

The City Council of the City of Charlotte, North Carolina convened for a Special Meeting on Affordable Housing Strategy at 12:13 p.m. on Wednesday, June 27, 2012 in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Anthony Foxx presiding. Councilmembers present were John Autry, Michael Barnes, Patrick Cannon, Warren Cooksey, Clarie Fallon, Patsy Kinsey, LaWana Mayfield, James Mitchell and Beth Pickering.

ABSENT: Councilmembers Andy Dulin and David Howard.

Mayor Foxx opened the meeting at 12:13 p.m. and said I want to thank staff and all the folks from the community who are here today to talk about one of the most important issues our community faces, which is the issue of affordable housing and the city's strategy to deal with that. I also want to thank the Council for taking the time to have this conversation. I think it is an important conversation that has been happening at the committee level for several months and I think it is wise to take some time to get ourselves oriented, but also to start a broader conversation about where we want to direct our policies and resources. Over the past ten years the City Council has adopted policies related to the funding, to the development and to the location of affordable housing. These policies provide the necessary direction to staff and the community in order to meet the City's affordable housing goals. On May 14th after deferring our vote on the assisted housing at the transit station policy issue we agreed to have a broader discussion on affordable housing. This meeting is for us to reconcile our housing policies with our priorities. Our recent action relative to the capital improvement plan makes this discussion even more important. We must agree on how we want to spend limited resources for affordable housing and provide direction to staff and frankly to help future funding be directed in a way that is consistent with what this council believes should happen.

The topics that we really need to focus on fall into four categories. The first category is the Housing Trust Fund itself. How does the City Council want to direct staff to spend Housing Trust Fund dollars going forward? What is the target population to be served, using Housing Trust Fund dollars? Is it below 30% AMI, is it 30% to 50% AMI, is it 50% to 60% AMI, is it 60% to 80% AMI or is it some combination of those? Secondly, the disbursement of affordable housing has increasingly become an issue. We have recently approved a housing locational policy change that relates to the expenditure of Housing Trust Fund dollars, but the larger question of how we want to disburse affordable housing in our community remains. We currently do have a locational policy but the question is, is it working, is it adequate to the task and what else would we like to see in order to make it happen throughout our community. The third issue is community participation and input. How does the Council best utilize the community's knowledge, interest and expertise in the housing and real estate market to inform our housing policy? We established the Charlotte-Mecklenburg Coalition for Housing to help us in this capacity. The Chair of this group will provide us with an update of their work in a few minutes, but are there specific issues you would like for them to provide help or input on and what are those issues? Finally expectations for city assistance. We receive a lot of communication from and to elected officials and neighborhoods on this issue and how do we work to make sure that the expectations are consistent with what our ability to deliver are. I want to strongly reiterate that the importance of having a good discussion in order to provide clear direction to the staff, which is really the purpose of the meeting, on the city's future participation in affordable housing depends on our ability to talk together about this. It is also important to remember that we are not just planning to address the current affordable housing needs in this community, but the action and policies established today will also have a future impact on our community. At this time I'm going to turn it over to Pat Mumford who will provide background on the City's current housing policies.

Pat Mumford, Director Neighborhood and Business Services said I'm not a PowerPoint person, this is a conversation so I will reference some of the material that you have. You should have this notebook and this was not delivered to you so you would know absolutely everything that is in it, it is really a source of reference and you are also welcome to call our colleagues in Neighborhood and Business Services to follow-up at any time. What I thought would be important today is to give context to the policy development and where we are because this just didn't start a year ago. The policies in place began over 10 years ago and prior to that there was a great deal of conversation in the community, stakeholder groups that came together to help guide the Council at that time. We ended up where we are today with generally the same issue,

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the housing issues are not drastically different today than they were a decade ago for this community. What has changed and what has exacerbated these issues is one, the economy. Clearly, it is vastly different today than it was 10 years ago. Also the urbanization and growth of our community so the landscape has physically changed. The dynamic has changed to where we are living closer together. There are more people, therefore there are more individuals impacted by the economy and other things that causes them to need housing. I'm going to give you a little bit of history and you will hear that things haven't changed dramatically as far as what we are trying to solve, how we get there is really different and I want to reiterate what the Mayor said, this is about you all helping us carry out the policy directive that you want us to carry out. We really live and breathe by the policies that are in place, so if we want some different outcomes we would encourage you to think about how some changes to the existing policies may need to occur to get us to those different outcomes.

In 1999 there was a stakeholder group that came together to discuss housing issues and what came out of that were some recommendations. One recommendation was around financing and at that time the City was receiving about \$16 million in federal funds and also utilizing some money from our local money and we call it innovating house. In the budget you see innovative housing as our local general fund dollars that go toward housing initiatives. We always did have some money. That money went to the House Charlotte Program and still does go to House Charlotte. That is the down payment assistance program. It went to rehabilitation, that is single family homes, people that have through either code enforcement or they call us, their houses are in such a condition that they need help to be able to remain in those homes, which is positive for the neighborhood. Also the monies went to some of our housing providers who are in the room today, for operational and sometimes capital needs. The stakeholder group looked at planning, zoning and permitting and I do want to take a second to thank Debra Campbell, our Planning Director. Planning has been so critically important as a partner in all of these discussions for us and we couldn't have had the success we've had without them so thank you Debra. General housing policies were recommended by this group as well as the need for education, outreach and advocacy, and that is still an issue today and Mike Rizer from Coalition for Housing will talk about that. This is a broad issue around educating the general public on what is affordable housing. It is helping Council understand and it is helping staff understand what are the issues on the ground today, how do we advocate for dollars and resources. It is a short way of putting a title to a very big issue for us.

In year 2000 after we got through the whole Y2K dilemma, we looked at taking those recommendations from the 1999 stakeholder group and another stakeholder group looked at implementation. The outcome of that were some recommendations on density along transit routes, Housing Trust Funds, creating a Housing Trust Fund which did not exist at the time and addressing housing locational policies. As the Mayor mentioned, you all recently adopted a revised housing locational policy that started over 10 years ago in a different time when the world was different. To give you that time line, we didn't just create these things recently. The Council in 2001 adopted the first batch of policies and if you look back in the documents you will see that under the Housing Trust Funds, the priorities established back in 2001 at the adoption of those policies, in rank order we to address multifamily rental housing, homeownership and that was single family and then single room occupancy. I mentioned the change and dynamic of the environment and the economy, clearly we are not talking as much about homeownership today. There is still a need for multifamily and we are hearing remaining issues around the single room occupancy to support a certain segment of the population that needs those additional services. The focus at the time was for 60% of area median income and that is about \$41,000 today for a family of four. It continues to be the focus because that hasn't changed. There was a preference given to 30% of area median income so today that is roughly \$20,000 for a family of four.

The goals established back in 2001 for the Trust Fund and remember these goals were established in a bit of a vacuum. We didn't know how successful we could be. The goals were to create 5,000 units over five years and that was starting in 2002. To date we have put on the ground 4,700 units, so a little bit behind on the timing, but pretty close to the goal that was established in 2001. Another goal was to increase supply, clearly the supply has increased. Providing housing opportunities for special needs population was a goal. Thirty-six percent of those 4,700 units are for special needs and something we haven't talked much about lately is the

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goal around leveraging, leveraging the trust fund dollars. The Trust Fund was always meant to be a source of gap financing for capital projects so a developer would come in, request some money from the Council because either they didn't have enough equity to put into it or the tax credits didn't equal the amount of the project costs, so if not for Trust Fund dollars the project wouldn't happen. The goal established in 2001 was to leverage our money fivefold so one to five ratio. We actually ended up over the course of the past 12 years with a ratio of one to six and the interesting part of that over half of the units supplied are for that under 30% AMI and there is not a lot of revenue coming in from those folks. The point is the leveraging has been really high and it has been a strong point for this program.

