

Follow-Up Items
City Council Action Review and Business Meeting
Monday, June 24, 2019

Agenda Item	Requestor	Mayor and Council Questions	City Response	Lead
State Legislative Update	Driggs	Was the Senate position on funding for commercial service airport improvements related to the urban/rural divide?	No, the city received indications soon after the Senate budget was passed that their position on commercial service airport improvements was related to the upcoming negotiations with the House of Representatives, which had no connection to the urban/rural divide.	Intergovernmental Relations
	Winston	Will out of town officers wear body cams?	To date, the Charlotte-Mecklenburg Police Department (CMPD) has not finalized the contract terms with out-of-town agencies and are still evaluating this subject.	CMPD
Flooding Update	Eiselt	<p>How often do we update flood plain?</p> <p>Requested a presentation at a Strategy Session from Duke Energy to learn about how they release water.</p>	<p>Charlotte-Mecklenburg Storm Water Services is a partnership between Mecklenburg County and the City of Charlotte. The county manages the floodplain mapping efforts and maps are evaluated and updated roughly every 10 years. The update process will conclude in 2020 after the required public review and comment period.</p> <p>The county is currently updating maps along the Catawba River and began community outreach efforts in March before the flood incident.</p> <p>We will work to schedule a presentation from Duke Energy regarding water releases at an upcoming Strategy Session.</p>	CFD and Storm Water Services

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<p>American Airlines Cargo and Catering Lease</p>	<p>Eiselt</p>	<p>Requested more info on market rate on what we lease our space for at the airport and what the market rate is. (Item was deferred.)</p>	<p>The Aviation Department constructed the Cargo and Catering Warehouse (“Warehouse”) approximately 30 years ago. The Warehouse consists of 17,379 square feet of office and 65,584 square feet of warehouse. American Airlines/US Airways has leased the Cargo/Catering Warehouse since its construction.</p> <p>The rental rate for the office component is consistent with office rental rates in comparable warehouses in the area and the rental rate for the warehouse component reflects the age of the Warehouse and the un-renovated condition of the space.</p> <p>The Warehouse was initially leased to American Airlines at a cost recovery rate with an amortization schedule of 30 years. The Warehouse is now fully amortized and the Aviation Department and American Airlines have renegotiated the Warehouse rental rate.</p> <p>The proposed new rental rate reflects the age of the facility and the improvements that American Airlines has made to the facility over the years. American Airlines’ improvements, include up-fitting of the office space and renovations to the breakrooms and bathrooms.</p> <p>The Airport recommends leasing this facility to American Airlines at a blended rate of \$4.78 per square foot. The blended rate is comprised of the following two rental rates:</p>	<p>Aviation</p>

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			<ol style="list-style-type: none"> 1. \$11.50 per square foot per annum for the renovated office component 2. \$3.00 per square foot per annum for the un-renovated warehouse component <p>The total facility rent will be approximately \$396,610.</p> <p>In addition to the above-referenced facility rents, the Airport will charge American Airlines an Airport Services Fee (ASF; this fee covers the Airport's airfield overhead) of \$67,491 annually and a ground rent of \$100,048 annually. The ground rent is based on 6.806 acres at \$14,700 per acre (10 percent of the appraised per acre value for cargo land of \$147,000).</p> <p>The total lease rate of the Warehouse inclusive of facility rent, ground rent and ASF will be \$564,149.70. For comparison purposes, the currently assessed lease rate is \$416,727.48.</p>	
City Manager's Report	Winston	We need a policy that guides land purchasing and where we should prioritize.	<p>Earlier this year, Council approved guidelines for evaluating City-owned land for affordable housing (attached). These guidelines set forth locational goals that identify priority areas to create and preserve affordable and workforce housing in or near the following:</p> <ul style="list-style-type: none"> • Transit Station Areas and existing or proposed transit services, • Center City and other areas of high opportunity, • Areas zoned or planned for future development, • Near commercial and employment centers, 	Housing & Neighborhood Services

