Charlotte City Council
Housing and Neighborhood Development Committee
Summary Minutes
January 5, 2011

COMMITTEE AGENDA TOPICS

I. Housing Locational Policy Follow-Up
II. FY2012 Housing & Neighborhood Development Focus Area Plan

COMMITTEE INFORMATION

Council Members Present:	Patsy Kinsey, Patrick D. Cannon, Warren Cooksey and Michael Barnes
Staff Resource:	Pamela Wideman, Neighborhood & Business Services Patrick Mumford, Neighborhood & Business Services Julie Burch, Assistant City Manager
Others:	Ted Fillette, Charlotte-Mecklenburg Housing Partnership Board Member
Meeting Duration:	12:14 PM – 1:20 PM

ATTACHMENTS

1. Agenda Packet – January 5, 2011

DISCUSSION HIGHLIGHTS

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

Burch: We are here to resume discussion of the proposed Housing Locational Policy. The Council had a public hearing on November 22 and there were a number of speakers at that time. Since that time, the staff has convened a meeting with the participants who spoke at the public hearing and a few other stakeholders. We are here today to discuss the feedback we received from that follow up meeting and the public hearing. We are seeking guidance from the Committee on where you would like to go with the proposed policy given the new feedback. We are not asking for any action on the proposal, just seeking guidance, and we will bring back a proposed policy at the next Committee meeting.

Item number two on our agenda is resuming discussion on the draft Focus Area Plan for the Housing & Neighborhood Development Committee. We would like to get comfortable with this draft and move it forward to the full Council as part of your retreat at the end of the month.

Wideman: We heard feedback about three recurring themes at the November 22 public hearing: the percentage cap per NSA, the ½ mile radius restriction and conversions and rehabilitations. We convened a group on December 16 to continue the discussion. I'd like to remind you of the locational policy objectives and specifically point out the objective related to avoiding undo concentration of subsidized multifamily housing. I point that out because the group discussed that in great depth.

(Wideman walks through presentation of December 16 group feedback)

Feedback
Topic 1: Percentage of subsidized housing units per NSA

This is where the group had the most robust conversation, trying to determine where that percentage cap should be. The overwhelming thought was that stable NSA's should still be the first criteria. New multifamily housing units should be located in stable NSA's however the NSA should have no more than 15% of subsidized housing units. Within that 15%, the NSA should have no more than 5% of housing units that serve the population at 0% – 30% average median income. This is to avoid undo concentration of poverty.

Topic 2: ½ mile radius restriction

The group thought that if you got the percentage cap correct, then you wouldn't need the ½ mile radius restriction.

Topic 3: Rehabilitations and conversions

The group thought that rehabilitations should be permissible in any NSA as long as you didn't add to the existing housing unit count and any number of conversions should be allowed in a stable NSA. This is a little different than what we proposed to you earlier. Prior, we said conversions could happen in any NSA as long as no more than 24 units were converted.

In addition, the group thought that conversions should be permissible in transitioning and challenged NSA's as long as no more than 50% of the units were converted. So that's a little bit different than what we brought to you originally.

Kinsey: Can you go back and tell us what was brought to us originally?

Wideman: With conversions, it was no more than 24 of the units can be converted.

Kinsey: So what we are saying now is up to 50%?

Wideman: Yes, in challenged and transitioning NSA's, but in stable NSA's, any amount can be converted.

Burch: I want to be clear that at this point, this is not the Staff recommendation, it is the feedback we heard from the meeting on the 16 of December.

Barnes: Did you have any thoughts on conversions and the suggestion that was made?

Wideman: We have not seen a whole lot of conversions in Charlotte but the thought is when developers come to the City to do a conversion they would apply for Housing Trust Fund dollars which would cause them to have some supportive services and on site management. The thought is that it would be an improvement to what's there.

Barnes: An improvement to the physical?

Wideman: And with the on-site management. That would be better than what's there if a property did not have any on-site management.