In 2003 a second batch of policies came into place. Council adopted those and that was looking at City/County cooperation. That was more around how to share land, how to share physical infrastructure, not so much financing of housing. Increasing homeownership was discussed in 2003 and actually increasing the House Charlotte Program. An information clearing house was discussed and at that time that meant a source for somebody that needed affordable housing to go to this website, socialserve.com and find out where there was housing. You will hear from Mike a little bit more about how we are looking to have more of a robust data base to guide our decisions in the future. Mixed income housing development was a part of the policy adopted in 2003 and we have seen that with the Housing Authority as we look at our HOPE VI grants. No longer was it fully subsidized being replaced by fully subsidized. That economically doesn't work. That model doesn't work and the idea now is to mix incomes and we have supported that and the Council has supported that. One that received an awful lot of conversation from the Council was around Section 8 incentives and how to strengthen the administration of that program. The Housing Authority has done a very good job over the years to support housing standards, that is the physical make-up of those units. Landlord accountability, so if there is a problem in an apartment complex that is accepting Section 8 then the landlord is responsible to address that. And also resident accountability, this was more around single family, but the Council wanted to make sure that residents went into single family houses and they knew they needed to mow the lawn. They knew they needed to take their trash out and bring the bens back in. Things that we may take for granted and the Housing Authority really pushed hard to support those efforts.

In 2007 many of you participated in the Housing Charlotte Forum. This was an idea brought on by Susan Burgess to bring a holistic approach to housing, bring outsiders in, local housing providers to discuss where was the City in 2007 around housing and what could be done better. In 2007 as well the Council and the County Commission adopted the ten-year plan to prevent and end homelessness. I want to make sure that you all know the prevention piece is unique to Charlotte. This is a HUD driven document. Cities across the country were mandated to have a 10-year plan to end homelessness. If they did not have a plan they were at risk of losing federal funding. We put in prevention and that is an important distinction. Certainly there was an issue of chronic homelessness in this community and that is the ending component. We are also, especially now because of the economy, in a position where many families are at risk of becoming homeless. It is much easier and much more effective to save people and prevent people from being in that homeless situation so we do have sort of a balanced approach in your policy on both prevention as well as ending. There is a key objective in the 10-year plan that until about three years ago, had not been fully addressed and that was around creating a leadership and accountability structure. The outcome of that is the Coalition for Housing and Mike will speak in more detail to it. I do want to say the Coalition has been a huge help to the staff. The caliber of individual on this Board is extremely high. Folks bring great talent, experience and also passion for this issue, which often times doesn't get a lot attention. They have been able to help us around the data component that we couldn't have done with our resources. They helped us tremendously around advocacy and also helped us wrestle with what is the best way to use the capital resources so they have been a real asset to the staff.

In 2011 as I mentioned, the revised Housing Locational Policy was put in place and currently the Council and the Housing and Neighborhood Development Committee are working through incentive base and inclusionary housing policies as well as reviewing the transit area housing policy. It has been a continuum and I hope that you all will see that these policies are not written in stone. They are somewhat dynamic, they have changed over the course of the last 12 years to address certain economic conditions or certain environmental changes and we think it is time for

us to have another conversation to see what might need to change to take us into the future. At this point I would like to introduce Mike Rizer, who is the Chair of the Charlotte-Mecklenburg Coalition for Housing to give you a quick update of that.

Mike Rizer, Chair of Charlotte-Mecklenburg Coalition for Housing said I am very grateful to be here and Pat has really framed this up well. I'm really here to listen today. I'm grateful that you are going to have a conversation, but I would take a few minutes to just point out a couple of contextual issues that I hope will help guide the conversation today. As Pat mentioned, the Coalition came together and we were appointed and approved by the Board in 2007 and in your booklet there is a tab that says Charlotte-Mecklenburg Coalition and you will see in there that the 10-year plan tells us that we need to be focused on housing the homeless, on outreach and engagement and the prevention piece that is so important. If you look at it that way, it really takes in the entire spectrum, those that are homeless all the way to working poor or workforce housing and we are focused on all of those pieces.

We've divided our work into three committees. One is around education and engagement which is very important. The other is around development and services integration and that really speaks to the important fact that sometimes the brick and mortar is the easiest part of what we do, but if we are going to have sustainable, well maintained housing we've got to have the supportive services as well, and then research and evaluation. The second document that is behind that tab talks to our accomplishments and I just want to point out two for you. I'm proud of what we've been able to do over the last 20 months, but I often use metaphor of building a house, which is that a lot of the work that we've done isn't really seen above ground yet, but it has been important work for us to do I think to help us all get our arms around this issue. One of the big pieces of that frankly is data. We really need good data obviously to make good decisions and after we make the decision to measure what it is that we are doing. We were successful in getting a catalyst grant from the Foundations for the Carolinas that helped us do just that. The system was pretty ineffectual and what it is allowing us to do is in partnership with UNCC's Urban Institute to put together a data mart and I think that will be very impactful for the community going forward. The other thing that I would point out is something that many of you were at, and that is the Faith Summit that was brought together several months ago in which we had over 300 people in attendance in the faith community. We had great engagement around and had some really effective follow-up after that. Frankly, we think that is the kind of thing that would also be very impactful in the business community and in the philanthropy community.

What I want to tell you I guess today is that Pat talked about the caliber of folks that are on the Coalition and I have to just underscore that and say we've got bankers, philanthropist and folks that know about real estate, service providers, a police officers, folks who are expert on data. It is a really broad group, all very good about what they do and yes, they are very passionate about this, but we know we were not created to solve this issue and we know that it is incumbent upon us to reach across into the community and involve the broader community. We've tried to do that. We've got apartment owners, Myers Park Churches, the Homeless Services Network, Philanthropist, but we know that it is a partnership. I also want to say frankly that I've heard that there is a perception that we are unduly focused or disproportionately focused on the homeless and I would say that we understand that there are housing problems along the entire spectrum. The 10-year plan clearly calls for that as Pat mentioned, it is both ending homeless and preventing it and the preventing part gets to the other folks along the economic spectrum. With that I would say that we are clear that in Charlotte we need at least 15,000 units of affordable housing. That doesn't mean that we need to go out and built 15,000 unit of housing, but we need to rehab units. There are a lot of vacant units in town, some don't need rehab, they just need some sort of subsidy to make them affordable, but yes, we probably need to build some as well. We know we've got at least 3,000 people in the community that are defined as homeless. We've got more than that, that are homeless children so we've clearly got problems along the entire spectrum.

The Coalition has asked me today to let you know that we want to work in partnership, that we need to hear from you, we need your direction and we are very committed to this. We'd like to, and in fact had planned to spend the summer trying to come to see each of you on an individual basis to let you know what we've done, to talk to you about your perspective on this and to deepen our relationships with each of you. We hope that at the conclusion today you will still

think that is a good idea. Again thank you for having me today and we are hopeful for a robust discussion.

Mayor Foxx said let me draw your attention to a chart that is in the materials that we have that starts out, Housing Trust Fund Performance and it shows the historical allocations of dollars and I think the first topic we might want to start talking about is what target are we trying to shoot at. What is the mission of the resources we have. If you look at this, historically it looks most of the dollars have been spent on multifamily rental new. Just over half has been spent on 30% and below AMI and if you look at the allocation per district, which is a discussion we've had several times, District 3 seems to be the one that has seen the most activity from the Housing Trust Fund. District 2 next and then District 1, followed by District 6, District 4 and District 5 and Mr. Cooksey is still waiting on his allocations. Just as a reference point that may be a place for us to begin having this conversation. I will add one other footnote which is that these numbers only reflect the publicly subsidized portions of the affordable housing issue. We don't have in front of us what is happening outside of that, what the numbers of low income folks there may be in these districts. These numbers are tiered to the Housing Trust Fund dollars, just a point of reference.

Councilmember Barnes said I want to start with a couple of opening comments. One, I appreciate the Council and the Mayor's willingness to do this. When we initially talked about doing this we were going to have a facilitator come in and we decided that the 12 of us could actually do it and we thought that you would be a great person to moderate the discussion so I appreciate you being willing to do it. I appreciate staff and Ms. Kinsey who is Chair of the Housing and Neighborhood Development Committee (HAND) for having a desire to explore these issues and I also highlight the fact that since you were first elected in 2005 the Mayor has had a lot of passion around analyzing how we resolve these issues and how we treat the community fairly and I've always shared those concerns. That is part of what brings us here today. With respect to the information on this particular page, Mr. Mumford mentioned this idea of helping families who are on the cusp of become homeless and Mr. Rizer referenced it as their effort to prevent homelessness. One of the things I would like to hear from Mr. Mumford would be how we are addressing the save and prevent piece and what range of AMI does that include?

