

May 11 City Council Budget Adjustments Follow-Up Information Packet

Information Requested	Amount Requested	Page Number
Section 1: General Fund Non-Personnel Adjustments		
1. Increase Planning Commission Stipend (Egleston) <i>10 votes</i>	\$42,000	3
2. Enhance Housing and Neighborhood Services' Community Engagement Program (Watlington) <i>7 votes</i>	\$50,000	3
3. Provide Support for Workforce Development Initiatives (Home-Based Daycare) (Newton and Watlington) <i>8 votes</i>	\$75,000	4
4. Provide Funds for Charlotte-Mecklenburg Historic Landmark Commission (Egleston) <i>10 votes</i>	\$100,000	4
5. Increase TreesCharlotte Funding (Ajmera) <i>9 votes</i>	\$100,000	5
Section 2: General Fund Personnel Adjustments		
Move Second of the Two Proposed 1.5% Market Adjustments for Police from January 7, 2023 to July 2, 2022 (3% in July 2022) (Bokhari) <i>8 votes</i>	\$1,279,900	6
Section 3: General Fund Revenue Adjustments		
Eliminate Adjustments to On-street Parking Fees (Bokhari, Driggs, and Graham) <i>5 votes</i>	(\$655,000)	8
Section 4: Staffing Review Follow-Up Information		
Planning, Design, and Development Resources (MPT, Ajmera, Driggs, and Winston)	\$78,902	9
Section 5: Policy and Follow-Up Information		
1. Development Fee Strategies (Johnson)		11
2. Financial Partner Organizations Performance Objectives (Johnson)		12
3. Innovation Barn Build Out (MPT)		13
4. Promotional Process Study (Johnson)		13
5. Tree Canopy: Action Plan and Tree Assessment (Winston and Watlington)		14

Section 1: General Fund Non-Personnel Adjustments

Identified General Fund Expenditure Sources

The following two strategies are recommended by city staff to offset up to \$430,256 in recommended adjustments.

- Undesignated Balance: \$201,467 was included in the General Fund budget for potential City Council budget adjustments
- Building Maintenance Expenses: \$228,789 in new funds were added in the General Services budget to increase non-personnel funds for building services as an inflationary increase. These funds are recommended to be utilized for potential budget adjustments beyond the undesignated balance because the Proposed FY 2023 Budget also included increased resources for building maintenance expenses in the Capital Investment Plan.

The below table shows the total of the two potential sources and the total of the potential non-personnel expenditure increases:

Potential Expenditure Sources	FY 2023 Cost of Adjustment
Eliminate General Fund Undesignated Balance	(\$201,467)
Eliminate Inflationary Increase in Maintenance Expenses	(\$228,789)
Total Adjustment of General Fund Expenditure Sources	(\$430,256)
Potential Non-Personnel Expenditure Increases	FY 2023 Cost of Adjustment
Increase Planning Commission Stipend	\$42,000
Enhance Housing and Neighborhood Services' Community Engagement Program	\$50,000
Provide Support for Workforce Development Initiatives (Home-Based Daycare)	\$75,000
Provide Funds for Charlotte-Mecklenburg Historic Landmark Commission	\$100,000
Increase TreesCharlotte Funding	\$100,000
Total Potential Non-Personnel Expenditure Increases	\$367,000

1. Increase Planning Commission Stipend

Planning Commission members are paid a monthly stipend beginning in July of the fiscal year through June. At the current rate each member is paid \$125 dollars per month which equates to \$1,500 per year for service on the Planning Commission. Including all costs, the funds needed to increase the Planning Commission stipend for all members to \$375/month is \$42,000.

Description of Adjustment	FY 2023 Cost of Adjustment
Increase the Planning Commission monthly stipend to \$375/month	\$42,000

2. Enhance Housing and Neighborhood Services' Community Engagement Program

Housing and Neighborhood Services (H&NS) has identified several opportunities for expanding the Civic Leadership Academy (CLA) and other community engagement opportunities.

The Community Engagement Division has an FY 2022 personnel budget of \$2.34 million and a non-personnel budget of \$668,000. On average, it has finished the last three fiscal years with savings in its non-personnel budget of between \$60,000 and \$200,000 and is on track to do so again. This savings is largely due to impacts of COVID-19, as many of H&NS's typical community engagement activities were implemented virtually during the pandemic. H&NS's ability to explore enhanced community engagement within the department's existing FY 2023 budget will depend on the ongoing impacts of the pandemic as the department transitions back to more in-person community engagement events.

