

The City Council of the City of Charlotte, North Carolina convened for a Special Meeting on Affordable Housing Strategy on Wednesday, October 10, 2012 at 12:12 p.m. 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, Claire Fallon, Patsy Kinsey, LaWana Mayfield, and Beth Pickering.

**ABSENT UNTIL NOTED:** Councilmembers Andy Dulin, David Howard and James Mitchell.

## **I. Introduction**

Mayor Foxx called the meeting to order at 12:12 p.m. and welcomed everyone to this next in a series of targeted conversations the City Council is having on Affordable Housing Strategy and thanked everyone for coming. This is extra work and extra time, but it is really important work and an important time for us to talk about this very important issue. We have a very, very full agenda and I know there folks who are still getting their lunch, therefore I will talk a little bit and hopefully frame the conversation today.

We have two big problems in our City when it comes to housing and one of them is that we have more and more people who need affordable options to be housed. Whether we are talking at the level of homeless all the way up to those at 30% and below to even between 30% and 60% we saw Monday, the evidence is that there is a need for additional housing options over the long-term and that is one of our biggest challenges. The other challenge is that we also have a trend, and we've seen that trend through our budget retreats, of clusters of poverty in our City. In many cases not driven by local public policies, but driven by market forces. The market is drawing to where the ... is the cheapest and because of that inertia moves a lot of this stuff into the same places. Over the course of the last year or so, layered on top of that has been a large series of questions that have been asked to us and frankly being asked about us as a group as to how much of this issue do we want to bite off. How much of that challenge do we want to deal with? For reasons that I think we will see today, it is an issue that I don't think we can afford to ignore and I haven't heard anybody around this dais ever suggest that we should, but it is also an issue that we are not as able to deal with today as we were even 3 or 4 years ago because the rate of need has actually increased, not decreased, even though I think some of our efforts, had the economy been as robust as it had been in the 90's or 2000's perhaps we would have made a dent, but we are dealing with a very unique situation as the economy heals more families, more individuals are in crisis. In my opinion, and I hope we can have some dialogue about this at some point today after we receive the reports. I hope we can begin today to have a conversation as a group about collectively what problems are we really trying to solve through our funding strategies, through our regulatory strategies, through our efforts on this topic and potentially give our staff and the community at large much greater clarity, much greater confidence in the direction that this Council intends to take.

I think we have a follow-up to the Below-Market Housing Needs Study that is the next topic on our agenda. Are we open for discussion on that or is there a presentation?

**Councilmember Howard arrived at 12:17 p.m.**

## **II. Below-Market Housing Needs Study Follow-up**

**Todd Noel, Noel Consulting Group** said I have been working with the City staff over the past couple of months, trying to identify housing needs for a number of different segments, a number of different groups. We did a presentation for you all on Monday evening and you all raised a number of questions from that and I wanted to give you some quick follow-up to those questions. These are preliminary findings, just running through what we came up with and presented to you Monday night. There is a significant need for those earning below 30% of area median income for housing today and going forward. About 15,000 units needed today and that grows to about 22,200 units by 2020. For those earning between 30% and 60% of area median income, again it shows what looks like to be a surplus of units. We've actually done a little bit of slicing and dicing to confirm what we said the other night which was below 45% to 50% there are a lot of households that are stretching too far. When you get above 50% to 60% that is where ... There was sort of a mismatch, but within that figure, and we did confirm that. We could not net out  
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supply because of the range, these are 55 plus folks, some of them are fully independent and have years and years to go before they need any kind of help or care. Some of them in independent living apartments and some of them are in nursing homes, assisted living, but we see growth in that group and these are folks under 30% from about 4,300 today to about 6,300 by 2020. The 30% to 60% growing from about 4,800 to about 6,600 so over all you can see those two groups grow by about 3,900 or so households in the coming decade. Again a lot of boomers and folks living longer so we are pushing that group up.

One question you all asked was how many households and people are paying more than 30% of their income in rent. Again, 30% is when you consider someone economically distressed. The numbers are very sobering for those earning less than 30% of the area median income, about 15,900 rental households. We estimate about 2.4 or 2.45 people per household, you are talking about 38,000 people in that group who are in an economically distressed household. For those earning between 30% and 60% of area median income there is about 19,350 households or about 46,500 people and then the highest group 60% of area median income or higher, there are about 16,400 households that are paying more than 30% income so they are economically distressed and there are about 39,000 people. In total about 51,600 rental households are paying more than 30% of their income for housing. That is about 124,000 people so it is a pretty sizeable chunk of the market.

**Councilmember Dulin arrived at 12:20 p.m. and Councilmember Mitchell arrived at 12:22.**

Mr. Noel said a topic of discussion came up the other day about are they doing so voluntarily and what kind of research on that. We are still doing research and it is a very hard question to find out. Certainly I would say the folks that are over 60% of area median income, there are a lot of options available to those folks and those who are opting to pay more than 30% of their income are likely doing so voluntarily. We have found some studies that say some of the biggest factors motivating where low income renters live, access to work and transit, perceptions of crime and safety are the biggest factors affecting where they live, but we are still digging into how many of those people, if we can find it, are actually voluntarily making decisions to spend more than they need to on their housing.

Another question popped up the other night about our recent approvals of senior targeted product or age restricted product. Planning staff did some quick research on this and based on rezoning since January 1, 2007 there has been about 3,700 independent living units approved in Charlotte, 614 dependent units have been approved. Dependent would be assisted living or some kind of nursing home care kind of facility. What we don't know is how many of those have been built since they were approved and we also don't know how many of them were targeting those that are under 30% or those under 60%. Those are your big numbers, 4,300 units have been approved and most of those close in and around downtown, inside of Route 4. Finally, homeless populations, there was some questions about how big of a population that is. This was from the North Carolina Taskforce to End Homelessness and estimate sheltered emergency seasonal populations about 971 people. That includes those that are chronically homeless and a definition was requested for what chronically meant, those are unaccompanied homeless individuals with a disabling condition that have been homeless for at least a year or four times within the last three years. It is either people who have been homeless for a considerable amount of time over the past year to three years. Most of those are in that sheltered, emergency or seasonal homeless group. There is a sheltered transitional homeless which is trying to transition people into more stable living situations. That is about 1,300 people and then 301 completely unsheltered people. Those are your people who are truly living on the streets and those who are the most visible sometimes.

Councilmember Pickering said we have people living in hotels who are homeless, are they included in this homeless population?

Mr. Noel said these are folks who have checked into the different shelters or they have done a screen of people on the street to try and find them, different soup kitchens and that kind of thing. I'm not 100% sure how they handled that. I can add that to a question to make sure that we have in there. There was a group we mentioned the other day which are couching homeless and there

were not questions about that group, but that is a group of folks who have lost their homes and are living with friends or relatives and that is a big group.

Mayor Foxx said are these numbers fixed such that 301 unsheltered for example, is that a static group of people or are they shifting in and out of these other support systems?

Mr. Noel said the way this has been done is we have data over a about a 4 or 5 year period and these are point in time studies. They will pick a month or pick a two-week period and do a scan of what the counts are of these folks. I don't know that there is data on how they have moved and how they have transitioned, how many of them may have been sheltered transitional before and are back to unsheltered. Certainly I would think there would be some, certainly with the chronically and the unsheltered. There probably are a fair amount with physical or mental disabilities, drug dependence problems so they be moving throughout the system. The way this has been done it is a series of point in time kind of cuts to look at. It is a hard group to find.