Mr. Mumford said the majority of the units that would address that would be new units so when you all approve Housing Trust Fund dollars that go along with some of these tax credit deals it would be for units that could support 60% of AMI and below. Tax credits require that 60% be the threshold and then below so it is that level, it is \$41,000 for a family of four. Now at \$41,000 they are working but they are not finding either the right location for their housing or they are not finding housing at the appropriate economic level, rent level where they can make ends meet. That is not the predominant amount of the predominant influence of your money because that is mainly tax credit. If we have to lower to 30% then these are not folks that are working, certainly not working at the job levels of the other one.

Mr. Barnes said I was listening to a report over this past week-end about the fact that there are more people now falling into poverty in the suburban areas than urban areas and when you referenced the notion of working families who are sliding into poverty and trying to find ways to stop that, are there any tools that we have, either through the Housing Trust Fund model or the Coalition or any other models that we have that might help families who are trying to stay out of homelessness and I will address the homelessness issue later.

Mr. Mumford said the way you all resolving that is using some of our federal funds to go to some of our partners that are the ones on the front lines of people who come and say, they have padlocked my door, I can't pay rent or I can't pay my utility bills. It is not that I can't do that forever, I've had this blip in the road. The dollars are going to other groups that do that. We don't solve that kind of thing quickly with a capital infusion.

Mr. Barnes said is that CDBG?

Mr. Mumford said CDBG and there were some stimulus dollars that were doing that too. We use every bit we can.

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Mr. Barnes said do we know the current status of the CDBG funding in the federal budget?

Mr. Mumford said the most recent allocation was less than last year's, but all we are hearing is that all indications are that will probably be reduced. I don't know to the extent that it would be reduced, but the trend is that those dollars are getting smaller and smaller.

Mr. Barnes said to a point that was referenced earlier regarding its allocation per districts on this page, what efforts have we made or could we make to explore further distribution disbursement of these funds? Meaning have we been able to use the Housing Locational Policy to address the gap in allocation, for example in District 7? Is there a way that we are able to explore that?

Mr. Mumford said the short answer is yes. We don't go out and develop as you well know, so we respond through the Trust Fund RFP's. We respond to developers that say I have a project, I have a gap, I need to get some city help. The dynamic as we all know very well is land in District 7, south Charlotte is expensive and there is not a whole lot of land down there already zoned appropriately for multifamily so the dynamic is that somebody would need to come in, ask for a larger amount per unit, because it goes back to that leveraging goal, and also more than likely would need to ask for a rezoning. If there are other options in the City that make it easier to develop, people like water or electricity, they are going to follow the path of least resistance. The short answer is yes, if you had a policy directive to have housing in a certain location we would need to discuss with you, it is going to be less of a leverage, it is going to be a challenge on rezoning, but that sort of policy direction, right now we don't have that clear policy direction so we are not capable of going out and drive that.

Mr. Barnes said I understand and I raise the issue in part because we've been struggling to figure out how to use the Housing Locational Policy as it was intended, and that it is to help us distribute affordable housing in more effective ways. At the committee level we talked about setting aside money to help pay the premium on land costs if need be and then as you recall a few weeks ago we redirected \$6.7 million of funding to help address rehabbing existing multifamily and single family housing. I know you and staff are working on the multifamily side and you are about to pay some attention to the single family side because I think there is an opportunity for that in other parts of the city where you've got a lot of dilapidated housing, again both multifamily and single family that could use an injection of resources to make it fit for families to live in. I appreciate your feedback.

Mayor Foxx said the Trust Fund has largely spent money on construction, but not exclusively. One question is in terms of our approach, given that there is stock already out in the market, has there been thought given to how the Trust Fund might re-engineer itself to address that stock. I know we are working more in rehabilitation now, but in terms of things like rental assistance that might be a more expeditious way of helping with the dispersion issues, has that been considered and what options would we have?

Mr. Mumford said again I would like to start with the short answer yes, and to expand on that is the dynamic changes considerably and if we talk about rental subsidy so that there may be an apartment complex that is in pretty good condition and it is not fully leased. The landlord says I really need to lease this, it is a great location, it would be good for some subsidized units and it meets the Housing Locational Policy, however the rent rate is too high. Then we are talking about rental subsidy. There is really not a capital component to that because the building exists, so that changes. When you said we are predominantly capital with the Trust Fund, we are actually all capital if you throw in a little bit of land for a project. There is not an operating component to the Trust Fund because they are bond dollars and you all know that, you have to have an asset with the bonds. If the notion is to shift from a capital intensive program to an operating program, to more rental subsidy, yes it can be done, yes we have talked with the Housing Authority for a couple years about this, there is talk in the community today about that, but the numbers change dramatically. Instead of leveraging up for bond capacity with your limited debt service you have to use that debt service as a pay as you go fund really and pay rental subsidy and the rental subsidies are there forever, whereas a capital program you build the building and the building is there for 30 or some odd years. Yes, it can be done and we are working diligently right now and we are actually working with the finance staff to determine is

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there an order of magnitude, how could that shift or how could there be more of a balance of that. There has been discussion in the community on changing that.

Mayor Foxx said is it feasible or possible for some or all of the allocations in the Housing Trust Fund, theoretically if the Council were to say we'd like to put X into affordable housing over the next whatever number of years, could we put some portion of that into something like an endowment or something that would spin off annual revenues that could then be plowed into rental assistance? Is that feasible?

Mr. Mumford said if you raise your hands to support affordable housing and you don't limit it to bonds, then you are saying there is a source of revenue that would go to housing and if you wanted to shift that to go for rental subsidy then that could be done. If there is a commitment to bonds, then no. For instance three or four years ago there was \$15 million worth of bonds on the ballot. That is not \$15 million worth of cash that can be put in an endowment, that is \$15 million that results out of a much smaller number of debt service so that is your loan, but those aren't your loan payments if you will. I don't want to complicate it, but the answer is yes, but the numbers get much smaller. We don't take Trust Fund bond capacity and treat that as a lump sum that can be put into an endowment. That is not the way it works, it is a much smaller number. It is a 15th of the bond capacity as your debt service.

Mayor Foxx said let me ask the question a different way. I think I'm still on the same train of thought. If we were to say we've got excess units that aren't being leased in apartment buildings across the community, we want to try to help connect people to those units, what are we not doing in an efficient scale to be able to help make that happen?

Mr. Mumford said there are two components to it. Often what we find is the simple notion of I have a bunch of units in town, I have high vacancy, why are you, the City Council, approving building new affordable housing, just put people in my units. That makes a lot of sense, it is very intriguing, we go out and look at that and the Housing Authority goes out and looks at the units and often times, not always, but often times the units don't meet a minimum standard, so a HUD minimum standard or a local minimum standard, the condition of the units. So when I say it is a twofold there could be a hybrid approach to where capital dollars would go into the units to bring them up to the standard, certainly much less expensive than building new, but that doesn't cause the landlord to be able to reduce the rent. It makes for nicer units, makes them a little bit more competitive so we'd probably have to balance that with a rental subsidy to drive that rent rate down to support whichever group in the community, the 60%, 40% 30% of median income that can't pay that market rate rent. It is a balance of those two things, but today what we've had is the inability to approach it with the operational rent subsidy approach and it has just been the capital and the capital really doesn't affect on the ground rent rates for people. There is another piece too, some of your money goes to service providers to help folks that want to rent to put that down payment down. Anybody that has rented an apartment, which we all did, you have a security deposit. Many people, they are making money and they can make rental payments, but they haven't saved up enough for that security deposit so that is another way, it is operating dollars, potentially that comes back when the people leave. We have been discussing this for a long time, but it is a pretty dramatic shift in the approach and I would say when I talk about the history, the dynamics in the community didn't require us to really push that that hard because market forces were in a better place. Very fair and good and appropriate questions today, the scale of the effectiveness really changes and that is what I want to make sure people hear.

Mayor Foxx said if you were to compare what we are able to do today in terms of actually getting people housed versus what we would be able to do in the scenarios you just described, would we be reducing our ability to help more people using the model you are talking about or would we help more people or would it be about the same?

