

# NEST Commission Initial Recommendations

City Council Action Review  
October 23, 2023

1

## Today's Discussion

- ◀ NEST Commission
  - Commission Charge
  - Membership
  - Timeline / Key Milestones
- ◀ City-wide Anti-Displacement Strategy
- ◀ Initial Programmatic and Funding Recommendations

2

# NEST Commission

## Commission Charge:

The Charlotte Neighborhood Equity and Stabilization Commission is established for a 3-year period beginning in 2022 and is charged with reviewing and recommending specific anti-displacement strategies and tools for protecting residents of moderate to high vulnerability of displacement.

# NEST Commission Members

Kim Graham (Co-Chair)	Justin Harlow (Co-Chair)	Angela Ambrose (Work Stream Lead)
Nadia Anderson	Melissa Gaston	Mitch Gibson
Monique Humphries	Tonya Jameson	Roma Johnson
Marta Tataje	Vicki Jones	Kimberly Timmons-Hampton
Eric Lewis	Deon Smith	Eric Lemieux



# NEST Commission Key Milestones



## Anti-Displacement Strategy

# Anti-Displacement Strategy

- ◀ **NEST Commission, city staff, and consultant (HR&A Advisors)**
- ◀ **Created with stakeholder and community input including NEST Commission engagement**
- ◀ **Analyzed the city's current approach, synthesized activities and information, identified gaps, and prioritized recommendations based on impact and effort**
- ◀ **Builds upon the Housing Charlotte Framework, Council policies and priorities, and inclusive of recommendations from 2040 Comp Plan, Silver Line TOD Study, and NEST Commission**
- ◀ **Organized into an actionable anti-displacement strategy with specific objectives and measurable goals**

# Strategy allows the city to...

- ◀ **Accelerate**
  - Respond more quickly and move faster
- ◀ **Scale**
  - From Staying in Place pilot program in three neighborhoods to how we do business/provide service across the city
- ◀ **Pivot**
  - Identify and fill in gaps
  - Move with market shifts
- ◀ **Tailor**
  - Household – right tool, right time
  - Neighborhood – right tools, right place, right time

## Anti-Displacement Strategy supports FOUR GOALS

### GOAL 1

#### SUPPORT RESIDENTS

Enhance housing stability at both the household and neighborhood levels

### GOAL 2

#### STRENGTHEN COMMUNITIES

Preserve social capital and help communities advocate and plan for future needs

### GOAL 3

#### FOSTER INCLUSIVITY

Build trust and transparency; ensure diverse participation in decision-making about displacement

### GOAL 4

#### EMPOWER BUSINESSES

Retain legacy businesses and support local entrepreneurship

*Strategies to be developed through future planning efforts*

## Success will be measured based on advancing the goals across a range of quantifiable and qualitative factors

### Residents, Units, Services:

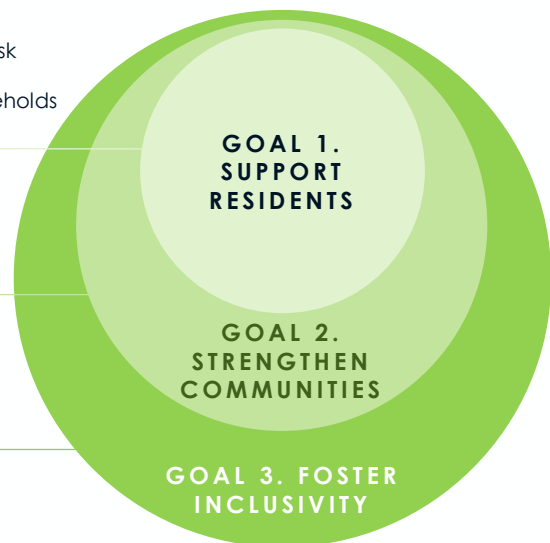
- Increase the number of deed-restricted units in high-risk neighborhoods
- Increase homeownership for moderate-income households
- Increase access to services to build stability

### Resources for Communities:

- Use Community Area Plans to identify local anti-displacement needs
- Connect to resources to implement priorities

