

The City Council of the City of Charlotte, North Carolina convened for a Strategy Session on Monday, April 2, 2018 at 5:04 p.m. Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Dimple Ajmera, Tariq Bokhari, Edmund Driggs, Larken Egleston, Julie Eiselt, Justin Harlow, LaWana Mayfield, James Mitchell, Matt Newton, Greg Phipps, and Braxton Winston.

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**STRATEGY SESSION**

**Mayor Lyles** said we have an agenda that is very full tonight so I wanted to reorder our agenda so that we would start out with our subject matter topics first which are the Housing Strategy the Vision Zero/Red Light Camera Update and I wanted to add to the agenda Opportunity Zones. I had a conversation with the Deputy Commerce Secretary and we've got good news so Debra Campbell is going to be presenting some information about that. It is not great news; great news is when you are finished or across the finish line. This is just good news and then we will go to the Council Committee Chair Report-Outs by Committee; and we do have a closed session tonight.

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**ITEM NO. 2: HOUSING STRATEGY**

**Mayor Lyles** said I want to recognize our Housing Committee Chair, LaWana Mayfield; Vice Chair, Ed Driggs.

**Councilmember Mayfield** said and Councilmembers Egleston, Harlow, Newton, and our honorary member Councilmember Bokhari.

**Pamela Wideman, Housing and Neighborhood Services Director** said tonight, as the Mayor said, this is largely about affordable housing, which is one of your top priorities. You are going to receive an update on several of the housing initiatives, as the Mayor has already outlined, then also one of the things that we are going to do is talk about the items that are already in progress as a result of your late January/February retreat. Fulton Meacham with the Charlotte Housing Authority will share some information, and I would like to remind you that the City has had a long-term partnership with the Housing Authority. Some of that has manifested in the recipient of five or six awards over the years. That would not have been possible without the City Council's upfront commitment to those projects. As it has already been stated, I will come up and wrap up next steps in our path forward. I will remind you of your Letter to the Community; in that letter, you accelerated an existing goal of achieving 5,000 units in three-years rather than five years. You are 72% of the way towards that goal and we will talk about how we are meeting that later on tonight. I will just remind you also that we are going to talk about some of your priorities at the Retreat. You all talked a lot about a quote at that retreat that I want to remind you of. The quote was "unity is strength when there is teamwork and collaboration, wonderful things can be achieves." That is a lot of what we are going to talk about tonight.

At your Retreat, you talked about 31 strategies that you thought would move housing along. You categorized those in to easy things that would have high impact; easy things that would have low impact; hard things that would have high impact; and hard things that would have low impact. Of those 31 strategies, 11 are in progress. Allow me to just walk through those really quickly. You talked about providing cash to the Housing Trust Fund for 9% and 4% applications by May 1. We have identified a way that we can fund 9% tax credits within the existing Housing Trust Fund, within in existing house dollars that we have. I will dive a little more into that as we get to the Housing Trust Fund request. You also talked about developing guiding principles and policies for competitive tax credit projects. That was spelled out in our recent RFP, request for proposals. So that is in progress. You talked about developing a joint statement with housing partners in support for housing. We are currently working with the Charlotte-Mecklenburg Planning Commission. They have developed joint statements expressing their support. They are going to take that to the Planning Commission in April for final approval. You could also argue that within the League on Opportunity Taskforce report they expressed their support for housing trust fund and affordable housing overall. You have also talked about locational policy and analyzing tradeoffs between the location of diverse

price point or affordable housing developments and the number of units. This item is currently being discussed by your Housing and Neighborhood Development Committee as we look at the housing locational policy. You talked about setting the bond amount. The next bond amount you all will be working with the Manager to do this through your upcoming budget process, so that is in progress. In terms of medium-term housing strategies, you had several here. The ones that are in progress are highlighted in orange on the other slide. You talked about expediting rezoning and streamlining the rezoning process for City owned surplus land for affordable housing. We are currently working with the Planning Department; I do not know if the Director, Taiwo Jaiyeoba is here, but we are working to do that one the sites that have been identified as surplus sites and that we have received proposals on. So, that is in process. You also mentioned keeping seniors in their homes through tax abatement and other incentives. The City doesn't currently have a program, but we have been working very closely with the County, getting the word out about two programs that they currently have. One is the homestead exclusion program, and the other is a disabled veteran households. We have had discussions about those at several town hall meetings, including the town hall meeting that Councilmember Harlow and Councilmember Winston jointly sponsored earlier this year, also Ms. Mayfield and her recent town hall meeting. We have been working with them to get them out to neighborhoods making sure that people are aware of these programs.

In terms of long-term housing strategies, developing alternatives to supplement the Housing Trust Fund, as I alluded to earlier for this round, this is a temporary fix for the 9% tax credits. We have identified some unallocated federal dollars that we can use towards this project for 9%. 4% supplemental funding or temporary funding could come through the budget process or it could come from when we get a successful bond in November; then obviously we have been working with the Planning Department on the Unified Development Ordinances. Some of the things that are in progress that are being discussed are a revision to the voluntary mixed-income density bonus program, and overlay district for affordable housing, zoning incentives for affordable housing, pre-zoning surplus land for affordable housing development, and how we might use Accessory Dwelling Units (ADUs). Those are just a few of the things that are in progress.

The bigger point around the Unified Development Ordinance is that we want to make sure that as it is being developed that affordable housing, mixed-income housing is top of the mind as we develop this ordinance that will live in this community over time. At this point, I want to welcome Chris Kizzie with Enterprise Community Partners to present to you your 10-year strategic housing plan.

**Chris Kizzie, Enterprise Community Partners** said we are excited and thankful for the opportunity to update Council on what has been a 12-month process to develop Housing Charlotte, the City's 10-year plan to build and access to opportunity through housing investments. I am a Director at Enterprise Community Partners, and I am joined by my colleague Laura Searfoss. Our presentation will provide a summary of the key findings and objective strategies detailed in the plan, focusing on those strategies and tools that could have the biggest impact in advancing the City's efforts in the short term.

Here is an overview of our presentation. As requested, we are going to kind of go through this pretty quickly here. We are going to go through some of the summary from our key findings from the data analysis, as well as provide an over view of the framework of the plan and then dig into some of the key strategies that will advance the City's efforts in the short term. For those of you who are not familiar with Enterprise, we are a 501C3 Non-Profit funded, organized in 1982 with the mission of creating opportunity for low-income households through affordable housing in diverse and thriving communities. We support this mission on three levels: solutions, policy, and capital. That is to say we are a developer, policy advocate, a practitioner, and a financier of affordable housing.

Here is a brief overview of the timeline. As I have stated earlier, this has been about a 12-month process, beginning about this time last year. This effort has been supported by interviews with key stakeholders, presentations to HAND Committee, focus group discussions, and presentations to Council and Planning Commission. We are excited to present the summary of our analysis and feedback from various stakeholders who have contributed their ideas and thoughts to this effort. Housing Charlotte builds off of several existing local efforts, including the Leading on Opportunity Task Force report, which notes the effect of the City's

housing market. Housing Charlotte aims to build and expand access to opportunity through a targeted housing approach, which recognizes the connections, identified in the Opportunity Task Force report, and addresses these long-standing disparities.

The purpose of Housing Charlotte is to guide the City's housing efforts over the next 10-years, addressing both housing affordability and availability and the limited access to opportunity. Housing Charlotte provides the City with an actionable plan and increases the City's capacity to direct housing investments over the next 10 years and provides the community with a clear understanding of the City's priorities.

**Laura Searfoss, Enterprise Community Partners** said thank you for the opportunity to review the key findings that have shaped the strategies that you will hear more about in Housing Charlotte. The first of which is the limited rental supply that exists here within the City of Charlotte. We estimate that there is a deficit of about 24,000 rental units for households earning at or below 50% of area median income, which roughly translates into about \$56,000 for a family of four annually. Much of this housing we know is also unsubsidized, so a large share of the City's existing rental supply for particularly households earning 80% of area median income or lower is what is called large scale naturally occurring affordable housing. These are properties where there is no income restrictions or any way to insure that a low-income family can live in those, and as we look across the past few years and what is happening to those units within the supply here in the City, many of those are either being bought by investors or rent or coming out of the low-income supply because their rents are being raised.

The third is that many of the Charlotte market conditions and the availability within the rental market is not necessarily unique just to that market. It is also present within the home ownership market, which is becoming increasingly out of reach, not just for low-income households within the city but with households earning above the City's area median income. In 2017, the median home sell price was \$211,000, and to be able to afford that, a household would need to earn about \$61,000 annually, which translates into four full-time minimum wage jobs. As a result of limited supply both on the home ownership side and on the rental side, many households in Charlotte are living in unaffordable housing situations and paying more than 30% of their income on housing each month. We would consider those households to be cost burdened and that represents about one in three households living in the City today. We also know that neighborhoods play a very important role in the type of housing available, the cost of housing that is available, and the amenities and critical services that families have access to. When we look across things like transit frequency, walkability, school performance, poverty rates, we see that there is a tradeoff that households are making. Much of the higher cost housing offers areas that have lower rates of poverty higher performing schools based on local data, but on the flip side, you do not necessarily have the same levels of walkability or transit frequency that the areas with lower cost options have.

Finally, we know that the City has experienced tremendous growth over the past two decades and projections suggest that this could continue with much of this growth being within the senior population, which brings its own unique housing needs and preferences with them. This is just a bit of data that further underscores the findings that I just shared. So, this is a chart of the supply gap, and the difference between this number and this number is how we got that 24,000 unit deficit. This shows you the rate of cost burdens among all households by income level, and as you can see, extremely low-income households kind of mirroring the fact that there aren't necessarily a lot of options available to them, are paying a much higher rate for a share of their income on housing than higher income households but particularly low-income households are still paying a large share as well, particularly when you get to that 30% or moderately cost burden. This is just to underscore when we think about the relationship that neighborhoods play to the housing supply. The things that we looked at to determine that trade off that I talked about in terms of social capital; school quality; access to jobs, goods, and services; and environmental quality, we factored all of those in to the strategy that Chris will talk more about now.

Mr. Kizzie said Housing Charlotte is supported by three core considerations that will guide the City's housing investments and related decisions. The first one is that increasing capacity to serve low-income households with a focus on households earning at 60% of median area income or below. As we will detail later, we know that a lot of the City's resources, including tax



credits and Housing Trust Fund resources as well as some federal resources are really directed at serving this population, but more is needed as highlighted in the supply gap. Often, these units that serve at that level require deeper levels of subsidies and additional financing to support that. So, a core consideration of Housing Charlotte is, how can the City increase its capacity to serve those at 60% of AMI or below? The second consideration is serving households vulnerable to housing displacement. In developing Housing Charlotte, Enterprise updated the City's existing analysis to identify areas in the City that are at a high risk of displacement; 198 neighborhood profile areas were classified as vulnerable to housing displacement, and 24 of those vulnerable neighborhood profile areas roughly about 12% were then identified as at risk of housing displacement. So, Enterprise intergraded that analysis with our opportunity framework, so that we can understand the relationship between these areas vulnerable to displacement or at risk of displacement with the pathway to opportunity framework that Laura just discussed. The third core consideration is using housing investments to promote and create stronger pathways to opportunity. As Laura mentioned, the relationship between neighborhoods and the access to opportunity that they provide differs throughout Charlotte, so we want to make strategic investments in using our housing resources to insure that we are promoting and expanding access to opportunity throughout housing decisions.

As the City begins to implement this plan, aligning its decisions with these core considerations will be essential to the overall success of the plan. This slide provides a brief overview of the framework that is driving Housing Charlotte. While the City has several funding resources programs and policy tools to support development of affordable housing, more are required to address the growing need. To support plan of implementation, the City will need to increase this capacity in the three following ways: one targeting housing investments; expanding funding and financing; and additional policy tools to support the growing need. These three elements are integrated to support the four objectives that you see here and their related strategies and actions as well. We will detail these in a little bit.

Implementing Housing Charlotte requires a community-wide approach. The City will need to forge new partnerships, develop new tools to address its housing challenges. These partnerships can leverage additional resources from philanthropic and private sectors, bridge short-term capacity gaps, and help build community support for housing efforts. Through Housing Charlotte, the City will achieve four primary objectives through strategies and related actions. These strategies and related actions will align housing target investments, expand funding and financing, and leverage additional policy tools to build and expand access to opportunity. In this section, we are going to detail a lot of the key strategies and summarize those that the City should prioritize in the short term in the essence of time, but I am happy to go through and address any of the other ones that you see that you want to have discussions about.

In terms of the first objective, which is produce high-quality rental housing, in terms of increasing rental productions, today more tax-credit projects seek funding from both the City and the State than receive awards, leaving approximately three to six shovel-ready projects unfunded each tax-credit cycle. Financial modeling indicates that the City would need approximately \$54 million to support this unfunded tax-credit pipeline on an annual basis. Much of this gap comes from the equity gap as you convert some of those 9% deals into 4% transactions. The City can address this gap in several ways, including expanding its existing resources for the Housing Trust Fund and establishing a private equity fund in partnership with philanthropic and private investors to raise funding to support this gap. We will revisit this tool at the end of the session as well. In addition to that, there are certain non-monetary tools that the City could use to support its efforts. Our financial modeling suggests that additional tax relief grants would greatly increase the ability for developers to produce more affordable housing, as well as decrease the ask of the housing trust fund resources as well.

In terms of preservation in this objective, as Laura mentioned, approximately 81,000 NOAH units are currently affordable to low-income households. To reiterate, these properties have no income restrictions and could be lost from the affordable housing inventory. Some NOAH properties for low income households are in desirable locations, near transit or in areas with higher performing schools or lower rates of poverty. If lost, the properties in these areas will be difficult to rebuild as affordable, because competing among investors and high land costs. Housing Charlotte includes strategies like developing a preservation fund to support and allow

developers to proactively go after these properties to keep them in the affordable housing inventory. One way to accomplish that is to create a preservation unit tasked with identifying affordable housing at risk of being lost and deploying resources to support them.

In terms of homeownership opportunities, one of the key trends that Laura mentioned is a limited access to homeownership; home buying is becoming out of reach for many Charlotte residents, largely due to the cost of for sale homes. Home values have increased by more than one-third since 1990, and the average sale of a home peaking at \$211,000 in 2017. These increases pose a significant barrier for interested homebuyers, particularly for low income households. One strategy to support home ownership opportunities is the creation of a community land trust. A community land trust would provide benefits to both existing and future Charlotte residents, helping them stem displacement pressure due to raising land values and associated tax bills. It would enable existing Charlotte residents to move into desirable neighborhoods and build wealth through homeownership and it would keep these properties affordable to low income households.