Mayor Foxx said the reason I'm asking is because some of the advocates for housing more of the homeless populous, particular the chronically homeless, would say that if you sheltered more of the chronically homeless it would relieve some of the congestion in other support systems within the City. So if those numbers are static, if there are 301 people who aren't using the safety net that would seem to run counter to that theory, whereas if that number is people shifting in and out of those facilities it would lend itself to supporting the theory. I'm trying to figure out which it is.

Mr. Noel said it is difficult because it is a very difficult group to track period, and to get kind of what they history has been. The references we have are point in times so it is hard, and we don't have data. We can certainly do some interviews with the people who actually conducted these mini censuses if you will to understand qualitatively from their perspectives, but in terms of the hard data there is no data that shows how they have evolved or moved through the system over the past few years. We can see that the amount of homeless in 2010 was close to double what it is today and it dropped considerably as the economy has kind of stabilized. The housing market has stabilized, so there was a peak in about 2009 and 2010 and it has dropped considerably since then.

Councilmember Cooksey said almost 51,610 households, is the data you have where you could do a graph basically showing how much over 30% of each household's income because anyone paying 31% is technically paying over 30% of their income, but it is much less of an issue to consider than someone paying 35% or 50%.

Mr. Noel said there is data available from the census that breaks that out a little bit more. It does not break it out necessarily like income level, but we do have an overall, and I can't remember if it is renters versus owners or if it is for all households, but there are numbers out there for overall and they do go up to 50% or higher. I will check to see if it is for renters versus owners. We can always make requests to the census to run these special runs. They charge us for it, but we can certainly do that.

Mr. Cooksey said I think that would also be helpful in determining what these numbers could actually guide us and tell us about policy. As the Mayor mentioned on Monday, there is an idea of a rental subsidy, but what we see is that perponderous of numbers go to people paying 50% or more of their income in rent that would be a greater strain on a rental subsidy program than if the cluster was more in the 35% and 38%.

Mr. Noel said we can take another look. I can tell you the big level, we can come back very quickly and tell you what that number is for the whole county micro. We can see if we can get the census to make some cuts for renters and specifically those who are ... to see how big a difference. You are right it is a different policy if everyone is at 32% or there is a ton of people at 48%, 50% or above. That is a very different issue.

Councilmember Fallon said can we get these papers sent to us?

Mr. Noel said you should be able to, yes. They are on the system, this is something that was done in the last couple days.

Mayor Foxx said thank you very much for sticking around for this session. I have two announcements before we go to the next item on the agenda. We have a new Charlotte Housing Authority Chief Executive Officer who is with us today, Fulton Meacham. I've had the great pleasure to meet him. It is great to have you. He comes by the way of Pittsburg and we are grateful to have him here. He is actually a native of Greensboro. Also our City Manager's birthday is today.

**City Manager, Curt Walton** said I was thrilled to learn on Monday night that I can now live in elderly housing.

### **III. Incentive Based Inclusionary Action Plan Update**

Mayor Foxx said one of the more important conversations happening right now is the conversation around inclusionary zoning. For those who have not been part of this dialogue before our City Attorney has issued an opinion that says we do not have the authority given by the State Legislature to implement a mandatory program and as a result of conversations with the Council, we've asked the staff to develop an incentive based inclusionary zoning policy. This project has been going for a while and we will hear more about where it stands, eager to see it get before us at some point soon, but that is sort of how we have gotten here. The goal here is to use ... to incent the private sector to help us solve the affordable housing problem. Again, I think if you look at the total amount of housing in our community and where the property is placed, the amount of publicly subsidized units is probably relatively small compared to the amount that are out there in the market place. This is a big issue because the private sector has got to play a big role in helping us solve this problem.

Councilmember Howard said I'm asking for clarification, how is it that Davidson is able to do a mandatory if it is not permitted by North Carolina?

**City Attorney, Bob Hagemann** said in our opinion they don't have the authority, they just have not been challenged.

Mr. Howard said don't tell the development community that.

Mayor Foxx said our Planning Director, Debra Campbell is here to present this to us.

**Planning Director, Debra Campbell**, said I'm going to take a couple minutes because I know this meeting is supposed to be devoted to you all having a conversation and I want to make sure that I get out of the way so you all can have that conversation. We are in the process of actually completing a year-long process with a stakeholder group of citizen's advisory group related to developing regulatory strategies around a policy that you all adopted and then an action plan that you all adopted around the concept of incentive based inclusionary housing. As you can see from the background slides that we started this process by you all adopting an action plan that included 11 strategies, some regulatory and others of financial, to try to get the private sector to participate in the development of affordable housing. You asked the Planning staff as well as in concert with Neighborhood and Business Services and we've been working many other departments, Department of Transportation, the County etc. to help with this initiative. We have been working on five of your regulatory strategies and they are also identified on the screen, accessory dwelling units, duplexes, expedited review process, fee waivers, single and multifamily density bonuses and then we have an asterisk about other strategies. We are hopefully going to complete this process at our meeting on Thursday with our citizen's advisory group, just to clean up any outstanding issues. I cannot say enough about the Council's Housing and Neighborhood Development Committee who have gone through this year-long process with us and have done it in a very tireless way. We have been the predominant agenda item bringing lots and lots of information to the Committee and they were extremely patient with us and extremely thoughtful and we got a lot out of our conversations with them, so I just wanted to acknowledge the Committee and thank them for their efforts. Thank you Ms. Kinsey who is the Chair of that Committee.

Also to our Citizen's Advisory Group, Thursday will be the 14<sup>th</sup> meeting that we've had with the Citizen's Advisory Group and as you can see it is very representative of the industry in terms of market rate development, banks, the schools, non-profits and a lot of community organization and just a broad representation of our community. We had about 50 to 60 people that participated. We generally averaged between 15 to 20 people at each one of our meetings and we got a lot of information and feedback on line because we made this very interactive. Some background information in terms of inclusionary housing, what it is. It is zoning tool, regulatory tool at this initiative is about regulatory initiative that is used to again increase the supply of affordable housing as well as dispersal of affordable housing. We notice there are a number of communities that have adopted these types of initiatives and I'm not going to go through the trouble or reading them, you can do that. These efforts are done mostly through a regulatory tool called zoning and the changes that hopefully you all will be making in the future when we bring text amendments to you will be to the zoning ordinance. Inclusionary initiatives can be both mandatory or voluntary and I want to make clear that these initiatives are voluntary, not mandatory.

Mr. Howard said just for information sake, those are a community done voluntary, what about mandatory? Are all those voluntary?

Ms. Campbell said some of these mandatory. I believe New York City's is mandatory so we have a combination of voluntary and mandatory initiatives. Davidson's is mandatory as well. In terms of the goals, obviously to increase supply and these are the goals that were established for our initiative, but they have a lot of synergy with what communities have done across the country in terms of what they are trying to achieve with these initiatives. Promote mixed income communities, encourage a range of housing types, increase opportunities for people to age in place and respond to emerging market needs and demands.

In terms of our accomplishments with those five regulatory initiatives, I am happy to say that Council adopted our accessory dwelling units strategy. That went through the zoning process and was approved in July. The duplex also went simultaneously with the ADUs but there were some concerns expressed at the public hearing and we have put that process on hold. The expedited review and fee waivers, we've completed that analysis and I will be giving you the results of that discussion with the group and a recommendation to you. Single family and multifamily is really where we spend the bulk of our time. It is an extremely complicated regulatory initiative to discuss with lay people but they hung in there and we've gotten through it. Tomorrow we hope that we will complete that discussion of those initiatives.