Additional community engagement activities may ultimately be able to be partially offset by the division's existing FY 2023 budget. Housing and Neighborhood Services has identified potential ideas to explore in this area should their existing budget continue to produce savings that can be leveraged in new ways and if City Council votes to also provide an additional \$50,000 for FY 2023. These ideas include:

- **Civic Leadership Academy Enhancements:** Hosting a mini-CLA for youth (implemented as part of the Mayor's Youth Employment Program), hosting a CLA for neighborhood leaders, or implementing a Spanish language delivery of CLA
- **Increase Canvassing Activities:** Collaborating with community partners to increase canvassing and other engagement
- **Creating a Resource Guide:** Designing and publishing a centralized guide to neighborhood resources
- **Creating a Community Engagement/Neighborhood Organizing Toolkit:** Designing and publishing an internal and external resource for guiding principles and best practices related to community engagement and neighborhood organizing

Description of Adjustment	FY 2023 Cost of Adjustment
Add non-personnel support to Housings community engagement initiatives	\$50,000

3. Provide Support for Workforce Development Initiatives

Part One: Community-Based Workforce Development

Sixteen million of the ARPA tranche 2 funding is currently proposed to be allocated toward workforce development, jobs, and MWSBE initiatives. While discussing the allocation of these funds, a portion could be set aside for initiatives specifically geared to support community-based workforce development organizations. On-going support options could then be informed by Council's work on a comprehensive workforce development plan for potential consideration within the FY 2024 budget development process.

Part Two: Home-Based Daycare Centers

A holistic approach to workforce development needs to assess and help alleviate barriers to accessing training and education. Childcare support is critical for advancing job training and workforce development. For many, the cost of childcare is prohibitive. Local workforce development systems, which help people access training and jobs, may also be able to help parents address their childcare needs while receiving the training.

Providing access to childcare through the use of home-based daycare centers can also help support small local businesses. Within Mecklenburg County, there are currently 54 regulated centers that provide childcare within a residence. The average price per week ranges from \$157 per week for part-time care of a school-aged child to \$244 per week for full time infant care. The requested adjustment suggested setting aside \$75,000 in funds, which could assist with providing between 300-500 weeks of daycare assistance based on current average rates.

Description of Adjustment	FY 2023 Cost of Adjustment
Allocate funds for support of home-based daycare reimbursement for participants in city-supported workforce development programs	\$75,000

4. Provide Funds for Charlotte-Mecklenburg Historic Landmark Commission

The Historic Landmark Commission (HLC) was created in July 1973 by joint action of the Charlotte City Council and the Mecklenburg County Board of Commissioners. Jurisdiction includes Charlotte, Cornelius, Davidson, Huntersville, Mint Hill, Matthews, Pineville, and Mecklenburg County. The fundamental purpose of the commission is to recommend the designation of properties (real and personal) for historic landmark designation and to secure the preservation of properties through exercising design review and buying and selling endangered historic landmarks. The HLC protects properties through four activities:

- Recommends the designation of individually significant properties as historic landmarks through surveys and research reports (Designation decision rests with the governing board with zoning jurisdiction over the property).
- Buys and sells endangered historic landmarks through its revolving fund and places preservation covenants in the deeds when the properties are sold.
- Administers design review through applications for Certificates of Appropriateness for intended material alterations of historic landmarks.
- Educates the general public about the significance of historic landmarks.

According to the Commission, additional FY 2023 funding would be programmed to support the stabilization and rehabilitation of the Stafford Farm Log Slave Quarters. Designated a local historic landmark by Charlotte City Council on September 27, 2021, this property is believed to be the last remaining domestic structure once occupied by enslaved people in Charlotte and Mecklenburg County.

