Burch: In terms of Symposium planning for next year?

Barnes: Yes.

Burch: If you are ok, we have the $7 possibility or CRVA possibility to pursue.

Woods: We are going to be doing a survey evaluation at the end of the event. We intend to ask questions of the participants in terms of how they feel about the venue, parking, and content of the program for the day. So we will be able to report on that after the event as well.

Kinsey: Are there any questions? Comments? Do you need anything from us?

Woods: I'm great. Of course you are all invited to attend.

Burch: Cynthia and the staff did a great job. It will be a good day.

Kinsey: Next on the agenda is the FY12 Draft Annual Action Plan. I believe Ms. Pamela Wideman is here to talk to us about this.

Wideman: This is our annual application to HUD where we receive our federal funds. The content of this presentation today is just an FYI for you. You will see it again. We will have a public hearing and will ask for your approval at a subsequent meeting. Our goal is to get this to HUD by May 13. I didn't want you to see it for the first time at your public hearing.

Barnes: I wanted to talk about the federal budget implications. I imagine that HR-1 doesn't impact this but I believe the fiscal 12 budget will. And we heard what could politely be described as gutting with respect to HUD and CDBG. If you know anything about that and could update us that would be great?

Mumford: We don't know anything definitive about a reduction but we have looked at several different scenarios from the 7.5% to the 62% gutting scenarios. Where it ends up, we just don't know, but we do have a suggested reduction to put forward during the budget process and we'll show you what that looks like. But we don't have any intel that suggests what that reduction will be but we do feel there will be one.

Barnes: Did you see the Ryan budget?

Mumford: No.

Wideman: (walks through presentation)

Goals of the Action Plan are simple: to create decent housing, create a suitable living environment, and expand economic opportunity.

The plan is currently out for a public comment period that ends today. We will hold a public hearing at your April 26 meeting. We'll ask you to consider approving it at your May 9 meeting and submit to HUD on May 13.

Kinsey: Charlotte Mecklenburg Regional Consortium – what is that?

Wideman: We work with the town of Cornelius, Matthews and Mint Hill and primarily provide funding to them to build affordable housing.

Barnes: What is House Charlotte?

Wideman: That is our down payment assistance program where we provide up to $7,500 in down payment assistance for people purchasing in some of our NSA's. The intent is to help people get into their first home.

Barnes: And do we track their success?

Wideman: You mean in terms of how long they keep the home?

Barnes: Yes. I'll give you an example. Let's say you give somebody $7500 on January first of 2011 and they get into the house and make payments and move out of the house in June of 2012. Do we ever find out why they moved or why it may be foreclosed on?

Wideman: We don't necessarily know why but if they don't live in the house for a certain period of time, they have to pay us the money back.

Barnes: Has that ever happened? Where we ask for the money back?

Wideman: Yes.

Barnes: And we get the money back?

Wideman: Yes.

Barnes: Did we find out why they had to move out?

Wideman: We don't really go that far as to find out why. Some people simply want to move up to another home. These are starter homes and can't cost over $147,000. Often times, people want to move up to a better home. There are some cases where people relocate, people foreclose on the house, but we do get the money back if they don't stay in the house.

Barnes: What is the timeframe on that?

Wideman: Five years.

Barnes: Thank you.

Cooksey: I want to make sure I understand how this chain starts. This is a report we have to complete for HUD in order to get these categories of funding. Where is the giving of the ask here? Is this something that HUD says we're going to give cities funding but in order to get it you need to submit this document or do we, as the City of Charlotte, initiate the request by submitting the document. Is HUD asking for the document in order to give us

money they want to give us or is Charlotte asking for the money and doing so by sending the document that HUD requires.

Wideman: I'm going to look toward my colleague Richard Woodcock here. We are an entitlement City. Our money is given to us based on our size and population. The amount of money we get is by way of a formula based on our size and population. Is that correct Richard?

Woodcock: Yes. To get the grant, we need to submit this document.

Cooksey: I was just looking for where the initiation was from. It appears that the initiation is at the federal level designating Charlotte in a category to receive this funding. But in order to get it we have to respond with this document.

I noticed one of the elements in the write up involves increasing affordable rental properties. Should we be including the locational policy in HUD's response so show that what we are doing in not simply increasing supply but also to dispersing it?

Wideman: Yes, you are exactly right. We sent out the executive summary to you all but we do talk about the Housing Location Policy in the overall plan. That will be included in the larger document.

Burch: You will see this public hearing on your April 26 Council agenda.

Kinsey: Quality of Life update is next.

Mumford: This will be quick. The FY12 Focus Area Plan has an item on there to rework the Quality of Life Study so we aren't waiting until July to do that. We wanted to give you an update on what we are doing and where we are headed and see if you think we should do something different. There are three main areas of attention to be paid to in our Quality of Life Study. One of those is that neighbors and neighborhoods have suggested that the notion of NSA's doesn't make sense. They are in a neighborhood that they would define as their neighborhood yet they are linked to these other areas that seem to not be related. So what we want to do is respect the desire to have neighborhood data and neighborhood geography but balance that with the need to have a roll up structure because if you get down to singular neighborhoods, the numbers get so small and when you overlay policies that suggest percentages of household like the locational policy, it becomes too difficult and not feasible with such a small group. However, there are certain types of data that you can track at the neighborhood level that are important. We are balancing that. We are looking at about 400 neighborhood geographies and 173 NSA's. There will be some relationship between neighborhoods and a roll up structure. The group at UNCC is working on that with us. As you may recall, the neighborhood energy challenge part of that effort is to drill down into neighborhoods and look at environmental metrics. So we are combining all that together for the next Quality of Life Study.

The second issue is the relative nature of the measures. We track 20 variables and we think that there are a half dozen of those at the end of the study we are asking ourselves what we do with that data. It doesn't connect anywhere. We want to be sure

these measures and variables make sense and we can use them to drive resource allocation and policy development. We are working with City Staff as well as the County, schools and outside agencies so we have more of a community collective definition of what Quality of Life is so we aren't working our own disciplines without any regard to anybody else. It's been an interesting process. You are going to hear something Monday night from the County – their effort to look at their capital investment program but also trying to figure out how they define Quality of Life. We said let's work together on that. There has been some very good robust conversation for several months now.