Mr. Mumford said we are looking at that. We don't know exactly because it is a financial modeling exercise to determine basically, take bond capacity, figure out the debt service for the bonds, take that money and determine how much rental subsidy is needed for how long, but one thing I can tell you is the operational approach, you can make a difference tomorrow. A rental subsidy tomorrow versus put capital dollars into a new project that is going to take a year or two to build, so we could get some immediate relief for people, depending on how long that rental

subsidy was to exist, you could have more impact if the notion was we are going to have a rental subsidy program for two years, then you could put a bunch more money up front. If you said you know what, this really needs to carry out five years, and I will tell you through the Wish Program and most of the people in this room that work in this environment, they all want folks to be self sufficient. There are going to be some people in the community that just can't be self sufficient, but most people want to be. It is not a quick process though to go from where they are for all the various reasons to self sufficiency. My point is a two-year program is probably short-sighted. I'm hearing 3 to 5 so you have to run the models, depending on the length of time, how much subsidy, but you can have a quicker impact that way.

Councilmember Mayfield said looking at the fact that we already have a relationship with the Charlotte Housing Partnership, during this conversation I went onto HUD.gov and pulled up for rental assistance and we have one building that shows up in Charlotte, but the Housing Authority has the ability to identify the apartment complex. I am wondering they can identify opposed to building brand new, back to utilizing the current stock that we have out there. Is there a possibility of when we are looking at funding for our partners, being able to direct a certain allocation of funds that specifically assist with that because building new isn't necessarily the best option, especially as we continue to move forward, as opposed to using what we already have to offset. If we already have a relationship with an organization and they are much further along than we are on this particular process has any of your team already started the conversation of what it would look like for that partnership to be expanded?

Mr. Mumford said I'm going to say yes in general conversation with predominantly Housing Authority around rental subsidy. We have been discussing this for several years with them. The Housing Partnership is a little bit different model than the Authority, but both could shift and look at it this way. We are open to any creative idea. The funding from the federal government is going down, the challenges in our community are going up. We are sort of the last line of defense and so whatever we can do to maximize resources collectively, which I think is the point you are making we really need to step up, even the great relationship we have, everybody in this room, we need everybody to focus on really what the issues are in the community. This is data driven. Mike spoke to that. We really need to make sure that we take as much emotion and anecdotal evidence out of this and understand the issues on the ground and then together focus on that.

Ms. Mayfield said if we continue to move with the build new model, can we add in our incentive to make it more desirable for the market to develop in areas that have been under developed historically, to try to diversify so that when we are looking at this demographic and this model 10 to 15 years from now, we start to see better distribution of mixed income and affordable housing. I'm thinking on our end we can create the incentives that help to drive some of that conversation.

Mr. Mumford said yes, when you are writing the check you can make a lot of rules, so yes, you can have incentive from a financial standpoint and there is also the policy foundation. What we did when we brought to you all the recommendation for the Housing Locational Policy modification, is we looked at the average number of subsidized units in the community was 15% citywide so we through, and you all agreed if there was 15% in every district that would be equal distribution. So the way the changes were put into the policy, it said if an area has over 15% you can't build new there. That from a policy perspective drives new development to where there is not yet 15% of subsidized housing. So you can get at it two ways, policy as well as direct financial incentive with rules attached to those dollars that you give.

Councilmember Fallon said rather than fill a building that is empty for landlord what if we just scatter, can we do scatter where it is all over, but it is not five apartments or something, what about one in a building?

Mr. Mumford said yes, if we are talking about rental subsidy and that is actually the way the federal government is moving instead of project based shifting to more rental subsidy for dispersion and really just flexibility. That could be done. I mentioned that the Housing Authority has done a very good job of tightening up their process of procedures for landlords and tenants and if you have 20 people in one building you can monitor them pretty easily, but if you

have 20 people in 10 different buildings it becomes a bit of a challenge, but the answer is yes, that can be done.

Ms. Fallon said the problem with 20 people in one building is becomes then a subsidized building because people don't stay. Is it better for a family to be mixed with other people so that it isn't a concentrated thing?

Mr. Mumford said yes. That is what we've seen.

Ms. Fallon said they see and there is peer pressure and they get back to work because they want what they see around them. It is a social type of thing.

Mr. Mumford said there is some of that. There is also the condition of the building, arguably would be better in a mixed income because there is more ownership, even though it is rental, a little bit more ownership. There have been studies over the last 10 years that show that is the way development should occur and that is why you see HOPE VI grants, are not again one for one replacement only, it is mixed income. A lot of that also has to do with the fact that there does need to be some rent coming in to operate so the mixed income allows for that.

Ms. Fallon said I think the feds have changed their rules where you can speak to people and explain to them, like you said, take the garbage out, bring the pail back in, which they never allowed before.

Mr. Mumford said somebody will be speaking to them about that. We think it is better that the Housing Authority do that versus our code enforcement folks. That is where we've been pushing too, around prevention, it is not just prevention of homelessness, but prevention of housing problems that comes with education and advocacy. We can enforce all day long, but that doesn't change things out in the community.

Mr. Barnes said on the issue of the endowment concept that the Mayor referenced, would you give some thought to whether there is an opportunity to create an endowment funded by a local corporation and other businesses that might help with the rental subsidy piece, number one. Secondly, you've seen the report from the Housing Authority about their moving to work program and self sufficiency efforts and they've actually I think made a great deal of significant process in that regard and I wonder whether we should consider implementing any of those principles with the Coalition and the money that we spend by way of the Coalition in terms of helping people that move to self sufficiency so that we can help additional people.

Mr. Mumford said yes to both of those.

Mr. Barnes said I don't know who is recording for you, and I know the committee will take it up also.

Mr. Mumford said it is being recorded.

Councilmember Mitchell said I think the only way we are going to be successful in getting any type of allocation units in District 7 is to get very creative with incentives. I know in the past we've tried density bonus, we've tried other incentives and we've not been successful. Has the thought of just creating an RFP for District 7 with certain incentives been discussed?

Mr. Mumford said there has not been. A geographic specific RFP discussed, no. If I might, I would add that there is a challenge if we don't address the rezoning component, especially in District 7. With that comes the knowledge that that piece is coming on the heels of an RFP because there is not a lot of land today that is zoned appropriately.

Mr. Mitchell said you look at the number of units per AMI, I think we've been successful and there is a good balance, 30% and the 60% but you take the economy in which we are operating, where is the biggest need? Is it the 30% AMI or is it the 60% to 80%? I think we are in the pattern now where we can't be all to all people but we have other partners like the Housing

Authority and the Housing Partnership so if they have a different focus than us, where do you think we should really be focusing all our resources and energy?

Mr. Mumford said without the benefit of the study that is underway and we are working in partnership with the Planning Department and Mr. Rizer mentioned that, I can't tell you specifically, but what I can say is there is a need for chronic homeless, there is a need for people that are on the precipice of being out of a place to live. There is a need for people that have children that are homeless and we don't have the financial capacity to address all of that. I'm not trying to skirt the question. I think really the answer is where do we want to focus and this year we know there are other issues. This is where we want to have an impact this year and we will move the needle. We won't move the needle for everything and the discussion we're having today won't get us to ... occupancy buildings, won't get to that component, the chronic homeless which is a real issue and you all know that. The balance that we've tried to have really isn't all things to all people, but we have been a little bit scattered from a policy directive on where we want to put our resources.

Mr. Mitchell said you touched on it earlier, and I'm seeing it more and more, families in hotels and motels and I think it makes all of us feel uncomfortable because that spills over to our school system and we see performance among some of our children. Do we have any data around that, how many families are actually living in motels and hotels in our cities?

Mr. Mumford said the numbers we've seen from CMS, that round number is 5,000 children are homeless on any given day. That doesn't mean that they are living literally out on the street, but they don't have a permanent place to call home so they are, to your point, either a motel room, maybe they are staying with some friends or relatives on a temporary basis. Whatever the scenario it doesn't bring stability to the family and to the children and into the schools to your point. You all have been discussing of late, how can the city help with schools and that is another compounding issue that we throw into the mix. From our side when we bring you recommendations is not just about policy objectives for housing, you have policy objectives for neighborhood stabilization, neighborhood viability. If here is a building that is dilapidated and we put money into fixing it up, maybe it doesn't address the rent rate, but it does help with that eyesore in the community and brings to the discussion you all have had lately, the value of other properties around it. So there are not so much competing policy objectives, but multiple policy objectives involved in this and the schools are one of them. We've talked about that and believe that is a great point to be taken into consideration.