Funding Support Provided to Historic Landmarks Commission		
Fiscal Year	Funding Amount	Funding Source
FY 2021	\$35,000	Undesignated Balance
FY 2022	\$70,000	Undesignated Balance
Proposed FY 2023 Budget	\$0	-
FY 2023 Council Adjustment	\$100,000	

Description of Adjustment	FY 2023 Cost of Adjustment
Add funds to support the Historic District Landmark Commission	\$100,000

5. Increase TreesCharlotte Funding

TreesCharlotte has indicated that an additional \$100,000 in funding would provide the following services:

- **Develop a broader, more intentional Canopy Care Program:** With Charlotte continually growing its sustainability efforts, increasing care for trees in our community is the right next step for TreesCharlotte's focus, especially in the corridors of opportunity. Focuses of the program include:
 - **Tree Care:** By returning to past NeighborWoods plantings, TreesCharlotte would provide a more robust level of care to ensure trees in those neighborhoods continue to thrive. These events also provide the opportunity to engage the community members through education and volunteerism.
 - **TreeKeepers:** TreesCharlotte has a deep desire to develop a program that teaches a higher-level of pruning and care for young trees. Adding this level of training and tree knowledge to the volunteer base would provide a better chance for adolescent trees to become towering members of Charlotte's esteemed canopy.
- **Education:** TreesCharlotte's Community Educator / Certified Arborist wants to build programs to reach more students in our community. With funding to create fun, engaging, pre-packaged

educational experiences for grades K-12, Tree Ambassadors (volunteers) can be trained and provided a toolkit to be successful in classrooms throughout Charlotte.

- **Corridor zip codes:** TreesCharlotte can continue growing the ways they provide access to, and adoption of trees in the lower-canopied, underinvested neighborhoods in Charlotte. TreesCharlotte would be able to target an additional 300-tree goal for citizens in the corridors of opportunity.

Description of Adjustment	FY 2023 Cost of Adjustment
Increase TreeCharlotte funding	\$100,000

Section 2: General Fund Personnel Adjustments

Move Second of the Two Proposed 1.5 Percent Market Adjustments for Police from January 7, 2023 to July 2, 2022

City staff worked with the Police Public Safety Pay Plan Committee on a number of priorities in the upcoming budget. From these discussions, in the Proposed FY 2023 Budget, the City Manager included: an increase in starting pay for Police Recruits of nine percent in July, and 10.5 percent by January; shift differential for second and third shift Police Officers; enhancements to education incentive eligibility; and an increase in the annual market adjustment that Police Officers receive to three percent.

The three percent market adjustment is the largest market adjustment in the Public Safety Pay Plan since FY 2009 and is split up as two 1.5 percent adjustments. Splitting the increase allowed for a higher total increase and is similar to the split in the hourly pay plan. The split of the market adjustment for the Public Safety Pay Plan is offset by the two percent retention bonus that all Public Safety Pay Plan employees will receive over the first three months of the fiscal year. The value of the two percent retention bonus is worth over 2.5 times more than six extra months of the 1.5 percent market adjustment. Moving the second 1.5 percent adjustment to July for Police would add \$1,279,900 in additional costs to the General Fund.

Description of Adjustment	FY 2023 Cost of Adjustment
Move second of the two proposed 1.5 percent market adjustments for Police from January 7, 2023 to July 2, 2022 (3 Percent in July 2022)	\$1,279,900

Source of Adjustment

\$430,256 was included as an initial recommendation for any potential General Fund budget adjustments. This adjustment would require at least \$849,644 of additional resources to offset the cost. Two additional tables of sources are included:

- All General Fund discretionary financial partners, as suggested at Budget Adjustments
- General Fund service level enhancements: This list includes all General Fund enhancements in the Proposed Budget that are: not tied to revenue; not related to compensation increases; and not required as an inflationary increase to maintain current service levels.

General Fund Discretionary Financial Partners		Amount
	Alliance Center for Education	\$90,000
	Bengali Women's Forum	\$10,000
	Charlotte Regional Business Alliance	\$167,322
	Community Building Initiative	\$50,000
	Greater Enrichment Program of Charlotte	\$200,000
	My Brother's Keeper Charlotte-Mecklenburg	\$50,000
	National Institute of Minority Economic Development - Women's Business Center of Charlotte	\$50,000
	Safe Alliance	\$397,038
	TreesCharlotte	\$150,000
	Total	\$1,164,360

General Fund Service Level Enhancements (Not Tied to Revenue or Compensation Increases)		Amount
City Attorney	Assistant City Attorney II for Human Resources support	\$122,168
City Clerk	Administrative Officer I for Public Records Program	\$60,268
Communications	American Sign Language and Spanish Language translation of City Council meetings	\$100,300
Community Relations	Support ADA Program (2 positions and \$25,000 in training funds)	\$209,918
Community Relations	Support Non-Discrimination Ordinance (2 positions added upon adoption of plan and have been filled)	\$171,069
Fire	Support wellness initiative (Add Behavioral Health Specialist)	\$92,040
Fire	Support additional recruitment	\$83,595
Innovation and Technology	Purchase enhanced Public Records Software	\$49,418
Planning	Project Coordinator for Charlotte Future 2040 Comprehensive Plan	\$98,842
Planning	Project Coordinator for Historic Districts	\$98,842
Police	Early Intervention System	\$118,000
	Total	\$1,204,460