### Engagement and Governance:

- Increase trust and participation of vulnerable populations and diverse voices in the City's decision-making about anti-displacement



# Advancing the Strategy: Anti-Displacement Activities in Progress

## GOAL 1 SUPPORT RESIDENTS

- Enhance resident stability through 'A Home for All' partnership: **\$3.8 million investment** in emergency rental assistance, legal services for eviction prevention, housing rehabilitation and landlord recruitment/retention
- Launch tax relief grants in partnership with Mecklenburg County (prior NEST recommendation) - **\$4.2 million investment**

## GOAL 2 STRENGTHEN COMMUNITIES

- Conduct tailored **anti-displacement planning** with neighborhoods (e.g., Neighborhood Board Retreat)
- Create a **community toolkit of resources** and work with neighborhoods to address community-defined priorities
- Advance **neighborhood overlay district** pilot
- Incorporate anti-displacement lens into **Community Area Planning** workshops

## GOAL 3 FOSTER INCLUSIVITY

- Launch **online resource hub** for residents facing displacement pressure
- Create **multi-lingual materials for engagement** and ensure the availability of interpretation services

# NEST Commission: Specific Programmatic and Funding Recommendations

# Advancing the Strategy: NEST Commission Initial Recommendations

## GOAL 1 SUPPORT RESIDENTS

1. Revive and expand the **Acquisition, Rehab, Resale** program
2. Expand the **House Charlotte Plus** homeownership assistance program
3. Fund **small landlord investments** in unit rehab and other supports
4. Fund rehab/preservation of **small NOAH communities**
5. Expand the **Accessory Dwelling Unit (ADU)** pilot program
6. Increase access to services that promote resident stability and mobility through **resource/referral services** and community partnerships
7. **Reduce barriers to programs and information** through neighborhood organizing, neighborhood resilience hubs, and targeted outreach and communications

## GOAL 2 STRENGTHEN COMMUNITIES

8. Establish a pilot program to increase capacity for **innovative shared ownership models**

## GOAL 3 FOSTER INCLUSIVITY

9. Explore options and best practices for a dedicated and **sustainable funding source** to support and advance anti-displacement programs and activities

# Programmatic Investment Unit Costs

<b>Acquisition, Rehab, Resale (ARR)</b> 15 units per \$1 million \$67,000 each	<b>House Charlotte Plus</b> 12 units per \$1 million \$80,000 each	<b>Accessory Dwelling Units (ADUs)</b> 10 ADUs/15 units per \$1 million \$70,000 each	<b>Legend</b>  <div>Previous pilot initiative</div> <div>Current pilot initiative - Staying in Place</div> <div>New program/ initiative</div>
<b>Rehab/preserve small NOAH Communities (10-50 units)</b> 33 units per \$1 million \$30,000 each	<b>Small Landlord Investments</b> 20 units per \$1 million \$50,000 each	<b>Reduce Barriers to Programs and Information</b> \$100,000 each for 3 years	
<b>Resource/Referral Services</b> \$80,000 each per year +	<b>Innovative Shared Ownership Pilot</b> \$250,000 in technical assistance	<b>Anti-Displacement Funding</b> Explore options	

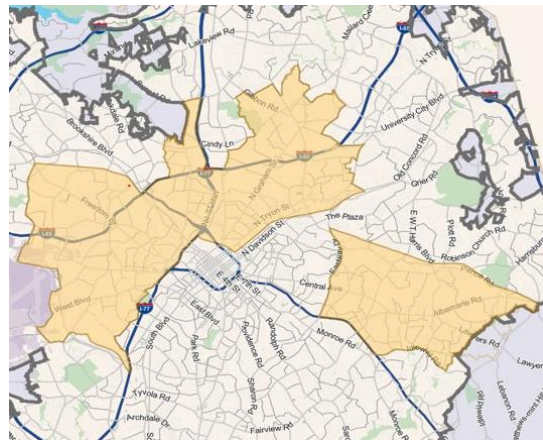
## Acquisition, Rehabilitation & Re-sell