The third goal is engagement of other groups which I touched on. So that's what we are looking to do. Understand how this Quality of Life Study can make more sense to people and frankly, we're looking to at the relative nature of the study and how that doesn't mean anything to people. That's a statistical thing. It means a lot to the folks UNCC but standard deviations off a norm doesn't ring true to anyone in the neighborhoods. We have several challenged neighborhoods today that are much better than where they were 10 years ago but they are still challenged because the stable neighborhoods are improving at a more rapid pace and we don't think we should continue that. We think it's more important to have some base level of measure so there's a goal that's attainable for neighborhoods. We have asked UNCC to take a look at that as well. Let's make sure it makes sense. We wanted to make sure you all knew that and were comfortable with that approach.

Cooksey: As a reporting guy from way back, I'm looking forward to this. I understand greatly how much you're biting off to chew here. I hope it all goes well. I particularly appreciate hearing the roll up process concept because one of the things that concerned me was what would happen to former data if we did that kind of wholesale change with neighborhoods. I hope you see, if it turns out to be feasible, that there is some kind of roll up structure so you would still have comparable data for the 173 NSA's. Going back over the pile of previous reports we have done over the past 10 years, there should be some kind of continued standard. I really appreciate getting rid of the standard deviation concept. It raised my eyebrows when I learned that the way this report is structured there, will always be challenged neighborhoods. I think shifting to a baseline still permits us to provide the services because we can always adjust the baseline. If every neighborhood gets above the baseline, then it can become Council's decision to say we need a higher baseline. Something that does recognize the activity of neighborhoods to make themselves better is needed. I will hold on the discussion of my notes on some of these indicator measures. As a general observation, I appreciate the discussion about collaboration and really hope you take the measurements and any proposed changes to the measurements out for collaboration.

(Walks through some examples he has in his notes). I'll take this conversation off line with you.

Barnes: I would suggest, in reference to the transportation component, that while we know that heavy machinery is one of our major ozone producers and CO producer, I think that it might be appropriate to leave as is for the next few years. Some of the neighborhoods we are talking about won't be going to Prius' and segways anytime soon. So it may still

be very relevant to have these variables included. A number of these people will drive 15 – 20 year old cars in to the future. But I understand what you are saying.

Cooksey: That's a recommended proposed measurement, not a current measurement.

Barnes: What I heard though is the direction or suggestion you were making to Staff.

Kinsey: Anything else on this issue? Now we move on to Housing Trust Fund Allocations.

Burch: For this, we are presenting to you a recommendation from the Charlotte Mecklenburg Coalition for Housing. We would request action from the Committee with regard to that recommendation so we can put it on the Council agenda in early May.

Kinsey: David Furman was going to present this?

Wideman: No. Just so everybody knows, David Furman is a part of the Charlotte Mecklenburg Coalition for Housing. That's the board that you appointed last year. One of their roles is to oversee and monitor the Housing Trust Fund. It's been about a year. You'll see some nominations on your upcoming agenda and you'll get a report on the work of that board on May 9th and will be asked to make some reappoints at that time if necessary.

We will be requesting your approval of this new allocation process on May 9th.

(Wideman walks through presentation)

This is a little different from how you have allocated Housing Trust fund dollars in the past. One of the goals here is to leverage our Housing Trust Fund dollars with the work that the Coalition is doing around ending and preventing homelessness. What you see here are three proposed categories for funding. The first category is a tax credit set aside. You have traditionally supported projects that received low income tax credits from the state. The goal here is to leverage the local dollars with the tax credit set aside. The difference here is that in the past, we have sent out an RFP and people would respond to the RFP. What we are suggesting here is that we would follow the award of the NC Housing Finance agency and support whichever projects they award low income housing tax credits to locally. Traditionally, they have only awarded about two projects in Mecklenburg County per year and we have supported those projects up to a million dollars. So the difference would be that developers would not have to send in an RFP. We would automatically set aside about 4.7 million over a two year period so this would be for projects receiving FY11 and FY12 awards. They have to meet the locational policy and any other requirements we have set.

Burch: This is also on the recommendation of the Inclusionary Housing Sub-Committee.

Wideman: This is. We will talk about that a little more.

The next category will be rapid acquisition. These funds would be set aside for our partners – anyone that is trying to rapidly acquire land to build affordable housing. The priority is for those projects including 30% and below AMI.

Mumford: Over the years, this group has wrestled with market opportunities for existing buildings or land that could support the policy objectives of putting more units on the ground. The challenge is that the Trust Fund process is pretty laborious and takes a lot of time. If someone is selling a property, they want to close quickly. Our funds weren't liquid enough to support that. The idea here is to park some money and be able to act quickly to be a participant in the acquisition.

Wideman: The next category is supportive housing. This category is to support the permanent supportive housing – your shelters and transitional housing. The point here is to support the work the Coalition is doing to end and prevent homelessness.

Mumford: This is a different approach from what you have seen before. We think the Coalition board is doing a great job at identifying the differences in approaches out there to addressing the housing issues in this community. You are seeing these three categories but the supportive housing one is where the majority of the effort will take place. The idea here is to make sure that through the funding that you approved, there is a definitive amount of money linked to supportive services. You know going in that if you approve money for project X, there is a commitment for all of the other pieces of the project to be successful, beyond being able to pay the debt on the capital. That is a really critical component that we haven't ever formalized before today. We think we need to be much more intentional so that those commitments for operation dollars and supportive services which are really needed. The housing piece is great but that isn't the end of the trail for these individuals. They have to have the supportive piece with it. We are working closely with the County which is represented on this Coalition board. This board is doing very good tough work to drive some process change so we use our money together.

Wideman: All projects would have to comply with our local policies.

Barnes: Which projects returned money?

Wideman: We will email you that list.

Mumford: We do need a motion to recommend to Council.

Barnes: Motions to recommend this new process to full Council.

Cooksey: Seconds the motion.

Kinsey: Motion passes unanimously.