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			<ul style="list-style-type: none"> • Neighborhoods experiencing change (gentrification), • Areas that promote diverse, inclusive, complete neighborhoods, and • Areas that support other City priorities. <p>In addition, property considered for affordable housing should have the following characteristics: Above one acre:</p> <ul style="list-style-type: none"> • Largely unobstructed by easements • Within ¼ mile of road and utility access • Not located in flood plains, runway hazard zones or stream buffers <p>Under one acre:</p> <ul style="list-style-type: none"> • Zoned residential • Adjacent road and utility access • Largely unobstructed by easements • Not located in flood plains, runway hazard zones or stream buffers • Meet permitting requirements for at least one detached single-family dwelling • Able to be combined with other parcels to create greater land mass 	
Public Forum Speakers	Mayfield/Mitchell /Winston	Airport worker pay - Where does authority fall regarding salaries for a 3 rd party entity leasing space in the airport?	Under federal guidelines the Aviation Department is obligated to make the airport available for use by airlines and their contractors.	Aviation

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		Winston stated we have power to exhibit pressure on tenants.	Under North Carolina guidelines the Aviation Department is not able to mandate or dictate the wages that airport tenants pay to their employees.	
Grants for Propane Fuel Conversion Kits and Infrastructure	Mitchell	Requested names of eight companies who bid.	<p>This project was divided into two separate solicitations, one for the kits to convert the vehicles from gas to bi-fuel vehicles (Bid # 269-2019-072) and one to provide refueling tanks and propane at various city locations (bid #269-2019-075).</p> <p>The eight bidders were as follows:</p> <p><u>Fuel Conversion Kits – Three Bidders</u> Blossman Gas, Eco Vehicle Systems and ICOM North America</p> <p><u>Propane Fuel and Tanks - Five Bidders</u> Amerigas, Blossman Gas, Energy United Propane, Ferrellgas and Suburban Propane</p> <p>Both invitations to bid (ITBs) were posted on the state Interactive Purchasing System website, the City of Charlotte Bid Opportunities site and the state North Carolina Historically Underutilized Businesses site.</p> <p>In addition, courtesy notices were sent to all vendors with active emails on the potential bidder’s lists generated by searching the city database of vendors in the Supplier Diversity Management System using the following commodity codes:</p>	General Services

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			<p>Commodity Code Description</p> <p>405 Fuel, Oil, Grease and Lubricants</p> <p>830 Tanks (Metal, Plastic, Wood, and Synthetic Materials): Mobile, Portable, Stationary, and Underground Types</p> <p>92829 Conversion of Gasoline Fuel Systems To Alternative Fuel Systems Including Maintenance and Repair Services</p> <p>92845 Fueling Services, Mobile (Vehicle) Automobile, Truck and Bus Parts and Equipment, Sale of Surplus and Obsolete Items</p> <p>99809 Maintenance and Repair, Utility/Underground Projects</p> <p>91389 Utilities (Gas, Steam, Electric) – Architectural</p> <p>90692 Architectural</p> <p>95895 Utility Management Services</p> <p>91356 Construction, Utility/Underground Projects</p> <p>The critical commodity code for the conversion kits is 92829 and currently, the city has no certified vendors for that commodity code.</p> <p>Of those vendors notified directly, 54 were certified as SBEs, 15 were registered as MBEs, and 12 were certified as WBEs.</p>	

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			Please note that four of the MBEs were also certified as SBEs and four of the WBEs were also certified as SBEs. In total, 73 unique certified vendors were notified.	

Guidelines for Evaluation and Disposition of City Owned Land for Affordable Housing

Purpose

The use of publicly-owned land for Affordable Housing is noted as a national best practice for expanding the supply of quality diverse price point housing, and is identified as a tool in the Housing Charlotte Framework. It is the City's intent to prioritize use of available City-owned Real Property for development of Affordable Housing whenever possible. These guidelines and procedures establish a uniform process for the evaluation, use, reuse and/or disposition of City-owned Real Property, excluding airport property, for Affordable Housing and are intended to:

- Set forth the criteria, provide clarity and reflect desired outcomes relative to the evaluation, use, reuse or disposition of City-owned Real Property with the overall goal of affirmatively furthering the availability of fair housing choices for all residents while expanding the supply of affordable and workforce housing.
- Provide for fixed asset control documentation to properly account for any use, reuse or disposition of City-owned Real Property for affordable housing.
- Utilize a transparent disposition process of City-owned property for the purpose of affordable housing in a context or by a method which avoids an allegation of a conflict of interest.