I'm going to give you a quick update in terms of what our recommendations are and I will get out of your way so you all can have your discussion. The ADU has been adopted and this essentially is a smaller unit that is located within a principal or accessory structure. Our current zoning ordinance did not allow for any unrelated individual to live in these units. The change was literally just to allow anyone to live there without any tenant restrictions. We have some fairly rigorous prescribed conditions and architectural standards that that unit has to meet as well. The duplex strategy is being deferred because there are some concerns that have been expressed by some neighborhood organizations that we are trying to work through. This is our latest recommendation. Currently duplexes are allowed in these zoning districts on corner lots. Our proposed change, which we were a little bit more aggressive earlier, the discussion that you had at the public hearing, we've revised those recommendations a little to say that we could allow an additional duplex on one side of a city block so you would also have them on corners, but you could also have an additional one somewhere within a block of a street on one side of that street. Obviously, you would also have to meet the minimums standards for the lot.

The Expedited Review Process under our existing practices we say that we have kind of a specialized review for affordable housing. That is we try to meet with developers, and this is what we have currently. We try to meet with developers, be a liaison, help with trouble shooting and particularly convening other departments to help us review those proposals. In terms of recommendations we think we obviously need to continue this specialized review but also create a technical review committee that would help expedite, do the trouble shooting and do all of the things that are necessary to help get that development approved within a timely manner. This idea related to affordable housing got such traction with the committee that we had a lot of

people, including folks in our neighborhood groups saying we ought to do this for all development, not just affordable housing so that is something we are looking into.

The fee waiver recommendation is a little bit more complicated and we think we need a little bit more time to study this with the group as well as with staff's support and that we defer or not make a recommendation to change the fee structure at this time.

Councilmember Dulin said was part of the discussion about the fees to take them downward or was it that nobody could agree on how to take them up?

Ms. Campbell said I think the discussion was that it is potentially such a small percentage of the cost of the total development that it would not have the type of impact that we are trying to make in terms of delivery of increasing the supply of affordable house, that it probably was not worth a lot of the dialogue and discussion and the kind of brain damage that we would have to go to respond to that.

Mr. Dulin said to me anywhere we can reduce costs by a lower fee would incent more housing.

Ms. Campbell said what we heard was if you can get us through the review process, not necessarily quicker, but if you can make sure that you can address all of the issues that I'm going to need to address such that when I get to building permit and I'm getting ready to get a permit, with adding all of these extra costs because somehow or another you missed that going through the review process. That was much more valuable to the development community than waiving fees. That is the feedback that we got.

Mr. Howard said if you think about the things we've talked about lately like tree and post construction, those fees and those requirements, that can make a big difference, but that is not stuff we want to waive because you want to make sure you still do all those things that you need along that line. If you are thinking about those fees, yes those get big, but the smaller one like the submittal fees don't add up to a lot.

Mr. Dulin said I would contend, and we can talk about it, but all of that adds up to a lot when you put them all together.

Ms. Campbell said Mr. Dulin I don't think that we are trying to suggest that that is irrelevant or it is insignificant. What we were looking at was what were the most strategic initiatives that would truly advance the ball in terms of yielding an increase in the numbers of units. The fee waiver was really, really down at the bottom of our list. The density bonus strategy, I'm going to literally give you a very high level of review of this initiative. Essentially we are looking at taking the base density of our zoning districts, R-3, R-4, R-5 and R-6 and recommending that you can get up to three additional units added onto whatever that base zoning district is if you meet some particular criteria. Number one, you have to be located in a specific census tract that has a high/medium home value at around \$153,000. You have to set aside 50% of those additional units that you can get as part of this bonus to be affordable for those that make 80% of less of the area median income. 25% of those additional units, that is the maximum related to those that can be affordable. We have in terms of some offsets, we've reduced some of the lot size requirements, we recommended also that in a single family district that is zoned R-3 and if you got the development standards to get up to three additional units, you would have a base density of six dwellings units to the acre and you can also have a combination of single family homes, duplexes, triplexes and quadroplexes within that one development. Again we have design guidelines about the market rate housing and the affordable housing needs to mirror one another, they need to look the same. Obviously some of the finishes and the interior will be different, but essential building material and the exterior and the architecture styles should be similar and we give you an example of building materials, pitch of the roof, window, foundations etc. should be similar.

This is a map and hopefully you can see it. The green area is where you would be eligible for the density bonuses. The area that played out would not be eligible for this proposed initiative. Again this is about disbursal and we are trying to get into areas where we do not have a lot of affordable housing currently.

Mr. Howard said why \$153,000? Was that some percentage of AMI?

Ms. Campbell said average median home value so we just took the middle of value at that time.

Mr. Howard said on an ongoing basis it wouldn't be \$153,000 it would be the median value, median sale price for a house?

Ms. Campbell said we will start with \$153,000 and when we do 5 to 6 units it is updated every 5 years.

Mr. Howard said it would not be that number you put in the ordinance?

Ms. Campbell said we are going to try to keep this number.

Mayor Foxx said the density bonus you are talking about now is the only bonus that applies to this. In other words when you went back and talked about some of the other incentives, those are for any affordable housing project. This density bonus is tiered toward this median home value?

Ms. Campbell said within these geographies, yes sir.

Mayor Foxx said so going back to the previous incentives are there legal requirements or pragmatic reasons why we wouldn't want to tier those incentives with this geography as well?

Ms. Campbell said I may not have understood your question, which incentives?

Mayor Foxx said expedited review, just the other components of it.

Ms. Campbell said they would all apply to each area ... inaudible.

Mayor Foxx said so what one could argue that the policy that you are contemplating, as you said at the very beginning, has two prongs to it. One is to increase the stock of affordable housing. One of them is to reverse some of the clustering that we've seen, but you could have developments that just focus on sort of one or the other of those.

Ms. Campbell said absolutely.

Mr. Howard said what census tracts are not qualified NSAs?

Ms. Campbell said I think it may be irrespective of geographic ... inaudible To make this available in order to broaden that geographical location.

Mr. Howard said Mr. Mayor my questions was just about simplicity. It is complicated already by NSAs and you add census tracts on top of it and you wind up with these laps that kind of layer and layer and layer before you can figure out what is really going on.

Ms. Campbell said we actually did some comparisons between regulatory vocational housing policies used and there is very much consistency between permissible areas, impermissible areas. Multifamily is the same, we are using the same geographic area, the \$153,000 in terms of bagging. The density bonus would be we are only looking at two districts, property that is zoned R-8MF and property that is zoned R-12MF. If you add 12 you can get 3 dwelling units. The set aside, we are again looking at 80% of area median income, 50% of the additional units that you can get need to be affordable and then 50% of those need to be for 60% and below. We have a cap on the amount in terms of the total housing units of affordable units which is at 20%. We also, as an additional bonus say that if you are within ¼ mile of the transit and that is local bus or rapid transit you can get two additional units. That geography is the same as the one for single family and program administration is one that one had a lot of conversation at the Committee level as well as at the Citizen's Advisory Group level. We've got a lot more work that we need to do in terms of getting all of those specifics identified, but we really see this as a three prong approach in terms of goals. City and County Departments, we will be looking at this one as ordinance compliance perspective. Non-profit potentially would be the administrators of this

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particularly looking at qualifying people and doing those kinds and the Developer and Builder literally would be delivering the products and designing the neighbors.

