



Charlotte City Council
Housing, Safety & Community Committee
Meeting Summary for August 14, 2024

COMMITTEE AGENDA TOPICS

1. Policy Referral - Affordable Housing Funding Policy (Action)

COMMITTEE INFORMATION

Committee Members Present: Victoria Watlington (CMGC), LaWana Mayfield (CMGC), Dimple Ajmera (virtual), Renee' Johnson (virtual)

Committee Members Absent: Tiawana Brown

Other Council Members Present: Ed Driggs (virtual)

Staff Resources: Shawn Heath, City Manager's Office
Rebecca Hefner, Housing & Neighborhood Services
Warren Wooten, Housing & Neighborhood Services
Alyson Craig, Planning, Design and Development

Meeting Duration: 4:00 – 5:30 PM

Video and Transcript: City Council Committee Meetings and their transcripts can be viewed together on the City of Charlotte's YouTube channel at www.youtube.com/user/CharlotteGOVchannel (August 14, 2024 meeting: www.youtube.com/watch?v=d546EgEYmA0)

MEETING MATERIALS

Copies of all meeting materials are online at <https://charlottenc.legistar.com>

1. Presentation: Policy Referral: Affordable Housing Funding Policy

DISCUSSION HIGHLIGHTS

City Council member Watlington called the meeting to order and asked everyone to introduce themselves.

Policy Referral - Affordable Housing Funding Policy

Council member Watlington introduced the policy referral and explained that a subcommittee consisting of Council members Watlington, Mayfield and Driggs began working with staff over the summer to develop an initial policy recommendation to help advance the work.

Council member Driggs shared that the policy recommendation represents the city becoming more disciplined about the allocation of bond funds, and he believes this is an important step and points in the right direction. He shared that the proposed innovation pilot fund provides an opportunity to be nimble, by supporting novel ideas that might be repeatable or add a new tool to the city's toolkit. He shared that he hopes that the Council will appreciate all the thought that went into creating the recommendations, and he would like to see the Committee and Council move ahead with a plan like this.

Council member Mayfield thanked staff and Council members Watlington and Driggs for their commitment to this work and the very robust process undertaken to arrive at the draft recommendation. She shared that she believes that the investment categories that have been identified provide flexibility to address the needs of the community while being nimble.

Rebecca Hefner summarized the policy referral and walked the Committee through the proposed draft housing funding policy recommendation developed by the Council subcommittee, including housing goals and outcomes, investment priorities, and investment categories and proposed allocations for each category. She explained that the referral arose from the \$100 million affordable housing bond proposed in the city's FY 2025 adopted budget. In the past, the city's housing investments have been focused primarily on unit production - the proposed policy recommendation shifts this to a more holistic focus including a focus on resident outcomes and also including an investment in evaluation and outcomes, significant increase in homeownership, new anti-displacement programs, a requirement that proposals link housing and resident services with an emphasis on workforce development and economic mobility, and a focus on partnerships and innovative delivery models. Applications for the proposed innovation pilot fund would come through the city's standard request for proposal process. The recommendation includes investing in activities that measure outcomes to help understand the city's return on investment – this would entail things like identifying data collection needs, updating developer agreements, and partnering with organizations like the Charlotte Regional Data Trust. The proposed draft also includes a recommendation for the development of a prioritization policy for priority populations that would be a companion to the funding policy, if it is the will of the Council to do so.

The proposed draft policy goals include economic mobility, neighborhood affordability, and resident stability. Ms. Hefner shared example outcomes for each of the goal categories and walked the Committee through five proposed draft bond investment priorities: priority populations, location priorities, resident services, partnerships and leverage, and innovation. Draft investment categories and proposed allocations for each were also shared.

The draft recommendations align with community input received through previous planning processes including the affordable housing goals identified through the city's 2040 Comprehensive Plan process, feedback from the anti-displacement community workshop and the budget process, and NEST Commission recommendations. Many elements of the proposed recommendations were also a part of the People's Budget Coalition proposal. Additionally, a survey will be deployed for additional community feedback.

Ms. Hefner explained that the NEST Commission recommended \$25 million in the bond for anti-displacement initiatives, and that this is represented throughout the recommended investment categories and allocations. She also explained that the \$100 million housing bond does not represent the city's full investment in housing – other sources include local PAYGO dollars and federal allocations.

Warren Wooten shared an overview of the portfolio monitoring that occurs over the course of the city's investment and required affordability terms.

Highlights of what City Council members shared included:

- Consider including youth aging out of foster care as a priority population.
- Enthusiasm expressed for connecting housing investments to resident workforce development and economic mobility.
- Consider including a goal for the number of units created.
- Interest in supporting affordable multi-family developments that are already built/under construction.
- Measuring and reporting outcomes across the investment portfolio is important.
- The definition of a Qualified Census Tract does not appear to be the areas where we want developers to build – instead, we should incentivize developers to build in areas with better schools, more amenities, etc. Incentivizing homeowners in those areas makes sense, but taking the opposite approach with developers in those areas if we are really looking to diversify where affordable housing is located.
- Be careful not to concentrate affordable housing in parts of the city, while providing housing options.
- Consider including access to highly rated schools as part of the location score tool - it is an important factor for families when choosing where to live.
- Add an assessment of existing affordable housing stock in the location priorities, to help avoid concentrations.
- When it comes to location, there are difficult tradeoffs in where units are built, the cost per unit, how many units can be created, etc. - if we try to enumerate priorities about location, we also need to be mindful of the implications.
- When it comes to recommended allocations, the proposed allocation amounts are appropriate and reflect the city's current priorities, but they're also very much subject to things like absorption and the capacity for transactions in each category. As such, retaining flexibility to revisit the allocation schedule as needed is important.
- Regarding resident services and workforce development, a lot of the people that we're intending to help with affordable housing investments are in fields like nursing, teaching, and law enforcement. These fields happen to be very important but unfortunately underpaid. Employees in these fields are good at what they do and won't necessarily need supportive/workforce development services.
- It would be beneficial to engage Mecklenburg County in supportive services for households with extremely low income.
- Consider how to engage and incentivize homeowners in higher income areas to provide their existing ADUs as affordable housing.
- Support expressed for affordable ADU development
- Leveraging bond funds should not always mean building new units.

The Committee will continue discussing the policy referral at its next meeting.

Next Meeting

The next meeting will occur on September 3, 2024.

Meeting adjourned at approximately 5:30 pm.