Summary

Each parcel of City-owned Real Property shall be reviewed regularly and in accordance with the City's policies and portfolio management procedures, including the City-Owned Real Estate and Facilities Policy. This review includes the consideration of the development of Affordable Housing, while considering developments that include other current or future municipal uses such as municipal parking, in an effort to leverage all City-owned Real Property to its fullest potential for Affordable Housing while balancing other City priorities. If a parcel(s) is determined to be suitable for Affordable Housing, the City should seek to partner with an appropriate non-profit or for-profit housing entity to develop it as Affordable Housing. If the property is deemed to no longer have a municipal use and is also deemed unsuitable for Affordable Housing or other City priorities, it may be disposed of following the City's existing statutory procedures. In such cases, the City reserves the right to allocate a portion of the proceeds from the sale, unless encumbered by state or federal guidelines, of such property to a City housing fund to further the development of Affordable Housing. All City departments and agencies are subject to these procedures and guidelines.

Guiding Principals

- To every extent possible, while balancing City priorities, City-owned Real Property shall be used for Affordable Housing to:
 - Create mixed-income and inclusive neighborhoods,

- Monetize City assets, unless encumbered by state or federal guidelines, to increase the supply of affordable and workforce housing,
 - Leverage, reduce or eliminate the need for Housing Trust Fund or other City funding requests,
 - Leverage other public and private sources, including Opportunity Zone funding, to increase the supply of affordable and workforce housing,
 - Provide Affordable Housing through innovative, public-private partnerships with a new model for supporting Affordable Housing, and
 - Increase the City's long-term deed restricted Affordable Housing supply.
- It is the intent of the City to utilize Real Property strategically to further the City's goals for Affordable Housing by prioritizing use of available City-owned Real Property for the development of such projects while balancing other City Council objectives and priorities.
 - Staff evaluations and recommendations for the use, reuse or disposition of Real Property should reflect assessment for the potential use of the property consistent with City priorities to increase the supply of Affordable Housing, and other priorities reflected in adopted City policies or plans.
 - When authorizing the use of Affordable Housing, the City desires to maximize the number of affordable units developed at or below 80 percent of Area Median Income (AMI), including increasing the production of housing for households from zero to 30 percent of AMI. The City will consider models that achieve these goals through partnerships with non-profit or for-profit housing developers. Such models could include the use, reuse, disposition or alternatively the long-term lease of City-owned Real Property, so long as Affordable Housing is guaranteed for a period of time that aligns with City priorities, typically a minimum of 20-30 years with a preference for longer terms, through recorded deed restrictions or any other such legal agreements required by the City. See the Goals section of this document for additional information.
 - Long term lease of City-owned Real Property for Affordable Housing may often be preferred over other forms of disposition, such as the sale or donation of property.
 - Decisions regarding the use, reuse or disposition of the City-owned Real Property for Affordable Housing should be made on a case-by-case basis based upon the unique characteristics of each property and development proposal, and in accordance with City priorities, policies and plans.
 - Except as otherwise delegated by ordinance or Council policy, final decisions regarding the disposal of Real Property rights shall be made by the City Council.

Goals

It is the City's intent to prioritize use of available City-owned Real Property for development of Affordable Housing to every extent possible while balancing other City priorities. While each potential Affordable Housing use will be evaluated on the unique characteristics of the property and development

proposal, the following goals are hereby established to serve as guidelines for evaluation. Preference will be given to development scenarios that help the City meet and surpass these goals, with an emphasis given to developments that help surpass these goals.