Last agenda item is inclusionary housing policies including incentives.

Burch: We are here to kick off the conversation about inclusionary housing policies. As we were talking about the housing locational policy, inclusionary housing was phase two of the process. Part of that includes a conversation around assisted housing and transit area stations. We did include in your packet, a summary of all the recommendations from the

Housing Charlotte 2007 Implementation Committee. On the bottom of the first page of that chart, there is a list of all the sub-committee recommendations related to incentive based inclusionary housing policies. There are nine recommendations. Today, it would be helpful to quickly walk through those to begin familiarizing the Committee with those recommendations and also the current status if there is anything to report of them. Some of these would involve enabling legislation from the State if the Council wanted to pursue those. We are not prepared today to talk in depth about these but we can do an overview and seek from you what additional information you might need in the future around any of these topics. We would also like to talk to you about the schedule moving forward. The Committee has quite a bit on its plate right now around these policies as well as other topics so you may want to take another look at your meeting schedule and decide if you want to meet more frequently. Primarily we want to seek questions and determine the need for more information and look over the schedule moving forward. We can walk through these recommendations quickly.

Barnes: I don't mind going through the list. I do have some questions for you. I understand that Davidson, NC has an inclusionary zoning policy of some sort and I think Belmont does as well. I wanted to know whether there was any legislation required from the implementation of those policies and if not, how are they doing it. Am I talking apples to oranges? Can we find that information and also get a copy of it so we can assess it?

One other thing going back to the locational policy, I was surprised to see the CMS did not participate in the Housing Locational Policy. They only knew about it a month or so before the vote although we have not been hiding it over the last eight years so that was disappointing. I think we have a good opportunity now to include CMS on this effort. As I look at the Quality of Life map and crime trends and a number of other maps that cover the City, I see that the quality of residential development is often guided by the quality of the schools. I see that the quality of schools can frequently dictate the quality of the residential development and other types of developments. It is in everybody's best interest to have good quality schools and residential development. It would be valuable to have some sort of input from CMS. People are willing to pay a premium for a house if the schools near it are good and the opposite is true. As we move forward, it's very important to be more cognizant of the impact of our educational system on development.

Burch: Would you like Anna Schleunes to comment on Davidson and Belmont?

Schleunes: Although you are referring to this as inclusionary housing, this is actually a zoning issue and I am not the zoning attorney for the City but I will certainly keep her up to date on the discussion we have here today. I don't know if what Davidson and Belmont are doing is what's called voluntary or mandatory.

Wideman: It's mandatory and they do not have enabling legislation.

Schleunes: I believe you received a memo from our office that says that we believe any mandatory program would require legislative authority to implement.

Wideman: I'm not aware of Belmont. I am aware of Chapel Hill and Carboro.

Mumford: The unique thing about Davidson is, while they don't have enabling legislation, they haven't been challenged. The concern with a large City like Charlotte, is that a developer might ask why we are asking them do this when there is not a law that stipulates. It seems to work well for Davidson but it's on a much smaller scale.

Schleunes: If it would be helpful, we can redistribute that email memo.

Barnes: Yes, please send via email.

Burch: Pam, do you want to quickly walk through each of these in terms of familiarization? As we go along, let us know if you have questions or want additional information.

Wideman: (Walks through suggested recommendations)

Barnes: Are there rules about how many people can live in a dwelling?

Schleunes: Through a stakeholder process, we revisited the minimum standard housing space and use standards and those were narrowed a bit. The old standard was 11 heads in 1000 square feet and that was dropped to seven or eight. That was three or four years ago.

Barnes: Did we outlaw the use of garages as living space?

Schleunes: That is not in the minimum standard housing. It may very well be in the zoning code.

Wideman: The thought behind this, for the participants of the Housing Charlotte 2007, was to provide space for a nanny or sick family.

Burch: On all of these, we will bring back current information about what's on the books, etc. This is a helpful conversation.

Wideman: (Continues with presentation).

Mumford: We are working very closely with CMS Staff and real estate people on various parcels. The dialogue is happening.

Wideman: (Continues with presentation).

Burch: One of the things we can do next time is capture currents status on some of these – what the zoning ordinance says today, etc. We will bring Planning Staff into the conversation as we move forward.

Kinsey: I would like to see what other cities are doing - comparable cities.

Wideman: Ms. Campbell couldn't be here today but she wanted me to point out these recommendations came from a citizen committee and haven't been fully vetted by Staff so Staff doesn't necessarily agree with all of these.

Burch: Discusses the upcoming Committee schedule.

Barnes: I would like this Council make a decision on this issue so it needs to be done before November. Whether that takes 10 or two meeting per month, let's do it.

Mumford: I feel compelled to say we were here almost this time last year with Housing Location Policy with a goal of a September conclusion. We didn't get there. I want to make sure that we are in close communication throughout this and know where we are headed. That impacts the number of meetings we have in the community, number of meetings with this group, how many iterations we go through, public hearings, etc. We need to make sure we are smart about all the required steps. It's going to be a lot of work. It's will be be contentious; it was five years ago when it was brought up to Council.

Wideman: I heard from you that you wanted to hear what other cities are doing. Do any particular cities come to mind? Could you email me to we can work toward what you want.

Kinsey: Touch base with those other cities that we normally measure up against and see if they have anything like this.

Wideman: We have those cities the sub-committee looked at in 2007 so we will bring those forth.

Kinsey: I think we are going to have to go to two meetings a month. I think it's more important to have it done right than to push it through but I would really like this Council to get this done.

Burch: Committee decides to move toward a bi-monthly schedule. Next meeting will be April 27 at Noon.

Kinsey: Adjourned the meeting at 1:34 pm.