Building off the efforts of west side community land trust, Housing Charlotte proposed the City creates a community land trust either at the neighborhood level or at a broader geography to address displacement pressure in that risk or vulnerable areas. The fourth objective in terms of stabilizing existing homeowners; existing homeowners in Charlotte have not been immune to the changing market conditions as Laura noted. One strategy that I wanted to highlight was offering tax relief to long time property owners. The cost associated with owning a home in Charlotte is becoming costlier, including increased property taxes as home values rise. Mecklenburg County administers three state-level programs to help homeowners offset these higher property tax bills. These programs assist Charlotte's most vulnerable residents remain in their homes, and the City could also add some support to this effort by developing a local tax relief program to support long time homeowners, those that are not eligible for the state level programs. Some of the priority tools that we have touched on in this presentation are summarized here. I want to reiterate that in order for the City to address the needs that we just discussed to expand its capacity to address these conditions, both financially and in terms of partnership, these are some of the tools that can greatly enhance the City's capacity to do that. We talked about developing a private equity fund in partnership with private and public investors, offering tax relief grants to lower the ask for Housing Trust Fund dollars and increase the ability to produce more housing. The Section 108 loan pool program is an interesting tool that the City could peruse to develop more mixed income housing. It is a tool designed through the CDBG program to really develop mixed-income housing, and the City currently has authorization or could receive authorization up to \$22 million currently to leverage that tool and do additional investment in affordable mixed income housing.

We talked about the preservation fund to acquire and specifically target NOAH properties as well as the expiring subsidized properties. The City could potentially loose about 1,200 units between now and 2030 that are currently subsidized properties. We talked about acquisition funds. Acquisition funds are used primarily to target acquisition of available land, but it also gives developers and the City some flexible capital to go in and acquire these properties for future use and development of affordable housing. These tools based on financial modeling would greatly enhance the City's ability to develop and peruse affordable housing development opportunities within this City.

**Councilmember Phipps** said I wanted to know, how are we currently informing the community on the availability of real estate tax abatement programs? How are we doing that other than through town halls? Is there an assertive effort to communicate what programs we have in place?

Ms. Wideman said Mr. Phipps said we are currently working with the County staff. They have come to us most recently to talk about how they can plug in, so we are sharing our neighborhood organization contact list, again getting them into town halls and also letting them know of the neighborhood meetings that we know regularly take place. Those are the ways that we are helping to get the word out. We have also invited them to the upcoming neighborhood exchange, which will be on April 21, 2018, where we hope to have over 400 residents out on a Saturday morning. They were also at our recent board retreats, where we worked with 17 or so neighborhood organizations.

Mr. Phipps said prior to this current effort, there was little of anything done to promote these programs or what?

Ms. Wideman said certainly where we had an opportunity, we would let neighborhoods know. What I would suggest to you is that the County, as a result of the upcoming tax evaluation, has really significantly increased their efforts to get out into the community to let people know.

**Councilmember Eiselt** said this was like drinking from a fire hose to try to take this all in quickly, so I appreciate you going over it, but I do have questions on some of the objectives vis a vi the priorities. So, the priorities kind of lay out the costs of what you are saying should be a priority, but yet in the objectives, there are other costs associated there. Land trust is something that I am really struggling with. It sounds like a great idea, but you have it under increased homeownership opportunities, yet a land trust, when someone owns a house that has the land underneath it isn't a trust. They are not increasing their own private wealth, because the house might appreciate, but the land if that is appreciating stays in a trust, so they are not going to benefit from that wealth creation, and you have got in here support Charlotte's acquisitions of infield vacant public land that are suitable for development. That is not a small number. We really wanted to talk about a land trust, that is a big number, which I think needs to be talked about as well when you talk about some of these double digit million dollar items in the prioritization.

Mr. Kizzie said sure, and I can certainly speak to that. There are certainly a lot more detail in the full plan that is captured there. To the point about land trust, I think part of that strategy is removing the cost of land, so it is not a barrier to homeownerships. So, there is one way to leverage that as reducing the barriers to homeownership. Depending on the structure of the community land trust and the model, you can combine shared appreciation with the land trust model that allows you for some wealth-building opportunities, certainly not as much as you would if you went just the conventional route, but there are opportunities for wealth building through community land trust, as well as increasing homeownership opportunities by reducing the barriers to homeownership, which is a large part the land cost.

Ms. Eiselt said I would like to know what communities, like Charlotte, have used land trusts successfully and have allowed homeowners to actually increase their personal wealth, and that is different than cities like Cleveland and Detroit and Houston that bulldozed whole neighborhoods and had an opportunity to buy that land and create that trust. Just as a follow up, if we could get that information as to what high-growth cities that you are literally going to have to go door-to-door to get people to sell their land. Who has done that well?

Mr. Kizzie said sure and one of the models that we often reference in our reporting is actually one of the case studies we reference in this report, the Austin community land trust, which is a great model.

Ms. Wideman said just to follow up on the cost, one of the things that I want to make sure comes across really clearly, this is not a suggestion about these are all costs that the City should bear, you saw a number of the tools: the equity fund and other costs, so again, this is a community issue that is going to require community solutions. I just wanted to make sure that was not the overall suggestion.

Ms. Eiselt said that is worth repeating. Thank you.

Mayor Lyles said it is a 10-year plan. Are these 10-year estimates or five year or three year or short term one to three?

Mr. Kizzie said these are all short term, so in the first one to three years.

**Councilmember Mayfield** said with looking at our objectives and looking at the objective of produced high-quality rental housing, I am wondering if while we are having these conversations, are we also talking about wealth creation through the opportunity of development. So an example, when we move forward with a funding request and we identify a developer, the next step of that is that organization, whether it is CMHP or one of our partners, they then identify a partner. There is a conversation that happens in there regarding equity depending on who the company is. Some larger companies have more access. We have had projects where they have had access to the land so there has been some negotiating that has

happened there where there is wealth building in that development, and I think that if we are going to really look at true opportunity, we have to have a conversation in that market as well, so if I came in as a minority business owner and I am building a development, what is the expectation of equity that I should be able to do this development versus a larger company that may get a break or because of the land structure or contractual structure they do not have to come up with this equity? Are you looking at that correlation to one make sure that the playing field is level and two looking at wealth creation through the development of these units as well, because I did not hear that.

Mr. Kizzie said that is a great point, and we are not looking at it at the level that you just described, but we are looking at leveling the playing fields so that there is an understanding of what tools and policy tools are currently available to the development community whether they are small, large, for-profit, non-profit, so that there is clarity about the policies that could be leveraged to facilitate development, whether that is tax relief, density bonus, those kinds of things so that there is at least a level playing field in terms of understanding. I think that is a critical piece of this.

Ms. Mayfield said I would encourage as you continue; and just for transparency sake Mayor and colleagues that are not on the Housing and Neighborhood Development Committee, we are having a conversation regarding having an actual Housing and Neighborhood Development Retreat, so we can really have the time outside of an hour and a half to dig into this. I would like for us to consider how we move forward with those true growth opportunities, because we have developers in the community that have no employees that look like the communities that we are serving. We have developers that are using tax dollars and have been able to grow and expand and have no people in color in leadership or in management decision making positions. If we are going to talk about those connectors and how you create wealth, you create wealth and opportunities when you have options then you are able to change this conversation regarding location.

**Councilmember Mitchell** said my first question, but as I look at it I think I've already answered, Section 108 is a federal program administered by HUD, and I think in the local market, we use Anita Stroud Senior Complex as an example, but the question I have for staff are there any other examples out there that we could be using in Section 108 Program?

Ms. Wideman said sure Mr. Mitchell, Brightwalk. We are currently leveraging our Section 108 loan there as we speak. It is about a \$39 million investment from the City over the years, combination of your Section 108 CDBG and your Trust Fund. So, that is how we have used that over the past decade or so.

Mr. Mitchell said on the chart that has Charlotte's affordable rental supply, I think to show us 24,000 units we need but I think for our citizens to communicate that effectively, what is the rental rate that we are talking about for the 30% AMI and the 50% AMI?

Ms. Searfoss said what you are seeing in this chart is adjusted for household size and bedroom size, so it is going to be a range. So, I think if you are interested in kind of using this to talk out to the community, sometimes we will express it more as like a rate, so for instance, those first two bars that you see for extremely low-income, that would essentially translate into 29 or 28 units for every 100 extremely low income households and that would be a rent range, depending on their household size anywhere between \$394 for a household of four.

Mr. Mitchell said \$394 rental?

Ms. Searfoss said yes, in rent.

Mr. Mitchell said in rent per month for 30% AMI?

Ms. Searfoss said for a family of four, so that may vary depending on household size or unit size.

Mr. Mitchell said and 50% AMI?



Ms. Searfoss said for 50% for a family of four, they are earning about \$35,000 annually, so for instance a three bedroom would be about \$1,230 and a four bedroom would be about \$1,560 depending on the unit size.

Mr. Mitchell said and that is a family of four. Thank you.

**Councilmember Driggs** said has anyone thought of protecting people against the effect of revaluation by creating a special loan facility against the equity of the house that would enable them? I mean, if your house gets revalued up by \$100,000, your increased tax liabilities are a percent and a bit of that, so it seems like it should be possible to have a special purpose facility that immunizes them against that and basically just encumbers the equity in the house for the time that they move or die or whatever so that they do not have this liquidity problem of just not being able to write that check when they live in a very valuable asset. Has anyone done that?

Mr. Kizzie said I am trying to understand; are you addressing the tax increase?

Mr. Driggs said I am saying that one of the issues that a lot of people face is that when there is a revaluation, they see the value of their property go up, and they find that they cannot afford to live there anymore because of the taxes even though they have the high-grade problem that their asset is actually increased in value. I am just wondering if anyone has found a way or thought about trying to just protect them from that by saying, here we will write what is basically a home equity loan. It is basically a special purpose loan; it is structured to keep your taxes level with what they were before.

Ms. Lyles said I think that I have heard this conversation internally in Charlotte; I think what you are asking is has it been a practice in other communities? I have heard that addressed, and it is basically a grant or loan for your taxes when as people would say you are cash poor and house rich.

Mr. Kizzie said yes, several communities are doing that. The one that comes to mind is the one that I have referenced before, which is Philadelphia's Loop Program, which provides that for long-term homeowners. They define that with certain years. I think that it is 15 years that they have been living in the community. Those models are out there and certainly something that when we had the comment in here about developing a local tax-relief program, something like that is in mind and kin to what you are describing.

Mr. Driggs said on page 15 in your priority tools, you have these costs. What I am wondering is, since you have a number of recommendations here, do you have some metric that identifies what would be the most productive use of the invested money? If we look at that, that totals over \$100 million over whatever period of time, and I am not sure I can tell whether we are better off perusing a private equity fund or preservation fund based on this slide. How would you rank those?

Mr. Kizzie said I wouldn't look at this as much as a ranking as I would each of these serves a different purpose, so I think for instance section 108 is targeting mixed-income developments, acquisition is really trying to go out and acquire strategically land. The preservation fund is really targeting NOAH and subsidized properties. The equity fund is really addressing the unfunded tax credit pipe line. I want to look at these in terms of ordering these from one to five or six, I would look at this as how can the City engage with public/private partners to support and capitalize some of these funds and target those investments through the strategies that are outlined? We do have metrics in terms of what each of these potentially could yield if funded at the noted amount. We are currently finalizing those numbers so we can happily share that with you.

Mr. Driggs said as a matter of policy, we might want to decide which of those objectives to go after first.

**Councilmember Newton** said on the affordable rental supply chart that we saw earlier, it appears as though we have actually more 80% AMI and above units than is implied necessary for that. On the flip side here, the 30% and below AMI may be otherwise incorporated into the 50% and below, right? So, that being the case, it really appears; we are talking about somewhere in the ballpark of a need of 30% and below about 20,000 as oppose to the overall



need of 24, so we are talking about practically a four to one ratio in need on the 30% and below. I noticed that your core principals or considerations were to focus more on that 60% and below. Is there any accommodation or consideration of really taking a larger chunk out of the 30% and below, because it really seems as though that is where the vast majority of the problem lies?

Mr. Kizzie said I think that one of the capacity areas that we said the City needs, in order to address those at the lower end, is to increase its available resources, so addressing units at that lower end requires deeper subsidies. To do that, you are going to give up unit production or unit goals with subsidizing affordability at lower levels, so to do that, the City needs deeper or increased funding and increased funding resources to be able to do that. That is addressed in the plan. That is why we have the equity fund. That is why we have the preservation fund to develop additional tools one of our recommendations is that the City expand its housing trust fund to provide the deeper subsidy for lower income households.

**Councilmember Ajmera** said going back to page number eight where you have key findings, just a moment ago, you talked about how we have limited supply for 50% and below, and that is where the majority of our needs are but then also there is number five in the recommendation which are tradeoffs between neighborhoods where households are having to choose between access to an area of lower-cost housing or with an access to better performing schools. Are there any specific policy recommendations that you might have in terms of addressing trade-offs between neighborhoods where we try to address affordable housing especially in an area where we have better performing schools?

Ms. Searfoss said thank you for picking up on that, because I think that it is a really important distinction. If we go back to the purpose and some of the underline principals, we kind of set up a dual approach. One is to invest in areas that have more affordable options or where households are vulnerable to housing displacement and then conversely incorporate more affordable options in areas that are limited today but have those assets that you mentioned in terms of better schools or lower poverty rates. We think about both of those strategies throughout this plan. A lot of it is in the details in the details. Certain tools can be tailored to better target those higher opportunity areas around pathways around better schools or lower poverty versus focusing on how to create and integrate a range of income levels into areas where there are more affordable options today and also stabilize households who might be vulnerable to displacement. There is some geographic targeting that we have pulled into this as well that we have not been able to go into a lot of detail about today.

Ms. Ajmera said I think to that point, we have to look at our policy recommendations, because obviously if we are looking at tradeoffs between neighborhoods and specifically having more affordable housing in better performing schools, that is going to require us for more subsidy. That is going to require more housing trust dollars to address that. I think we have to look at that more seriously if we want to provide more access to high performing schools that have more opportunities, public transportation.

In addition to that, I had a specific question. If you go to page number 13, where you have 4% and 9% tax credits, I know that you specifically recommend us supporting 4%, and I know that we have not done many of those projects in the past and I know there are a few that have come before us. In terms of dedicated housing trust dollars to support 4% deals, which could potentially require more subsidy from housing trust fund, are your recommendations that we do more 4% and subsidize from our Housing Trust dollars.

Mr. Kizzie said not necessarily, I think that what we are suggesting is that the City has a robust development pipeline that goes unfunded annually because there is a lot of competition for the 9% tax credits. The 4% credit is non-competitive. So, if the City wanted to convert those projects that go unfunded on the 9% pipeline, they could use the 4% tax credit to fund them; however, there is going to be a gap. Usually, that is going to be an equity gap based on the 9% to the 4%. There is a variety of tools that can support that. Increase Housing Trust Fund would be one of them. The private equity fund would be another tool that the City can use and engage with its partners to capitalize to address that gap as well.