Section 3: General Fund Revenue Adjustments

Eliminate Adjustments to On-Street Parking

The FY 2023 Proposed Budget included a recommendation from the city's Department of Transportation (CDOT) to increase the hourly parking rate by \$0.50/hour, from \$1.00 to \$1.50, and expand the days of operation to Saturday. These on-street locations are in uptown and south-end and currently have a two-hour time limit. The increase would generate \$655,000 that would be used for street resurfacing efforts in the city.

Background on Recommendation

The recommendation is based on inflation, comparative parking rates from peer cities, and operational/demand recommendations:

- **Inflation:** The price for on-street parking has not changed since 1997. Adjusted for inflation, the \$1.00 in 1997 would be equal to \$1.78 today.
- **Peer cities:** A review indicates that Charlotte's on-street parking program is less expensive than most national peer cities; \$2 to \$3 per hour rate is more common in other similar cities nationally. In North Carolina, Greensboro maintains a \$1/hour rate, however Durham and Raleigh both currently have a \$1.50/per hour rate.
- **Operational/Demand:** On-street pricing is intended to promote parking turnover during high-demand while encouraging longer term parking to occur in off-street locations. The addition of Saturday to the program is supported by a recent time study evaluation that indicates that turnover is occurring less frequently on Saturday.

Potential Adjustment

If the additional \$655,000 in revenue is eliminated from the General Fund budget, the recommendation would be to reduce the street resurfacing supplement that the revenue was supporting by the same amount. This reduction would result in the \$3.4 million in increased street resurfacing resources in the Proposed FY 2023 Budget being reduced to \$2.8 million. This reduction would be equal to about 5-7 miles per year of street resurfacing. The potential adjustment is reflected in the table below:

General Fund Revenue Adjustment	FY 2023 Cost of Adjustment
Parking Meter Revenue	(\$655,000)
General Fund Expenditure Adjustment	FY 2023 Cost of Adjustment
Decrease General Fund supplement to street resurfacing	(\$655,000)

Section 4: Staffing Review Follow-Up Information

Planning, Design and Development Resources

Part One: Rezoning Resources

During the FY 2023 Budget Process, Planning, Design, and Development requested one Planning Project Coordinator position to assist with enhancing the rezoning process. This position was included in the Proposed FY 2023 Budget. Including this position, there are 16 positions included in the Entitlement Services Division, which is responsible for accepting and reviewing rezoning petitions. Of these 16 positions, there will be nine positions dedicated to rezonings, one more than current. According to Planning, Design, and Development, this staffing plan represents sufficient staff to handle the current workload.

Rezoning Positions	Proposed FY 2023 Budget
Planning Program Manager	1
Planning Project Manager	2
Planning Project Coordinator	3
Planner	1
Planner Associate	1
Planner Technician	1
Total	9

Rezoning Petition Volume and Processing Time

The higher volume and subsequent backlog in rezoning petitions the city is currently experiencing can be attributed to high development activity as well as the larger policy framework within which the city operates, and which governs and triggers rezonings. Outdated area plans and an outdated zoning ordinance create inconsistencies that trigger rezonings. Adopting the UDO, completing the community area planning process, and doing a city-wide realignment rezoning will ultimately provide the long-term solution to the rezoning petition volume and backlog.

In the short-term, staff have identified various solutions, including potential process improvements, that may help to reduce the current backlog and more reasonably manage the future volume of petitions. First, the city can advertise for and hire someone to fill the proposed new position prior to July 1. This position could focus on conducting earlier reviews of petitions that are waiting in the queue. Rezoning petitions sit idle while waiting for their submittal deadline. An additional staff resource could begin working on petitions earlier to cut down the amount of time it takes for a petition to get to hearing once the process starts. The city can also increase the number of petitions per month above the standard 16.

Second, to maximize the amount of time to conduct public hearings, zoning lunch briefings could be reinstituted as public meetings of the full City Council, with the addition of the ability for City Council

to make rezoning decisions at these lunch meetings. This would reserve the evening rezoning meetings to complete any remaining decisions and hold public hearings. This would create more time and allow for additional items to be included on the agenda to help process more petitions per month.