City Council
Housing and Neighborhood Development Committee

Wednesday, April 6, 2011
12:00 p.m.
Charlotte-Mecklenburg Government Center
Room – 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. **Neighborhood Symposium Update**
II. **FY12 Draft Annual Action Plan**
III. **Quality of Life Report Update and Proposed Enhancements Review**
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V. **Inclusionary Housing Polices Including Incentives**

Attachments:
- FY12 Draft Annual Action Plan Executive Summary
- Green Neighborhood Assessment Tool
- Recommendations from *The Final Report from the Housing Charlotte 2007 Implementation Committee*

Future Agenda Topics:
- Inclusionary Housing Policies (May)
  - Incentives
  - Assisted-Multi Family Housing at Transit Station Areas
- Impacts of Regulatory Policies on Affordable Housing (TBD)

Distribution:
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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*
Charlotte-Mecklenburg Coalition for Housing

Budget Office
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Ann White
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Charles Woodyard
Charlotte-Mecklenburg Housing Partnership
Pat Garrett
Charlotte-Mecklenburg Police Department
Chief Rodney Monroe

Community Relations
Willie Ratchford
Ledger Morrissette
Neighborhood & Business Services
Patrick Mumford
Walter Abernethy
Steve Allen
Jamie Banks
Brad Richardson
Pamela Wideman
Tom Warshauer
Richard Woodcock

Neighborhood Symposium Update
Housing and Neighborhood Development Committee Meeting
April 6, 2011

Committee Action:
Receive an update on plans for the 2011 Neighborhood Symposium.

Policy:
The City Council's Housing and Neighborhood Development strategy supports strengthening neighborhoods through initiatives and collaborations that improve and sustain Charlotte's quality of life.

Explanation and Background:
- The City of Charlotte hosts the Neighborhood Symposium annually in partnership with several public and not-for-profit partners. The event is presented as a citywide conference of neighborhoods, which provides opportunities for citizens to learn about community services and resources, strategize about successful neighborhood practices, network and participate in dialogue with other neighborhood and community leaders.
- In 2010, Neighborhood & Business Services redesigned the Neighborhood Symposium format and collaborated with new partners, Charlotte Clean and Green (CCG) and Central Piedmont Community College (CPCC) to sponsor three concurrent community events. The City's Neighborhood Symposium, CCG's Earth Day Festival and CPCC's Sensoria Celebration of the Arts were held on CPCC's central campus on Elizabeth Avenue.
- The partnership will continue this year, with the three events being held on Saturday, April 16th at CPCC.

Committee Discussion:
- Staff presented plans for the 2011 Neighborhood Symposium to the Housing and Neighborhood Development Committee on March 2, 2011. Discussion and feedback from the Committee included:
    - Whether going to a ½ day program instead of a full day might limit participants' access to information and discussion of issues: Recommended adjusting the format to provide more content
    - Low attendance in 2010: Recommended more marketing and outreach to the community
    - Providing lunch vs. participants having to buy lunch at vendor tents: Recommended staff investigate options for providing lunch for attendees, including donations
    - Requested an update at the next committee meeting

Neighborhood Symposium Overview and Update:
- Focusing on this year's Symposium theme, "Connecting Community," the opening program will feature brief neighborhood-led presentations about successes and best practices in implementing projects that make Charlotte's neighborhoods and business corridors healthy

and vibrant. Projects promote community safety, energy/environment, community engagement, youth involvement, economic development and community appearance.

- The format of the break-out sessions has been changed. Participants will be grouped by geographic area, based on Community & Commerce's service districts. Representatives from public and non-profit agencies will provide updates on major projects, services and opportunities in each of the districts. Topics will include greenway construction, new roads/sidewalks, updates on public facilities, volunteer opportunities in local parks and schools, civic projects and business activities.
- A Networking Lunch has been scheduled to follow the break-out sessions. Staff inquiries about a donated lunch have not been successful; however, discounts are being negotiated with several catering companies.
- The Networking Lunch will give participants the opportunity to talk with presenters, ask questions and discuss issues as needed. They will also be able to network with each other to exchange ideas and collaborate on future projects and activities.
- More than 50 Symposium exhibitors have been confirmed, including City and County departments, neighborhoods and non-profits. This year, Symposium exhibitors will be located outside along Elizabeth Avenue, giving them more exposure to the thousands of people expected to attend the three events.
- 2011 Symposium Schedule:
    - 8:00 am – ongoing Symposium Registration/Check-in (Overcash Building)
    - 8:00 am – 8:45 am Networking Continental Breakfast (Overcash Cafeteria)
    - 9:00 am – 10:30 am Program (Halton Theatre, Overcash)
    - 10:45 am – 12 noon Break-Out Sessions (Overcash)
    - 12:00 pm – 1:00 pm Networking Lunch
    - 10:00 am – 4:00 pm Exhibits + Sensoria and CCG Activities (Elizabeth Ave.)
- Marketing efforts include Save the Date cards, flyers, posters, N&BS website, email blasts, C-Mail, Channel 16 TV billboards, N&BS newsletter, Corporate Communications Light Box (CMGC 2nd floor), Facebook, Twitter and press releases. Also, N&BS staff are promoting the event at community meetings and in the field.
- This year's partnership between the City, Sensoria and Charlotte Clean and Green is expected to feature more than 150 total exhibitors and vendors, numerous workshops and activities for all ages.

FY2012 Annual Action Plan for Housing and Community Development
Housing and Neighborhood Development Committee Meeting
April 6, 2011

Committee Action:
Receive an update on the FY12 Annual Action Plan for Housing and Community Development.

Policy:
- The U.S. Department of Housing and Urban Development (HUD) mandates development of an Annual Action Plan in order to receive federal funding for housing and community development activities.
- The FY2012 Annual Action Plan (Plan) is the City's annual implementation strategy for providing housing and community development activities.
- The plan supports the City's housing policy to preserve existing housing, expands the supply of low and moderate-income housing and supports family self-sufficiency, as well as the City's neighborhood revitalization strategy.

Explanation
- The FY2012 Action Plan includes housing and community development needs and resources for the City and Regional Housing Consortium.
- The Regional Housing Consortium is a partnership between the City, Mecklenburg County and the towns of Cornelius, Pineville, Matthews, Mint Hill and Huntersville.
- The Plan also serves as the City's annual application to HUD.
- In FY11, the City received $9,018,304 in new federal grant program funds.