Mayor Lyles said I know that this is going to inform a lot of work by the Committee. I know there are positions to be taken and interests, but if we could do the information questions

tonight, we still have to hear from our Housing Authority, as well as our Away Home project, and we have some other things to cover as well.

**Councilmember Bokhari** said for the Charlotte affordable rental supply, one, is there a reason that you show it this way? When you look at 30% and below, 0% to 50% and 0% to 80%, and I am kind of teeing off what Councilmember Newton said a minute ago, is there a reason you do not show it 0% to 30%, 30% to 50%, and 50% to 80%? It is very challenging; I mean they are three completely different scenarios that we have to address with policy, and to see it like that, it can lead to a lot of wrong conclusions, and on top of that also challenging for us when we look at the policy we are trying to make.

Ms. Searfoss said I think, this is based on, I would say, really rooted in methods and how you would calculate a supply gap, but more practically it is much more in line with how people look for housing in the market place. People who are at- We know this too because part of this is the availability aspect, so we know that high-income households are occupying these units, which are not necessarily represented here. In many cases, we do it this way to account for the fact to show the options that someone at a different income level has, which would be options priced at what would be essentially an affordable rent for them, pay no more than 30% of their income but a recognition that many people still use that standard when they are looking for housing. They look for housing that meets their budget and is not necessarily going to be strictly within that kind of thinking around more housing.

Mr. Bokhari said so, looking at the gaps, I could subtract the first bucket from the second and see that 30% to 50% AMI there is a roughly a 5,000 to 6,000 gap there in reality.

Ms. Searfoss said yes, for instance, we are able to also, based on this method, understand what is one driving the gap. I think that it was already touched on that much of it is at the extremely low income level. For instance, if there were more units priced for households earning 30% to 50%, we would see those numbers turn to the positive side, but we do not see that here. So, the gap persists.

Mr. Bokhari said I ask that question because I got to spend some time with the Away Home folks today, and clearly some of the things that we could see from their success pilot make a lot more sense that the 30% AMI and below, because that is the most challenging to make data in the black deal, yet some of the biggest need, and if we have a better view of that middle bucket where we actually could make some deals and make that happen. I think that separating those in our mind make sense. My final question is, in your little asterisk notes below of units considered available at this income, if one it is affordable to them at that level and two, it is occupied by renter or lower or it is vacant. I guess my question, you alluded to it a second ago, is in the roughly 5,000 gap that is in that bucket, is it a meaningful number of units that might be occupied by someone who is in the 60% AMI area, and we have to think creatively about this solution, because everyone of your recommendations, even if you add them up, doesn't even get to one-fifth of the challenge that we have to solve. So, is there a creative option to go out and maybe say that these folks that are 10% above in AMI then what they would qualify there, there are some communication things that we could do for homeownership opportunities or things to move them to the next step and free that unit up for someone who needs it.

Ms. Searfoss said sure, there are lots of things that could potentially be done. I think that part of what you touched on around accessing the homeownership market might be influencing this, because it is a really steep climb right now to even move out of a rental unit, but there is a significant portion of units that are not available to households represented on this chart, about 35% because of higher income, so someone earning above 80% AMI is occupying that, and I think that really speaks, not just about creative solutions but the importance of having income restrictions and City dollars or other types of public funding to protect those units and insure that people who they are priced for actually can occupy them.

**Councilmember Winston** said with these big lifts, it is obvious that the government cannot do it alone, so we are going to have to promote really strong public/private partnerships and because ultimately we need market solutions for this problem, but there is a piece of information here that is missing, and that will complete what the market is promoting in terms of overall housing. So, we have 80% and below, but I do not know what the market is telling us that they are going to build at the market rate and what the market is going to respond to. As

we are kind of building these relationships, I know those folks are going to have all that information and they are going to say this is what the market wants, and there is going to be a gap there. Is there a way that we can get this information all on the same graph so that we are not having these gaps of information?

Ms. Searfoss said the market is a very dynamic thing. I think in terms of how do you think about what someone might be- I think there is a difference too between what a developer is willing to support and what they feel the market is willing to support and what maybe these types of metrics will tell us. I will say that I think a good snapshot into the market is finding two, because that is based on essentially unsubsidized housing, so much of the City's supply that has been produced, and this is a shorter-term trend based on 2017 data, is priced for low-income households. Now, obviously there are things that make those at risk of being lost. I think in terms of if you are thinking about is the market producing at this income level, a large share of the unsubsidized, particularly in the large scale developments, the answer is it is pricing for 80% and for the most part.

Mr. Winston said if I am understanding this correctly, we can get some numbers that we feel comfortable with saying that they are accurate for units that are not being built, but we are building apartments all of the time. That is defining Charlotte. So, we are saying we cannot really accurately analyze the demand of the market currently in Charlotte in terms of new units that are needed at certain higher-income levels close to the AMI or above?

Ms. Wideman said let me try to take a stab at this Mr. Winston. I want to make sure that I understand what you are asking for; I think we can get data that speaks to what is being built and what the rent rates are, which tells you who those units are for, like if you think of new rental units that are being built, what AMIs they are being built toward, we can get that type of information for you.

Mr. Winston said I guess what I am saying is that we are being told constantly that developers will build these affordable units if it makes sense.

Ms. Wideman said oh yeah.

Mr. Winston said but the way that the market is, it does not make sense for them to build at 80% and below, so for us to get a total understand as we are going into these conversations and making decisions with these private partners, I feel like we shouldn't just take their word for it necessarily. We should have a good understanding about what the market is telling them so I can make an informed decision.

Ms. Wideman said I think that what you are hearing from developers is that they are telling you what they would need to make a deal work if they were going to build for 80%, 100% or lower. What you are hearing is what they would need in terms of subsidy or other non-subsidy non-monetary like tax relief might help them if they are going to rehabilitate a naturally occurring, how tax relief might help them.

Ms. Lyles said I am going to take a stab at it, and maybe what we really need to do is, what does a market-rate deal look like, and where does that compare to the deals that we subsidize, then you can see they may have higher margins on various things. They may spend more on the type of equipment. When we have rezonings and we tell them no vinyl, like that. So, there are probably some steps that make market different or comparable and then you need to see the difference. Is that what you are asking?

Mr. Winston said something like that, I heard a number a couple of weeks ago that came out that uptown is being pretty much defined by tall cranes and luxury apartments going up, but I heard that the media reported that up to 22% of apartment units in uptown are vacant right now. So, I do not understand how when the City average is 7% uptown is 22% vacancy but then we do not have concerns that there is trouble in that market. How does leaving 15%, plus or minus, vacant apartments- How do I understand to drive a deal that that is not okay, we need to create some type of a policy to match the supply with the demand. That is what we are trying to deal with.

Ms. Lyles said I think that same article talked about that there is some reduction in building because of that 23, so I think that we need to have a real estate person that is in that market to come in and talk to us.

Mr. Winston said I think that we need to understand the market, not just at 80%. We need to understand the entire market.

Mr. Bokhari said I just want to make sure, because I am reworking the math. Just for our numbers, is this correct? Under 30%, there is a 19.5 thousand unit gap, and from 30% to 50% there is a 4.4 thousand gap, and there is a plus thousand surplus when you go above that. Are those numbers about right as we think about those buckets by themselves, not in combination stepped up, roughly?

Mayor Lyles said we will come back at the end. Pam is going to do a wrap up.

**Fulton Meacham, Charlotte Housing Authority** said I am the CEO of the Charlotte Housing Authority. It is definitely our pleasure to be here tonight to talk to you a little bit about CHA's approach to affordable housing. We are more than bricks and sticks. Tonight, we will be talking a little bit about who we serve, how we are funded, and how those changes in funding have helped us to evolve. The housing continuum, the things that I have been hearing in the meeting today, a little bit about housing continuum. We have been really focused on 30%, 50%, and it is true that is a gap and it is a desperate need, but as we talk about housing, we talk about housing in a continuum. We need housing in different price points for people where they are presently, all the way to homeownership. We talk about that in our plan of how we plan on building what you would define as diverse price point housing.

Expanding opportunities, we have heard that tonight as well. How do we expand opportunities for families that are in subsidized situations and move them into communities of choice where there are higher opportunities associated with it? The Housing Authority, some people may not know, has a pier quasi-governmental agency funded by HUD. What does that really mean? That means that we are a corporation with a public purpose. That public purpose is this, to administer two of the large affordable housing programs by HUD. You may know them by Public Housing and Housing Choice Voucher, which is the Section-8 Program, which you may know about. That is who we get funded by is HUD. That is kind of the charge. Our mission is to develop, operate, and provide quality housing in sustainable communities of choice for residents of diverse incomes. That is a lot different from other traditional Housing Authorities that may say something like decent, safe and sanitary. That is woven in the question of the quality of the housing that we do but the Housing Authority of the City of Charlotte does much, much more than that.

A short video was shown.

Mr. Meacham said so, as you saw in the video, this may not be the Housing Authority that you are used to seeing. We have definitely made sure now that we have a mix of incomes in our portfolio, because as you will see in later slides, it is extremely important for us to make sure that all of our families have an opportunity to a quality of life that is next to high-performing schools, low crime, etc. That means something to us, and deconcentrating of poverty, but our focus will never leave from those who need us the most, that 30% or extremely low AMI. You can see that more than 70% of our total population addresses that issue. This is a very unique group though. These individuals come to us at the Housing Authority, because they believe that the Housing Authority may be the only place that they would have an equitable opportunity to find affordable housing within the City. We have been providing that for the last 80 years, and we continue to do that. Now, the question becomes, as you see we have 18,000 people on our waiting list, the question becomes how do we also provide additional opportunities for those 18,000? In the number that you are speaking of the 21,000 a lot of those I would say roughly 70% of that 18,000 would fall into that group, right into the same group that we are speaking of here of how do we provide opportunities for extremely low families? When you are helping the Housing Authority, you are actually helping that group.

How we are funded, it is extremely important for you to understand how we are funded, so you can understand the vision going forward. HUD funds us at a 100%, but they never fund us at 100%. This is death by 1,000 cuts. We have been getting cut year after year. Now, what does



that mean? There is a proration that HUD puts out and says let's say it is a million dollars, we need a million dollars to really operate your Housing Authority. They will give you 70%, so you are getting \$700,000 or 80% and that is \$800,000. Just showing you that what has been happening in public housing is that they are really trying to get out of the public housing business. What the federal government is saying is very difficult for the federal government to fund 100% of an individual's rent. They are trying to find ways that Housing Authorities, that are sophisticated enough, can actually participate in the market to provide mixed-income housing that is more sustainable. What that means is people from all walks of life being able to live, work, and play together, very similar to what we did in the Hope Six with First Ward. Remember, First Ward Earl Village, right? That is what it used to be. Now it is a true mixed-income community that has affordable housing, market-rate housing, and homeownership in it, or we can go all the way to the Renaissance that we have today, same structure. There was a Hope Six project. It has affordable, market rate there and has a diverse economic base to make it sustainable. We could not have done this without the City; you gave us millions and millions of infrastructure dollars and Housing Trust Fund dollars to make Hope Six work, but guess what. Hope Six no longer exists.

Moving to work, one out of 39; we're extremely happy to be one out of 39. What it does is it gives us flexibility to manage our properties more efficiently, as well as to help with some local issues like homelessness. Finally, the Rental Assistance Demonstration Program, as it was talked about in the video, again I think that some of the things that you are dealing with are the same things that the Housing Authority is dealing with from the stand point of how do you preserve what you already have? The rental assistance demonstration program gave us an opportunity to preserve 3,297 units that we presently have on the ground right now, so we know that these are stable over the next 30 years. We secured that with Rental Assistance Demonstration Program. I wanted to say this again about the funding, because there may be some misinterpretations about the funding. When HUD funds us, whether it is at 100% or 70%, those dollars are to be used for maintenance of the existing housing and the Housing Choice Voucher program. These are not dollars that are used for the creation of new housing. They are not dollars to be used for construction; those are all entrepreneurial efforts that the Housing Authority goes through to do that, whether that is applying for a tax credit in the past, dealing with Hope Six, or now dealing with a low-income housing tax credit, those are all competitive as entrepreneurial that this Housing Authority goes out and tries to find ways to provide more opportunities for our families. We like to talk about, as I said before, this housing continuum. Diverse price point housing that supports economic mobility through entrepreneurial efforts, first starting out with preservation and we know that we cannot do this all by ourselves, so partnerships mean a lot to the Housing Authority. You are one of our biggest partners, the City. You have been there through the very beginning when we started talking about Hope Six and the like, to support this effort in moving families in, up, and out of poverty. So, we have a bond financing program that complements a lot of things that we do with the Housing Trust Fund. We are developing and doing self-development; we have new construction that is going on, as well as supportive services, which we believe is really the foundation and feeder pattern for all of the development that we do. We are investing in people that right now may be in subsidized housing, but as we develop new housing that is more market rate, we move those families right into those units, creating an opportunity for someone that is on that waiting list as the 18,000 people to move into those units.

This slide here basically talks about the funding cuts, and it does not take a brain surgeon to see that this blue line here is public housing. It has been bouncing all over the place; this is why we went to RAD; this is why the preservation strategy was to go to what is more of the goal line, which is the housing towards voucher funding, so now we have a more stabilized income stream to support what used to be public housing. Public housing is no more the people that we serve are the exact same people, but the difference is the finding in which we receive is completely different now and as you start thinking about public housing, I would like for you to think of it more from the standpoint of this is now project based Section 8, versus public housing from a funding standpoint.

Our pipeline for preservation, we have Delahey Courts, which is the final and I would say last of our true public housing sites. We have 136 apartments here. The plan is to come back and make sure; these are our large bedroom sizes, three, four, five bedroom sizes. We felt like it was critical for us to make sure that we brought these residents back to this particular property, the way that we will develop it is they will not have to relocate because these are large families, and I think you can see relocating a lot of families during the school time would be

difficult, so we will be actually renovating this property while they are living there. You will see the distributions of AMIs as we come through here that all of our properties that you will see will have 30%, and you will see 50% in there as well, but you will also see trying to get to more of a mixed-income community by bringing 80% in as well.

Hampton Crest, this is a partnership between the Housing Authority and the Salvation Army, and we have 60 units here that are specifically designed to help homeless families move out of that situation. They are normally there for three to five years. They were getting supportive services and then they moved their selves out. So, Hampton Crest is 213 units that we are planning on preserving. We talked about partnerships, and this is just a quick slide talking about homelessness in our partnerships. I think it is extremely important for this Council to know that because of the efforts of the Housing Authority and its partners, those 818 units have been produced for the homeless. This is about \$4 million per year that the Housing Authority pays in subsidies to maintain and provide, almost permanent housing, for homeless families, and you can see some of our partners over here from the Y to Moore Place to a Child's Place etc. A lot of veterans, the largest number that you see here of 365 is our veteran population that we serve. This is a very difficult graph to understand, but I want you to know that this is our bond financing program. You had some properties that you just approved last year in the Housing Trust Fund that we support. Over the last five years, we are supporting about 36 total units to the total of \$228 million that supports the Housing Trust Fund, so what you do here, sometimes they have to come to the Housing Authority and use our bond financing program, especially when it is a 4% tax credit, because that is coupled with a bond. So, we have many developers that are participating in that NRP, Laurel Street etc. and we are very happy and supportive over the fact that we can help them build more affordable housing in the City.