Lastly, City Council could consider an earlier start time or consider meeting more than once per month on a temporary or permanent basis in order to consider a higher volume of rezoning petitions per month. While providing the additional staff resource will assist with the high volume of petitions currently in the system, additional coordination with City Council and the Zoning Committee to consider changes to the current process and meeting schedule is needed to provide a comprehensive solution ahead of the UDO.

Impact of the UDO on Staffing Need

Out of respect for City Council’s deliberations around the UDO, the Proposed FY 2023 Budget was developed without assuming City Council would adopt the UDO. Staff believes that the number of positions will still be sufficient to process the rezoning petitions which will result from adoption and implementation of the UDO.

Part Two: 2040 Plan and Community Area Planning Resources

The Proposed FY 2023 Budget includes the addition of a Project Coordinator position to the Long Range and Strategic Planning Division. Additionally, the Proposed Budget includes \$250,000 in the Pay-As-You-Go Fund for technical assistance with the Community Area Planning Process. After the Budget Adjustments meeting, Strategy and Budget requested that Planning evaluate what additional support could help with the Long Range and Strategic Planning Division’s goals. Planning has recommended additional support in the following two areas:

- Technology Support: During the community area planning process, Planning requests additional technology support, specifically around GIS
- Planner Support: Planning requests one additional Planner position

Potential Adjustment: The technology support can be achieved by moving one vacant Innovation and Technology position to Planning, Design, and Development. This action would have a net zero budget impact, as Innovation and Technology would absorb the duties of the position with existing staff. For the Planner position, the projected FY 2023 cost is \$78,902, which would be included as a budget adjustment that would require a General Fund reduction. Utilization of the same reduction strategies included in the non-personnel General Fund adjustments would be recommended.

Description of Adjustment	FY 2023 Cost of Adjustment
Transfer one vacant technology position from Innovation and Technology to Planning; and add one Planner position	\$78,902

Section 5: Policy and Follow-Up Information: Non-Personnel/Capital

1. Development Fee Strategies

City staff was asked to evaluate the feasibility of waiving fees to incentivize and expand the supply of affordable housing. The information below provides relevant background that may be used as a starting point for additional research and discussions.

Considerations

The city operates in a legal environment that is not always similar to cities in other states. Therefore, while the city may learn about programs in other cities, the structure of those programs may not ultimately be compatible with the legal framework within which Charlotte must operate. Within the state, staff are aware of at least two municipalities and one county (City of Asheville, Town of Chapel Hill, and Chatham County) that have implemented some type of fee waiver program related to affordable housing. Further research will be conducted on programs around the state, as well as their structure and costs. Prior to the pandemic, staff had begun initial research on a fee waiver program for Charlotte. The research summary is included below.

Research Summary

Background

The city primarily charges two types of fees in the land development process:

1. Plan Review fees (staff time and associated indirect costs)
2. “Infrastructure” fees (i.e., connection and system development fees for Charlotte Water)

The city follows best practice with regard to calculating and regularly reviewing both types of fees to ensure they remained aligned with the actual cost of providing the service and comply with the relevant legal restrictions imposed by state law where applicable. In addition, City Council has had a policy since 2005 of recovering 100 percent of the cost of service for plan reviews.

Generally, fees are imposed because the person or business accessing those city services are the primary beneficiary rather than the general public at-large. By requiring the payment of a fee from those who primarily benefit from the provision of the service, less of a financial burden is placed on taxpayers (or other ratepayers in the case of enterprise funds) who do not primarily benefit from the service.

Reducing or Waiving Fees for Affordable Housing

At this point in time, neither plan review fees or infrastructure fees can be waived on the front-end for certain classes of customers (i.e., developers of affordable housing) such that payment would not

first be required. If the city charges a fee for a service, every similarly-situated individual or business must pay the fee when due.

The city can only make distinctions in classes of customers and charge varied fees if there is a service-based reason for doing so. If, for example, the plan review for affordable housing developments required fewer city resources (e.g., staff time) compared to other types of plan reviews, then it would be reasonable to charge affordable housing developments a lower plan review fee. However, charging a lower fee solely because the development to be built will be provided to someone at 60% AMI rather than 150% AMI would not be a service-based reason for varying the fee.