- Community Development Block Grant (CDBG)	$ 5,195,468
- HOME Investments and Partnerships (HOME)	$ 2,819,428
- Emergency Shelter Grants (ESG)	$ 210,026
- Housing Opportunities for Persons with AIDS (HOPWA)	$ 793,382
Total	$9,018,304

Community Input
- Neighborhood & Business Services staff convened public planning sessions to receive input into the development of the Plan.
- A copy of the Draft Plan, in both English and Spanish, was placed in several public libraries throughout the City. A copy of the draft FY2012 plan was also placed at the Charlotte Housing Authority, and Old City Hall.

Next Steps
- A public hearing will be held on April 25, 2011 during the City Council's business meeting.
- City Council will be asked to approve the Plan during their May 9, 2011 meeting.
- The plan will be submitted to HUD on May 13, 2011.

Second Program Year Action Plan

The CPMP Second Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

EXECUTIVE SUMMARY **91.220(b)**

The City of Charlotte is submitting the FY2012 Annual Action Plan as the second action plan of the 2011-2015 Consolidated Plan. Housing and Urban Development requires that all jurisdictions receiving annual entitlements of formula grants submit annual action plans to report on the status of needs and outcomes expected to be achieved in the coming year.

In FY 2012, the City of Charlotte expects to receive the following entitlement grants:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for People with AIDS (HOPWA)
- Emergency Shelter Grant (ESG)

Each of the proposed activities and projects identified in this Action Plan are intended to principally benefit priority needs households - those households with incomes ranging from 0-80% of the area median income (AMI). Such households include populations that have special needs, such as elderly, disabled, homeless and HIV/AIDS families and individuals. The activities and projects will also address the City's overall priorities identified in the 2011-2015 Plan, including:

- **Implementation of More Than Shelter, Charlotte-Mecklenburg's Ten-Year Plan to End and Prevent Homelessness**. The major emphasis in this plan is on creating new supportive housing opportunities for homeless individuals and families, including those who are chronically homeless.

- **Increasing affordable rental housing for priority needs households**, particularly extremely low-income (30% or less of AMI), very low-income (31-50% of AMI) households and special needs populations.

- **Revitalizing targeted neighborhoods** identified by the City of Charlotte as needing assistance: Lakewood, Lincoln Heights, Reid Park, Thomasboro-Hoskins, Washington Heights, Wingate, Windy Ridge, Peach Tree, Double Oaks, and Boulevard Homes.

- **Revitalizing distressed business corridors and districts** to grow the tax base by assisting with new investments and jobs, including Beatties Ford Road, Eastland Mall area, Rozzelles Ferry Road, North Tryon Street and Wilkinson Boulevard/Freedom Drive/West Morehead Street/Bryant Park area.

- **Promoting economic growth** with a particular focus on business recruitment and retention to grow targeted industry sectors, provide small business services and support workforce development training and placement.

HUD OBJECTIVES AND OUTCOME EXPECTATIONS

Activities identified in the FY2012 Action Plan align with the above priorities and are quantified by level of need. By addressing these priorities, the City intends to meet HUD's affordable housing and community and economic development objectives and outcome performance expectations. These performance expectations serve as a guide for funding activities.
Three specific HUD objectives relate to CDBG funding. These include:

- **Providing Decent Housing**: Applicable to housing programs where the purpose is to meet individual family or community needs, and not programs where housing is an element of a larger effort, such as would otherwise be applied under the "Creating Suitable Living Environment" objective.

- **Creating Suitable Living Environments**: Applicable to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by low-and moderate-income persons, from physical problems with their environment to social issues such as crime prevention, literacy, or elderly health services.

- **Creating Economic Development Opportunities**. Applicable to activities that are related to economic development, commercial revitalization or job creation.

HUD has identified three specific outcomes that relate to the above objectives. These include:

- **Availability/Accessibility:** Activities which make services, infrastructure, housing, or shelter available or accessible to low-and moderate income people, including persons with disabilities. In this category, accessibility does not only refer to physical barriers, but also to making the affordable basics of daily living available and accessible to low- and moderate- income people.

- **Affordability:** Activities which provide affordability in a variety of ways in the lives of low- and moderate- income people. It can include the creation or maintenance of affordable housing, basic move-in services, or services such as transportation or day care. Affordability is an appropriate objective whenever activity is lowering the cost, improving the quality, or increasing the affordability of a product or service to benefit a low- and moderate-income household.

- **Sustainability:** Activities aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to low- and moderate-income

persons or by removing or eliminating slum or blighted areas.

Because each activity identified in this FY2012 Action Plan will be implemented with varying intent and purpose, at least one of the above objectives and outcomes is proposed for each annual plan activity. HUD outcomes and objectives are identified for all the affordable housing and community development objectives included in this plan.

Quality of Life Report
Update and Proposed Enhancements
Housing and Neighborhood Development Committee Meeting
April 6, 2011

Committee Action:
The purpose of this presentation is to provide the Housing & Neighborhood Development (H&ND) Committee with an update regarding boundary revisions and energy data being added to the Quality of Life Report. No action is required at this time. A proposal from UNC-C for the 2012 Quality of Life Report will come to Council at a later time.

Neighborhood Boundary Refinement:
Current Neighborhood Statistical Areas (NSA's) represent multiple neighborhoods and do not account for changes over the last 10 years due to new roads, new housing developments and neighborhood perceptions. The boundary refinement process will solicit feedback and counsel from citizens, neighborhood leaders and community representatives. Additional feedback will be requested from city, county, civic organizations and support staff. Current activities are:

- UNC-C and Community & Commerce staff are meeting to discuss current neighborhood boundaries in relation to Census Block Group, Charlotte-Mecklenburg Police Department and Charlotte Department Of Transportation geographies to understand the availability and reliability of data in relation to new boundaries
- Community & Commerce will then schedule community meetings to solicit their input and advice
- H&ND Committee will then review the geography

Neighborhood Energy Challenge:
The Energy Data project incorporates the development of the energy and environment assessment data in the Quality of Life report. The data collected will provide a snapshot of energy and environmental performance in neighborhoods across the city, foster individual and community-based neighborhood energy action plans and evaluate trends in energy use and environmental performance at the neighborhood level across the City. This portion of enhancements to the QOL is funded through the Energy Efficiency & Conservation Block Grant.