Kinsey: We are talking conversions from private to subsidized?

Wideman: Correct

Mumford: An additional discussion point is that even though on the surface, a conversion would look like we have added additional subsidized units to the market, if we converted occupied units to subsidized, we haven't netted any additional units. We still have to figure out how to bridge this gap of thousands of units being identified as needed and yet rehabbing doesn't bring in any new units and converting doesn't bring very many new units - the new developments do. The locational policy wasn't designed to specifically address this issue.

Wideman: Let me go back and explain to you where we came up with the 15% cap on affordable housing in any NSA. Currently there are 15,707 subsidized units on the ground and the current need is 24,000. If you add the two numbers together and divide that number by the total housing unit count you get 13%, so the 15% allows for a little growth to meet future need.

Barnes: Do you have any thoughts as to whether that 24,000 number is increasing on a daily basis?

Wideman: Conceivably, it is increasing when you consider the Lesser Study which was done in 2007 which stated 17,000. We are in 2011 now and considering that we were in a bad economic situation for the past few years, that 24,000 is conceivably accurate.

Barnes: So there is a decision we have to make regarding our ability to meet that need because it is a moving target and that target is moving away from us.

Mumford: A lot of those 24,000 are cost burdened, not necessarily homeless today. They are paying more than they can afford to pay. We want to dig down further into those

numbers and figure out how many actually have a place to live and if additional subsidy would be beneficial or does an actual physical unit need to be brought into the mix?

Cannon: I have a question with regard to the 5% cap that's been discussed. There is a thought that the 5% may be appropriate and then there is other concern that the 5% will not allow us to meet the need of affordable units. Can you help me understand where the level of concern is with that?

Wideman: There were varying opinions about the 5%. During the group meeting on the 16th, some people said that the 5% was too restrictive for new development so that's how we arrived at the 15% with the 5% subset.

Mumford: The 15% allows for more affordable housing. Capping the 5% addresses what we believe to be the real concern in neighborhoods which is the extremely poor.

Cannon: It's interesting that the 5% would be a level of concern because recently I've had the chance to engage with members of the real estate community and their numbers happen to be 10%. This says to me that they are willing to do more so the 5% is not a real restriction based on what I have heard from these members of the real estate community.

Wideman: We want to get your input today and couple that with the input we received most recently and come back to you at your next meeting on February 2 with a draft policy for you to react to. If you approve it on February 2, we would like to move forward with a dinner briefing on the 14th. I have learned that we do not legally have to hold another public hearing so we could go to City Council for approval on February 28.

Kinsey: I would like to get this done as soon as possible. Even if we don't have an official public comment time, people can still sign up to comment the night we have it on the agenda. We still want to give people the opportunity to speak.

I have a concern with the ½ mile. Neighborhoods would not be happy if we remove the ½ mile restriction completely. In discussions with Mr. Mumford earlier, he had a suggestion I would like him to share with us.

Mumford: The ½ mile radius comes in to play when you are proposing a project that is right on the edge of the NSA border and across the street is an existing subsidized housing development. We felt that still created opportunity for concentration so we propose if you are within a ½ mile of an existing facility and that facility was in a stable NSA than that's ok. That is not undo concentration. However, if you are proposing a project that is within a ½ mile of an existing subsidized unit and that existing project is in an area that is not stable you would not be able to build the project. I don't have any way to scientifically derive what the appropriate distance is.

Cannon: You mean a development and not a unit?

Mumford: Correct. It has to be over 24 units.

Barnes: I agree that we don't need to drop the ½ mile restriction. But some adjustment like Mr. Mumford's idea would be useful.

Cannon: I don't think we need to drop it all together. Lines are a funny thing but they serve a purpose. I want to make sure there is some level of restriction to make sure we are not over concentrating housing in areas.

Kinsey: Remember it is always possible for Council to issue a waiver for a project.