Our new construction pipeline, first I want to talk about over the last five years, we have developed over 697 apartments, the last being specifically the Oaks at Cherry. Everyone knows where Oaks at Cherry is right behind the Metropolitan, 81 units that actually started out as 50 units that we have now moved to 81. That is 31 new affordable housing units in that particular community. We have about 32 residents that have already moved into the property. We are extremely happy about that. Our future pipeline looks like this Tall Oaks II complementing the Oaks at Cherry. We would like to see 99 units of mixed income built here. You see the AMIs. It is a larger number of 80% AMIs because it is complementing what already is there. If you remember what is there in the previous slide, you see the 30%<sup>s</sup>. You see the 50%<sup>s</sup>. You see the 60%<sup>s</sup>. So, deconcentrating of poverty is an extremely important thing for us. We do not think- In fact, it is not a thought. We know the concentration of poverty is not a good thing, period. We have been in the public housing business for 80 years, and we have seen what it has done to children specifically. What we are trying to do is create environments now that it really is sustainable one but two, promotes this equity in great schools and opportunities. That is Tall Oaks II. Baxter Street, I think that you know that we are in a partnership with the County to purchase land, which is the old Baxter Street Park. They are actually going to Pearl Park and trying to expand it. This is an opportunity for us to build 180 apartments here, mixed-income strategy. Again, you will see; do we have 30% in here? Yes, because we always will and 50%, but again you have 80%<sup>s</sup>. Why the 80%<sup>s</sup> here? What is next door? Charlottetowne and Charlottetowne is 161 units, 30% only, disabled. Again, if we are trying to create communities and community, I think that we need to have all walks of life. So, that is part of the strategy here. The other part of the strategy is simply the financing of it. I think that we have bounced back and forth about how do you actually support the operations on \$394 a month in rent? If you do not have a mixed-income strategy, if you do not have an AMI that is more market rate that can cross subsidize some of the ones that need it, financially it is not feasible. That is why we are looking at this approach.

I said before, we are more than bricks and sticks. We work with UNC-Chapel Hill on our supportive services program and it is evaluated every year. We have some fantastic results from it, but we have case management and case management with a mandatory work requirement is what we have. I will talk about that a little more. We are expanding that program into the Housing Choice Voucher Program, as well as I will talk to you about some historical results. So, our expansion of the supportive services program, again these are supportive services that are wrapped around those individuals and provide them access to education, transportation, child care, etc. to help them on the effort to actually be employed. When we moved to the Housing Choice Voucher Program, because we have already been in public

housing, been in public housing for the last almost 10 years now, the opportunity is that we have 822 minimum renters, and those are individuals that pay pretty much \$75 a month in rent. They may not be working; these are not seniors and not persons with disability. We are focusing directly on them to provide them with case management services so they can move in, up, and out, of the Housing Choice Voucher Program, because we have 18,000 people on the waiting list. So, you would think that there would be more people on our actually Housing Choice Voucher, but really it is only 7% of our total voucher population. Our graduation rate with our supportive services program is 49% that reaches actual self-sufficiency. What does that actually mean? That means that they move in, up, and out of poverty, off of subsidized housing and back into the market place. You can see the national average here, so we really believe in the supportive services component, because we do not see a way to just simply build our way out of the affordable housing crisis. Our Destination Homeownership Program, again it is the American dream. We talked about the housing continuum; at the end of the day, most people in the room desire to own a home. We have 107 homeowners that we have assisted. We have a Section 8 homeownership program. What does that mean? I can take my Section 8 voucher, hypothetical number \$500, and I can take that with my income per month, let's call that \$1,000. So, when I deal with my homeownership that means that on the income side I will be at \$1,500. So, when I did my debt to income ratio, I will be able to qualify for more of a house by using the Housing Choice voucher. I hope I did not lose anyone; I know that was really quick. I want to thank everybody for the support they give to Charlotte Housing Authority.

**Councilmember Egleston** said I have a couple of questions; the first two are just clarifying slides. Hampton Crest, is that a mix of 30% and 50% or 30% and 80%? It says 50%, but the color coding indicates 80% on page 21 in our packet.

Mr. Meacham said Hampton Crest is 50% AMI and 30% AMI.

Mr. Egleston said alright, so the color was just wrong.

Mr. Meacham said yes.

Mr. Egleston said on households served by income, 892 market, in this case, that statistic, does market indicate their income, pricing of the unit, and if it is referring to income not unit price or rental price, is it restricted or does market just mean potentially just anyone?

Mr. Meacham said well, what we are developing is everything is income restricted.

Mr. Egleston said even the market?

Mr. Meacham said not the market though. If it is market it is actually market.

Mr. Egleston said I just wondered if market is a synonym there for 100% AMI household income or if it was referencing-

Mr. Meacham said market rate that is unrestricted. It is true market.

Mr. Egleston said so, anyone can rent it and they are renting it at-

Mr. Meacham said market rate rent. So, you would have a property that has in it affordable housing, tax credits, and market rate; so, market rate is whatever the market will bear, just like all of the housing that I think Councilmember Winston was talking about is that we are building a lot of apartments here and we are building them at market rate. In these mixed-income strategies, these are a market rate that helps subsidize the affordable housing that is in it.

Mr. Egleston said understood, thank you. My last question, on the preservation dollars that you are getting, is that mostly or entirely restricted to preservation of units that are currently in your portfolio?

Mr. Meacham said yes.

Mr. Egleston said that is a restriction, or that is a practice?

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Mr. Meacham said when we are developing these, we want a restriction on the property. We want a restriction that only these types of AMI's will be able to live here, and everything that is in our portfolio, based on how we set it up, that is how it actually operates. So, if you see 30%, 50%, 60%, or in this situation these are 30%'s and 50%'s, that is what will come back to the property, but they will not allow anyone 80% to come to this particular property. Does that make sense?

Mr. Egleston said I think I might have misstated my question then. Is there a space for you to work with the City or other partners to bring some of the NOAH properties that we constantly talk about now, into your portfolio as part of your-

Mr. Meacham said absolutely.

Mr. Egleston said I am sensing that most of the preservation dollars you are using are being used on properties that are already your properties.

Mr. Meacham said right, there is no question that first priority for us was to try to address property that we already have.

Mr. Egleston said right, I just did not see in here anything that indicated bringing some of the naturally occurring into your portfolio.

Mr. Meacham said right, we are addressing right now exactly what is in our portfolio, talking about our pipeline, but are we open to other, like NOAHS, coming into our pipeline? Absolutely.

Mr. Winston said first question, can we make this presentation available online for the public to see?

Mr. Meacham said absolutely.

Mr. Winston said how nimble is the Housing Authority in being able to forge more robust public/private partnerships? I see from that slide that we do have a space to deal with market-rate homes, which we need. That is kind of the definition of mixed-income development, but I see on the slide that it does have the public/private partnerships that exist. There are more philanthropic and for lack of a better term, charitable giving institutions. I do not see many builders here. I do not see many developers in here. Is this perhaps that it is difficult to forge some of those partnerships because of federal oversight or something that doesn't make sense for some of these other builders to jump in?

Mr. Meacham said no, just in concept, so we do have partnerships with let's say one is the Fallon Company, to help us develop Strawn. That is a mixed-use development. What we are doing as a part of our strategy and I think that you saw that federal funding was going down, and we do not receive any direct funding from the City for the production or operation of the Housing Authority. So, as a part of our strategy, what we did was create our own development company and our own property management company so that we could actually bring developer fees, and this is just for the affordable housing side of it, back to the Housing Authority that we once sent out, bring management fees back to the Housing Authority that we once sent out, to complete our mission of providing affordable housing to families that are in their 30% range. We do have partnerships. Those partnerships have been Laurel Street as you have seen with the Renaissance, and there have been others, but I think in general, if it comes to the affordable housing side, we are looking at trying to do the development for those affordable housing units and when it becomes a mixed use deal, you have seen Strawn and you will be hearing probably later in the future about Hall House. Those are all collaborations, because we just do not fit into that space of commercial real estate.

Mr. Winston said we have to see both the forest for the trees, and part of what the- As you said in some of these slides, we want to create opportunities for upward economic mobility, but I know that one of the big things that we deal with is this idea of the benefits cliff, so the last thing that we would want to do is create, not deal with all of the problems at once, therefore creating new problems, so I have heard as we deal with rezonings and people not wanting



affordable housing in their backyard, part of it is because they think that it promotes or demotes the idea of upward economic mobility, because people that are depending on the Housing Authority units, if they get to a certain level, they find themselves out in the streets or in a worse situation, because they cannot live there after they reach a certain price point. Are we doing anything to deal with this phenomenon?

Mr. Meacham said if you are in the Section 8 Program, and you start making somewhere closer to this \$50,000 mark, you can do what is called incoming out of the Section 8 program, but in general, one of the issues that are in Charlotte is that there is no place for those individuals to go. So, the housing continuum is trying to develop this workforce housing that really isn't in the City. It is in the City, but it really is housed by individuals who do not need it, because it is not income restricted. You heard the enterprise group saying that with the NOAHS, need to make sure they are income restricted, the reason you need to make sure that income restricted is because presently a lot of them are occupied by people that are making \$80,000, \$100,000 a year, because no one really wants to pay more in rent, right? So, if it is available to them, they move there. You have to make them income restricted, so for our programs, everything is income restricted. We do not put people out of the program per se for them making more money. In a lot of cases, that is why they are in there so long, because there is no pathway for individuals that are on subsidized rent to move to a level of market rate rent.

Mr. Winston said correct, are we considering bridges to create those pathways?

Mr. Meacham said some of the bridges that we are trying to get there are part of our housing strategy in new construction is that again you see some 80% units here. You see some 50%; what we are trying to do is we are working in our Supportive Services Program with these families every single day. It is about a three to five year term to get someone that may not be working right now, working and then at a wage in which they can actually move out of subsidized housing, but when that time comes, where do they go? You go from \$700 a month rent to \$1,500 a month, and that is for a one bedroom. We have two, three, four bedroom families. We are creating workforce housing so people do have pathways out of subsidy as we build these new units.

**Councilmember Harlow** said I am a little more interested in the RAD program and the video and the two slides following it talked about the little more than 3,000 units that were preserved. This is interesting to me because we are trying to set some new policies around how do we preserve more units in the City, you heard in the enterprise presentation that we need to do that as a strategy. Can you explain the RAD program a little bit more? Also, from a timeline standpoint, how long did it take to preserve those 3,200?

Mr. Meacham said we started thinking about it in 2013 without sustainability strategic plan. You can see that year was a critical year for us because that was sequestration; 2013 you see the little dot here. That was when subsidies were very low from HUD. How do you survive in a world like that? So, kind of what we did was the RAD program was available to us, but what it is at the end of the day, it is a more stabilized income stream than what the public housing is. For us, and we have got to look at things that happen in the City and I do not have those things in front of me, but that delta is money. That delta was money that we were losing every single month of every single year but still expected to provide the same services that we had been doing all along. So, when we convert to this number to this Housing Choice Voucher platform, now we have an opportunity to maintain the properties. Now we actually have cash flow to help us do other things like provide services as well as develop. That was our strategy with the RAD program. You may see in the budget this year I think another 200,000 units are scheduled to be on the RAD program. These other Housing Authorities have been using across the country, but it has been advantageous for us to go that route. I will not say everyone should use it, but I am saying for the Charlotte Housing Authority and the staff that we have and the board that we have because of the sophistication that they have, we are able to do this type of a project.

Mr. Harlow said you talked about the HUD funding decreasing and kudos to you guys for having the entrepreneurial spirit to say, hey we need to start our own development corp. and property management corp. so we can kind of move away from that need of decreasing funding source, but you mentioned that the HUD funding that is still available is only used for

maintenance of existing housing or the Section 8 subsidy. So, does that mean that you cannot use that HUD funding to acquire new units?

Mr. Meacham said you could use some of those dollars to acquire new property, but ultimately at the end of the day, it is not additional money. So, we have bought property with something call a capital fund before, but it is always shrinking. You do not know really how much it is, so we have bought that. We do not have capital fund anymore; we do not have public housing subsidy anymore, so it is not a thought process for us anymore, because we just do not have it since we went RAD. In the past, we have been able to use some of those dollars to acquire small portions of property, but then it turned into public housing at the end of the day.

Ms. Mayfield said thank you for this presentation, and I think as my colleague asked, it would be helpful if we could get a copy of this to share in the community as well. You have on here that there is a waiting list of 18,000, but we also know that the voucher goes with the individual, so are you tracking how many people are moving to the area that also have vouchers that are coming in and adding to this waiting list?

Mr. Meacham said good question, so the way that the voucher works just a little bit, there are tenant based vouchers that do go with the tenant. So, as a tenant moves, the voucher kind of moves. What you are talking about are ports, so we have because Charlotte is one of the fastest growing cities in the country, you have other municipalities, residents that are moving to Charlotte, and what they do, they come with a voucher. We have the responsibility of managing it, so what they are competing for is not per se the voucher. What they are competing for is the housing stock. So, from a HUD standpoint, there is nothing that we can do to say that you cannot allow any ports to come. That is really the purpose of the voucher. It is one of the most flexible affordable-housing opportunities that we have in the City is this voucher, but I think that all of us know too is that one, there is a short supply of product out here for people to rent, and in some cases, even if you can rent and you do qualify, they are still being denied. Those are real issues that I think that we continue to have the face in the City about how we can expand the voucher program and get those into areas of higher opportunity within the City.

Ms. Eiselt said have we ever done anything like had the Housing Authority issue some sort of a security bond to land lords that say look we really need you to take more vouchers, because we have a lot of people with vouchers, and we just do not have the units. There is sort of an aversion to that with some landlords. Have you ever done a security bond that you are putting up a guarantee that you will pay out for damages or whatever?

Mr. Meacham said we have not. We are looking right now at high opportunity areas and making a couple of vouchers, maybe 100 vouchers that we might be able to move to areas of opportunity, and we are working with the greater apartment association to do that at this particular time. We haven't thought of that, but we will take that back as an opportunity.

Ms. Eiselt said I did not know there was such a gap between those who have those vouchers.