- The City desires to achieve the highest number of affordable units serving households earning between 30 and 80 percent of the AMI, with an emphasis on units serving households earning 30 percent or below of the AMI.
- Deed restrictions/terms of affordability for a period of time that aligns with city priorities, typically 20-30 years with a preference for longer terms, through recorded deed restrictions or any other such legal agreements required by the City.
- Developments where the use of City-owned Real Estate further leverages, reduces, or eliminates other public or private funding requests, including but not limited to City funding sources such as the Housing Trust Fund.
- Developments that allow affordable and workforce housing to be placed in or near:
 - Transit Station Areas and existing or proposed transit services
 - Center City and other areas of high opportunity
 - Areas zoned or planned for future development
 - Near commercial and employment centers
 - Neighborhoods experiencing change (gentrification)
 - Areas that promote diverse, inclusive, complete neighborhoods
 - Areas that support other City priorities

Periodic Review

- Engineering & Property Management-Real Estate Department will regularly review all City-owned Real Property to consider the suitability for its current use, and to consider its use, reuse or disposition for the development of Affordable Housing.
- Properties characterized as Fully Utilized should be evaluated every five years or less to consider opportunities for Affordable Housing, and those characterized as Underutilized, Interim, Unused or Surplus should be evaluated annually for the use of Affordable Housing, including the opportunity to incorporate Affordable Housing with other municipal uses.
- When new land is acquired by the City for municipal purposes, the initial review will take place at the time of acquisition and/or project planning.
- In addition to Affordable Housing uses, periodic reviews will also consider uses for other City priorities, such as public safety and economic development. Balancing all City priorities, including Affordable Housing, will be considered as part of these periodic reviews.
- The Mayor, City Council or staff may request that a specific property be reviewed at any time.

Criteria for Assessing Suitability for Affordable Housing Development

- In determining if a property is suitable for development as Affordable Housing, the following criteria, among others, will be used:
 - Current and planned use, including the opportunity for a more intensive use
 - Zoning or rezoning opportunities, including the opportunity for a more intensive use
 - Size and site configuration
 - Topography
 - Presence of contamination/hazardous materials
 - Infrastructure
 - Presence of existing City facilities
 - Location
 - Opportunity and access
 - Current or projected neighborhood change
 - Alignment with City priorities
 - Originating fund source/restriction on use; and
 - Ability to create mixed use developments
- Housing & Neighborhood Services and Engineering & Property Management- Real Estate departments, along with other departments as necessary, will assist in evaluating the use of City-owned Real Property for Affordable Housing development.
- On an annual basis, staff will review the properties held for development of Affordable Housing to update the timeline for development of such property.

Definitions

- **Affordable Housing:** Housing that is predominantly affordable to low and very low-income households at or below 80 percent of Area Median Income (AMI), as published from time to time by the U.S. Department of Housing and Urban Development (HUD).
- **Deed Restrictions:** Recorded agreements that restrict the use of the real estate and are referenced in the deed.
- **Disposition:** The donation, trade or sale of real property to a non-City entity.
- **Fully Utilized:** City-owned property that is actively being used for municipal purposes to the fullest capacity possible under any required restrictions to its municipal use.
- **Interim Use:** The use of property for a non-municipal uses(s) on a short-term basis during the period of time prior to its being used for its proposed future municipal use.
- **Long-term Lease –** Generally refers to a long-term lease transaction up to 50-years or more.

- **Mixed Use Development:** A development that includes Affordable Housing and other uses, including but not limited to other public services.
- **Municipal Use:** Active or passive use of real property to carry out general purposes of the City or to accomplish City goals and objectives.
- **Real Property:** Fee-owned land and appurtenances to land, including buildings, structures, fixtures, fences and improvements erected upon or affixed to the same.
- **Reuse:** The use of an unused or underutilized property, after review and assessment of the property's potential uses.
- **Sale:** the conveyance to a non-City entity of all or a portion of a parcel of real property for consideration.
- **Surplus Property:** Excess property designated as not needed to carry out any recognized goal or policy of the City.
- **Underutilized Property:** Property that could support additional and/or more intensive uses without interfering with the primary use of the property.
- **Unused Property:** Property not currently in municipal use.