Mr. Mitchell said my last point, about two weeks ago we had a developer out of Georgia take over some apartments in historic Washington Heights and about 228 units the power was cut off. Due to the great help of Pam Wideman and Crisis Assistance Ministries, one of our partners, we were able to keep all those families and I think it is a testimony that sometimes we do work with our partners and try to address the needs. We could potentially have 228 families out on the street without power and due to the hard work of staff and our partner we were able to turn the power back on and the families stay there so staff thank you and Pam thank you for being a good partner.

Councilmember Cannon said I kind of think that deserves a handclap. Pat, you made mention about conversations that have been held with the county and you spoke about the conversations that we have been having among one another because I think I have been continuously trying to push what can we do to engage CMS more so with where we know land happens to be available where affordable housing can take place. How are those discussions going, do they need to be intensified more so to get us to where we need to be to create some level of action?

Mr. Mumford said the relationship with CMS and the county has improved dramatically in the last two years. The county isn't tabling housing, not just around the land component, but really on the supportive service side. There is still kind of this model that the City's capital and the county does supportive human services. Prior to two years ago there really was no connection and this as you all know this came to fruition in the latest RFP process where it was an integrated RFP, capital, operating and supportive service together so the Housing Authority was in there. As far as the relationship on the real estate side Dennis Lacari is our new best friend. He is the real estate individual for the schools. We talk to him on a regular basis, not just about housing,

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but also economic development opportunities and redevelopment so we are at the table and there is no simple or these are five sites that they want to sell the city and they want affordable housing, but we are at a much better place today than we ever have been. There is a lot of transparency on opportunity. We know where the sites are, we keep working through which ones are viable.

Mr. Cannon said it has been stated that there about 15,000 units of affordable housing that are out there. We talked a little bit about the rehab units that are already available, we've had discussion about that for a very long time over the years. Is there any way to remind us of the number of available rehab units that may be out there? What I'm trying to attempt to do is to drill down into the number that exist of the 15,000 potentially tie that number into what might be available to where we can go out and do some work to rehab.

Mr. Mumford said that is our interest as well and I mentioned a study that is in the works right now. We are partnering with the Planning Commission and it is to identify exactly what you are asking. What is the availability on the ground, units available, vacant, at what price points and what is the need. I don't have that today, but we are hoping by September to be far enough along to at least have some additional information about that.

Mr. Cannon said the timeline was the next question and I put that out there because staff wants direction, but we've got to be really clear about what the potentially happens to be about where we are trying to go with this in order to drill down and give them the feedback that they need. I appreciate the work you are doing on that. The other thing is there has been data that has commissioned that shows that the need for affordable housing is for households that fall below 60% AMI with the most pressing need for households that fall below 30% AMI. The same data shows that the market provides sufficient housing for those who earn between 60% to 80% AMI. Would you concur with this? This would come from the Robert Charles ... Company. They did an assessment of residential housing supply and demand in the City of Charlotte.

Mr. Mumford said they did do that study, but it is a bit dated. It was before the recession so I would suggest that data is not as accurate as it was when it was provided to the Council a few years ago. That is why we commissioned this new study to understand the dynamics on the ground today. I think intuitively you could surmise that the economy, given what has happened, has not improved the numbers, probably not going to look as good as it did then and it wasn't looking good then.

Mr. Cannon said there are some very responsible management entities that are out here that have properties both public and private and as one who actually grew up in affordable housing we had no problem taking out our trash. We had no problem checking our mail, we had no problem taking pride in our community. I think that is still the case in a lot of our communities and we ought to make sure that people know and understand that we do have some responsible people in this community that rent and some that do own and many that do manage properties right here in the City of Charlotte and Mecklenburg County. I don't want that to be missed.

Councilmember Autry said I see here that there is about 270 affordable housing units in District 5. My first hand experience of that is there is a lot more affordable stock in District 5 than that number represents and I think your staff has been helping us with some of those issues. Is there room to make better use of that market rate stock in this program, this plan, this initiative that isn't being leveraged to the best advantage at this time?

Mr. Mumford said it seems like the simple answer is yes, but we don't yet know how to get at the heart of that. My point here is there are an awful lot of market rate units out there that we didn't capture. We captured publicly subsidized units. Big difference, with public subsidy we are able to have requirements of maintenance and tenant management. What is happening is we have a lot of other units that are market rate that are out there without those restrictions. For some reason and for whatever the reasons are, people are not moving into those. Market forces aren't working. People that need affordable housing, for some reason aren't making that connection. I mentioned socialserve.com and that is one place someone can go and find out where are units at this rate and in this geography. We don't know why that is not happening. I could guess, which is dangerous I know, that it may be the physical condition of the units, so that

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could be something that we could go in and say you know the rent rates, the rent structure fits the affordable model, the units just aren't in good shape. Then it becomes a capital solution and you all could say we want to put in X dollars per unit. That doesn't increase the rent, with your money goes in other restrictions that affordability be maintained in those units, now all of a sudden we have better units at the same rent structure that meets the need for people. We are looking at all of that but we are not exactly sure why that dynamic isn't sort of taking care of itself from a market standpoint. I would say too, there really is a challenge for affordable housing providers in this room. They do have good tenants, they do maintain the buildings very well, they are great partners of ours. They get labeled with low rent problem projects and that is not fair to them. I know you all know this, but that goes back to the education and advocacy. Just because there is an apartment complex in your neighborhood doesn't mean it is Housing Authority or Housing Partnership or one of our many partners. It is a great point we will continue to try to understand market forces that are causing that discrepancy and hopefully the data can help direct us as to how to get our hands around that.

Mr. Austry said something else this discussion is bringing to mind for me is we need people to be able to afford where they can live. Is there any room for any discussion about jobs that provide a living wage or is there even room for discussion for a prospect of a jobs trust fund?

City Manager, Curt Walton, said living wage, we would need another whole hour on that one and it kind of goes along with the limitations that Pat has been talking about. Capital dollars because of the leveraging are easier than operating dollars because they are not leverageable and they have to be appropriated year after year in the same dollar amount. The trust funds are possible but they require a lot of upfront seed money if they are going to be considered an endowment sort of arrangement or an annual appropriation. It is easier to do the capital than the operating.

Mr. Austry said if the goal is to provide for the needs of people, just because it is easier, is that where we are going to get the best bank for the buck so to speak?

Mr. Walton said I think that is why we are having this conversation, does the Council want to go in a different direction than it has. Our niche in affordable house has been primarily and sometimes exclusively capital because there are other players that are viewed more appropriate for the operating, but if you want to do operating then we have to figure out the funding sources that go along with that.

Mr. Mumford said the policies you all established and more recently, Corridor Revitalization Policy, Economic Development Policy, really get to that side of the equation. It is not directly linked to housing but we see that as really integrated and if the jobs are there and you all look at high paying jobs and other jobs for people that we are discussing that need housing, so there is an economic development component to this and other policies that you've supported over the years and continue to discuss that we on our side bring together every day. In fact that is why our department exists, is to bring that stuff together.

Councilmember Cooksey said with regard to the ten-year plan and to prevent homelessness as is referred to frequently on this, what is the price tag on that plan? How much does it cost to end and prevent homelessness in Charlotte?

Mr. Mumford said I don't know, but we don't have it whatever it is. The point there is this is a challenge so big, so wide, so deep that to put a price tag on it would be a huge guess. What we are trying to do is break this down into ending and preventing means these certain segments with data then we can begin to put price tags on pieces and parts, but the aggregate of that is a number with a lot of zeros, and it isn't just capital. I can't stress that enough. When we talk about rental subsidy or supportive services for individuals that is long-term money and big money that goes into projects so when you net that all of that it is a huge number. We understand that and we are trying to get at pieces and parts of this and work our way through that.