Mayor Lyles said the Housing Authority was the place that we really had 30% and below. With the shift in the federal funding, when you say that you are losing, what you are basically saying is my vouchers are basically going into the private sector, and I have to figure out a way to maintain or build my portfolio of homeownership. At the same time, I know one of the things that we look at are those vouchers is very valuable when we are trying to accomplish 4% deals and we have done them with you, I just want to ask you to think about this, and would you consider allowing some of those project based vouchers to be available to other low-incoming housing developers, because that would help everyone's portfolio move a little bit better and a little bit faster. I know that is a policy issue for you, but I also know that we as a City are contributing and supporting a number of people trying to accomplish our overall strategy, and those vouchers are really important to financing anything that we do. The other thing that I think is different in our Housing Authority that is not the same is that you are now basically a low-income housing developer, and we have got a number of those folks in the marketplace, and I know that when you have these, it is one of those questions that I understand that you have people that come to you and you charge them fees for helping with their development and processing that for bond development, something in that regard. I know you have to generate revenue, but I think looking at all of our fees is a really important thing to have apples-to-apples comparison when we are answering our question is going to be the most

productive use of every dollar that we have, so we understand the difficulty of all of this, but we need to level out that playing field. I want you to think about that as well. It is just very difficult when people ask, why is this different? The 30% is different because you are now being asked to finance improvements of units and developments and make them livable that were made a very long time ago with the assumption that the federal government would subsidize. That is no longer the case. Now, we are in an environment where you are a housing developer and you have also got control of the only source of regular income that supports apartment and rents in the City. It is a very tough environment for us all. I want to thank you for what you do, your participation in Moore Place. It is just very difficult, and I understand the dilemma. I appreciate the presentation, and thank you to your board members that have come to support you and to your team.

**Judy Seldin-Cohen, Away Home** said we appreciate on behalf of the Away Home Board, the opportunity to update you on your investment. Away Home is a new piece of the puzzle for affordable housing. It is not the only answer, but it is one piece, and what is remarkable about Away Home is that it is a public, private, partnership that creates affordable housing for under \$10,000 per family, without neighborhood protest, without construction, and without further concentrating poverty. The mission of Away Home is to house homeless families who have a path to self-sufficiency within 24 months. We do this by providing a temporary rental subsidy in a market-rate apartment with social service support, in addition to some prevention work. Away Home is funded by an endowment that began with the City committing \$10 million in 2014, and it has been matched by the Foundation for the Carolinas rising among 10 organizations and family. There is about \$13 million paid into the endowment already. When fully funded, the endowment will generate \$1 million of spendable income every year. This \$1 million of spendable income funds rental subsidies, which will move 100 families into affordable housing starting in 2021 and for every year thereafter. Rather than wait until 2021 to start the program, the Away Home Board created a \$1.4 million pilot that was funded by the faith community, Merancas Foundation, the Foundation for the Carolinas itself, and some early endowment income. These are the results that we are going to share today. In this pilot phase, we have housed 114 families, mostly through the Salvation Army and Charlotte Family Housing. An additional 248 families have had targeted prevention, 90 days of casework through Crisis Assistance Ministry, and we have also collaborated on key system changes that help not only Away Home but the broader community. Of the 114 families, 53 have now exited the program, nearly half. Rental subsidies are capped at two years, but in fact, what we are finding is that families are exiting early, and we are running at about an average of a year and a half. While we show the averages for rent and for the rental subsidy, in fact, there is a broad range of both that the agencies who are granted Away Home funds manage. In total though, the program cost less than \$10,000 per family over the two years. The Away Home Board has set four criteria for success: stable housing, stable income, no new eviction, and that the agency has been able to confirm the continuing success of the family after the subsidy ends and after the social service support ends. This is a much higher standard than is used nationally, but we think that it is very important to demonstrate that we are not just housing people for the two years of the rental subsidy; we are actually changing their housing future.

The barriers that these families face to achieving housing stability are tremendous. Like others who experience homelessness in our community, an eviction on their record or poor credit in most cases which limit their options for signing a lease. Barriers to employment are including transportation challenges, undependable child care, and sometimes a criminal record and sadly often experiencing domestic abuse and health challenges. All of our Away Home families earn under 50% AMI at intake. In fact, more than six out of 10, 63%, earn under 30% AMI, which is less than \$19,000 for a family of three. A typical Away Home family is a mom in poverty, with a high-school education, two children, and a really challenging path to getting a steady job and housing. In this map, each dot represents one of the 114 pilot families. The blue are Salvation Army families, and the red are from Charlotte Family Housing. You will see that we have families in six out of seven City Council districts. So, we still have some work to do, but we are making tremendous progress scattering families around the City. This scattered site approach means that there is no neighborhood protest when a family moves in, and there is greater opportunity for sharing social capital. The vast majority of Away Home families are successful after their subsidy ends, despite all the challenges in their lives, 77% have stable housing and stable jobs once there is no subsidy and no social service support; 11% have lost contact with the agency. This is something that we are making progress on in terms of remedying; 10% of the families have unstable housing and no income. Frankly, for this



population, that is not unexpected, although obviously we would like to improve there. Finally, out of the 53 families who have exited, only one family 2%, was evicted during the program. Again, caseworker protocols are being changed to avoid this outcome.

It is amazing that \$10,000 per family over two years can create such transformational change, and here you see pictures of the rental homes and apartment developments that these families are living in. What is even more surprising is that after the subsidy ends, more than 40% of these families signed a lease for a third year in their same apartment without a subsidy. Think about what that means. These two children are now in the same school for three consecutive years, which is unheard of for families experiencing homelessness, and the mom is having three years of continuous lease history, which is helpful in counteracting the history of poor credit and eviction that she had when she started the program. This also gives families and opportunity to build relationships in their neighborhood and to share the social capital that we know is so important.

The personal stories of these families are heartwarming. One mom said, "I do not know where I would be without this program." Another praised her social worker for helping her with her job search and for being so encouraging, and in fact, two families chose to excite the program early because their social worker left the agency. Rather than start with a new social worker, they gave up the remaining few months of subsidies and said that they made enough progress and could do it on their own. Finally, many of the families increased their wages, sometimes as little as from \$10 an hour to \$11.10 an hour, but for a family in poverty, that \$1.10 goes a long way. We are truly excited about the transformational changes for these families.

To summarize, what is the impact of this public/private investment in under 50% AMI families? The City has committed \$10 million, which is being matched by the private sector, and in 2021 and beyond, that will create 100 new affordable units every year. Transformational change in under two years for under \$10,000 changes the lives of these families. We are wrapping up the pilot phase and tracking those families, who are remaining in the program, and over the next three years, we will apply the lessons learned, and we will have about a half a million dollars in spendable income in 2018, which will house about 40 to 50 families. Once the endowment is funded, as we said we will general 100 subsidies a year, and we hope to bring on an additional agency. We appreciate your investment and continuous support of Away Home.

Mr. Egleston said how many units do you currently have available for the program?

Ms. Seldin-Cohen said we have 114 families in units.

Mr. Egleston said so, 114 units?

Ms. Seldin-Cohen said yes.

Mr. Egleston said I love the part about 40% renewing after exiting the subsidies lease, because I do think that the continuity piece is big for everyone in the family, but does that then mean that the unit is offline for your program?

Ms. Seldin-Cohen said well, our subsidies travel with the family, so we are really taking a market-rate apartment and converting it to a subsidies home for two years. It is not that these units are in one particular place. In fact, it is wherever they can find a landlord who will take a tenant with a little spotted history.

Mr. Egleston said so, that is just where they are currently, but any given year or two that scattered map could change completely.

Mr. Driggs said is this a different population than is served by some of our other affordable housing programs? You list past evictions, poor credit, and there are tests that do apply for eligibility for say the 9% subsidized programs. So, is this an opportunity for these people that may not have access to other subsidized housing?

Ms. Seldin-Cohen said it is. We work through two agencies primarily. We have a small program for five other people, but we work through Charlotte Family Housing and the Salvation Army. They use their own intake methods to recruit, to support these families, and our program



is focused on families who have a path to self-sufficiency. We do not, at this point, handle singles or families for whom we really cannot see how they are going to make it on their own.

Mr. Driggs said this is competitive as well, right? Families have to apply? I have assumed that there are not as many slots as there are people who may want to participate.

Ms. Seldin-Cohen said our families come in through coordinated intake or through United Way, 211, and go through the interview process of whatever the agency has set.

Mr. Driggs said do you have any idea of how many families might need this particular service compared to the ones that you are able to serve?

Ms. Seldin-Cohen said that would be a great question to be able to answer.

Mayor Lyles said I think that we have to look at one of the qualifications for Charlotte Family Housing and the Salvation Army; I think there are a number of the folks that are in the same group. It is just a different path and a different agency, because I know that Charlotte Family Housing works you through with counseling and training and job preparation. It might be some of that same subset, but it is just a different service route, and they get a different self-sufficiency program.

Ms. Seldin-Cohen said and with different tracking. We are really diligent about making sure that the agencies keep track of these families for two years so that we know that in fact we are changing their futures and not just giving them a temporary place to stay.

Ms. Eiselt said great program, obviously the return on this investment is high and successful. A couple of questions that I have, are you only working with families that are homeless? Maybe they are in Charlotte Family Housing or the Salvation Army, but they are homeless. Is that right?

Ms. Seldin-Cohen said that is correct, homeless or within 14 days or three days of being homeless.

Ms. Eiselt said okay, so was that what you mean when you say that you averted a certain number of families?

Ms. Seldin-Cohen said through Crisis Assistance Ministry, we also fund their targeted prevention program that helps families sustain their housing so that they do not fall into homelessness.

Ms. Eiselt said that is my question, the almost homeless population.

Ms. Seldin-Cohen said yes, when we look at it, it is important to do both, and the limited funding that we had for the pilot phase, we got to a point where we said we really want to keep up with the agencies, but how can we not do targeted prevention, because we do not want to make the problem worse, and we managed to make it work, but we have to do both.

Ms. Eiselt said has there been any sort of analysis that has been done to say, if someone is at least in housing now, but we can look at their finances and say they are 20 days away from being homeless, do we know what the financial impact is of helping someone who at least still has a roof over their head even if it is for 20 days or someone who truly is homeless- It snowballs quite quickly, and I wonder if we have looked at that.

Ms. Seldin-Cohen said one of the decisions that we made is that forestalling an eviction had to be a key criteria for all of the programs, because recovering from that is just too hard. One of the agencies has more of a tough love approach, and they have changed their caseworker protocols to make sure that the family doesn't get evicted, because you just cannot roll back from that.

Mr. Winston said I think part of my question just got answered and was in terms of how to get people on board to this program, and I think that I am going to spend some time with you guys

in the next couple of days, because this isn't something that is necessarily opened to anybody and everybody.

Ms. Seldin-Cohen said right, it is one piece of the puzzle.

Mayor Lyles said it is good to see you; thank you for what you do.

Ms. Wideman said I am going to cut to the chase, but before I cut to the chase, there were two questions that you asked me to answer. Mr. Bokhari yours that you asked us to disaggregate the number, so you were correct, about 19,000 of those folks were at the 30% and below, and about 4,000 and some change were at that 50%. That is how we get to the 24%. It is important to remember that tools to address this are basically at 60% and below, so that is why you hear us talk about 60% and below a lot.

Mr. Bokhari said I think that it is probably an understatement to say that I am frustrated right now by having to back into some of the math that I just did, but you are right, and I am glad that you confirmed it. So, under 30% AMI, we have a 19.5 thousand unit shortfall. From 30% to 50%, only 4,400, and from 50% to 80%, we have a 25,000 unit surplus.

Ms. Wideman said again Mr. Bokhari and we can take this offline. I do not want to belabor the point. We have what I think you might call is a unit mismatch. Again, some folks are living in lower-cost housing, because they can make a decision to buy down. People of lower income, they have to buy up. So, let's have a larger discussion.

Mr. Bokhari said yes, let's have a follow up on that, because if you do the math, there is a 25,000 unit surplus at that level above, whether it is bought in or not, and when I look at we just spend \$14.6 million of City funds over the last five years with the Charlotte Housing Authority on new construction. That is 51% of everything that I saw there, is 50% and above of AMI. If you look at what we did in the HAND meeting last week, we have 11 projects where we are contemplating spending \$23.9 million. There are 748 of those that are 50% AMI and above. That is 79% in the area where we have some multitude of thousands of units in surplus, so I cannot understand how we have not talked about it in these basic numbers right now, because we have been making decisions for years and are about to make other decisions to add and subsidize in an area where we have a surplus. I do not understand why this is not something we all- How did I back into that math, and that has not been the headline in every single deck I have seen?

Ms. Wideman said again, let us have more discussion about this offline. What I would say is that all of those units do not have deed restrictions, so they might exist in the market, but that is where the naturally occurring affordable housing discussion comes in and preserving that. So, I do not want to belabor the point, but I promise you we will have some more conversation about that. Mr. Winston, to your point about the units in the uptown, some of that vacancy rate is because there are more units coming in the uptown, so people again with means have choices, as where people of lower income do not have choices. We do not have enough units in the market for lower incomes.

Mr. Winston said again, my question was really towards informational, so when we are having these conversations when they say this is what the market is telling us that we can do. Well, when the market is saying that you can have a 22% unit vacancy rate while we have these short falls in these other areas, I am not understanding the gap. If you can make the numbers work with 22% vacancy rates versus you cannot make the numbers work when there are less than 5% vacancy rate, I need to understand that.

Ms. Wideman said we will help you with that. The purpose of this presentation is to talk about your upcoming funding support request. I will remind you again, at your Strategy Session you said that you wanted to find ways to fund more 9% and 4% tax credit developments. So, these are your 2018 requests. I will just go right to this page that has the request. Most of you all have seen this information before. If you ask us, I need to spend some time here. Last year, when you all approved the \$21 million for 4% tax credits. That left us a balance of \$1.4 million in the trust fund. We have found- We have realized some existing program income, \$372,224 in program income. We have also looked at how might we use some federal dollars in this interim period, until we have another successful bond. So, we have identified \$3.2 million of

unallocated home dollars. Now, you might ask, "Pam, what is not going to get done if you use this money." That money it is unallocated because you will remember that the housing down payment assistant program went underutilized for a number of years just because of how things were going in the economy with home sales, so that money we have not used. So, it can be used. Many communities use their home dollars where they do not have a housing trust fund to support 9% tax credit deals. So, we can use \$3.2 million of home. Everything that we have identified gets done. We still continue to operate our homeownership program and work with our partner towns, then we are proposing to use a temporary project reallocation to the tune of about \$1.8 million. That will get you to about \$6.8 million to fund your 9% tax credit deals.

