

Charlotte City Council Housing, Safety & Community Committee Meeting Summary for March 3, 2025

COMMITTEE AGENDA TOPICS

- 1. Brookhill Village Update
- 2. Policy Referral Minimum Housing Code

COMMITTEE INFORMATION

Committee Members Present: Victoria Watlington (CMGC), LaWana Mayfield (CMGC), Dimple Ajmera (CMGC), Tiawana

Brown (CMGC)

Committee Members Absent: Renee' Johnson

Other Council Members Present: Malcom Graham

Guests: Antoine Dennard, Quore Advisors

Mike Griffin, Griffin Brothers

Staff Resources: Shawn Heath, City Manager's Office

Rebecca Hefner, Housing & Neighborhood Services Jerry Green, Housing & Neighborhood Services

Anna Schleunes, City Attorney's Office

Meeting Duration: 4:00 – 5:30 PM

DISCUSSION HIGHLIGHTS

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

Brookhill Village Update

Council member Watlington invited Antoinne Dennard with Quore Advisors and Mike Griffin with Griffin Brothers to provide a brief update on Brooklyn Village. They shared that they are on the cusp of redeveloping the property. There are currently 89 fully renovated units at Brookhill, and the remainder have been demolished. The Harvest Center is moving its headquarters to the site and is assisting legacy families in the community. Mssrs. Dennard and Griffin shared that they hope to activate the site with temporary pop-up uses this year to help change the unfair perception of the community – they are exploring farmers markets, food trucks, and other uses. They shared that long-term goals include creating an overlay to the rezoning and planning of Brookhill village, which they are working on with staff.

Policy Referral - Minimum Housing Code

Rebecca Hefner reviewed the policy referral to consider potential policy considerations that may be needed to strengthen the city's ability to ensure safe housing for residents of lodging establishments (hotels/motels) and multi-family dwellings (apartment communities), as well as the referral timeline. She reviewed stakeholder insights from conversations with ActionNC, the Redress Movement, OneMeck, and the Greater Charlotte Apartment Association, as well as insights from the community including resident testimonials collected by ActionNC. She emphasized that there are opportunities to strengthen the ecosystem of partnerships and services to address issues more proactively and holistically, and that City Council's expanded investment in affordable housing and anti-displacement strategies creates capacity and opportunity for stronger enforcement action.

Jerry Green reviewed the themes shared by advocacy, industry and ecosystem partners, and from resident testimonials. He shared enforcement related updates that are already in process or otherwise completed, including strengthening partnerships and developing mechanisms for regular feedback/engagement, updating the parameters for enhanced multi-family inspections, data and process fixes, and establishing a better process for early identification of challenges with income-restricted properties.

Staff recommendations include 1. in rem process and injunctive relief, 2. providing funding for a legal assistance pilot for mold testing, 3. further evaluation of an air conditioning requirement, and 4. leveraging current efforts and funding to enhance the partnership ecosystem.

Ms. Hefner reviewed opportunities to strengthen the partnership ecosystem, leverage current efforts and funding, and future state policy issues. She reminded the Committee that when in rem orders are activated – including proposed in rem repairs – the

city places liens on the property for incurred expenses. She explained that the mold testing pilot was a recommendation from housing advocates. Staff is not recommending that it be added to the ordinance, however, if the Committee chooses to approve the pilot, staff will follow the standard procurement process to solicit proposals from vendors, and the selected vendor will help create the pilot. The testing would be exclusively for the legal aid civil case and would have no bearing on the code enforcement case, nor would the city take any kind of stand about the standards and the evaluation of the test since there are no established regulations or guidelines that we can point to (federal, state, local). The city will continue to enforce conditions that create mold, provide relocation assistance for mold when there is a health situation, and require remediation of those things that are part of the code enforcement ordinance. Ms. Hefner explained that the Committee can direct staff to further evaluate an air conditioning requirement including evaluating the scope and scale (e.g., units that do not already have cooling units), engaging single-family stakeholders, considering impacts, exploring alignment with SEAP goals, identifying who partners might be and if other funding opportunities exist, etc. If the Committee chooses to direct staff to do this, a recommendation can be brought back to the Committee at a future time after staff completes an evaluation.