- ◀ Authorized by Council in 2021 with a \$1.5 million investment
- ◀ Funding is used to acquire the unit, complete rehab and subsidize cost to the buyer
- ◀ Creates available affordable stock for low- and moderate-income homeowners (investors may not purchase)
- ◀ Sales proceeds are recycled back into the program
- ◀ 20 units purchased with average subsidy at that time of \$30,000



## House Charlotte Plus – Pilot Launched

- ◀ Up to \$80,000 in down payment assistance available in Corridors of Opportunity
- ◀ May be combined with other down payment programs
- ◀ Funding is provided in the form of a deferred forgivable loan for buyers below 80% of AMI and meet other qualifications
- ◀ Pilot program funding of \$1,560,000 dollars supported homeownership for 27 households and was fully committed within 3 months





## Accessory Dwelling Units (ADUs)

### Homeowner Model

- Eligibility: Homeowners up to 80% AMI (*up to 110% AMI?*)
- Fund 100% construction cost for homeowners
- Owner receives income stream
- 15-year affordability restriction at various AMI levels for the ADU
- Property management included for homeowner model, includes taxes, insurance, and maintenance reserves
- Program recovers 50% of cost over time, recycles back into program

### Investor-Owner Model

- Fund 40% of construction cost for local investors/developers
- 15-year affordability restriction at various AMI levels for both primary and accessory unit

### Making it Easy

- ADU Program Guide
- Streamlined Application/Permit Process
- Pre-Approved/Buildable Plans – Mix of Sizes, Styles and Construction Types
- Map-based User Tool (potential for ADU on a site)
- Outreach and Promotion



17

17

## Small Landlord Investments and Rehab/Preserve Small NOAH Communities

- ◀ **Investor-owned properties currently eligible for city rehab programs with 15-year affordability restriction**
- ◀ **Small landlords and developers want to be able to compete for city investment**
  - Through Housing Trust Fund Tune-up, NOAH eligibility has been expanded to include communities 10-49 units
- ◀ **Gap in training/education, capital and capacity for community-focused real estate development**
  - E.g., [Jumpstart Germantown](#) – provides training, mentoring, networking and loans to local, aspiring developers

18

18

# Reduce Barriers to Programs and Information

## ◀Community Organizing Training

- Train city staff, neighborhood leaders, residents and other community stakeholders on community organizing basics – together
- Final session includes canvassing the Staying in Place neighborhoods to share anti-displacement resources

## ◀Neighborhood Info Networks

- Community-led approach to distributing information and creating two-way communication with city and county
- Neighborhoods will create a plan to activate/mobilize quickly in threats/emergencies (e.g., displacement events)

## ◀Resiliency Hubs

- Neighborhood-based spaces that bring together resources that help residents achieve stability and support

# Resource / Referral Services

## Community Health Workers



# Innovative Shared Ownership Pilot

## ◀ Design a pilot to increase community capacity to advance innovative shared ownership models

- Identify groups interested in establishing models such as residential cooperatives, community investment trusts, and community land trusts
- Dedicate \$250,000 in technical assistance to community and nonprofit partners interested in exploring shared ownership models
- Support acquisition of residential property by providing funding, identifying publicly-owned land, or helping to connect partners with property owners interested in selling property

# Anti-Displacement Funding

## ◀ Explore best practices to advance Objective 3.3 of the Anti-Displacement Strategy: **Dedicated funding to meet anti-displacement goals**

- Recommend an **annual operating budget** for anti-displacement programming
- Evaluate **potential local funding sources** that can meet funding needs – new funding and allocation of existing
- **Modeling the impact** of various anti-displacement strategies at a neighborhood level (partnership with Knight Foundation and Neighborhood Investment Advisory Committee)

## ◀ Deliver recommendation to Housing, Safety, Community Committee in advance of the FY 2025 budget cycle

## Next Steps

- ◀ Council will vote on the NEST recommendations at the November 13th business meeting
- ◀ NEST Commission will continue to meet, and advance additional recommendations
- ◀ Staff will continue to implement the Anti-Displacement Strategy

## Questions