Barnes: Going back to the conversion issue and the first bullet point. I don't like that we are not capping conversions in a stable area. I don't want to say we will allow an unlimited amount of conversions because that's how we find ourselves trending toward transitioning and challenged categories.

Wideman: I do want to bring up one other point. We discussed previously that the exemptions would be for seniors and physically disabled. There was some concern in the community on whether we were in violation of the Fair Housing Act and with HUD's definition of disabled. HUD's definition includes the physically and mentally disabled population. What we are proposing is different than how HUD lays out their definition. We did not include the mentally disabled in the exemptions of this policy. This is not in violation of the Fair Housing Act.

Kinsey: I would caution us on adding too many exemptions. I am comfortable with what we have. I think most of the time the mentally disabled are in group homes and those are usually smaller than 24 units.

Barnes: I agree there should not be too many exemptions. I thought we came up with a reasonable list of them before.

Mumford: We are going to have to go back and triple check the Fair Housing Act.

Burch: We will be back on February 2 with a recommended policy. Please email Pam in the meantime if you have any additional thoughts.

Barnes: I would ask that you get us the new revised draft policy as early as possible because I would like to look it over prior to the retreat. Wednesday the 26th would be a good deadline.

Cooksey: I still believe there should be no locational policy at all.

Barnes: Ms. Campbell, before you go, I wanted to get your input on creating design standards for multifamily developments. I know you have been working on single family. Can you give some thought on your staff's ability to craft a similar set of guidelines for multifamily developments?

Campbell: Are these guidelines or are these standards?

Barnes: It would likely be an enforceable guideline which would be an ordinance.

Campbell: Is there a timeline?

Barnes: We can meet offline to discuss. I want to figure out how you create a community that looks the way people deserve and expect it to look and it's livable.

Burch: Single family design guidelines have taken a lot of effort and quite a bit of time and this would be the same case for multifamily. We would want to know that the majority of Council agrees that Staff should focus their time on this in Planning. Note that we do have some design standards already inserted into the Housing Trust Fund guidelines (City monies).

Kinsey: Think about how to get it to Council because Julie is right, the Council would have to direct the Staff.

Burch: Moving to the second agenda item. We are seeking input on the proposed Focus Area Plan.

Wideman: We have incorporated the feedback given at the last meeting. The changes are in the yellow highlights.

(Wideman walks through document.)

Cooksey: What impact are we going to have on making sure families have access to quality education? I'm concerned about where that accountability lies.

Wideman: We don't have any direct impact but we can be more intentional about working with the school system. This is a draft so we can revise.

Barnes: I would submit that we do have an increasingly direct impact on the quality of education by way of our rezoning process. One of the biggest challenges as a parent is finding quality education because of rezoning issues. Education quality is frequently driven by rezoning.

Cooksey: I would be interested in seeing some examples.

Barnes: As a parent, I will tell you offline.

Mumford: We are working to figure out what our appropriate role would be in the sphere of education and agree that if everyone is focused on it, then nobody is. If we are about the stability and vibrancy of the community then we can't park schools over here as somebody else's responsibility and not be engaged in that conversation. We do need to be smarter on how schools can influence development. It would be an attraction to that community which would then drive the market to change in a positive manner. We have to be integrated in our approach. That's why we are bringing this language into the Focus Area Plan.

Wideman: (Moves on to presenting the first revised measure.)

Invest in Infrastructure

Mumford: We are specifically calling out voter approved bond projects. We need to be able to track those with more intentionality so you can respond to the public when asked where we are at with a project if a voter has voted to pass the bonds.

Wideman: (Continues presenting the second measure.)

Promote Economic Development

We are proposing that the ratio be 1:10. I'd like Peter Zeiler to expand.

Zeiler: The Wesley Village project came in at a 1:12 ratio and Bryant Park came in at a 1:48 ratio. The Only project that fell below a 1:10 ratio was the Greenway Business Center which was at a 1:7 ratio.