UNC-C is currently developing a Energy & Environment Assessment Tool that will identify specific neighborhood-scale variables that impact Energy & Environment performance including. Examples are energy consumption, including gas and electric, bicycle amenities and accessibility, connectivity and auto usage, transit accessibility and utilization, pedestrian amenities and accessibility, recycling/waste elimination measures, water use and conservation and tree canopy. Current activities include:

- UNC-C has submitted to C&C staff proposed Green Variable measures for review and approval

- UNC-C is currently working with C&C staff, City Departments, Duke Energy, and Piedmont Natural Gas to obtain data for the energy & environment variables
- UNC-C is currently requesting Duke Energy Corporation to approve the new Energy Consumption variable
- Final analytical results will be used as a baseline for comparative analysis of Energy & Environmental performance in both the NEC neighborhoods and neighborhoods across the City.

2012 Quality of Life Enhancements:
The 2012 Quality Of Life Enhancement includes partnering with Mecklenburg County to extend the Quality of Life study to the entire county, including the municipalities and towns. Additionally, the Enhancements will review all current data to determine its continued relevance, explore availability of other data that may merit inclusion, explore the presentation of the data to insure it is easily understood, and explore other neighborhood 'grading' platforms to arrive at a methodology that more accurately describes the attributes of a neighborhood. Staff will continue to work with the partners and place this contract on a future Council Agenda.

Attachment:
Proposed Green Variable Indicator Measures

PROPOSED/POTENTIAL INDICATOR MEASURES

TRANSPORTATION-BASED INDICATORS		
Variable Name	***Definition***	***Meaning***
Reduced Automobile Dependence	This will include a proportional measure of transportation mode by neighborhood.	Allows us to infer automobile dependence, affecting air quality and dependence on fossil fuels.
Automobile Count	The number of automobiles owned in each neighborhood.	Profile Variable
Street Network	A neighborhood with a high level of street connectivity, reducing vehicle miles traveled (VMT) and promoting non motorized modes of transportation.	Look at street patterns to determine if connectivity is high and neighborhood can easily transition into alternative transportation.
Bicycle Network	A neighborhood that is accessible to a city bicycle network.	Allows us to determine viability of using bicycle (Use Bikeway Improvement data).
Walkable Streets	A neighborhood that has sidewalks connecting homes to businesses. May include speed limits for residential streets and mixed-use streets and requirements for building façade and distance to storefront from sidewalk.	Allows us to determine viability of walking (sidewalk data).
Transit Facilities - Existing	A neighborhood that has transit facilities close to transit stops and home or business locations, as well as having safe facilities with ample lighting, resting furniture and bicycle racks.	Allows us to determine viability of transit use.
Street Friendliness/Safety	A neighborhood that has sidewalks and safe driving speeds and a low occurrence of automobile accidents (either automobile-automobile, automobile-bicycle, or automobile-pedestrian).	Allows us to determine critical automobile safety issues.

TRANSPORTATION-BASED INDICATORS		
Variable Name	***Definition***	***Meaning***
Trends in Transit Use	A neighborhood that is showing a stable ridership or increasing ridership of available transit.	Allows us to determine the current trend in use of transit facilities and reduced dependence on automobiles. Can be further used to determine the need for more transit opportunities or to be compared at later dates to support increased investment in transit.

HYDROLOGIC INDICATORS		
Variable Name	***Definition***	***Meaning***
Impervious Surface	Neighborhood impervious area.	Allows us to determine risks of non-point source pollution.
Floodplain Avoidance	Proportion of developed areas located inside the floodplain or potential new development in floodplain.	Allows us to determine flooding potential in neighborhoods and areas for future development.

BIOLOGICAL INDICATOR		
Variable Name	***Definition***	***Meaning***
Tree canopy	Tree canopy coverage for neighborhoods.	Allows us to determine heat island reduction, as well as neighborhood visual greening.

RESOURCE CONSERVATION INDICATORS		
Variable Name	***Definition***	***Meaning***
Solid Waste Management	Neighborhood solid waste generation (per household).	Allows us to determine which areas have highest rates of solid waste generation including yard waste, recycling, and bulk waste.
Recycling Behavior	Neighborhood recycling activity (per household).	Allows us to determine resident behavior favoring recycling and perhaps openness to other sustainability techniques.
Water Consumption	Neighborhood's average per capita water consumption.	Allows us to monitor the use of CMUD water and offer insights on how to reduce water consumption.

ENERGY INDICATORS		
Variable Name	***Definition***	***Meaning***
Energy Consumption	TBD.	Allows us to determine the use of energy by neighborhoods (aggregate/neighborhood level data).
Structural Age	The average age for residential buildings in a neighborhood.	Profile variable
Structural square footage	The average square footage for residential buildings in a neighborhood (to be used in conjunction with the Energy Efficient Building indicator).	Profile variable
Energy Efficient Building	Structural energy efficiency per square foot for single family residences in a neighborhood.	Allows us to determine older structures that may require retrofits for increase in efficiency - based upon the Energy Estimator for Structures.
Onsite Renewable Energy Resources	Identified neighborhood assets that incorporate solar, wind, geothermal, or biomass energy sources.	Allows us to recognize those structures that have solar panels, water reclamation systems, etc.