We also looked at other strategies and we didn't go into a whole lot of detail about the recommendation because we were trying to be consistent with the directives of looking at your action plan recommendations. Adaptive re-use, the commercial buildings along the corridors. There are recommendations about how we use the ... Relaxing some of our development standards, particularly the properties that are currently zoned multifamily in that geography to see if we could intensify those areas. Land banking was one of the recommendations as well as a local rent subsidy. The local rental subsidy really got a lot of that because it took a whole lot of land to be zoned multifamily then the areas that we identified and in order for us to make this work. They think we need to layer it with some financial incentives.

Councilmember Mayfield said can you give me an example of what on the ground it would look like for relaxation of development standards?

Ms. Campbell said if you have property that is currently zoned R-12MF and it is built in the manner of our zoning ordinance 5 to 10 years ago, if you were to come in today and want to redevelop you'd have to meet current development standards. Their suggestion is if it is already developed, then you don't have to use new development standards.

Ms. Mayfield said it seems, using that example over the last 10 years we have realized that we probably should have had certain standards in place when they look at conversations with properties that by today's standards 10 years ago they would not have necessarily been able to build that type of property so how would we balance that out to make sure that we have a high quality that is going to last the next 20 years opposed to only 10?

Ms. Campbell said that is why we did not make a recommendation, but we felt we were obligated to really bring you the full discussion of the Advisory Group and these were things the group brought back, but we have not detailed out any recommendation for your consideration.

Councilmember Fallon said will any of this revised when you get the zoning consultant's report?

Ms. Campbell said since the zoning policy assessment is really looking at the effectiveness of it and not specifically ... inaudible

Ms. Campbell said the last slide in terms of our Next Steps, hopefully tomorrow we will complete the Citizen Advisory Group process. We will be bringing the Density Bonus to you all, first to the HAND Committee for further discussion and hopefully a January decision by Council. Duplexes, we are still working through those and that is definitely to be determined. We have a lot of information on this process on our website and hope you will visit it if you have questions.

Councilmember Mitchell said does the density bonus for rental include conversion of existing units as well?

Ms. Campbell said no.

Councilmember Kinsey said at tomorrow night's meeting what exactly will be discussed? I'm sort of foggy on that.

Ms. Campbell said we are going to go back through everything that has been discussed.

Ms. Kinsey said this will be the very last meeting of the Citizen's Advisory?

Ms. Campbell said definitely not the last time ... Meeting wise we have really over extended our relationship.

Ms. Kinsey said I just wanted clarification, thank you.



Mr. Howard said on the policing of units that could come through the density bonus, it would seem like right now that funding sources that are used for affordable housing actually have compliance and the City has compliance. When you actually start spreading that out ten here and ten here and five here, any thought yet on how you make sure it stays in compliance?

**Pat Mumford, Neighborhood Services** said we have the same questions and we do have a portfolio of units that we have tracked for a period of time, but we were talking with Debra about that.

Pam Wideman said we have also have engaged Davidson to see how they manage their programs.

Councilmember Barnes said it occurred to me during Mr. Noel's piece that I had asked the question at some point and I think Ms. Wideman is familiar with this about the location of the 60% and below etc. Is that something that we will be getting?

Ms. Campbell said yes and we apologize. Unfortunately it was an exercise that we just could not ... this Monday night, but it is part of the document ...

Mayor Foxx said good information and I'm not necessarily going to ask for a formal vote but how many sort of feel this is trending in the right direction, not that you are voting for it, but are you comfortable with where this is heading?

Mr. Barnes said I think we are going in the right direction but as a member of the Committee there are some issues that have not come up here and we are dealing with that may impact my ultimate opinion, but I think the committee is doing good work with it.

Mayor Foxx said let me thank the Committee because you all have been real ... in terms of working through this stuff. That is appreciated by all of us. My only feedback is that the invisible hand is working in the gray areas on the map that you showed and that is not to say that we don't need more housing stock, but it strikes me that the policy we ultimately adopt should be slightly tilted more towards helping us with dispersion then sort of a general strategy to help with adding units because that seems to be one of the reasons why we've been having the conversation, probably the central thrust of it is the dispersion issue. To the extent that there are generally applied incentives I would suggest taking a look at those to see if they can be tailored toward the dispersion piece.

Ms. Campbell said I appreciate that comment and that is why we did not have any tenant restrictions.

#### **IV. Housing and Neighborhood Development Committee Report**

Mayor Foxx said the HAND Committee will share with us some of the information. Remember the last time we asked the Committee to discuss a few areas related to this topic. They've done that. I attended the meeting and these folks know this issue very, very well, so let me turn it over to the Chair, Councilmember Kinsey and Pat Mumford and Pam Wideman to help us walk through.

Councilmember Kinsey said I will kick this off very briefly. I do want to make sure everyone knows who is on the Committee, Ms. Mayfield is the Vice Chair and we have Mr. Autry, Mr. Barnes and Mr. Cooksey, and Mayor thank you for being at that meeting on July 15. It was a follow-up to our first meeting that we held as a Council. We engaged in a discussion on the charge and composition of the Charlotte Mecklenburg Coalition for Housing and the Housing Locational Policy Exemption. We did not make any recommendations, but discussed the desire to expand the Coalition to include additional neighborhood representation. We did have neighborhood representation on the old Housing Trust Fund Board and I think the majority of us felt it was important to have it on the Coalition as well. We also discussed the appropriateness of developers serving on the Coalition and their ability to receive the Housing Trust Fund award and felt that was probably not a really good idea, or at least the majority of us did. As to the Housing Locational Policy the Committee discussed the possibility of removing the exemption

for senior and disabled housing. That is pretty much what we did. You do have in your materials a transcript of the meeting and it was very helpful to me to go back and read it and then some other back-up material. With that we are here to get your input and move forward. I don't know if Ms. Wideman and Mr. Mumford have any comments to make, but that is pretty much the kick off.

Mayor Foxx said thank you for that and you all have so much institutional knowledge from a policy perspective on this topic. Just for the benefit of perhaps some of our members who may not be well versed on it, can you delve a little more into the senior exemption issue a little bit and kind of explain that a little bit just so everybody is aware of that.

Ms. Kinsey said I'm going to have Ms. Wideman help me with this please. You do have something that was sent with your back-up material and it is the Housing Locational Policy exemption page in case you have that with you. Pam, I don't know if you want to go into a little more depth than what had in front of us or not. We just allow exemptions for those two categories, that can be built almost anywhere, and we have seen that there may be some concerns about that and that is why we think that we don't believe they should be exempted, but we do believe they should have the right, the developer or whoever is building those facilities should have the right to come to Council and we can grant waivers when we see fit to do so, just as we did Monday night on another project.

**Pam Wideman** said I really don't have much to add. I would just remind us that a little over a year ago we engaged the community in about an 18-month process to develop what you have today in front of you, your current Housing Locational Policy. At that time the Council decided that there were two exemptions. These were for senior housing and for the disabled population so as Ms. Kinsey has stated the discussion at the HAND Committee was about the desire to remove exemptions for senior housing and for disabled, recognizing that you all have the ability to grant waivers on a case by case basis.

Mayor Foxx said are the waivers applied to funding?

Ms. Wideman said yes, the waivers would be necessary for a developer who is applying for tax credits with the state, they would need a waiver and to also get your Housing Trust Fund dollars. You would have to grant the Housing Trust Fund dollars and the waiver at the same time.