Given these principles, the only feasible way to reduce fees for affordable housing developers would be for the city to eliminate the fee altogether and replace the lost fee revenue with other revenues, or evaluate if there are ways to only reimburse portions of a fee with other General Fund revenues.

Moving Forward

The Great Neighborhoods Committee will begin analyzing the Housing Trust Fund, including reviewing the strengths of the program over its 20-year history, identifying areas for improvement, and discussing how things may be done differently as Charlotte changes and grows, including how to respond to rising construction costs. During this analysis, the Great Neighborhoods Committee will have the opportunity to discuss the potential structure of a fee waiver program. Many elements must be considered in this discussion including the legal framework the city would have to operate within, the operation of similar programs in other parts of North Carolina, feedback from developers (including case studies), and the impact of the fees charged by Mecklenburg County.

2. Financial Partner Organizations Performance Objectives

As part of the Financial Partner program requirements, each organization identifies and develops performance objectives to track efforts in achieving targets throughout the fiscal year that support Council's five Strategic Priority areas: Safe Communities, Great Neighborhoods, Transportation, Planning and Environment, Well-Managed Government, and Workforce and Business Development.

Organizations must submit reports at mid-year and year-end to document their achievement of identified performance objectives. If the achievement of a Performance Objective becomes improbable during the contract period, the organization must address those performance issues in writing and include an outline of initiatives to be taken to accomplish any at-risk Performance Objectives.

In addition to performance objectives, organizations are also required to meet MWSBE utilization rates determined in partnership with the Charlotte Business INclusion team. These targets are reported on quarterly through the city's compliance tracking system (B2G Now). In support of Council's request, the city will work with the Internal Audit team to determine the feasibility of conducting a review of performance objectives of organizations funded to better understand the impact of their services in support of furthering Council's Strategic Priorities.

3. Innovation Barn Build Out

Background

The Innovation Barn project utilized various funding sources allocated between FY 2018 and FY 2020, including city capital and maintenance funds and private donations. The city originally budgeted \$3.6 million to renovate the facility; later adding \$1.4 million to the project budget due to complications associated with renovating a 100-year-old building. Beyond the city's contribution, Envision Charlotte provided private donations such as kitchen appliances, LED lighting, paint, and millwork. The project was completed and opened to the public in September 2021. The cost of the project upon completion was \$4.96 million, or \$300 per square foot.

Initial concepts included a renovation of the entire building; however, after comprehensive programming and design, the scope of the renovation was adjusted to fit the budget while maintaining program goals. Final plans comprised an 18,000 square foot renovation that included a commercial teaching kitchen, space for demonstration projects, event space, office space, bathroom overhaul, and major electrical, mechanical, and plumbing upfits. The Innovation Barn has one lessee, Envision Charlotte, that signed a five-year lease beginning July 1, 2018. According to Envision Charlotte, since opening last year, the Innovation Barn has provided space for nine circular economy tenants and programming space for events, created seven jobs, diverted more than eight tons of waste from the landfill, engaged over 500 volunteers in community activities, and hosted a regular speakers' series. The Innovation Barn's sustainable design supports the city's SEAP efforts to ensure a low carbon future and LEED certification is anticipated in 2022.

Unrenovated Space

An additional 20,000 square feet of the original structure remains unrenovated. No future capital work is currently planned or programmed. As established in FY 2020, the city's process for identifying and selecting facility projects begins when a project is included in the Advanced Planning Program. Once a project completes advanced planning, the resulting cost estimates are considered for inclusion in future budgets as a part of the capital improvement program. Staff estimates \$200,000 would be needed to fund programming and schematic design to provide a better understanding of project scope and, once completed, inform future project cost estimates. These funds are currently available within the Advanced Planning Program.

4. Promotional Process Study

The city's Human Resources Department will lead a recruitment effort to select a consultant to perform a Promotional Process Study across the City of Charlotte. This effort is currently in the planning stage and is scheduled to include a review of promotional practices within three employee groups: public safety positions, public works positions (Charlotte Water, Transportation, General Services, Solid Waste Services, and CATS), and administrative positions.

