



Charlotte City Council
Housing and Neighborhood Development Committee
Summary
February 20, 2019

COMMITTEE AGENDA TOPICS

- I. Naturally Occurring Affordable Housing (Action)
- II. Naturally Occurring Affordable Housing Funding Support Request (Action)

COMMITTEE INFORMATION

Committee Members Present: Ed Driggs, Justin Harlow, Matt Newton

Other City Council Members Present: n/a

Committee Members Absent: LaWana Mayfield, Larken Egleston

Staff Resources: Sabrina Joy-Hogg, Deputy City Manager
Pamela Wideman, Housing & Neighborhood Services

Meeting Duration: 12:00 PM – 1:05 PM

ATTACHMENTS

- 1. Presentation – Preserving Naturally Occurring Affordable Housing
- 2. Presentation – Naturally Occurring Affordable Housing Funding Support Request

DISCUSSION HIGHLIGHTS

Council member Driggs called the meeting to order and asked everyone in the room to introduce themselves.

Deputy City Manager Sabrina Joy-Hogg introduced the agenda items, and reminded the committee that, per their 2019 meeting schedule, they would be meeting on the third Wednesday of each month, with the first Wednesday reserved as an optional meeting date as needed. Mrs. Joy-Hogg also introduced Denise Scott with LISC.

Naturally Occurring Affordable Housing (NOAH)

Mrs. Joy-Hogg advised that the goal of the meeting is to complete the discussion on this topic and vote on the proposed guidelines. Pamela Wideman walked the committee through the proposed NOAH guidelines. She clarified that existing property owners that have demonstrated successful management and property maintenance history of affordable developments will be eligible to apply for funding support in return for affixing deed restrictions to their property. Ms. Wideman also shared that one of the goals of preserving NOAH properties is to enable current tenants to remain in place at their existing rents.

Council member Harlow asked if there is an age at which multi-family properties are no longer desirable to developers, expressing concern that the city not find itself in a position where it is bailing out bad property owners trying to unload old buildings. Ms. Wideman shared that evidence of current interior and exterior conditions,

together with replacement reserves, will be required when evaluating proposals. Denise Scott added that creating a standard of maintenance that will preserve long-term life of apartment buildings is preferred over trying to define an age that represents the supposed end-of-useful-life of buildings.

MOTION AND VOTE: Motion made by Council member Harlow and seconded by Council member Newton to approve the proposed Naturally Occurring Affordable Housing policy guidelines and forward to full Council for a briefing at an upcoming strategy session. (The vote was unanimous in favor of this motion.)

Naturally Occurring Affordable Housing (NOAH) Funding Support Request – Sharon Oaks Apartments

Pamela Wideman introduced a proposal to provide housing trust fund support to preserve the affordability of Sharon Oaks Apartments at 4701 Arching Oak Lane. She explained that the proposal represents a good opportunity of how the proposed NOAH policy guidelines will help the city make investment decisions. The Sharon Oaks property meets all the proposed NOAH policy guidelines criteria, and is particularly subject to escalating rents due to its location.

Ms. Wideman reminded the committee that preserving NOAH properties will require that city participation be committed as quickly as possible such that developers can acquire the property in a timely manner. As such, the Sharon Oaks housing trust fund proposal will need to be considered by Council at the February 25 Business meeting.

The committee agreed that the proposal represents an ideal NOAH project in need of preservation, and that it sets a high bar for future proposals. The committee had a lengthy discussion on two possible AMI mix scenarios (below). Council member Newton expressed his belief that Option B represents the best opportunity for economic mobility. Council members Driggs and Harlow expressed their belief that Option A provides the best opportunity to support more lower income residents.

Option A

- 20 units at 30% AMI
- 10 units at 50% AMI
- 48 units @ 60% AMI
- 20 units unrestricted

Option B

- 20 units at 30% AMI
- 10 units at 50% AMI
- 24 units @ 60% AMI
- 24 units @ 80% AMI
- 20 units unrestricted

MOTION AND VOTE. Motion made by Council member Newton and seconded by Council member Harlow to approve the proposed housing trust fund support for Sharon Oaks Apartments, Option B. (Motion failed) Council member Driggs made a substitute motion to approve the proposed housing trust fund support for Sharon Oaks Apartments and allow full Council to consider both Option A and Option B. (The vote was unanimous in favor of the substitute motion.)

Meeting adjourned at 1:05 pm.