Mr. Cooksey said I appreciate that and in terms of the conversation, I think that crystallizes part of the challenge in that for most everything else we do we know what the price tag is. The next five years the Airport expansion is going to be a billion dollars, Blue Line extension about a
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billion dollars. The Committee of 21 a few years ago said road needs locally funded, \$5 billion construction, \$1 billion maintenance. Absent knowing some sort of price tag it is going to be very difficult to have a sense of what our wise allocation of resources will be and again I'm not offering a solution here, I'm just helping define the challenge. As Mr. Mumford has noted you've and as we are all aware, we've got these different strata of folks earning less than 100% of AMI that have different needs, different approaches, different concerns. So long as we are trying to help everybody in everything without know what it costs, it is going to be very difficult to ever achieve that goal of ending and preventing homelessness.

Mr. Mumford said we don't have that answer today, but that is the intent of the studies. We want to get a handle on that to bring to you good information to make good policy decisions. So it is not to say we don't know and will never know, our intent is to have an answer with some margin of error.

Mr. Cooksey said understood and I appreciate that. I think that is something we are going to need to be able to address, but that is going to be a big part of it. The number that stood out to me, reading through the information was that the House Charlotte 2007 conference \$715 million was thrown out as to what it would take to subsidize 6,500 units or so. That is one big number there for one component.

Ms. Mayfield said looking at being intentional and the big picture of development do we have the opportunity to help guide some of these conversations where we have developers who want to come in, trying to figure out what the big picture is because if we don't have the market and the business community committed to make certain investments in some of these areas that will create jobs and create sustainability in that neighborhood opposed to seeing certain types of businesses having a higher presence in some of these districts than you have in other districts, are we having conversations where we are looking at a more comprehensive approach opposed to spot development?

Mr. Mumford said yes generally. Developers understand the locational policy. They call us all the time and say okay, just to be sure, where can we develop? The policy says this, am I reading this correctly. We really don't have the policy framework today say well, yes it says that, but we'd really rather have you in other geography. If you are developer you are going to put a lot of money, or borrow a lot of money to build a project, you want to get that project out of the ground quickly, so first you are going to check zoning capability. Is there land that is zoned that would accommodate what you want to build. If not they are calling Debra's shop, they are calling us to find out could a development be supported with a rezoning in this particular area. They also look at the locational policy imbalance so we have very educated developers in this community and it is not that developers just don't want to support this issue, but on the ground today, they are going to go to the easiest path and the easiest path does not include getting a waiver of the locational policy and going through a rezoning. So if the policy framework changes a little bit, then we would have much more robust discussion with the development community because they would come in on the initial phase saying I want to build here where you want us to build and I'm meeting all the requirements that you say we need to meet. That doesn't happen today for obvious reasons.

Ms. Mayfield said so it is us strengthening the policy and procedures? The development piece I'm fine with, but the reality is that once it hits the ground and that piece of development is done, whether within a year or two sell that property and it is transferred hands several times, if that other market development business is bringing resources into the community and bringing jobs, if that conversation is not happening what I want to know is do we have the ability to strengthen language so that we can help guide some of those conversations to say okay, this is a good idea that you want to bring, you want to build this multifamily, but what is the big picture and being able to have, the business community says retailers is also committed to coming into the area to help with that strengthening opposed to yes, you can building here because it is zoned for it and not having to then figure out how do we direct business community to come in and make an investment.

Mr. Mumford said you all are writing the check and you all are writing the policy therefore you all can give us the framework to allow those conversations to occur much more readily than they occur today.

Mayor Foxx said let me try to put the bookend on this piece of the conversation and I think it has been very good conversation by the way, but as far as the Trust Fund itself, I'm hearing some interest in looking at better utilizing existing housing stock as opposed to new construction in the current environment. Whether that is through rent subsidy or capital or whatever, I think maybe putting some focus on that as a strategy, maybe not as an exclusive strategy, but if you can give us some guidance as to how effective that would be I think that seems to be something that I hear consistently around the room. We haven't quite answered the question of where we are trying to focus in terms of the level, but Mr. Cannon has shared some information and I think there was a UNC-Chapel Hill study that was done more recently by the Housing Authority that did suggest that 30% and below was the area where the greatest need happen to be. It sounds like you all are doing some work on that as well, but at least from my vantage point and I think for others, if we have limited dollars we want to find the most impactful way to use the dollars we have and if that is where the most impact is that is probably where we need to focus. Can we get confirmation of that and come back to that question?

Mr. Mumford said absolutely, confirmation to the first one with a caveat that we need a little more direction on the second component to be able to fully vet the first one. If we are going to rehab apartment complexes maybe shift from some operating and some capital or hybrid approach, the component we need to know are we solving for 30%, 60%, 50% because that is your rent stream. If we are talking about subsidies it is a gap.

Councilmember Kinsey said I would suggest that we say if we are going to focus on something that we continue to focus on what we've been focusing on, 60% and below. If we are rehabbing some apartments they may or may not be able to accommodate the 30% and below. I would like to see us go a little bit, not specifically to 30%, but at least look at the 60% because my passion right now I think I've told most of you is for families, particularly those with children in our schools. I think that probably would be in that 60%.

Mayor Foxx said that is inclusive of the 30%. Does anyone have a different view?

Mr. Banes said that is not to the exclusion of the work that we've already assigned to staff?

Mayor Foxx said let me ask that question. Is it, I don't know what you all have asked.

Mr. Mumford said it certainly doesn't need to be an exclusion of that. What we will do is look at all those ranges. It becomes a mathematical equation, this one cost more so you can do fewer units, but here is the impact and here is who is impacted by it. It is wherever you want to pick and choose the components of that equation, the variables. We will look at all of that, not listen to assumptions that that is exactly where you want to go but in the hope that that information can help give you that context of order of magnitude of what your resources can do. We will also look at how much of the mixed income in a particular development. We've had that discussion for transit areas and we know that is a sensitive issue. I think Ms. Mayfield was talking about one or two units all the way up to a full project so we will throw that variable in as well.

Mayor Foxx said to Mr. Cooksey's point, which I think the essence of was around measurements. Can we discern as you go through your analyses how the various approaches match up against the overall number of 15,000 units of housing needed so we can see what one decision would mean in terms of how we address that?

Mr. Mumford said that is absolutely out intent. I hope that we can do that.

Ms. Fallon said to Ms. Kinsey's point, if you get those children into this, and families, you solve two problems. You get the children we are worried about off the streets because the families go into housing, if you concentrate on that first.

Mr. Mumford said we also, and I use the word "we" a lot and a lot of people in this room know we are a bunch of people who have a lot of work to do, but we will try to include that educational
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piece too in the schools. That is a little bit more difficult, but we understand the importance of that.

Ms. Fallon said it would be worth it to get those kids off the streets.

Mayor Foxx said at 60% and below does that create any problems with the use of operating subsidies by other agencies like the Housing Authority? Do we find ourselves limited in some way by having our focus there?

Mr. Mumford said no, their focus is 60% and below so if they have several different rental subsidy programs it could be in conjunction with this and we work closely with them. It is a great point and we will make sure that we don't run afoul of HUD rules, but typically that is the cut off, 60% and below.

Mr. Barnes said I also wanted to talk about something Mr. Mumford eluded to earlier, an issue that we've dealt with on the Council. The piece that he talked about was this issue of having to pay a certain premium to get lands in certain parts of the city. You will recall that when we talked about assisted multifamily housing at transit stops, in fact Ms. Campbell had quite a robust debate about how to actually improve property values in areas and at that time we were talking about the Blue Line Corridor and where you have property values declining, how to re-stabilize them and drive them up. I wanted to invite to our meeting a man who has many years of experience in residential and retail development and I think can provide some useful information regarding market dynamics and if George Maloomian come up to the podium and talk to us for a minute that would be great. He is the incoming Chair of University City Partners and has a lot of knowledge of actually this entire market, but that market in particular. You've heard the debate and you've heard the discussion George, if you could talk to us about this issue of changing market dynamics and increasing values and some of the things that we might want to consider from a policy perspective to change trends certainly in the area that you have focus on in the northeast.

Mayor Foxx said if you could do that in three minutes we would love it.