Mumford: We are getting away from project based leveraging and moving to more geographic based leveraging. It's the influence of the investment that we are trying to capture.

Wideman: (Presents the third measure.)

Strengthen Neighborhoods

We want to develop and revise the policies per your direction.

(Presents the fourth measure.)

Redesign the QOL study to more accurately reflect the City's neighborhood conditions.

Mumford: This can be extremely powerful for this community. We want something that can drive not just the City's efforts but also our City partners. We are encouraged about what this QOL can do for us going forward.

The relative nature is that some challenged neighborhoods will never get out of the challenged category. Current, the system is set up so we will always have challenged neighborhoods.

It's a big body of work and we will need your help.

Kinsey: We want to help you.

Cannon: What's your line of thinking in regard to public safety and how that will be incorporated here?

Mumford: We haven't talked a lot about the public safety component. There is a Public Safety Committee which has a focus on that. You will see that other Focus Area Plans will refer to each other this year. We felt it didn't fit really well in Housing & Neighborhood

Development. It's not our sphere of expertise. We do have to look at who manages what aspect. Clearly, public safety is important and it's a huge component of the Quality of Life Study and we are all responsible for it but didn't think that should be a part of our Focus Area Plan.

Cannon: I made mention to that because we need to say at the very least, that we will engage the appropriate public safety entities to help us bring stability. We need to have a level of intent to stabilize our communities from a public safety perspective.

Kinsey: This may be good thing to take to the Public Safety Committee – they are looking at their Focus Area Plan currently.

Wideman: We do acknowledge the need for creating a community where people and businesses are safe in our Plan.

Barnes: I want to go back to something Mr. Mumford said on the Quality of Life piece. The tax assessor provided a couple of maps that were quite telling in terms of value ratios that exist throughout the City. I would submit that the challenged, transitioning and stable analysis would apply to each of those value ratios. I would encourage Staff to take a look at these maps.

Cannon: If we can promote economic development, we can promote public safety.

Burch: If the Committee is comfortable with this draft, it will move forward to Council in retreat materials. This will come back to you at your February meeting.

Kinsey: Will these focus measures be fleshed out before it goes to Council retreat?

Wideman: We hope to flesh it out before it goes to retreat.

Barnes: We did not revise initiatives 5 – 7? Is that correct?

Wideman: We did not include those in the proposed Focus Area Plan because they are more daily activities. We wanted to include the "what", not the "how".

Kinsey: (Gives public three minutes for questions/comments.)

Fillette: I think it would have been useful for the Committee members to hear the housing providers talk about the reasons why the ½ mile radius is such a burden on our ability to achieve the goals you have established for affordable housing. I would say that it is very difficult to get any development built within the context we already have to work within, so by adding an arbitrary ½ mile radius, we lose opportunities.

(Gives an example of a lost opportunity due to the ½ mile restriction).

Cannon: Ted, in the 17 years I have been serving the board, I recall one issue with the ½ mile radius. Can you refresh me on any others? I ask this question because I want to make

sure we aren't doing a disservice to the community by grossly impacting future developments.

Fillette: I don't recall any others.

Cooksey: We will never know how many folks put together a deal and were told it's within the ½ mile radius restriction and the developer did not go after a waiver. So it's difficult to track how many opportunities we have lost.

Kinsey: I'm comfortable with the ½ mile. It's not as restrictive as it sounds. It would not affect projects in stable neighborhoods. I am willing to move forward with it as it stands.

We can always come back and revisit this in the policy if it becomes too restrictive.

Kinsey: Adjourned the meeting at 1:20 p.m.