Anna Schleunes shared that there is nothing in the enabling legislation that addresses expenses incurred by municipalities for providing assistance to tenants during displacement events. Even if the city were to bill owners for incurred expenses, there is no guaranty that the city would have strong recourse through the court system. Legislation at the state level would help make the city's position stronger.

Highlights of what City Council members shared:

- The city needs to hold property owners accountable for expenses incurred by the city for tenant supportive services in displacement events.
- Requested data on city expenses for recent displacement events.
- Request that draft language be developed to advocate for strengthening and clarifying local enforcement authority to recover these types of displacement expenses, to help advance to the BGIR Committee for legislative advocacy consideration.
- Noted that data and transparency about the funds available to enhance code-related relocation assistance is important, particularly as the city and county are facing budget shortfalls.
- Expressed support for posting a list of locations and owners with frequent violations.
- Support for connecting affordable housing prioritization and unit set-asides to the relocation process.
- There needs to be a clear line of financial accountability if the city is asked to fund rehabilitation of a development for which we have incurred displacement expenses or that has otherwise had significant minimum housing code challenges.
- This is the time to be more courageous in our language and expectations.
- Believe that in rem repair will help provide safe housing to residents and ensure taxpayer dollars are being used wisely.
- Expressed interest in learning how Crisis Assistance Ministry allocates funds to households to create transparency on how Crisis serves people and particularly in circumstances when households are told that there are no remaining funds.
- Willingness to entertain a future recommendation for air conditioning, including what is the minimum SEER requirement, evaluation of mini-splits, what the electrification journey is and impact on home energy management systems, and how it supports SEAP goals.
- Cooling systems can have a positive impact on resident health, and at the same time we need to be very thoughtful and also understand the potential impacts that a requirement to install cooling systems could have on affordability.
- Keep in mind the important of workforce development opportunities for households, to allow those households to have greater housing choices in the future.
- Concern about legal aid mold testing pilot including taking funding away from other uses at this time.

MOTION AND VOTE. Council member Ajmera made a motion to direct staff to advance new processes for injunctive relief and inrem repair including procurement for in-rem services, and bring in-rem repair orders forward for Council action. The motion was seconded by Council member Watlington. The vote was unanimous in favor of the motion (Council member Johnson absent).

Next Meeting

The next meeting will occur on April 7, 2025. Meeting adjourned at approximately 5:30 pm.

MEETING MATERIALS

All meeting materials are available online at the <u>Charlotte Legistar Site</u>. City Council Committee meeting videos and transcripts can be viewed on the <u>City of Charlotte's YouTube channel</u> (*February 3, 2025 meeting link:* https://youtu.be/Ps2-YrzQ-V0?t=21766).



Policy Referral: Minimum Housing Code

HOUSING, SAFETY AND COMMUNITY COMMITTEE

MARCH 3, 2025

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Minimum Housing Code Referral

Council Priority Alignment

Great Neighborhoods; Safe Communities

Purpose

Provide stakeholder insights and staff recommendations related to policy referral

Key Takeaways

Committee may take action today to move recommendations forward to full Council, or direct staff to return to Committee at a future meeting

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Minimum Housing Code Referral

Previous Council Communication

- November 2024: Mayor refers item to Committee
- ¬January 6, 2025: Committee presentation
- ¬February 3, 2025: Committee presentation

Future Council Action

- ¬April 7, 2025: HSC Committee, if needed
- April/May 2025: City Council update and discussion, action as needed

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Referral Summary

⊲Policy Question

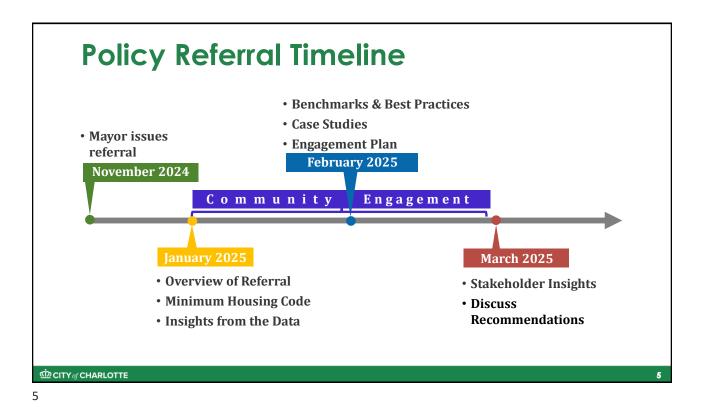
• What potential policy considerations may be needed to strengthen the city's ability to ensure safe housing for residents of lodging establishments (e.g., hotel/motel) and multi-family dwellings (e.g., apartment community)?