GREEN LAND DEVELOPMENT INDICATORS		
Variable Name	***Definition***	***Meaning***
Walkable Communities	A neighborhood that is within 1/4 to 1/2 mile to local amenities, such as grocery stores, movie theatres, convenience stores, etc.	Allows us to determine viability of walking (Walk Score compilations for neighborhoods).
School Proximity	A neighborhood is connected by bicycle network or sidewalk network to a local school - typically within a 1/2 to 1 mile distance.	Allows us to determine viability of walking or biking to school sites.
Public Open Space Proximity	A neighborhood that is within 1/4 mile walking distance from any public space, such as parks, plazas, or other open spaces.	Allows us to determine viability of walking or biking to public spaces.
Access to local foods	Neighborhood access to a community garden, or farmer's market selling local food, within 1/4 mile walking distance.	Allows us to determine viable local food options for neighborhoods.
Housing Density Index	The ratio of housing density to the city housing density	Allows us to determine compact development as compared to the city average density.
Diversity of housing types/Affordable Housing	A neighborhood that includes a portion of the housing at a price point under the area median income (AMI).	Allows us to determine availability of housing for all citizens (especially in neighborhoods within walking distance to amenities and transit).
Access to Basic Retail Functions	Allows us to determine if there is a "food desert" within or surrounding neighborhoods.	Neighborhood within 1/4 walking distance of grocery store and/or drug store.
Existence of Neighborhood Association	A neighborhood has an association that will help organize, encourage, and management green techniques used/completed in neighborhoods.	Allows us to determine if there is a unified community organization that can encourage/make "green" decisions for neighborhood.
Access to healthcare	Average travel time from neighborhood to local emergency or non-emergency healthcare.	Allows us to determine availability and access to healthcare overall and in the event of a hazard/disaster event.

RISK INDICATORS		
Variable Name	***Definition***	***Meaning***
Environmental Health Risk	A neighborhood is at risk for public health concerns, such as contaminated water, sewage leaks, etc. and strives to prevent such risks in the future (outcome determines the prevention techniques).	Allows us to determine possible future risks to neighborhoods, allowing adaptation or risk reduction.

LEED-BASED INDICATORS		
Variable Name	***Definition***	***Meaning***
LEED-certified buildings	A neighborhood that is LEED - ND certified or includes LEED certified buildings.	Allows us to determine existing green buildings in neighborhoods.
Preservation or reuse of Historic Buildings	A neighborhood that has at least one historic building and renovates historic buildings as opposed to demolition.	Allows us to determine reused buildings vs. demolition.
Diversity of Land Uses	A neighborhood where 50 percent of housing units are within 1/4 mile walking distance of 4 or more distinct land uses.	Allows us to determine access to numerous amenities in a neighborhood, leading to the availability of walking as a viable transport options.

Proposed Housing Trust Fund Allocation
Housing and Neighborhood Development Committee Meeting
April 6, 2011

Committee Action:
Approve the Charlotte-Mecklenburg Coalition recommendation on the three categories for the FY12 Housing Trust Fund Allocations.

Policy:
The Housing Trust Fund supports the City's housing policy to preserve existing housing, expands the supply of low and moderate-income housing and supports family self-sufficiency, as well as the City's neighborhood revitalization strategy.

Explanation:
The Charlotte-Mecklenburg Coalition for Housing Board is charged with overseeing the operations and monitoring the performance of the Housing Trust Fund as well as recommend funding priorities to the City Council.

On March 28, 2011, the Charlotte-Mecklenburg Coalition for Housing Board recommended the following Housing Trust Fund allocations in three categories of multi-family housing developments.

Funding Category	Allocation	Percentage	Area Median Income
Tax Credit Set Aside	$4,700,000	29%	60% or Below
Rapid Acquisition – Partnership process	$3,200,000	20%	30% or Below
Supportive Housing – RFQ/RFP Process Permanent Supportive Housing ($3.1M) Other Supportive Housing ($5.2M) o HUD Defined Special Needs (Elderly, Disabled, Homeless, etc.) o Locally Defined Special Needs (TBD)	$8,300,000	51%	30% or Below
Total	**$16,200,00**	**100%**	

Tax Credit Set-Aside:

- Funds will be available to developers receiving a North Carolina Housing Finance Agency (NCHFA) tax-credit award for new construction and rehabilitation of multi-family housing developments serving households earning 60% or less of the Area Median Income.

- This allocation would provide local alignment with State supported projects and allow for greater local leverage of tax credit awards.
- Developments must comply with the new Housing Locational Policy.
- Funds will be made available according to the ranking of NCHFA site score and City of Charlotte housing priority.

Rapid Acquisition:

- Funds would be available to development partners for the rapi**d** acquisition of land and multi-family housing developments for new construction, rehabilitation and conversions.
- Criteria for accessing these funds will be established. The criteria will be based on the overall goals of ending and preventing homelessness.

Supportive Housing – RFP Process:

- Funds would be available to developers through an RFP/RFQ process for projects that further the goals of the Ten-Year Plan to End and Prevent Homelessness and supports the goal of implementing the Charlotte-Mecklenburg Coalition for Housing Strategy.
- Funds could be used for new construction and rehabilitation of housing to serve homeless or those with special needs, Including the elderly, disabled, homeless or HIV/AIDs populations. Supportive housing with services assists households in the transition to residential stability.
- The housing will serve individuals and families with a priority at 30% or less of the AMI.
- Supportive Housing development funds will be made available through a Request for Qualification/Request for Proposal Process.
- The Charlotte-Mecklenburg Coalition for Housing will further attempt to identify established entities in the community working towards the same goals, and create a proactive process to catalyze projects.

Proposed Schedule:

- May 9, 2011 City Council Consideration for Approval

- This allocation would provide local alignment with State supported projects and allow for greater local leverage of tax credit awards.
- Developments must comply with the new Housing Locational Policy.
- Funds will be made available according to the ranking of NCHFA site score and City of Charlotte housing priority.

Rapid Acquisition:

- Funds would be available to development partners for the rapid acquisition of land and multi-family housing developments for new construction, rehabilitation and conversions.
- Criteria for accessing these funds will be established. The criteria will be based on the overall goals of ending and preventing homelessness.

Supportive Housing – RFP Process:

- Funds would be available to developers through an RFP/RFQ process for projects that further the goals of the Ten-Year Plan to End and Prevent Homelessness and supports the goal of implementing the Charlotte-Mecklenburg Coalition for Housing Strategy.
- Funds could be used for new construction and rehabilitation of housing to serve homeless or those with special needs, Including the elderly, disabled, homeless or HIV/AIDs populations. Supportive housing with services assists households in the transition to residential stability.
- The housing will serve individuals and families with a priority at 30% or less of the AMI.
- Supportive Housing development funds will be made available through a Request for Qualification/Request for Proposal Process.
- The Charlotte-Mecklenburg Coalition for Housing will further attempt to identify established entities in the community working towards the same goals, and create a proactive process to catalyze projects.