Our requests are as follows, so let me just spend a minute here. You will remember that 9% tax credit deals are highly competitive based on our fair share and the metro region, we can only get redevelopments. So, what we have done is we have said if we got the three most expensive developments, could we fund that within our temporary funding. The answer is yes. We do not have a way of knowing which ones we are going to get, but if we got the three most expensive ones, we would still be okay. In committee, we talked about changing the narrative, diverse price point housing, and that is exactly right. Ms. Mayfield refers to that a lot. These developments are funding rents ranging from \$371 all the way up to \$1,000 per month based on a house hold of four depending on what the unit mix is. We also have two, 4% tax credits that are requiring funding. We have communicated to the developers that these will be funded pending funding availability that might be identified or could be identified through your budget process or in November when we have a new bond allocation, and you can see what the requests are there. Let me end by saying that five of these proposed developments require a waiver to your existing housing locational policy, which is in committee. You identified that at your retreat. It is a policy that you all wanted us to look at and revise. Two of the developments, the two at the bottom, they simply need a waiver to your locational policy. They are not asking you for federal dollars. Those are the requests. They will be on your April 23, 2018 meeting for your approval and consideration.

So, the next slide, we have had a lot of talk in this community about what are we doing around 30% units. That is not only conversation in this community; that is conversation nationally and across the state, so what the state of North Carolina did in their qualified allocation plan, that is the application that developers must submit. They require all developers to set aside 25% of the units in their proposed developments for households that are earning 30% and below. You can see here how that plays out in the 9% proposals and also in the 4% proposals. Again, I will just say these are examples that you funded before, and these are projects actually on the ground.

As a wrap up, just a couple of things, this will be on your April 23, 2018 agenda for your consideration. Moving forward, you will see your annual action plan. That is your federal application to the federal government that we have to submit every year to get our community development block grant, our home funding, HOPWA Housing for People with Aids and HIV, and our emergency solutions grant funding. That will be on your agenda for a public hearing on April 9, 2018 and for approval on April 23, 2018, and in May, you will see on your agenda a request to approve our housing counseling services contract. That is the contract where we offer housing counseling services to people who participate in our down payment assistance program. They have to do pre homeownership counseling. Finally, let me just add and say that we are going to continue to work on your identify short, medium, and long term housing goals. We are going to continue partnering with your community partners, and I will end by saying a sincere thank you for hanging in there tonight as we work through all this information.

Mr. Mitchell said we always get asked the question from citizens, "where can we find affordable housing?" I do think that it would be helpful, because I have called you so many times and thank you for being nice and taking my phone calls, but it would be nice if we had an affordable housing portal that is an online system that citizens can type in what they are looking for and maybe Laurel Hill pops up, Charlotte Housing Authority pops up, but I do think that the more we can embrace technology and help address some of the questions out there, it would be a big relief from us Councilmembers, because I feel back when they say they are looking for 30% AML, and I say I do not know who to call but Pam. So, if you all do not mind addressing that at the Retreat, embracing technology and come up with an affordable housing portal, I think that it would help all of us.

Mr. Newton said my question pertains to the housing trust fund proposal slide. I am trying to drill down into some of these numbers, and I think that you did a fantastic job with presentation by the way, same thing in the Housing and Neighborhood Development Committee, but with the 9% numbers, we are talking about being able to cover the existing gap of what is left after the State approval of three of these. I am looking at the numbers, and I am looking at if I take out the highest ones. I am saying the \$2.1 million, the \$1.9 million, and \$1.84 million, I am still coming up with when I apply that \$6.8 that is in our trust fund account, a gap of almost two million to cover, and if it is not the three largest then it is a larger gap, or do I have that backwards, then it is almost as much as \$4.5. Can we identify funds to cover the- Am I reading that right? If so, can we identify funds to cover the additional two to \$4.5 million shortfall from what I am maybe reading here?

Ms. Wideman said what we looked at Mr. Newton and I may have gotten this wrong, but I try not to. If we were to get the \$2.1, \$1.9, and the \$1.8 million, I think that adds up to about \$5.8 million. What I am suggesting to you is that if I go back, you have total available \$6.8 million. You have enough to cover the three most expensive ones if you were to get those deals.

Mr. Newton said I think that I am looking at that backwards. In as much as the others, the other 9% proposals then go away?

Ms. Wideman said developers might reapply for the next round, which that often happens, or they most likely will reapply for the next round, or they could do something else with the property.

Mr. Newton said on the multi-family rental developments recommendations slide, you were mentioning that from the standpoint of 30%, which isn't before us, so I am going to hopefully just draw from your memory here, when you mentioned 30% and below with 9% set aside for at least 30% as a minimum or 25% as a minimum?

Ms. Wideman said they have to include at least 25% of the units have to be for the households earning 30% and below.

Mr. Newton said that is a minimum. Could we set a standard for Housing Trust Fund dollars of something higher than that?

Ms. Wideman said yes sir, you could Mr. Newton. I would just add to that, if you set that standard what that is going to do is drive up the cost, so you also need to be prepared in those cases to make a bigger Housing Trust Fund contribution to those units.

Mr. Newton said would that also apply for the 4%?

Ms. Wideman said that would apply for the 4% as well, and again, I am never saying that this all has to be funded by the Trust Fund, but today, the Housing Trust Fund is the biggest subsidy that we have in this community. So, for every 30% unit, you have to almost double or triple the Trust Fund contribution.

Mayor Lyles said and you have to figure out some way. It needs to be a longer plan than just the picture of today and now.

Ms. Ajmera said are there NOAH units currently occupied by 60% to 80% AMI qualified residents?

Ms. Wideman said yes ma'am.

Mr. Driggs said colleagues, last year I made a suggestion about funding the Link Bojangles Link and our housing. I would like to point out that this proposal, we have \$9.5 million of 4% proposals, two of them, for which we have no funding right now. We are actually in affect borrowing a \$1.850 million from the coming bond cycle in order to realize your proposal. So, there is about an \$11 million need that is identified in this. I think that it is a good opportunity to reconsider the question of how we fund the Bojangles Link and whether or not we can create some funding for housing, because we are running a little ahead of ourselves here. We are



diverting home funds, borrowing from a future bond offering. I think that it is a very clever way to stay in the business of 9%, but it seems to me that we have now, unlike when I first brought this up, a clearly identified need in opportunity. So, I hope that we can reconsider the idea of just arbitraging a cross between those other funds and these because sometimes it looks like we are having a hard time coming up with money for housing, and yet on the CRVA side, we can do things like entertain a proposal to fund soccer. This is just one occasion. It is rare but the separation between those funds could be breached in order to balance our use of money. I would like to propose that we consider that again.

Mayor Lyles said I think that is appropriate. I think that the thing that we would need to do is make sure that what that was a proposal for soccer that was really real and it is actually that we need to see the financials from the CRVA. So, we have this, and we need to see CRVA's financials as well before we go into that. I think that what we have done is actually stated that our priority is to get housing done, and the number one thing that we need to do throughout this cycle as well as our budget cycle is to make that commitment real for our community. It is something that I believe. I am not going to speak for anyone else, but I said that the number one way to have confidence and trust in government was to deliver on the needs that were most important to the people that we need to address, and that is housing, so however we need to do that, we need to put it into the front of us, and I am depending on the expertise of how do we sort this out; how do we move things around? Any idea should be on the idea and that the HAND Committee should bring back to us something that is workable, as well as in partnership with the public and private philanthropic sector of the community. We are taking a tremendous leap here. When housing was done, it was done through the private sector and the federal government, and here we are with the development pressure, the pressure of the economic opportunity work that is being done and just the idea that we should have decent places for people to live if they are going to work in our City. If we are going to have a diverse city, we are going to have to have diverse price points. That means that we are going to have to do things that are going to make a difference. So, I just leaned over to Ms. Mayfield and gave her a short prayer, and that is okay, because we are going to move this in a way that meets needs in this community. We are very serious about it, and that is the message that we should be having. I am looking forward to the work and Mr. Driggs, your idea should be in that mix.

Mr. Harlow said I want to go back a little bit to the nuts and bolts data points that Mr. Bokhari brought up around the deficits, 19,000, 4,000, and then the surplus around the upper income brackets. We see all these proposals and we learned that in the HAND Committee meeting all of them have the bare minimum of 25% of the 30% AMI, but we know that is where our biggest needs are. My concern or question, and I have brought this to you before, and you explained it, but I want you to explain it again as it relates to if we know that our biggest need is in the 30% and below, while also knowing that folks who are building these units and have a capital stack that needs to make sense to make their development cash flow properly, why wouldn't staff have a recommendation to us to earmark Housing Trust Fund dollars for the 30% and below?

Ms. Wideman said great question Mr. Harlow. Let me take another stab at it. I want to caution us when we say surplus, you really have to understand what that means. Those units exist in the market place, but many of them do not have a deed restriction, so that is why you all get calls about, I have a 30 day notice; I have to vacate my apartment, and where do I go? There is no long-term deed restriction. That property owner isn't doing anything illegal. That are just choosing to redevelop their apartment that they can do. Let me just put the point there. We could allocate our dollars for 30% and below, but your dollars would not go far. What I mean by that is it is twice the amount to do a 30% unit over a 30 year span, so you are going to get very few units in this community if you just dedicate your dollars for 30% and below. The other thing that I would say is that in this community, we have talked a lot about economic mobility, mixed-income development, so what these developers are doing is trying to create mixed-income communities. It works better financial; it works better socially. If you did just all 30% units, effectively, what you would be doing is reconstituting public housing or as we like to say in this community, concentrating poverty. Those are reasons that we really have tools, the States tools, local tools, we are talking about getting an equity fund where we really want to work more with developers affordable and private sector to create mixed income communities that we can all be proud of. We are never going to do it by ourselves, so that is why we need partnerships.

Mr. Harlow said I appreciate that response; I am not trying to create pockets of poverty or dense areas where all the income is of the lowest bracket. It seems that so much of our conversations are around the units, the amount of units. I am ready to be realistic in saying that we are not going to dig out of the hole, so therefore, let's stop talking about how many units we are getting. Let's talk about mobility, and let's talk about let's be okay with spending a little more money and getting fewer units knowing that we are moving some people up. In the same conversation, let's try to move some people out of the diverse-price point conversation. I have not heard anything from staff, whether it be in HAND, or in all these slides, around some creative strategies in the sense of okay we know that we have set these goals and we are on pace for 5,000 units. We are going to hit it and that is great, but we still have the deficit, and if our goal isn't shrinking the deficit, not trying to get to break even because we have to be real and say that we are not going to get there. Everyone has made a presentation today about transportation, access to better jobs, closer to better performing schools, and we all seem to agree because we are smart people to say, well we have to spend a little more to get there. Land cost is going to be a little higher, so we are going to get fewer units. Why is the staff not coming back to us with more things like that, or why are the developers continuously building in places that clearly are not suiting the same goals that we are trying to reach from a mobility standpoint?

Mayor Lyles said I will hope that we have some opportunity for some in-depth- I think that it is a little bit unfair to say why does the staff- When the Manager is going to present a budget, and we do not know what is going to be in it for affordable housing or housing of diverse price points, so I think that all that we are presented with for tonight are these that are due for an application. We do our major policy making in the budget, and that is why I am encouraging us to start thinking about going to the meeting and you are there and just having us talk about that goal setting. Also, remember, we have people that work in this business, and they may have paths that need matching. Maybe it is not separating if the 30% and below is a higher price point, but perhaps someone comes in with a deal that 50%, and they are requiring just a small match to do that. We have to see what the programs are and what paths they are taking, and I think that what we have set as a goal is to have that in our budget. This is to get through our Trust Fund, so I really appreciate the challenge before us and the challenge that you present. I also think that it is really important not to get into a divisiveness of if you are not doing 30%, you are not doing good, because there is so much need out here, and there is such relativity between each as you said. Let's see how do we get people up and out that market in public housing, 800 and some units. How do we get people in natural recurring with deed restrictions, so this isn't a problem that is solvable just by having a Trust Fund. It is just not ever going to get there.

Mr. Driggs said can I make a brief clarification to your point, if a 30% household could pay \$500 and a 60% household is capable of paying a thousand, and the apartment cost \$1,200, the subsidy that the 30% household needs is \$700, and the subsidy that a 60% household needs it \$200. That is a factor of 3.5 times the cost per unit to go down from 30% to 60%. It is not minor, and we have to be serious about reconciling those goals as the Mayor says that we have.

Mr. Winston said I just wanted to kind of build from what I heard Mr. Harlow ask is that what we are saying is we have to create it. We have to be creative. The idea of earmarking dollars, let's not just think of it strictly on 30% and that is it, but how can we maybe say that in this mixed income development that we are earmarking dollars for, a certain amount has to be at this price point but also can include everything else, or does it just have to be pigeon hold. Of course that would be reverting back to concentrations of poverty. We will earmark certain dollars to give greater weight in awards that does have these types of units that create the type of place type and neighborhood that we are trying to create.

Ms. Wideman said Mr. Winston, that is absolutely possible, and that also allows the development community to be more creative when they go out and see equity from other equity sources. We can absolutely do that.

Mr. Winston said I see the frustration on my colleagues face.

Mr. Harlow said I appreciate that. We are looking at the spectrum; Mr. Newton called the continuum. I was not asking the question of let's earmark everything of 30% and below but

how do we get more? If the trust fund is our only tool in our tool box in this larger tool box, we have got to try at least to get more out of that, more return from that is really what I was going for.

Ms. Eiselt said I just want to remind everybody that when we talk about 30%, 60%, and 50%, we are talking about professions also. We are not just talking about percentage categories, and that is another thing to keep in mind. Maybe we do not have as much need just from a per unit standpoint at a certain AMI, but let's remember those may be school teachers or when we have a hard time retaining police officers. Maybe it is because they cannot find housing in Charlotte or for whatever profession it is. We also have to think about that, which is just something to bear in mind. That is all, not to take away at all from the emphasis on really looking at our 30%.

Mr. Bokhari said let me start by saying, I and we love you to death. We are lucky to have you here. The frustrations that I am personally relaying, obviously it is at the situation. I just want to make sure that you know that. With that being said, I guess the point of this is that there is a lot of tough to understand dynamics in the math, but at the end of the day, if you just boil down what is over 50% to 80% AMI, there is a surplus there. There is no way to un-explain the raw math there, because I have minuses out below it. I guess the point that I want to bring back again and this is the reason I am saying it now and not at our summit and things like that, is for the City Manager, because the Mayor said in the budget and what you bring back, very important. I think that it might be time for a whole sale change for how we look at it. If we keep going forward, dumping \$30, and \$50 million a year or every two years and then 20 years from now we look and say, we created 21,000 units, great. Then we look at the census, and there is a 30,000 unit gap, nobody succeeded. I would say, as I look at these numbers, if we have 11 deals that we could potentially have and we are only going to get some of those, but the mixture is that you have to have 79% AMI above 50% to 80% in order to make the 20% to 30%, 21% or so that are under 30% AMI actually work, then the model just doesn't work, because we are just continuing to build into this surplus that exists. So, Mr. Manager, what I might recommend is that we know there is a 4,400 gap between 30% and 50% AMI. We have proven that the Housing Trust money can work there. No one has proven that standalone can work 30% and below, so maybe we start working at some of these Away Home models who are not throwing it into old decades old land investment with middle men of developers. Maybe we attach it to the person and really address the 30% and below, then make this a more manageable number at 30% to 50%, then over time as people raise the market rate; we have a 25,000 unit buffer which we could see that train coming. It is the slowest moving train ever. We are going to see that coming and make adjustments when that starts to contract.