George Maloomian said you have a tough debate here and I don't want to do anything to make it more complicated. There is a lot of wonderful issues we are trying to deal with and make this community better for all that are here. I'm speaking as the incoming Chair. I missed a meeting. I was the Chair four years ago and I will never miss another one and I take over next month. I spent five years with University City Partners, we've worked hard to create a plan and vision for that area and we've worked closely around the Northeast Corridor with the Blue Line Extension and it has been a significant center piece of the plans along 29/49 and we've leapfrogged over I-85 into the University Research Park and we've made an awful lot of accomplishments in that area. That glass isn't half full yet and is still half empty. The Blue Line Extension is still not done yet. We are still hitting bumps in the road, but we are getting there and I think with continued support from this community and the state we will get the federal spending. We are looking at a billion dollar capital improvement program on something we've been working very hard with for five years. One of the most important parts of that program is to raise the income levels in that area, raise the value of housing in that area. The University City MSD is basically 49 over to the Research Park, Mallard Creek Church Road down to 49/29 weave and I'm really focusing my comments in that area.

I've run demographics in it and if you take a one mile radius from Harris Boulevard and 29, we have a 78% multifamily housing percentage. The average in Mecklenburg County is 38.5% so we have within that one mile radius which goes up to Mallard Creek Church Road and goes down to the 29/49 weave, 202% of the average amount or percentage of households that are rental as compared to the entire county. We don't need any more and I would suggest in terms of looking at your policies, and you've got a very difficult rubix cube to put together here. I'd be very cautious about putting subsidized housing or lower income housing where we are on the cusp of spending a billion dollars in capital improvements. Look very closely and be very aware of unintended consequences of anything that may emasculate the benefits from that spending. We are real close to turning University City around and I'm probably close to three minutes.

Mr. Cannon said of the 78% in that one mile radius, how many would you say are stable rental properties versus unstable?

Mr. Maloomian said I don't know that.

Mr. Cannon said that is important to find out from my perspective because what I don't want to do is just throw a blanket piece of information out there and then we don't have pieces like that to sew it up to help us drive to what we really should be knowing which is how much is stable, how much is not stable, etc. That matters to me.

Mr. Maloomian said we have to do that with University City Partners and we have the resources to put that data together and analyze the multifamily component and get it to you.

Mr. Barnes said with respect to your knowledge of development and how it occurs, if you look at that entire corridor, and not just that corridor, but all of our business corridors what sort of elements are necessary to attract particular types of development, for example one of Mr. Mitchell's constituents mentioned at a recent meeting, you know there is no Harris Teeter on Beatties Ford Road and as you know there are only two grocery stores along North Tryon Street from uptown until you get to the Cabarrus County line. What I'm trying to figure out is how do you go about creating environment in those types of corridors to facilitate a higher level of residential and retail development? What are some of those elements?

Mr. Maloomian said one thing you need to do is make it attractive. Highway 29 is not attractive. One of the reasons I've spent five years with University City Partners putting all these plans together is to try to come up with ways to make it attractive. The second is to increase income levels. Retail does follow people, but it also follows where people have money to spend and the higher level of expenditure dollars that are available, the better and higher quality of retail. If you have high quality retail, that again feeds back into attracting higher quality development. It really is a cycle and it is a circle and it's got to start the search somewhere. I think this Blue Line Extension is going to help. I think with real good plans which we have put in place with Land Design doing one plan and another group doing another along the Blue Line Corridor we have those pieces there. We've done zoning to help bring in the right types of land use that we can support that with, but we had a consulting group basically look at the Northeast Corridor and they said in order to experience the significant investments, value creation must be a priority. This whole discussion that value creation in a community, which means we are getting the return on the capital investments, and particularly I'm talking about the Blue Line Extension, and one of the key bullet points, that requires value creation to increase rents and prices in the area that we are working in. Transit does add value. We have all those pieces coming together here and we just need very conscious that we are creating an environment that is attractive to the kind of people we want to have there and the kind of people who can raise the income levels. If we can create a nucleus or a core in the University City that will grow and benefit the areas around it, no different than the nucleus or core of downtown Charlotte has benefited a lot of areas around it. That is where we are right now.

Mr. Cooksey said question about that stat regarding the one mile radius at the intersection of Harris and Tryon. My question would be and I don't know if you can even gather this information, how much of that rental is students at UNC-C and how much will the continued growth of UNC-C drive a demand for more rental housing around UNC-C? I think what you've got and I know there is a lot of employment, there is a lot of retail and office there in the Research Park, but you've got a growing university that is bringing more students in, how does that university, that is so many other aspects is an asset, serve to undermine the effort that you are making because students aren't known for being very wealthy.

Mr. Maloomian said we are not ready to trade UNC-C to anyone for anything.

Mr. Cooksey said I'm not asking you to do that. I'm trying to get the full context of the area in terms of who are the consumers of rental property in and around the University and my gut tells me it is a lot of students.

Mr. Maloomian said there are and in fact there is not enough student housing in that area and some of that does fall into those numbers that are collected, not all of it does. I used to be a multifamily housing developer and a lot of statistics with student housing depending on the ownership and the creation of it is sometimes kept out of it. Mr. Cannon's question is something I want to get back with statistics and look at the composition and the stability of the rental housing, but also look at the make-up to your question, how much of that percentage is student versus market rate and I also think we want to look at anything else, it is like 221 before and some other programs that are in that area too.

Mr. Cooksey said I don't want to think that my question is too limited. By student I don't simply mean of course dormitories on campus. The off campus stuff that may be market rate but a student is still renting.

Mr. Maloomian said I hear you, it will all be market rate housing and there is more coming into that area because it is needed. We've all read that they've had a banner year in terms of people signing up. I think an extra 530 students this year.

Mayor Foxx said there has been some conversation about policy and let me open the floor to some conversation about that. We only have 15 minutes for this session, but there has been conversation about zoning regulations, the inclusionary housing policy etc.

Ms. Kinsey said the committee has talked about this, but I would like for us to review the locational policy. I think there could be some tweaking done there that would help where we locate subsidized facilities. I may have missed it in this book, although I read it pretty thoroughly last night. It appears to me that the bulk of the housing policy was accepted in 2001 and I'm wondering if we should go back and just review that, not try to do it this summer, I mean over a long period of time because I know there are other things we need to do. There may not be anything that we need to tweak, but I guess Mr. Mitchell and maybe Mr. Cannon were the only two people on Council when it was adopted. I have a question and this isn't policy exactly, but I would like and maybe in committee we can talk about this, but I've never been quite sure what rapid acquisition is and I'd like for us to discuss that at least within the committee. I'd like for us to review quite frankly the make-up of the Housing Coalition and its charge.

Mayor Foxx said do you want to do that in Committee?

Ms. Kinsey said in committee, yes.

Mayor Foxx said as it relates to the locational policy has there been much conversation in committee about what specific areas need to be looked at?

Ms. Kinsey said it is those facilities that might be exempt or right now exempt. There might be something else, but that is sort of what we've talked about.

Mayor Foxx said so you've got permissible areas funding and impermissible areas and within the impermissible areas you want to look at the exemptions?

Mr. Barnes said there is an exemption piece in that policy and I think there is a question regarding whether the policy itself is leading us to achieve what we'd hoped it would and whether the exemptions piece could be an impediment to the success of the policy itself.

Ms. Kinsey said the exemption piece is special needs housing, it is elderly, they are all lumped in together and I think that is what we need to look at. But keeping in mind that waivers, the Council can always waive any of these policies.

Mayor Foxx said regarding the Coalition, what is the specific charge of the Coalition? I think I know and I'm smiling, but I'm serious. I believe that I do know, but I want to ask that question. Pat or Mike, either one of you want to take that one.

Mike Rizer said we were really put together to implement the 10-year plan and you all had some seats and the county had some seats to appoint to it and we are a broad array of different skill sets.

Mayor Foxx said what are some of the issues you have been talking about in Committee relative to the charge that need to be vetted out.