⊲Committee Charge

- Review the city's Minimum Housing Code
- Review existing enforcement tools and the applicable legal framework
- Review enforcement tools used by other large North Carolina cities
- Determine if any applicable ordinance changes and/or policy recommendations are needed

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Stakeholder Insights

- 1. Challenges are with a limited number of properties/owners in the overall system keys are willingness to partner, strength of property management, and financial capacity
- 2. Mechanism is needed to act more quickly to remedy imminently dangerous violations
- Additional categorization of violations (by impact on resident) can guide decision-making and create more standard processes
- Minimum standards of fitness are generally sufficient evaluate requirement for operable air conditioning equipment
- 5. Opportunities exist to strengthen the ecosystem of partnerships and services to address issues more proactively and more holistically
- 6. Opportunities exist to leverage compliance-gaining research and behavioral insights in addition to enforcement tools and processes
- City Council's expanded investment in affordable housing and anti-displacement strategies
 creates capacity and opportunity for stronger code enforcement action

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Community Input Themes

Advocate recommendations:

- · Require air conditioning equipment
- · Provide resources for mold testing
- · Edit ordinance language around placard requirements
- Pair rental subsidies with relocation support
- · Various process recommendations

¬ Industry partners:

- · Strengthen enforcement for non-compliant owners without penalizing owners acting in good faith
- · Ensure occupant responsibilities are met
- Require resident notification of maintenance needs to property management/property owner
- · Mitigate cost impact of additional requirements (shows up in utility and rent)

Ecosystem partners:

- · Significant safety and health impacts to residents
- Financial burden of displacement and relocation (including higher rents)
- · Strain on the system of mass displacement vs working with households on relocation as need arises

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Community Input Themes

Resident Testimonials

- Deplorable conditions, understaffed/rotating property management, safety hazards and security concerns
- Fear of speaking up, not calling because they don't see improvement
- Language access is critical
- Time is a unseen barrier
- Good communication from code staff but need stronger/swifter enforcement
- Significant impacts of displacement stress, health, financial, transportation, disruption in jobs and schools
- Resources needed: Temporary relocation during repairs, emergency funds, help securing jobs and housing, credit repair, eviction debt

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General Updates – In Process/Completed

- Strengthen partnerships, develop mechanism for feedback and schedule regular engagement
- Update parameters for Enhanced Multi-Family Inspections
- ¬Data and process fixes
- Establish better process for early identification of challenges with income-restricted properties (e.g., Housing Trust Fund, LIHTC developments, INLIVIAN properties)

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Recommendations

- ¬In-Rem Process and Injunctive Relief
- **⊲Ordinance Language**
- ¬Partnerships to Strengthen the Ecosystem
- ¬Future State Policy Issues

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In-Rem Process and Injunctive Relief

Advance process to complete in-rem repairs

- Procure for services including project management, general contracting and repair work, and tenant relocation services
- Bring in-rem repair orders forward for council action
- Sec. 11-37 authorizes remedial action for imminently dangerous violations related to heating and plumbing

City Attorney's Office will take an enhanced role in the code enforcement process

 Representation in Environmental Court, notification of pending actions, and injunctive relief determination/action

Recommended Action: Direct staff to advance new processes for in-rem repair and injunctive relief.