Ms. Mayfield said I would like to encourage my colleagues to recognize the Housing and Neighborhood Development Committee has had a number of these conversations. What we are attempted to do is, we are having deep dialogue. Honestly, none of this is new; we go back to 1933 to 1937, when PWA was created. We look at the fact that government created segregated communities. We look at the impact of white flight throughout the nation and within Charlotte. Your housing and Neighborhood Development Committee is having a housing retreat, which will be our first housing retreat, specifically to look at not only our locational policy, but what are our goals under Housing and Neighborhood Development? I have already confirmed with Ms. Campbell. This should be coming before us with the recommendations on April 23, 2018. We have our next schedule Housing and Neighborhood Development Committee meeting April 18, 2018. The conversation that we are having right now with committee based on schedule, we need at least a four hour block retreat time to get into this. It is whether or not we can get this on the books prior to our 18th meeting or if we are looking at subsidizing our 18th meeting. Those are the conversations that we are having right now. I am hoping that we can get a date so that we do not have to subsidize the 18th meeting, because the 18th meeting, our meetings for everyone in the room are at 2:00 now. They use to be at noon. I will prefer us not to be rushed, so staff is going to be sending out a call of times for our Housing and Neighborhood Development Committee this week so that we can actually create this retreat and answer these questions so that the community will know what is our recommendation to full Council, because it is not the role of Charlotte City Council to figure out how to fix this problem that is a shared problem where multiple groups are going to come together. I thank you for allowing us to have this conversation, but I do know that we need to move on.



Mayor Lyles said this is coming up on our agenda for April 23, 2018.

Ms. Wideman said the developers have to submit their final application to the state, so we will need an action on April 23, 2018.

**Marcus Jones, City Manager** said one thing that is important and Pam started off with this, so I do not want people to loose site of it. You spent a good deal of time at the Retreat this year and did a deep dive on one topic, and it was affordable housing, while you have many topics that run deep drive, I think half a day, was affordable housing. In the short, medium, and long-term goals that are out here, we are working on those. So, the short term I believe were between the first 90 days. Medium term is what could happen within the first year and could be in this budget and what could be a little beyond that budget, so I do not want everyone to lock so much into the Housing Trust Fund, because there are many more opportunities, and the key thing is going to be partnerships and leverage. We had to do something tonight, because of a process and getting to April 23, 2018, but it is not just about the Trust Fund. There are many more opportunities that we are working on in terms of leveraging and partnerships.

Mr. Phipps said I had a question about the timing of these retreats and things, because the last Budget Workshop is on the 11th, so this retreat is on April 23, 2018. Is that going to impact?

Mayor Lyles said we will figure that out. Let the staff work on the plan and get it.

Ms. Eiselt said there is no date. The 23rd is the Zoning Meeting. There is no Retreat date yet.

Mayor Lyles said I think that he was saying just to make sure that all of the other meetings would be considered, all of those meetings are on the calendar.

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### **ITEM NO. 3: VISION ZERO/ RED LIGHT CAMERA UPDATE**

**Marcus Jones, City Manager** said tonight, I have with me Liz Babson who is the Director of C-DOT. She has 20 years of experience with the City, and Liz will help us with some data points as well as some information that is related to Vision Zero as well as red light cameras. I would like to start off by talking about our last Strategy Session where staff worked on a number of items. If you may recall during 2017, the various committees had 92 items that came to those committees. One of the things that we were trying to accomplish was to get those items either addressed or funneled back into the committee, and we learned during that time almost half of the items last year were informational items. So, one of the things that we learned from this Council is the ability to have shared information and shared decision making. What that said is there were a number of items that fell to the Manager. I think there were eight of those. Seven of those we have addressed and we are down to the last item that was referred to the Manager, and that is red light cameras. One of the things of why I said what I said last time about not recommending red light cameras was really not recommending red light cameras at the time, because what we had was basically a series of events that did not necessarily have the concept of shared information and shared decision making.

Let me start off basically by saying a few of the items that are related to red light cameras that caused a bit of a pause related to financial, legal, and the overall impact on improving safety. We will address all of those this evening or at least attempt to, but I would like to go back and start off with, in February of 2017, the Council approved the Transportation Action Plan. Within the Transportation Action Plan, there is a goal, and there is an objective goal to objective goal of 2.5, which says that the City intends to review and implement transportation safety and operation improvements as needed. One of the most important of these objectives would be 2.5.1, which is that the City will implement a Vision Zero initiative by developing a comprehensive program for partnerships, engineering, education, community engagement, and possible speed and red-light running enforcement. That is a part of the Transportation Action Plan. A month later, March 2017, there was a referral to the TAP Committee that related to whether or not the City should reengage in red light cameras. Somewhere between March 2017 and September 2017, there was little action related to red light cameras. It was actually a concept that staff said, wait a second. Let's see if we could be like one of the 40 cities across the country that have pivoted to this concept of Vision Zero. I just want to talk a little bit about



Vision Zero and the Vision Zero cities. This is something that Liz will talk a little bit about in her presentation. This was information provided to the TAP Committee in September, but again, shared information, shared decision making. Vision Zero really has moved a very different path. That is a simple concept such as traffic deaths are preventable. Human life and health are prioritized. Human error is an inevitable and the consequences should not be fatal. Work should focus on system level changes and speed, and I am going to emphasize this, speed is a major factor of crash severity. A lot of what we are seeing across the country is this concept of speed and how do you address speeding, and what is the impact of speeding on crashes? So, a little bit of information before I turn it over to Liz. One is that if it is the will of the Council to implement a red light camera program, that can be done. There will be some legal issues that we would like to discuss. There would be some financial issues that we would like to discuss, but again, if it is the will of the Council, we could implement a red light camera program again. Throughout the state, I think there is a little as five cameras in one jurisdictions and as many as 15, so somewhere in there, if we had a range of that, that is a possibility.

I would like to focus a bit on Vision Zero before we make this leap to red light cameras. Over the past five years in Charlotte, we have had 131,000 crashes. That is an average of 26,000 a year. What is important is that 2.7% of those crashes, about 700 a year, are at signalized intersections, and they have been angled crashes. When you start to think about red light camera and red light camera enforcement, one of the things that you find out is that those angled crashes decrease, but sometimes you see increases in rear-end crashes, so again I am going to try to stick with this concept of traffic deaths are preventable, so one is too many, and the concept of Vision Zero starts to look at this holistic approach. What is also important is that of the crashes over the last five years, we have had 250 crashes over the past five years that have resulted in fatalities. That is a total of 260 fatalities over the last five years. Over 40% of the fatal crashes involve speeding as a contributing circumstance. Over the past five years, about 22% of those fatal crashes have been at those signalized intersections. Only 11 of these were right angle crashes. Again, we are trying to look at what is the problem that we are trying to solve. The implications there are many factors to consider beyond just these angle crashes. What is important is that red light cameras are a tool, but it is not the only tool when we start to think about Vision Zero.

One more thing that I would like to say as we start to think about Vision Zero is not just adopting a policy, Los Angeles has done it; New York has done it; Austin has done it; Boston has done it. It is really adopting something correctly. That is where it was important with staff last September at the TAP Committee to start talking about this concept of Vision Zero. It deals with roadway designs, speed management, behaviors enforcement, and technologies, and we look at these systems as a whole. That is the lead in. If it is the will of this Council to reengage in red light cameras, we would like to express how that process would work, but again we would like to have the whole body hear a little bit about Vision Zero, because that is the path that we would like to take as a staff.

**Liz Babson, Transportation Director** said I am going to hit a couple of items to really talk to you about red light running but about red light running as it fits under a Vision Zero umbrella. Again, we are going to go through a number of things. We will talk about Vision Zero, and we will talk about how that fits into Charlotte's model for how we want to approach traffic safety and then Bob Hagemann, our City Attorney, is ready to step up and share with you a little bit of the legal perspective about Charlotte's automated enforcement programs that we had in operation back in the early 2000's

Just to touch on this real quickly as the Manager stated, we have a number of transportation policies that Council adopted in 2017. One of which was the Transportation Action Plan, and that is the document for us that really looks at the programs, policies, and funding necessary to keep pace for the next 25 years with the growth that we anticipate. Here is the objective specifically stated under the Transportation Action Plan that was adopted by Council in 2017. Just to take a moment to talk to you a little bit about Vision Zero and where it got started, as Mr. Jones said, Vision Zero began as a national policy in Sweden in 1997, and it is really taking the concept of no loss in life is acceptable, and Sweden actually, as a country after they implemented this, saw traffic deaths go down by 30%. Here is just a snapshot of the communities across the United States that have already adopted Vision Zero. I will tell you, this map is updated almost weekly, so this is already out of date, but there are 40 communities across the United States and based on our research, 10 of those have red light running

programs in operation today. Again, as Mr. Jones indicated, these are a number of the concepts associated with a Vision Zero program.

Let's talk more specifically about Charlotte and how we anticipate looking at traffic safety under a Vision Zero umbrella in our community. We will start with safe streets. When we talk about safe streets, there are a lot of components to consider. These are things that we are doing today. I do not want you to think that just because Vision Zero is a new program that we are not building safe streets and thinking about the safety of all of our users that are out there. Again, we are looking at safe design for all of our transportation facilities and all of our users, both pedestrians and bicyclists as well as our vehicular traffic, and these are just a few examples of the kind things that we are doing today, both through capital funding as well as partnerships with developers and the North Carolina Department of Transportation on their projects. Transit is another important part of the safety that we consider as we think about our transportation system and the users of that system. Signals, this is just a snapshot of the kinds of things that we are doing today that supports transportation safety under a Vision Zero program. Last but not least, there is the work that we are doing around our schools. I point this out because this is an opportunity for us to look at our school zone policy and bring back to you in the future some recommendations to update that policy. Again, these are just a few examples of photos of that kind of work actually constructed in the field. Another important part of a vision zero program, as the Manager indicated, isn't just the projects that we do or the things that we implement, but it is also working closely with the community.

We have a number of education programs that already exist today. Watch for Me NC is a campaign that supports pedestrian and bicycle safety, and we partner with NC-DOT and the Charlotte-Mecklenburg Police Department and other agencies in the community, and we actually are able to take advantage of some state wide documentation on this program and publish that throughout the community. From a rail safety perspective, Operation Life Saver is another education program that we participate in as a City. Last but not least is really thinking about expanding the work that we do in education and engagement with the community. Here are just a few examples of the way that we engage the community today. We are looking beyond just the traditional public meetings that we historically have had but really trying to engage the community and get input from them about the kinds of things that they see in the way of traffic safety and concerns that they have.

Another area is really analyzing the data. Vision Zero is not only about community engagement and education, but it is also really looking at the data and using the data as a tool to help us develop a program. Here are a few examples of the kinds of things that we are already doing. We produce an annual traffic safety report. We have monthly meetings where we are constantly being proactive and looking at crash data that comes in from our police department. We specifically go out and do investigations after fatal crashes occur within the City. This is another example of something that we would like to do and would look to do within the coming year. That is really starting to look at our system as a network. Right now, we do a lot of focus on intersection analysis, and what this would do for us is really focus our evaluation and investigation on the entire street system. We will specifically be looking at locations where there is a higher incident of severe and fatal crashes. We will also prioritize corridors based on that data. Last but not least is the policy and legislation work that would support Vision Zero in this community. Here are a few examples of the kinds of things that we would continue to engage Council with. As I mentioned a few moments ago, we have a school zone policy that was updated back in the 1990's. We would like to look at that and bring that back to Council and have some conversations for some recommendations to update that policy. Also, there is the Unified Development Ordinance work in making sure that transportation is an important part of that conversation, because we know that transportation and land uses are integrated. Last but not least is the auto enforcement.

**Bob Hagemann, City Attorney** said Charlotte was the first city in North Carolina to have a red light camera program. We had to get legislation back in 1997 to authorize the program, and as we researched it back then, those of us who were around back then and worked on it. There is a provision in the North Carolina constitution that requires the clear proceeds of all penalties, forfeitures, and fines collected for any breach of the penal laws of the state, to be paid to the schools. When you go and pay a traffic ticket, that chunk of that money winds up in the hands of the schools. As we are developing our program, the plan was for those who were the offenders who ran a red light, to bear the cost of the program and not put that cost on the tax

payer. What we did with the help of the General Assembly was we decriminalized red light running that was detected by a camera. All of us lawyers, School of Government, local government, lawyers across the state, legislative staff, we were confident that was an appropriate way to fix the problem so that we could take the civil penalties from red light running detected by cameras and use it to pay the contractor with some money left over for other traffic safety programs. That is what Charlotte did, and 15 or other cities in the state followed along behind us, and we were all rocking and rolling until the Court of Appeals in a case out of High Point concluded, it is the law now, that the fix was not really a fix and that the clear proceeds had to be paid over to the schools. There is case law that holds that the clear proceeds mean that you could only deduct the cost of collection, and the legislature capped that at 10%, so 90% of the \$50 ticket, \$45, had to be paid to the school, but we were paying our contractor about \$30 per ticket. So, \$45 and \$30 is \$75. With that court ruling, it was going to cost the general fund \$25 per ticket issued to continue the program, and Charlotte along with almost all municipalities in the State put a halt to the program to see if the Supreme Court would reverse. The court ultimately decided not to take the case, so we were stuck. We killed our program; we wound up paying three years' worth of civil penalties, 90% to the schools, about \$4.7 million was paid to the schools, and we do not have a program today.

There are four cities in North Carolina that are currently running a program. Wilmington cost shares that cost with New Hanover County. They are sharing that cost 50/50, but it is costing both the County and the City general fund money to run the program. The two most recent reentries into this field, Fayetteville and Greenville got new legislation which lets them enter into interlocal agreements with their school board, whereby the school board can share in the cost of the program. I guess the motivation for the school board is 90% of nothing is nothing. Some lower percentage of something is something. I will tell you though that Greenville has already been sued, and one of the complaints in the lawsuit is challenging that arrangement with the school board claiming it is an indirect and run around the constitutional requirement that money goes to the school. In other words, giving it to the schools for them to have them give it back, is not vesting that money with the school board. I think that claim is a serious claim, and I would not be surprised if the courts ultimately conclude that the arrangement with the school board is not a fix. I think the question for you and I could not advise while that case is out there that you work on a similar arrangement here in Mecklenburg County. What I can tell you and the Manager alluded to this is that if you do want to start a program, my legal advice would be that you plan on paying 90% of the proceeds to the schools, as well as the cost of whatever the contractual arrangement we have to run the program.

**Councilmember Eiselt** said what was the verdict on the 1997 through 2004 program? Did those programs work, money issues aside?

Mr. Hagemann said I will leave that to our Director of Transportation, in terms of safety and reducing red light running. I think that there was evidence that the program did reduce red light running.