5. Tree Canopy: Action Plan and Tree Assessment

Aside from financial partner assistance to TreesCharlotte, the city has four primary programs for supporting trees. First, the city has two programs primarily focused on trees in the city's right-of-way (i.e., city-owned property). The city's Arborist Group maintains more than 200,000 trees along city streets and plants an average of 800 trees each year through these two programs. The first program, the Tree Trimming and Removal Program, supports the proactive pruning of trees before they become a hazard, as well as the rapid removal of downed trees and limbs. Since FY 2017, this program has been budgeted with PAYGO at \$1.625-\$1.65 million annually; the Proposed Budget recommends an increased budget of \$1.875 million for FY 2023. Second, the city funds a Tree Replacement program, which replaces trees along public streets and in public areas (e.g., schools) as part of the city's neighborhood tree planting program. The city also uses these funds to plant new street trees (where feasible) at the request of residents. Since FY 2017, this program has been budgeted with PAYGO at \$900,000 annually; the Proposed Budget recommends an increased budget of \$1.25 million for FY 2023. Increases in funding for both programs further policies outlined in Goals 6 and 7 of the 2040 Plan.

In addition to the two programs above, the city also operates two programs related to tree mitigation during land development and/or work in the city's right-of-way. First, the city collects revenue when either a street tree cannot be replanted or a required new tree cannot be planted in the public right-of-way. The city uses these fees-in-lieu to plant trees, ideally in a nearby location. Second, the city operates the Tree Canopy Preservation Program, which is funded by fees paid in lieu of trees being preserved on-site in a commercial development. By ordinance the use of these funds is limited to permanent tree canopy preservation through the purchase, maintenance, and conservation of properties (property with perpetual protection because of conservation easements).

Part One: Action Plans

City Council adopted the Urban Forest Master Plan in 2017. This plan included action steps such as formalizing a management plan for public trees to be used as a tool for the city to efficiently and cost-effectively maintain and enhance its urban forest resource, and refining the city's public tree planting strategy through actions such as inventorying available planting sites for public tree planting.

The Tree Canopy Action Plan (TCAP), a companion document to the 2040 Plan, continues the work of the Urban Forest Master Plan. The TCAP creates a policy framework for urban forest management and will guide the upcoming Unified Development Ordinance (UDO) by recommending a set of ordinance concepts that will align and improve the natural resource ordinance language included in the UDO.

Both the TCAP and 2040 Plan encourage further work around the impact of city-initiated projects, such as capital investments in facilities, on the city's tree canopy. These plans encourage the city's Landscape Management and Urban Forestry divisions, which both often work with departments on mitigating tree loss and integrating trees and other landscaping elements in capital projects (including

complying with the city's tree ordinance requirements) to continue to collaborate and enhance their support of capital projects.

In addition, Policy 7.13 in the 2040 Plan specifically states that the city should "Continue to preserve and protect tree canopy on city-owned properties and consider a tree planting program on City-owned properties available for public use, such as the Urban Arboretum Trail and Program."

Continued implementation work for the 2040 Plan and TCAP will ensure that locations on city-owned properties are incorporated into planning for future tree planting and will set the foundation for the city to meet the same standards asked of private sector developers with regard to tree planting and tree preservation.

Part Two: Tree Assessments

The city is planning for two new initiatives to begin in the coming months:

First, consistent with the Charlotte Future 2040 Comprehensive Plan and the Tree Canopy Action Plan, the current draft of the UDO proposes a Canopy Care Fund that includes a Large Tree Assistance Program. Staff initially developed the Canopy Care concept in 2017 (previously known as the Large Tree Assistance Program) to provide resources to underserved communities in Charlotte by establishing a city-managed assistance program. The goal of the program would be to help residents manage the significant costs of maintaining large mature trees on private property. With \$25,000 in one-time funding provided by City Council during City Council Budget Adjustments to the Proposed FY 2018 budget, \$5,000 contributed by the neighborhood and additional PAYGO funds utilized by General Services, the pilot implemented in the Wesley Heights Neighborhood resulted in assisting nine homeowners by assessing 21 trees, removing seven high risk trees, and pruning 14 additional trees. This pilot focused on residents with income at 60 percent or below the area median income (AMI) and the envisioned Canopy Care Fund would also focus on underserved and vulnerable neighborhoods. The Canopy Care Fund, as proposed in the UDO, would be funded from fees assessed from heritage tree permits, corporate partnerships, and other non-profits potentially including TreeCharlotte.

Second, as part of the Staying in Place Pilot (funded by funds from the American Rescue Plan), the city is launching an enhanced home rehabilitation program. In addition to looking at the structural integrity of the homes, this program will also include a proactive review of a properties' trees to identify and remediate any dangerous trees. The Great Neighborhoods committee endorsed setting aside \$1.35 million for this rehabilitation program in February 2022.