City Council
Housing and Neighborhood Development Committee

Wednesday, January 5, 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. Housing Locational Policy Follow-Up

II. FY2012 Housing & Neighborhood Development Focus Area Plan

Future Agenda Topics:

- Housing Locational Policy (February)
- FY2012 Focus Area Plan Discussion (February)
- SRO Text Amendment (February)
- Assisted Multi-Family Housing at Transit Stations Policy (March)
- Inclusionary Zoning/Density Bonus (March)
- Council Referrals: Impacts of Tree Ordinance and Urban Street Design Guidelines on Affordable Housing (TBD)

Distribution:

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Jamie Banks
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Pamela Wideman
Tom Warshauer
Richard Woodcock

Housing Locational Policy Update
Housing and Neighborhood Development Committee Meeting
January 5, 2011

Committee Action:
Receive feedback from the Housing Locational policy follow-up meeting and seek guidance from the Committee about next steps. On December 16, 2010, staff convened a meeting with citizens who spoke at the November 22, 2010, Housing Locational Policy (HLP) public hearing and other individuals who had previously expressed interest in the HLP. The purpose of the meeting was to clarify concerns and try to reach consensus regarding issues raised about the proposed HLP.

HLP Follow-Up Discussion Points:
Five Percent Cap

- Attendees asked staff to remember it is important that the policy be written not for today but for where we need to go in the future (to help address the need).
- Several attendees commented that the 5% cap is adequate for the current environment while others believe that 5% prohibits us from meeting the needed amount of affordable units.
- There was discussion that the intent of the Housing Locational Policy is to avoid an undue concentration of subsidized housing which is primarily those units serving individuals earning 30% and below the median income. Several attendees also commented that the average rent rates for 50% to 60% AMI are around $650 to $700 per month. Therefore, the 5% cap should be placed on housing units serving 30% and below AMI. It was further discussed that a 15% cap could be suitable for the location of new-multi-family development in stable NSAs.
- Another attendee worried that with the 5% cap and the additional criteria tied to the HLP that opportunities for development are limited.
- Another attendee suggested keeping the 5% cap if mixed-housing is exempt.
- Attendees asked that when developing the policy, staff be sensitive to the overburdening of the school system.
- The majority of attendees agreed that a 15% cap in Stable NSA's will give more opportunity for development and actually help address the need. It was also mentioned that with any cap the Housing Trust Fund policy should be revisited.

Half-Mile Restriction

- A number of attendees concluded that if the proper percentage cap can be determined, the half-mile restriction should be completely removed.
- Staff was reminded that if the half-mile restriction remains in the policy, natural barriers should be taken into consideration.
- It was also suggested that perhaps a 1/4 mile compromise could be introduced that would line up around the transportation plan.

- One attendee cautioned that every restriction added to the policy allows for more debate because restrictions cause the need for waivers.

Conversions & Rehabilitations

- The majority of attendees expressed that in this economic environment we are not going to be able to build our way out of the issues of affordable housing, therefore conversions and restrictions should be allowed anywhere.
- With the emphasis on conversions and rehabilitations it was suggested that the policy allow any amount of conversions in stable neighborhoods. In transitioning and challenged neighborhoods that the 15% and 5% caps should be used as a guide for the numbers of units can that can be converted.
- Several attendees commented that conversions improve the physical structure and result in better management and supportive services and are better because the tenant requirements are often stricter than the requirements for a market rate development.
- One attendee said that conversions and rehabs could reduce the possibility of gentrification because the units would have affordability periods as a result of receiving a public subsidy.
- The majority said that conversions should be allowed.

General comments

- One attendee suggested that tight restrictions on projects –whether new, conversions or rehabs would not force a redistribution of affordable housing but would prevent the addition of needed units.
- Several attendees commented that tight restrictions eliminate sites for developers, inhibit the competitiveness of Charlotte projects for state tax credits and force more projects into the waiver process. With less restrictiveness, the city establishes a policy that affordable housing projects in stable neighborhoods meet public goals and should not be prevented by neighborhood prejudices.
- Attendees also commented that the class of exemptions to the policy should be broadened to at least meet the HUD definition of special needs to include both veterans and youth who have aged out of foster care. It was also suggested that public policy should make more sites available to meet the needs of the chronically homeless in our city sighting McCreesh and Moore Place as examples.