Mayor Foxx said without the waiver there would not be an automatic green light for funding from us and with the waiver there is and the concern is that projects come through without a Council vote that happened and they are eligible for funding because the waiver exists sort of automatically. The concern is if we remove the waivers then the projects have to come up for a vote to allow them to go forward. Am I saying that correctly?

Ms. Wideman said that is right Mayor and the other thing is that it provides a certain level of certainty to the development community and Mr. Howard may want to speak to it more. They kind of know what type of product they can develop if they have the zoning. They kind of look at this as kind of what the Council will or will not support.

Mayor Foxx said this sort of strikes at the heart of the conversation we are having because I haven't take a poll of the Council, but my sense is that the more certainty this group has as to where housing ultimately is located in the future for more support for putting additional units, there will be as opposed to the default systems that we currently have. I think that is what is revolving around this conversation about the waiver.

Mr. Howard said the only thing I will add to the conversation is that it just further complicates it. Earlier when we were talking about supply versus distribution and I think that is where the conversation is coming down to Mayor, which is the Council's ultimate push at this point. In years past it has been production and with production you want to make that simple. That is why I was asking earlier about the NAS and census tract related to this. The harder that gets, the harder it is to try to figure it out. If the Council's direction is distribution, making it harder may be what the point is, but it definitely adds another layer and makes it harder. Right now it is extremely hard to even get family units on the ground and what you have seen over the last  
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several years is a lot of seniors because it has been easier to do. Once you make that harder, if the goal is supply it makes it harder to deal with. If the goal is distribution then you are probably going in the right direction because it will make it harder to do.

Councilmember Barnes said one of the things that struck me Monday night was we heard that since 2000 we have lost 10,000 units of affordable housing. That was primarily driven by government, primarily by us. Before I got on the Council it started. I think about and reflect upon what you just said Mr. Howard about supply or distribution and we've kind of created our own beast and if you look at the minutes from the last HAND Committee, the issue I raised was the fact that a lot of neighborhoods are surprised when they get projects being built as a part of an exemption waiver process. They come up and say how does that happen and then we have to figure out how did it happen. What we talked about in Committee was creating greater certainty for neighborhoods so they would have a better idea of what is coming up around them because people have invested in their homes and invested in their neighborhoods and frequently want to know, and have a right to know I think, what is happening around them.

Ms. Kinsey said that was very much where I was going with that. I think if we do get rid of the exemptions which I am in favor of and let me say, I don't worry so much about the senior housing, but we can't do one without the other. We have to treat them alike. I do think the onus is on Council to act very quickly if a waiver comes to us and the sooner we get it the sooner we can act on it. I think that is our responsibility and we have to do that, but I have seen that there have been problems that maybe we didn't anticipate with these exemptions.

Councilmember Autry said the special needs exemption I am troubled by it also and I don't think we should probably get rid of it, but could we require the applicant to document their community engagement process as part of the application. That would help mitigate those confrontations with the surrounding community.

Mayor Foxx said Ms. Wideman is that done currently?

Ms. Wideman said one of the things we also discussed in Committee is that we will strengthen our housing trust fund guideline criteria and that is a way to get at making sure that developers engage the community before they come to us and to you all to apply for Housing Trust Fund dollars. When we updated the Housing Locational Policy we did include in there a provision related to the waivers that were not in there before. We made that consistent with the rezoning process and put a four-week clause in there that wasn't in there before, but we can certainly strengthen the Housing Trust Fund guideline to make it mandatory that they engage the community before coming to you all to ask for that.

Mr. Autry said and document that engagement as part of the application process.

Ms. Wideman said the other thing I would share with you all in full transparency is remember your Housing Locational Policy does not require a waiver for rehabs. The thought at the time was that if you are rehabbing existing housing stock that is better than what is on the ground, that is permissible as well. I just wanted to remind you all of that.

Ms. Kinsey said we may need to exempt that too. The problem has been that a lot of this work is done before it ever comes for a rezoning or for money from the Housing Trust Fund and it comes almost as a done deal to neighborhoods or areas. I don't know how you can control that. You can document it, you went to the community, but it is usually almost too late.

Councilmember Mitchell said maybe I'm slow so let's use a real application – Moore's Place, disabled development we did. HAND, your committee is proposing that any Moore Place projects, they would not be exempt therefore they would have to come through the City Council for approval?

Ms. Kinsey said they would come for a waiver.

Mr. Mitchell said but they would have to come through Council for a waiver?

Ms. Kinsey said right, for a waiver.

Mr. Barnes said Ms. Kinsey made my point, anybody will have a meeting and they will still do what they want to do, which is what we are trying to address.

Councilmember Cooksey said given that more places have been cited, how much City money went into Moore Place?

Ms. Wideman said \$500,000.

Mr. Cooksey said out of the \$10 million?

Ms. Wideman said yes sir.

Councilmember Mayfield said another possible example would be a recent example that we've had in District 3 where a developer came and was interested in developing senior housing which was affordable I think with 30% in mind. Of course we have the requirement that if they received a tax credit that is when our money will kick in, but we have the conversation where it was brought to the HAND Committee where the community did not know. They reached out to me on a Thursday so two or three days before we were going to have the Committee meeting, but the constituents never knew that this was a discussion that was happening so therefore I was backtracking to make sure I reached out to the community and if there is a way we can avoid that as Mr. Autry noted, where the community is aware of what is getting ready to come out of the ground in their neighborhood and what that impact is going to be, we need to figure out a way to have more conversation on the ground.

Mayor Foxx said from a staff perspective, you've heard the nature of the problem and all of us up here are sympathetic to something happening and a community being surprised and Councilmembers being asked questions about what sort of automatically moves out of view. What other options exist between status quo and eliminating the waivers altogether? Are there any options in between those two ends?

Ms. Wideman said in my humble opinion, I would say yes. I think it would be re-engaging the development community. That would be one component, strengthening our education effort around what you must do in order to receive Housing Trust Fund dollars. I also think that we could probably back up our process for how we bring projects to you so maybe we broaden that timeframe so the finance agencies that are in the process of laying out their schedule for when tax credits would be due so we could lengthen our process to be able to engage the community more. I think the short answer is yes that there is a happy medium if you will, through education and through broadening our process. Why I say engage the development community, there are some people, new developers who may not be accustomed to the Charlotte system. The people who normally do development in Charlotte know they have to engage the Council, they know the Council Representative, they know they have to engage the community indicates that Ms. Mayfield pointed, this was the gentlemen's first time doing a development in Charlotte so he was not as aware about the Housing Trust Fund process.

Mayor Foxx said one of the things that is concerning me about this is that by the time people are putting money together things are pretty well along the way at that point. Is there a natural point even before we get to that stage where there could have been some communication directly to the Councilmember in whose district this project may or may not be happening or is there some way to build that into the process somewhere between keeping it the way it is and removing the waivers altogether?

Ms. Wideman said I think the answer is yes. There is a way to build that into the process. Like I said the finance agencies have laid out their application schedule, we just need to back into that. We are having this discussion at a very timely manner. In the development community people are deciding where they want to scout out projects so if they know they need a rezoning, they know what that is going to mean from a Council perspective, from a neighborhood perspective. If they are going to seek Housing Trust Fund dollars we can certainly reiterate and help them understand what that means in terms of engaging the Council.