Ms. Mayfield said I think right now there has been conversation when staff brings a proposal to the committee and then there are questions or what could be perceived as pushback from the committee. There is a disconnect somewhere between these three bodies and that is committee that was identified, staff and once it comes back to the Housing and Neighborhood Development Committee, so here is an opportunity to really find out exactly what is the understanding of the charge for the Committee and for us. I know for me as a new member on the HAND Committee what exactly is the charge and how do we line up better so when we are moving forward with proposals and when there is a question, even with the locational policy, when it comes before us and we say okay that is not what I really thought the intent of it was, making sure that we can start trying to line up better with what the expectations are so you don't have months of work that has gone into a particular conversation and then once it comes to committee we say oh, I'm not supporting that.

Mr. Cannon said I just want to make sure I'm clear because I'm hearing a couple of different things. One I'm hearing about the make-up and then I'm hearing about the approach so I'm trying to narrow down, is it a combination thereof and if that is the case I want to know. I want to be clear about what you are going back to committee for so we can understand that.

Ms. Kinsey said the first thing was the make-up. The make-up of the Coalition was brought to us, it was established by a committee and brought to us and we signed off on it. I think now that we've had a couple of years, it needs to be broadened. I'm not saying stash and burn but it needs to be broadened and I think it would be beneficial to have people on there that represent neighborhoods. What we have now are people, generally housing people, which is great but I think it needs to be expanded. When I mentioned the charge, I really don't know what the charge is, and I'd like to see what was in the minutes just so I'm clear. That was all that was.

Mayor Foxx said let me ask this question because on the make-up at least we may be complicating the simple. Mr. Rizer I know you can't speak for your whole Board, but is it your sense there would be any objection if the Council were to add seats to the Coalition that would focus on neighborhoods?

Mr. Rizer said I think that is a great idea. Frankly, we are having a very difficult time getting the work done with the number that we have and we've talked about trying to figure out how we get more resources. Certainly there is no objection from us and Ms. Kinsey I would remind you that we all live in the neighborhoods and we are all not housing experts. I'm in your district for example so I'm a neighbor and we all bring that.

Ms. Kinsey said thank you and you may never vote for me again and may never have voted for me but that is okay. I understand that but all of you are housing advocates or affordable housing advocates. My feeling is there are neighborhood leaders who represent neighborhoods where subsidized housing is there or maybe we are looking at putting it there and they need to have some say. I think that is one of the problems we had with people not understanding about subsidized housing or low income housing. I don't want to use affordable, everything is affordable to someone. They just don't understand because sometimes it just gets plopped in their neighborhood without any warning, it is a done deal before they know it and that is not good. That puts everybody on edge, they don't have a really good taste in their mouth about affordable housing. There is nothing wrong with it, but if the neighborhood doesn't have a say then they feel used. I'm just saying I think it would be nice to have some representatives who are not necessarily housing advocates.

Mr. Rizer said I think that makes a lot of sense, what I would say though, I think the elephant in the room here today is frankly neighborhoods not rejecting it. Frankly, very little has been done in the last several years, very little has come in and plopped down because you can put all the incentives in the world that you want to get in Mr. Cooksey's district, but frankly none of it is

happening because we have an issue around education, we have an issue around understanding and it gets rejected. I don't mean to pick on District 7 believe me, it is everywhere and we all own it, but I'm just saying that is an issue that nobody has talked about that is a real issue today.

Mayor Foxx said I think I'm right that we adopted during this coalition and the county did the same thing, so if we were to make changes in the scope of the board would there have to be county approval of that as well?

Mr. Walton said yes sir, I think so.

Mayor Foxx said I think it is a good idea, I'm just trying to figure how to do that faster than going to committee and all that. If we can do it let's just do it.

Ms. Fallon said Mr. Mumford could you tell me what the difference is between the Housing Trust from before and this Housing Coalition other than the fact you've added a lot of members?

Mr. Mumford said the responsibility of the Housing Trust Fund Committee was transferred to the Coalition. It is exactly the same thing. The Trust Fund Board did not recommend specific projects, the Trust Fund Board when it was created was to recommend funding categories and that is exactly what the Coalition Board has done. For instance Ms. Kinsey mentioned rapid acquisition. That is a category that was supported and recommended by the Coalition and then what happens when projects come to the staff, we vet those and make sure that they fit one of those categories, but the Coalition nor the Trust Fund Board actually chose specific projects so it is exactly the same thing.

Ms. Fallon said so in a sense it is the same as when I was on it?

Mr. Mumford said absolutely. The thinking was there didn't need to be two separate groups. The Coalition had more of an umbrella responsibility and so it was all folded into that.

Mr. Cooksey said how many requests have there been for Housing Trust Fund subsidy for affordable housing in District 7?

Mr. Mumford said there have been few if any. Very limited and it goes back to rezoning, the locational policy, the amount of money, all of that I think has gotten nowhere.

Mr. Cooksey said I bring it up because I want to be cautious about assigning motives, concerns and issues like education and the like when there has been one attempt. One attempt never makes a trend as far as I'm concerned and I would hope that no-one thinks that one attempt to attract, and if there has been another I would love to be informed of it, but to my knowledge since the Housing Trust Fund was established there has been one that at least got out into the public conversation.

Mr. Mumford said we need to determine how best to communicate with neighborhoods so there are two approaches, a developer figures out how to make the project work and then presents to the neighborhood association. The typical response is, well you've already figured it out, it is a fee to complea, why are you talking to us, so that is one. The other is the developer comes at the inception of this idea and says I have this notion to building this and then the response potentially is, well you don't even have this thing figured out. You don't know who is going to be here, this could be terrible. Somehow we've got to figure out in the middle how we allow that honest and open conversation to take place and that includes having Councilmembers in the room as well. That is a dynamic that just doesn't work and hasn't worked historically in our community for these types of developments. That is a real impediment.

Mayor Foxx said we are just about out of time and I feel like we've gotten 1/3 of the way through this subject matter. I would like to suggest that we schedule another one of these at an appropriate time. I'll let the staff figure that out. We've got summer schedules and people will be vacationing and that sort of thing, but I would like to do this again because the topic really deserves it. We know we've got a pending request to send issue to committee so I haven't forgotten that. I wonder whether we could take up some of that in the next session or whether

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you guys want to take it to committee. It doesn't matter to me either way, but I think if we are going to do a second session we could put those issues on the agenda.

Ms. Kinsey said I think maybe the locational policy would be easier in committee just because it came out of committee. The other, if we want to do it as a committee as a whole that is fine.

Mayor Foxx said is there any objection to sending the locational policy to committee?

Mr. Barnes said I actually would like to send all of it to committee just because some of it may be answerable in 5 or 10 minutes as opposed to taking up two hours in the next session. My sense is that we will be able to arrive at some conclusions or recommendations at a committee level fairly quickly and I think we have a committee meeting in July.

Ms. Kinsey said Pam is saying no.

Mr. Barnes said you may want to schedule one and what I was going to ask and try to add Ma'am Chair is some of this issue of economics and market dynamics that Mr. Maloomian addressed. I think those are big issues throughout all of the districts and I think how we address them is going to become very important going forward for the future of the city. There is a component of economic development and value that we really don't hit as Mr. Rizer indicated, we haven't really touched this issue of NIMBY and none of that stuff has been hit today. I think there is certainly some level of conversation to be had regarding the economic piece.

Ms. Mayfield said you took part of what I was going to ask and that was if the committee is okay for this conversation to be part one or a two or three part conversation because I do see the value of having it in the broader audience so that the citizens can be a part of it as opposed to everything going to committee and if there is opportunity for us to be able to continue this basically in a three-part series to be able to come back to get further into it and have some follow-up and responses back from the questions that came out of today's conversation. Clearly knowing that we have enough time to really delve into the conversation.

Mayor Foxx said why don't we do a hybrid of what has been talked about. Send these issues to committee for discussion without asking the committee to bring us any recommendations, just have them get the information and then we can come back and have more discussion and the committee will have maybe some answers or some thoughts for us.

Ms. Mayfield said I'll support that.

Mayor Foxx said without objection we'll do that and we'll get the staff to schedule us again to continue the conversation. There is a lot of policy stuff we never got to around zoning and some other things.

The meeting was adjourned at 1:39 p.m.

Ashleigh Price, Deputy City Clerk

Length of Meeting: 1 hour, 52 minutes
Minutes Completed: July 13, 2012