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Code Enforcement Actions

Enforcement Action: In Rem Repair How It Works Challenges Brings the property into compliance Before work can begin, the often-lengthy housing code process (including any owner appeals) with the minimum housing code. must be completed. addressing safety and habitability Potentially lengthy temporary housing must be provided for displaced occupants, incurring issues additional costs. Ensures a safe and sanitary living Storing occupants' personal belongings during repairs adds logistical and financial burdens. environment for current occupants. City assumes costs associated with testing for hazardous materials (asbestos, lead paint) and any necessary abatement. Eliminates code violations, improving neighborhood No legal recourse for tenants who refuse access to their units. And tenants do not have to pay conditions. rent after final order to repair. Can create a no-win cycle/situation. The city places a lien on the property After repairs are made, no mechanism to prevent displacement - owner can give notice of nonfor the cost of repairs. renewal, raise rents, and/or evict. Tenants may still be dissatisfied with living conditions. To recoup the costs, city must foreclose on the property within ten years or wait for a sale with no guarantee that the sale price will cover the lien amount. Foreclosure is resource intensive to pursue. Action requires a foreclosure attorney. Does not guarantee that the property will come under city control or that the ultimate buyer will be a responsible property owner. Displacement Impact: Medium/High

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Ordinance Language

Mold testing

- Currently, the ordinance addresses conditions that create mold (e.g., leaks, ventilation, unsanitary conditions)
- There are no established guidelines that regulate or identify when mold becomes a health issue, but any active mold growth is deemed an inhalation irritant
- Mecklenburg County Environmental Health and Centers for Disease Control both recommend immediate remediation, but do not recommend air testing
- Continue to address conditions that create mold and continue referral for relocation when resident provides documentation of health impacts

Recommended Action: No ordinance changes. Provide funding for a legal assistance pilot for mold testing.

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Ordinance Language

Require air conditioning equipment

- Currently the ordinance requires that *when* cooling facilities are provided, they shall be safely operable and maintained, but does not require air conditioning equipment
- Aligns with Strategic Energy Action Plan (urban heat impacts)
- Need to quantify potential scope and impact and engage single-family stakeholders
- Pair with weatherization upgrades
- Identify funding and partnership support

Recommended Action: No ordinance changes. Further evaluation of air conditioning requirement.

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Strengthen the Partnership Ecosystem

- Fund a legal assistance pilot for mold testing
- Conduct tenant screening for automated resource/referral at initial intake (311 call) and/or first inspection
- Education and awareness campaign, including update and distribution of 'When You Rent' Handbook
- Post list of locations and owners with frequent violations
- Support neighborhood organizations/resident councils in apartment communities and connect with city resources (e.g., neighborhood trainings and grant opportunities)
- Connect affordable housing prioritization and unit set-asides to the relocation process
- Work with partners to share inspection and enforcement information
- Develop new financing tools for multi-family rehab loans

Recommended Action: Leverage current efforts and funding to enhance the partnership ecosystem.

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Leverage Current Efforts and Funding

- There are sufficient resources in place currently to advance in-rem repair process and support partnership ecosystem
- Prioritize code enforcement staff resources
 - May need to shift capacity to housing code enforcement and adjust response to low impact nuisance violations
- Relocation/Displacement
 - Leverage displacement event funding and partnerships to enhance code-related relocation assistance
- No additional rental subsidies in this approach
 - The city's primary funding source (affordable housing bonds) cannot be used for rental subsides, would require new funding
 - Rental subsidies in the community are very limited
 - Connect the relocation process to current efforts existing rental subsidies (including NOAH rental subsidies), upstream rental assistance, and housing prioritization/unit set-asides (affordable housing funding policy)

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Future State Policy Issues

- Explore opportunities to strengthen and clarify local enforcement authority in partnership with NC League of Municipalities, other NC cities, and other stakeholders:
 - Declare minimum housing code violation civil penalties an automatic lien on the property
 - Clarify that cities have a possessory interest in the property to effectuate repairs
 - Changes to receivership statute

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Summary of Recommendations

- Direct staff to advance new processes for in-rem repair and injunctive relief
- ¬No ordinance revisions at this time
 - Advance pilot for mold testing
 - Further evaluation of air conditioning requirement
- Leverage current funding and efforts to enhance the partnership ecosystem
- Direct City Attorney's Office to continue evaluation of future state policy issues

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Next Steps

- Committee and Council discussion and action
- Activate Council policy direction
 - Procurement for in-rem services and other partnership contracts
 - Bring in-rem repair orders forward for council action
- Advance additional evaluation as needed
- Evaluate outcomes and provide updates to council on progress as needed

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