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Councilmember Barnes said if I might use Mr. Autry as an example, if somebody wanted to build 500 units of special needs housing off Central and Sharon Amity and all they had to do was go through the regulatory process with the State agencies and such and then have a community meeting and then it is a done deal. Your neighborhood leaders may say well we actually would like for you not to do this for X Y Z reasons and what the committee was talking about was empowering Councilmembers to actually be able to affect the outcomes, or even stop, if necessary, developments. There are a lot of folks who come to us and say how did this happen, what can we do about it and what I don't like to have to say is nothing, sorry, especially when public money is being put into this project.

Ms. Kinsey said what I fear, but don't know for sure. Somebody could also buy a piece of property because they are not coming to the City for money. They can go buy that piece of property and then they decide they are going to need some tax credits and come to us. They already own the property and it puts pressure on us to say then, sorry you are not going to get it because you didn't do all you were supposed to do, but they already own the property. I don't know that that happens often, but that is something I think has happened or could happen. Maybe that is a little bit like Moore Place, maybe that property was bought because a lot of private money went into that and that makes it difficult when there is a lot of private money, but still it is sort of connected to the City even though we didn't put in but a half million, it is still sort of connected.

Mayor Foxx said it does strike me that this is an issue that needs to be answered. You all have put that squarely in front of Council and an option is to eliminate the waivers. I would ask us to at least give the staff a chance to give us an option short of that that allows early notice to the effective District Representative and perhaps an ability to stop it if indeed that is what the neighborhoods and the communities are asking the Representative to help accomplish. In many of those cases the place where that stoppage could happen is at the point the Housing Trust Fund is asked to allocate money for the particular project, but of course as Ms. Kinsey points out, by that time you've also had a cascade of activity around the project and it makes it tougher. I think we need the staff to kind of message and explore that issue, but I think the problems have been identified and maybe we can come up with something short of eliminating the waivers.

Councilmember Fallon said sometimes it doesn't have to be stopped, it has to be modified and work with the City Representative. We've had it in my area, they downsize it or they use different materials or they go into a different place. You can get it done but you can get it done more in agreement with the community so they don't fight you.

Mayor Foxx said everything we do to make it tougher to get this stuff built adds to the challenge we have on the unit production side so that is why I'm trying to explore some middle options.

Councilmember Howard said everybody around this table knows this is always a tough one for me because I probably know more about it than most and I try to walk a tight line on what I advocate for and what I don't. As an at large candidate I actually represent these areas too so I'm sensitive to the neighborhood's feeling about concentration. Because of the way the financing is structured for most tax credits and our local policy, you would never have 500 on a place. Before we scare the world it won't happen. Normally, just for education standpoint, it is usually somewhere between 80 and 120 at the most. I know that is still a big number for you and the only way tax credits work is it requires a pool and the way they get input from the local government is by requiring some local match. That is why the Trust Fund comes into consideration. There were a number of projects that didn't get funded because they were not smart enough to come down here and ask for money. Council does get an opportunity to say no if you don't want it. Pressure, yes I get the pressure part. I get more pressure than all of you when it comes to this. I got more pressure on the project Monday night than I promise you everyone of you guys did because I get it from the development community and I get it from the affordable housing folks too. I think the folks in the community understand how that put all in a pickle, they are far and wide and in between when we see those. Let's be careful not to change all of the rules because of one thing. I would like for us to take another whole direction, and we probably won't get to it this time. I was trying to figure this thing out, how do you figure it out from 30%. One of the things that irritates me is when we say 30% and below we usually lump everybody in together. We know there are a number that are chronically homeless. Those

people normally have mental issues so what are we going to do about that number. Let's not dump it all together. We know we don't want to throw them all under the same roof. What are we doing about that? We have the people that are homeless because of the economy and some other reasons, what are we doing about that? As opposed to continue to make it harder, why don't we figure out how to solve these problems is what I would advocate for. Every one of them requires something different. Everyone of them requires different tools, different social services, they require a bunch of different things and a lot of times we sit here and make policies to deal with this swath of people and that is not the way we are going to deal with our issues as a community. I've said to everybody I've talked to, we should sit down and figure out the groups of people. I'm not advocating that we put them all under roofs. I don't actually think we should put people under roofs is the answer either so I'm not advocating for ... supply because we did that and the Housing Authority is dealing with that now and it is called HOPE VI. We wanted to put everybody under roofs back in the 60's and 70's and we've got a bunch of associations that came from that. That is not the solution so ... and supply is not the solution, but taking away exemption after exemption is not it either. What would be smart for us to do is to sit down and this thing piece by piece and figure it out.

Mayor Foxx said thank you for that Mr. Howard. I think that is what we are trying to do.

Mr. Howard said but we never quite get there.

Mayor Foxx said that is our responsibility. Staff has given us the information we need and now the question for us is to how we do that.

Mr. Barnes said in defense of this Council and the other Councils I've served on, you as Mayor, the previous Mayor, back to when you were Chair of HAND, we've been trying. I've been on the Committee for 7 years and it hasn't been obviously perfect in its execution but we've been trying to figure it out and there are people in your business who obstruct and make the progress more difficult and then there are people on our side who make things a bit more difficult. We've been trying, but it is very hard to get people who are on both sides of an issue like this to come to any agreement on the biggest issues. It is almost impossible, so at some point you have to make a decision. Some people are going to like it and some people aren't going to like it.

Mr. Howard said actually to that point, Michael and I sat in a meeting with Mike Rizer the other day and it is tough to try to figure out both sides. Michael is actually one of the more vocal people on the neighborhood defense, but he's right. He does have some areas in his district that are hard and it does take some sensitivity on everybody's part. For the last five years every policy in development that came around you voted for it probably but at this point you are saying we have some problems in our neighbor and our neighborhoods have a right to be at the table too. We need to have a full community conversation about how we do both, if it is possible to do both, which is what you are saying is the challenge.

Mayor Foxx said in addition to what we've already asked for I do hope that the inclusionary zoning piece which I frankly think is one of the more important components of this because from a regulatory standpoint the more we can develop confidence that dispersion will actually occur, I think the stronger we will find ourselves supporting unit production, but the basic problem and Mr. Barnes and I going back 7 years have had this conversation. When we put \$16 million into the Housing Trust Fund and the projects continue to happen in the same basic footprint, that is a problem. I think a locational policy moving in a good direction will be much stronger if the primacy is placed on dispersion and we try to fill the blanks in elsewhere. From a funding standpoint, funding is part of this conversation. We haven't really delved that deeply into it but if we just let the market do what the market is doing the same places are going to be inundated by poverty etc. I would like to suggest that we ask the staff to look at a comprehensive approach to this issue getting back to Mr. Howard's point about trying to address these things in a real way. These are ideas that you guys have expressed from time to time. First is continuing the Housing Trust Fund as part of what we are talking about with the CIP at the levels recommended by the City Manager. Second would be exploring this idea of a rental subsidy, but not going it alone. Looking at doing a pilot maybe over a two-year period in conjunction with the Housing Authority and maybe even attracting private dollars to it to see whether a program could be established, both to rapidly house people, but also to rapidly house people in a more diverse