Proposed Schedule:

- May 9, 2011 City Council Consideration for Approval

Inclusionary Housing Policies Including Incentives
Housing and Neighborhood Development Committee Meeting
April 6, 2011

Committee Action:
No Committee action is requested.

Explanation:
Neighborhood & Business Services staff will begin the discussion on Inclusionary Housing Policies, including incentives. Staff will share information from the Housing Charlotte 2007 Incentive-Based Inclusionary Housing Policy Subcommittee and information from other cities about Inclusionary Housing programs. Staff will seek Committee guidance on a schedule for continuing discussion of the policies and additional information needed by Committee members.

Recommendations from *The Final Report from the Housing Charlotte 2007 Implementation Committee*

Education, Outreach and Advocacy Subcommittee		
	Recommendation	**Status & Next Steps**
1	Conduct a comprehensive survey to be completed of the Charlotte community to explore knowledge and attitudes towards affordable housing.	The Charlotte-Mecklenburg Coalition for Housing – Community Engagement and Advocacy Committee is partnering with the National Alliance To End Homelessness' Center for Capacity Building to add questions to their Community Leaders and Executive Directors Survey to explore the Charlotte community's attitudes towards affordable housing.
2	Establish an Affordable Housing Information Program to address the diverse cultural and language make-up of Charlotte today.	The Charlotte-Mecklenburg Coalition for Housing – Community Engagement and Advocacy Committee is currently working on partnerships to execute a plan for community support; increasing public awareness and fostering larger community-wide commitment for executing the 10-Year Plan.
Acquisition Strategy Subcommittee		
	Recommendation	**Status & Next Steps**
1	Obtain land near public schools for affordable housing by executing long term land leases for excess land owned by Charlotte Mecklenburg School.	The City and the County have similar authority to sell or lease real property for the purpose of low income housing and would not need enabling legislation. However, the Charlotte-Mecklenburg School System does not have the authority to do so and would require State enabling legislation.
2	Replace the existing Housing Locational Policy with site selection criteria that broaden and better defines City policies and standards for identifying and selection sites for the development of sound affordable housing.	On March 28, 2011, City Council will be asked to approve a revised Housing Locational Policy. Site selection criteria (i.e.; proximity to amenities such as medical, grocery stores and transportation) is considered and included in the Housing Trust Fund Evaluation Criteria.
Dedicated Funding Source Committee		
	Recommendation	**Status & Next Steps**
1	City Council should set aside sufficient funds to annually provide $10 million in capital funding for affordable housing.	Council direction would be required to provide additional capital funding for affordable housing.
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.	Council direction would be required for further study.
Rental Housing Subcommittee		
	Recommendation	**Status & Next Steps**
1	Create a local subsidy program that provides rental assistance to families who have income less that 24% of the Area Median Income (AMI.) The program is targeted towards existing vacant, market rate apartment units**.**	Council direction would be required for further study.
Incentive-Based Inclusionary Housing Policy Subcommittee		
	Recommendation	**Status & Next Steps**
1	Develop a voluntary single-family zoning density bonus program.	State enabling legislation is required.

Recommendations from *The Final Report from the Housing Charlotte 2007 Implementation Committee*

2	Amend current zoning ordinance to expand accessory use ordinance to allow non-relatives to occupy accessory dwelling units (ADU's).	No State enabling legislation is required. - Council direction would be required for further study and text amendment(s) to the Zoning Ordinance.
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).	No State enabling legislation is required. - Council direction would be required for further study and text amendment(s) to the Zoning Ordinance.
4	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.	No State enabling legislation is required. - The City contributes approximately $500,000m annually to the Workforce Initiative for Supportive Housing (WISH) Program and Crisis Assistance Ministries. The WISH program is a collaborative solution designed to eliminate homelessness by rapidly re-housing homeless working families in safe and decent vacant apartments and empowering them with extensive relationship-oriented supportive services to become self-sufficient. Core supportive services include a rental subsidy, a match with a Master's level social worker, a match with the faith-based volunteers and rewards for steps made toward self-sufficiency.
5	Increase the Charlotte Housing Trust Fund commitments for projects competing for the 9% federal low income housing tax credit.	No State enabling state legislation is required. - Currently being considered by Charlotte-Mecklenburg Coalition for Housing as a revision to the Housing Trust Fund allocation process.
6	Lobby the North Carolina Housing Finance Agency (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	Staff is currently engaged in on-going discussions with the North Carolina Housing Finance Agency regarding changes to the Low-Income Housing Tax Credit Qualified Allocation Plan.
7	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 fifteen (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 the city 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.	The City and the County have similar authority to sell or lease real property for the purpose of low income housing and would not need enabling legislation. However, the Charlotte-Mecklenburg School System does not have the authority to do so and would require State enabling legislation.
8	Extend the recently enacted tax assessment rules for tax credit properties to affordable properties that are not tax credit supported.	The General Assembly has the exclusive authority to make changes to the tax system. Any change in the assessment method would require the General Assembly's approval.
9	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.	No State enabling legislation is required. - Council direction would be required for further study of recommendations 9a – 9c, and text amendment(s) to the Zoning

		Ordinance would be required.
	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 Recommendation #1.	
	d) Consider City loans for creation of Affordable Dwelling 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 on page 1.	No State enabling legislation is required. - Council direction would be required for further study of recommendations 9d and 9e.
	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 on page 1.	
	f) Establish and fund an aggressive acquisition program for existing multi-family apartments which are currently in financial difficulty or underutilized.	Currently being considered by Charlotte-Mecklenburg Coalition for Housing as a revision to the process for the Housing Trust Fund allocation process.
	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	While the City has not engaged a third party review, the Housing & Neighborhood Development Committee began a comprehensive review of the City's Housing Policies in March 2009. As a result of the review staff is recommending a revised Housing Locational Policy to City Council for consideration on March 28, 2010. The next steps include a review of: - The Assisted Housing at Transit Station Areas Policy, and - Inclusionary Housing Policies