territory than we currently may have. I believe there may be ways to do that within existing funds and we should ask staff to look at it. Third is land banking should be part of our strategy. There may be some unencumbered current funds that exist in the Housing Trust Fund today that could be used for land banking purposes and I'd like to ask staff to explore that as a way of diversifying where we have current and future sites for affordable housing. Four, and I got this idea from Mr. Barnes so I'll go ahead and credit him with this idea, or blame him, but another criticism of our strategy is that while we work to build unit production in places for people at certain levels of income we have a lot of neighborhoods where deterioration has occurred already, where foreclosures have eaten up homes values where people were upside down so another strategy would be mimicking the federal neighborhood stabilization program through our capital budget and creating a mini version of that program that could actually help to refurbish foreclosed properties and get them back inhabited and get them back on the market place to stabilize neighborhoods. That is not necessarily a strategy that will house people in the targeted need area, but I think part of our conversation is about how do we create unit production, but also stabilize our communities, so I think it should be considered as part of what we are doing. The final component of it and I actually need to get some confidence that we got the right numbers here because I do think the chronically homeless population is a critical population that needs greater levels of focus from us. That was actually made more clear to me when I saw those numbers on Monday because actually people who are chronically homeless can spend days and weeks in Salvation Army or Urban Ministries or some other shelter and those beds could be used by multiple numbers of people during that time if those folks aren't in those units. If we find a way to find new sources to help build a support system for the chronically homeless, I believe from an economic standpoint, forget just the moral side of it, the economic case I think can be made that we will create more capacity in our safety net for others in the homeless population. I would like to see us endeavor to build sufficient facilities for the chronically homeless population to be housed over the next 8 years. If that number is what I just saw up there, which looked like 301, I don't know if that is the right number, but that would be potentially 3 or 4 facilities over 8 years. I think that hits several different tiers and gives us a comprehensive approach to housing that maybe we can launch off of in addition to the other things that are being contemplated. That is what I would suggest we look at and if I could just ask staff to look at whether there are pockets of unencumbered resources that currently exist on the books that could be used to implement such a strategy like that and only after exhausting those suggest to us some options for funding that we might look at, either through the capital program or otherwise.

Mr. Barnes said I was going to ask you were you contemplating the City funding construction and operating costs and as a matter of immediate reaction, it feels like we are getting back into the business of public housing that the federal government got out of. I'm not saying we shouldn't, but that is sort of the path we are taking.

Mayor Foxx said you are talking about those chronically homeless? I think on that there would have to be a partnership with the county which provides a lot of human services components and I think we are looking for a philosophic response if we really push the private community to jump in to help. On the funding I think our responsibility would be construction and we'd have to draw in other partners to help us on the operating side of that equation. We've never gotten out of the housing business. We've been in the housing business. We've changed how we do it but I think if we look at what we are doing right now the nature of the problem is out running our ability to keep up with it. It is still resulting in the compounding clustering in certain areas and when advocates of housing or opponents of a particular project come to us we still don't have a comprehensive answer to them as to how we are going to manage this set of issues. What I'm suggesting may not be perfect, but at least begins to address in a comprehensive way how we start attacking and again I think the locational issues, particularly with these chronically homeless facilities, these cannot be sitting across the street from each other to get to where I think your point is going. I don't think that is what I'm talking about, but again if we decide to tackle that we can begin to shape what policies go into or what factors go into where these facilities are located. I think that is where the Council has a lot of work to do, but I can promise you that the folks we are trying to house are already on the streets today and are probably in the Districts that people are most concerned about. Housing them is only going to be helpful to us both from an economic standpoint and from a quality of life standpoint, not only for them, but for our community. I would urge us to at least allow staff to work on it.

Ms. Kinsey said I would say as I've said before, the devil is in the details. It probably sounds good and simple until staff starts getting down into the reasons, but I think it is worth looking at. One of my concerns is about where we might be putting additional facilities for a lack of a better word, for clients in homeless because we don't want them across the street from each other and we want to share the wealth and the joy. If we decide to go in that direction and the City is funding the construction then we can dictate where it goes so that should maybe help, but I think along with that we would have to work with the community and make sure they understand that this isn't necessarily a bad thing. Is this something that you are going to refer to the Housing and Neighborhood Development Committee?

Mayor Foxx said I would be happy to do that. I'm looking at staff and I think their heads are about to explode.

Ms. Wideman said we appreciate your conversation. The right thing is to have a conversation about how to approach the strategies and bring something back. I think we are headed in the right direction.

**City Manager, Curt Walton,** said it depends on the timeframe you have in mind also. All of these are pretty significant policies. I think that would be one question Mayor for what you have in mind for these five initiatives and if that is an open question at this point we'll be glad to work on it and if you have some date in mind I think we would like to know that so that we can either say yea or nay we can do that.

Mayor Foxx said in the ideal world we have two further budget retreats and there are obviously budgetary implications to this on the capital side. If it is humanly possible, we don't necessarily need a presentation on October 30<sup>th</sup>, but if you have something on paper we might get by then that would be idea, but not then the 15<sup>th</sup> of November when our third retreat would be.

Councilmember Dulin said as it turns out a lot of this work has already been done or at least we are working on it. I think we are now six years into our ten-year plan to eliminate homelessness. I questioned that six years ago, how we were ever going to make it go away in 10 years, but maybe we just need a report on where our ten-year plan to eliminate homelessness is currently. I don't think it is a document that people look at as a guidebook. I don't think it has ever been useful to us so maybe just a report on where our 10-year plan is now would be helpful.

Mayor Foxx said there actually is a report that is relatively recent that shows kind of where we stand with it. A lot of the ideas I just mentioned are contained in that plan or in other plans that have been produced along the way. If you talk to folks in the community who have been involved in the 10-year plan they would say the problem is not the absence of ink being spilled on this issue, the issue is in absence of real action on it and so I think the question is really turned back to us as to whether this is something that we want to tackle.

Mr. Dulin said I certainly couldn't put my hands on a copy of the plan. Moore Place would be an example of working toward it. There are some positive steps we've made but we need 33 Moore Places and you can't snap your fingers and make that happen, but it would be interesting to see, we are 6 years into our 10-year plan and it would be interesting to know where we are.

Councilmember Cannon said as we talk about the chronically homeless population, one of the things I have some questions about and I want to know a little more on, I know the federal government has its definition and if we have a separate definition for the chronically homeless which is on the federal level I believe a year and then maybe repeated years after that. What I want to drill down on would be really the number of those individuals who are our non-working homeless population. I'm very concerned if indeed there is an opportunity to house them, how do we keep them in a unit of some sort where they potentially cannot afford. The other piece is, we haven't even talked about the jail situation and I didn't see any of that in these numbers, the numbers that are actually residing in the jail. There is a PDF I know that already exists about the numbers that are out there and maybe we need to pull that in to some level of discretion because of the 1,904 beds at Central and 614 at North. You've got some pretty big numbers on that side and we've yet to talk about the transition of those persons. I just put that out there to try to get a little more information and determine if we included them in that number.



Councilmember Mitchell said this information is strictly City staff to have it ready for October 30<sup>th</sup>, Mayor you brought up a good point, we're having some budget discussion and I just need a refresher, one would be if we identify affordable housing units we have now by district. I think two years ago we had a breakdown by district. Secondly, how much money is available right now in the Housing Trust Fund?

Ms. Wideman said \$9 million.

Mr. Barnes said programmed and un-programmed?

Ms. Wideman said \$9 million of uncommitted.

Mr. Barnes said that access that was committed but not spent yet?

Ms. Wideman said that \$9 million in the Trust Fund because the private sector did not receive tax credits this year.

Mr. Barnes said ... an additional \$20 some million that has been programmed, but not spent.

Mr. Mitchell said John just showed me one piece of data for staff, is this current John:

Mr. Autry said it was given to us at the first workshop.

Mr. Mitchell said the third issue is we get a lot of calls from the realtor organization that there aren't enough vacant rental units so they are always asking why is the City building more units. It seems like we have not dealt with that from a positive standpoint. It would be good if we could have a conclusion about that discussion because I feel very awkward trying to defend it when they say here is our report and we've got 1,900 units available. I raised the question and said they are on the bus line and yet we hear the need for more affordable housing units to be built. How do we have that discussion so either we know there are enough units, how many units are available or what is more appropriate for our citizens. It would be great to have some direction from staff how to have that discussion.

Mr. Howard said of the things I think you ought to get a lot of credit for is when you took over you had this idea of how we could bring all of the factions in this community together that deal with social service issues on one committee. We have a number of the coalition members here today but I just wanted to point out that I think that is a push in the right direction because a lot of times what we are dealing with as a City with housing is just to me we are removing one of the barriers that it takes to become dependent and surviving on your own. I think we saw just how strong that type of partnership could be. Really in two weeks because of a desire to make sure we kept affordability on the rail line, those folks stepped up in a big way and we should thank them for that. That shows me that is the formula that we should have going forward. I really hope they continue to try to figure out they could take and leverage the county resources and the city's resources along with ... and the faith community because that is the only way we are going to get to it. I started trying to divide up those categories I mentioned earlier and you would have the chronically homeless, you have ... you have people who just don't make enough income and then you have that category I like to call how you prevent them from sliding back. With the chronically homeless you have mental issues, you have employment issues, you have health issues, taking care of just one issue is not enough. Putting them under the roof is not enough if you don't deal with those other issues. ... that is where your safety net is, the most important and a lot of times that is where the Housing Authority and some other folks come in to make sure we are taking care of it. I don't want us to forget how important what we do every day with economic development is because one of the best remedies to all of this is a job. The more we can make sure that we have jobs at all levels and all of this plays into the solution. Of course with the prevention, if we could stabilize people from sliding backwards, we've stabilized schools and a whole bunch of other things, but I just want to make sure those are the types of ways that we should divide this up so we make sure we are dealing with each one of these. Where you place them becomes just a matter of us deciding that. We've got to deal with this holistically is my point and I think we have the structure in place so I wanted to thank them and encourage us to continue to support what they are doing.

Mayor Foxx said let me just repeat sort of what I just heard over the last couple hours. One is the issue of adding people to the coalition. We really didn't get into talking through that, but I think it is a good idea. Did you all talk numbers?

Ms. Kinsey said we started at 2 but maybe some neighborhoods that have experienced.

Mayor Foxx said I think there is added wisdom in the conversation so the question I have about that one is how do we do that because we actually created the coalition in joint work with the County so does the County have to agree to do that too or can we just do it?

Mr. Howard said should we refer it to staff?

Mayor Foxx said maybe staff can give us an idea of how to accomplish that goal. With the exemptions, ask for some options in between what we have and eliminating, obviously we can eliminate it at any time but at least give us some mental position perhaps to see whether there is a way to work through that one. You've got these five strategies to take a look at and I know it is a relatively compressed timeframe, but we are trying to figure this out before Curt goes off to wherever he is going to go. Your help on that would be great. There has also been some requests for information. I think Mr. Mitchell has made some and Mr. Barnes has some that are pending and there are others, so getting that turned around would be helpful.

Ms. Kinsey said another thing we discussed and I mentioned in my report and maybe would like to have it discussed further and that is the concern about a member of the Housing Coalition seeking funds from the Housing Trust Fund. I think, while technically may not be a conflict of interest, but it doesn't smell exactly right. I think we ought to at least talk about that.

Mayor Foxx said as I understand that one, we have conflicts of rules currently, some kind of ethical code that applies not only to us, but to folks who serve on boards, so is the question do we need a step up beyond that or that is not being enforced or what?

Ms. Kinsey said I don't know that it is technically even a conflict is what I'm saying, but I work only a few hours now and then for Pease. I don't own the company, I don't get any money from any contract they have with the City but I always recuse myself because I don't want it to even look funny. I'm just saying that probably shouldn't happen.

Mr. Barnes said I think I asked Bob for a legal opinion on that because what happened is one of the board members got money ... recuse him or herself from the vote on the project but got money to do the project. I think that raised some issues of concern for members of the committee and I think it is permissible, but we don't like it so we want to figure out how to address it.

Mayor Foxx said I would like to get some factual detail on that because I don't know what you are talking about. I think if you want to find a way to deal with it. Does the code of ethics apply to Boards?

**City Manager, Bob Hagemann** said you have a code of ethics that you adopted a couple years ago that applies to the City Council mandated by state law. The only code of ethics you placed on the Boards and Commission, I will make this observation, that code is focused on issue conflict. In other words is matter is before the Board and there is a conflict it directs recusal. I see that as a separate issue and which I think is being suggested, which is a broad disqualification from even being on the committee or commission. Certainly you can choose not to put certain people on a committee, but the ethics code doesn't preclude them from serving. It precludes them from voting on a matter where they have a conflict.

Mayor Foxx said it strikes me that if folks want to spend time delving into that maybe that is something a committee could take a look at. I think we ought to be cautious about that because whatever rules get created for a board one has to assume they will eventually get thrown back on us. For instance if someone works for a power company and the city buys power from that company how thin do you slice that onion, even for ourselves.

Ms. Kinsey said I'm not suggesting that we should say that a person should not serve, I'm saying and this has happened in the County when I was on the County Commission, a developer served on the committee but he knew he was not eligible to get contracts from the County. All I am saying is if somebody is serving the understanding should be that as long as they were serving on the committee they would not be eligible to seek funding. That is all I'm saying and I'm not saying they should not serve, just with the understanding, don't go ask for money from a committee on which you serve.

Mayor Foxx said that is something maybe we just ask for some guidance from the City Attorney and maybe we come back to it. One other thing I wanted to throw into the mix is in the spirit of collaboration and open communication and synergy is an idea of asking one of our staff members to serve as an ex officio member of the Housing Authority which could help us create continuity. I'm throwing that out there as an idea. We would have to adopt a resolution to change the framing of the Housing Authority to do that but it strikes me because they get \$72 million per year, they are so critical to the housing issue that it might be helpful to them and to us to have one of our staff people in there as an ex officio member, a non-voting member, but someone who is present so I'm going to throw that out as an idea and ask for your input on that.

Mr. Mitchell said I'm not feeling that.

Mr. Barnes said oddly enough, I think it is fine.

Mr. Mitchell said my only reservation is because I don't want to put staff in a unique position. Maybe if I hear more about what staff feels. It is almost like we try to put a staff member on the CRVA Board and I think we nominated Curt at one time and I guess I'm just positive about putting staff in that predicament because they are close to us and \$72 million offer comes over and you've staff to say well I got to wear a different hat.

Mayor Foxx said maybe getting some information about how that might work will help. That is a longer term and the other issues around funding are much more urgent in term of prioritization.

Ms. Fallon said we are six years into the homeless thing. How much money have we spent and how many people have we placed in homes. Can I get that?

Mr. Walton said do you mean with City funding or as whole?

Ms. Fallon said the whole thing.

Mayor Foxx said because of scheduling problems the last budget retreat has been moved to the 26<sup>th</sup> of November. The same day as the Council meeting so you will be around.

The meeting was adjourned at 2:08 p.m.

  
Ashleigh Price, Deputy City Clerk

Length of meeting: 1 Hour, 56 Minutes  
Minutes Completed: October 30, 2012