Ms. Babson said I can share some of that information with you. In 2001, we did an evaluation, which was exactly three years after implementation of the program, and we looked at data three years before implementation of the program and determined that at 17 of the intersections, because we were looking for intersections that had the same period of installation, the study showed that angle crashes were reduced by 37% at those 17 intersections. Angle crashes were reduced by 60% on the camera approaches. All crashes were reduced by 19% on the camera approach. Rear end crashes increased by 4% on the camera approach.

In closing, this is just a recap of Vision Zero. Again, the thought is that it is a comprehensive way of looking at traffic safety, and these are a number of different areas that we can look into, not just building our streets but also analyzing our data work closely with the community, then coming back to Council and working on policy and legislation updates if that is necessary. In closing, I just want to remind you again, traffic safety is important to us. We continue to do this work throughout the year. So, for example, we do an annual traffic safety report. We had one of those last year. We presented it to the Transportation and Planning Committee. We will have another one probably finalized in the next couple of months, which will have some new data. Again, we also do some in-depth data review as we are looking across the entire system looking for trends and analysis. We will continue to do community engagement and education



and work closely with the community as projects provide those opportunities. Last but certainly not least, we will come back to Council with updates as there is more work to be done.

**Councilmember Mayfield** said I probably should be asking my colleague Mr. Bokhari this number, since he loves this question with the numbers. So, what you just shared with Ms. Eiselt regarding the number of angle crashes, what has that accounted for, for cost per crash? So, the crashes that we have identified versus what Mr. Hagemann shared with us with the cost of the program, because when we ended it, we have to pay out three years of it, and we know that it is not a revenue neutral program. Did you, by any chance, look at the comparison of those first three years in 2001 to break it down to say how much did it basically cost the citizens of Charlotte to identify those numbers of crashes that the red light caught?

Ms. Babson said no, if I understand your question, are you asking about the operation of the program compared to the cost of the crashes? No.

Ms. Mayfield said well, the operation of the program compared to the number of crashes that were caught using the red light, because at the end of the day, if we are talking about this potentially having to come out of the general fund, those are the numbers that we need to know. So, it is the equivalent of we saying we spend a couple of thousand dollars to identify each of the crashes when you compare it to what is the cost sharing that came out of general fund, when it is all said and done. It would be helpful to know what exactly are those numbers if we are going in knowing that this isn't going to financially benefit the City but if there is a possibility that it is going to cost the residence, because it is coming out of our general fund, we need to be able to explain that to the community why we would even consider in comparison of the totality of the residents that we have here to the number of crashes that we identify, and with looking at project Zero and looking at 3D cross walks, other things that other communities are successfully using in our traffic calming that we have already done, if we are going to try to do a fair comparison it would be helpful to know those dollars for when we go out to have conversation.

**Councilmember Winston** said I guess I will come out and say, I am pretty much against red light cameras. Outside of the cost, I think it is hard to quantify the cost of a life, first and foremost. We have to get away from the behavior of trying to change people's behavior by further criminalizing folks. I think that we have to get more creative than that. I think oftentimes, we look at things like this as the easy way out. The fact is that we have over 1,000 cameras looking at our public streets right now, and there are plans to put more between the several different government agencies. All of these cameras that we have access to as city staff or citizens, so I would say first and foremost, we can look to use existing technology in a better way to alleviate bad behavior amongst our drivers in the City for instance. Also, just get more creative. What is the most sobering kind of thing that you see when you are driving down the street at night? Is it a camera or is it the image of a memorial on the side of the road where someone died? Let's think about ways that we could impact behavior outside of criminalizing. Let's look at the European cigarette pack approach. We need to look at intersections where crashes happen and maybe put a billboard up that demonstrates what happens because of the trends of behavior at this point of time. Maybe we take one of these mangled pieces of metal that is left at the end of these right angle crashes and prop it up on the corner to make people think. All I am saying is that our first instinct should not be to further criminalize our citizens. Time and time again it has shown that it is not really affective on the long term scale. It just creates more criminals.

**Councilmember Phipps** said you were given the synopsis of the three year trend. Did you mention how many actual crashes resulted in fatalities at those intersections that had the red light cameras, or were there fatalities at other intersections that didn't have red light cameras.

Ms. Babson said I did not. That is a great question, and I do not have that number with me.

Mr. Phipps said Mr. Manager, in the past meeting where we discussed this red light camera, as you had indicated that you would not recommend that we do this, has your position changed at this meeting?

Mr. Jones said it has not. So, again, going back, I didn't believe that we would recommend it at that time or neither at this time, because right now in front of the TAP Committee and it is a



part of our Transportation Action Plan, red light cameras I would say are luke warm at best as a word like should in there. It is not something that is action oriented, but Vision Zero is more action oriented. As Liz said, there are some things that we are doing right now that are related to Vision Zero, so we do not have to wait six months of a year to put a plan together, but it is very difficult. As Mr. Winston said, one life lost is too many, and I do not want to come across as saying that this is not a tool. It is a tool that has been used across the country, but right now, I would like to be able to show Council some of the things that are working, and maybe there are somethings that are working better than red light cameras. Let's use this opportunity to provide information for you on the various initiatives that we have and some of the initiatives that would be presented in the upcoming budget. There are some things that even in terms of Vision Zero, we start to talk about communities, and if you start to see across the country where some of these fatalities are occurring, sometimes they are in some of the lower-income communities. So, what is going on, can we really start to look at data and make some decisions that help our entire community, as opposed to something that we have done before and the results are mixed across the country about the thoughts about it and leading with red light cameras, I think we have some other options that we have.

**Councilmember Bokhari** said just making sure that I understood you correctly on the cost of this to tax payers. Nothing has substantially changed since we and others departed from this in that there is an unfunded, self-funding gap, and we would have to take that on if we went forward with this, correct? Do you have any sense of the magnitude of that?

Mr. Hagemann said we paid CMS \$4.7 million, so let's say it was \$1.5 million a year on average. They were \$50 citations, and if my math is right, that means that we were collecting about \$300,000 of citations per year, and if using my example before, it would cost us \$25 a citation to cover both the 90% to the schools and the cost of the contractor, \$25 times 300, that is \$750,000 a year if we were issuing citations at the same rate that we were back in 2004, 2005, and 2006. I think that my math is right.

Mr. Bokhari said impressive outcome Mr. Attorney, so my follow up there then to you Mr. Manager, I think I fall in line. One, I appreciate the opportunity for us to see the same data that you were seeing and come to the same conclusion. I have come to that conclusion at this point. For somewhere close to a million dollars a year potentially that we would have to eat; given the current legislation and everything is this strikes me that this is something that has a material percentage impact on what is a very small percentage of our very challenging problem, 2.7% of 131,000 crashes over five years that would even fall within this rough bucket in scope, then about 4% of the crash fatalities. Of course, any one more than zero is more than we would want to be able to accept, but I would concur that there are other ways that we could impact that more affectively with the dollar. I am with you on not supporting this.

Ms. Eiselt said I understand, and I appreciate what my colleagues have all said. I am not ready to let this sink to the bottom of the ocean quite yet, not that I am hung up on thinking that red light cameras are the answer, except that we have had this discussion, and every time that we decide to let's not bother with red light cameras, we do not talk about Vision Zero anymore. When we have people in the community saying, where is law enforcement for speeders and red light runners? We know that at the end of the day, they are doing things that are really pretty critical, so when we look at the cost of a red light camera versus putting a police officer on that corner, we should bear that in mind too. The bigger issue is, what are we going to do that changes behaviors? That is what bothers me. When people run red lights, it is not because they didn't know the red light was there, not always. I will not say that definitively, but you can see this issue really bugs me, because I watch it on certain corners near where I live, constantly. I have been in the crosswalk twice when people blow through it, and you pull back to jump out of the way. I watch the yellow lights in the pedestrian cross walks; when you see those yellow lights, and those people stand on the corner when people blow right through, because they do not feel that they should have to stop for those pedestrians. So, to me, I would like to know- I could appreciate the cost per accident, and that makes a lot of sense, but I would like to know what the trend has been in accidents, and on a population basis, and are we getting better or are we getting worse at this? It is just sort of this assumption that no one is going to stop you if you speed in Charlotte. That really bothers me, because if we prevent a couple of people from being killed, a couple of students on their way to school, I don't know; it might be worth it. At the end of the day, I am not going to get hung up on red light cameras. I am really hung up on changing behaviors of drivers who are being selfish on the road.

Mr. Jones said I agree.

Mr. Phipps said I guess the tenor of this conversation that I am hearing is but for the cost of running the program, given its overall impact, examples of safety in terms of reducing red light running and crashes and such, but for the cost, we might have been able to keep it and it still be in force right now, right? If it wasn't for the cost of it that is what it seems like to me, that this whole thing hinges on how much does it cost. How much does a sidewalk cost? If it wasn't for the cost of what we had to pay to CMS or take out of the general fund, this program might have still been going on here in Charlotte and we might have been reducing crashes and fatalities, but now we are looking at the cost. It seems like to me that is the driver, because you can have safe streets. People run lights on safe streets, so I really do not get the parallel there of- I look at this as a tool just like other elements like you have already described in Vision Zero. We can have a policy, but a policy to me is something that is definitive that has been proven, but it seems like we are hung up on the cost aspect of it.

Mr. Jones said I want to make sure that I am clear where my position is. So, it ended because of a law suit and some costs, but I am not factoring cost into this at all. It is just there are so many tools that you can use, and you are right. If it cost X for a sidewalk, it is a cost that is born by the general fund, so whether the general fund bears the cost of this or not, to me is irrelevant; if this is something that the Council wants to do, we have given you some data points and there are some other things that are going to come your way, whether it is sidewalks or road improvements or some of the things that we could do at intersections. I just wanted to let you know that this is a tool, but there are so many other things that are also happening now that you may want to invest more in in the future.

Mr. Winston said I just want to give a quick antidote of my father. He is actually watching from Brooklyn since this is live streamed right now, and he pointed out that in Camp Lejeune, where I was born, there was a big problem while we were there with traffic accidents and deaths, especially around drunk driving. What they did was they mounted some of those wrecks at the intersections, and it had the effect of reducing crashes and reducing deaths. There are many other options out there that are known to work that do not cause perhaps millions of dollars and impede on further.

**Councilmember Ajmera** said I will keep it very brief. To Mr. Manager's point, I would like to see other programs and tools and how effective they might be compared to the red light camera before I make the decision.

**Councilmember Egleston** said somewhat similar point, I am kind of with Ms. Eiselt on that I do not necessarily care how we get to a different outcome but just that we get to a different outcome. Mr. Phipps talked about the cost in that everything cost something. I think we identified \$750,000 a year, a couple of alternate proposals that say, with that \$750,000, which we have identified would prevent X number of fatal accidents, we could instead do A, B, and C, which statistically in other cities would prevent five times more fatal accidents, so something that is compared not only in cost but in effectiveness in other cities, I think would be an impactful visual for us.

**Councilmember Driggs** said I am with you on this, but I will tell you, if we were going to give any serious thought to implementing a program like that, I would need to see a lot more data. This was antidotal. I cannot really base a decision on, well at these few intersections this happened, and this was the cost 10 years ago, etc. I hope that we will kind of go with your recommendation but that we would have, as Mr. Egleston suggested, a much more solid data environment for be able to assess the cost of effectiveness, because at the end of the day, to Mr. Phipps' point, it is not about cost. It is about cost effectiveness and about the opportunity cost in terms of other things that you could be doing to promote safety or our other goals.

Ms. Mayfield said it would be helpful to get a little more information on Vision Zero and how you see it being implemented here. I personally am not a fan of the idea of the red light cameras. I agree with my colleague Mr. Winston regarding the penalization and the fact that we need to change the culture in order to really address this, but just like the example that I mentioned where other communities are looking at the 3D crosswalks, that is just in striping. There are some things that can be done, and we might need to also look at the cost

associated. We are doing a number of round-a-bouts in different areas. For a number of years, we talked not doing speed bumps in communities in comparison, those costs might be helpful, and what are the specific recommendations around traffic calming and mitigation that might address the issue? Because we have grown a lot since the conversation first started many years ago, and we have a lot of people in the area, and the lights that are up now, where if you have a no turn on red, we are saying those lights are not capturing when people turn? So, if it is a no turn on red saying no right turn by the Gateway Center, so Fourth Street and Cedar Street, no right turn and someone makes a turn, that light is not capturing when they are turning?

Ms. Babson said you are asking if we had a red light running camera program implemented if it would capture them?

Ms. Mayfield said what I am asking is if the lights that we have up right now, is only through a red light program would we capture if someone runs the light?

Ms. Babson said yes ma'am.

Ms. Mayfield said so, even though the camera is there, you are saying that camera at the light isn't capturing if someone actually runs through? It is only through the red light program that the camera is activated.

Ms. Babson said it would be a different technology that would be used for red light cameras.

Ms. Mayfield said so, the current cameras that are up right now?

Ms. Babson said they do not capture those.

Mr. Winston said there is a clarification to that that I think is needed. It literally captures what is happening, but we do not have any kind of process to monitor.

Ms. Babson said yes, Mr. Hagemann clarified that we do not issue citations.

Ms. Mayfield said interesting, so how about we start with utilizing what we currently have?

**Mayor Lyles** said I think that the issue is we could do that if we were willing to just do the processing and pay the school board. So, you cannot just implement it without having to go through all fines going to the school board.

Ms. Mayfield said what I just heard is two separate conversations. The red light program, if you run the red light we had it at one point there was a ticket associated with it, and what we realized during that time is that the cost to the City was greater than anticipated. We have cameras that are up today at certain intersections. If you turn, because the crosswalk is up, nothing is capturing or is that camera capturing that vehicle turning?

Mr. Hagemann said it captures in the sense that the video is there, but it is not an enforcement tool, so no citation is issued. All traffic enforcement is done by human beings through CMPD in Charlotte. We are not currently using cameras other than through officers actually issuing a citation to issue traffic enforcement citations of any type.

Ms. Mayfield said so, the only way that that is triggered is if we had red light?

Mr. Hagemann said if we had a program under the legislation that we got back in 1997, yes, but there is a lot that goes along with it. There is a whole apparatus. You issue it to the owner of the car. The owner had the authority or the ability to say, "I was not driving it" or "I lent it" or "it was stolen." So, there was investigative process at the backend in the appeals process to make sure that we were getting these decisions done right. So, it was a full blown program, and it was a turnkey program for us where our contractor managed all aspects of it. We didn't own the cameras. They installed the cameras. They processed the citations, the images into citations that were mailed out. They handled appeals from start to finish.

Mayor Lyles said I wanted to just say, what I heard Mr. Jones say, let me just say this back to you. Vision Zero had a plan with a number of tools in it. I know that the media has tried to say the Mayor wants this and the Manager said no. Well, that is very simplistic. What I heard you say is that there is a cost to a number of these programs. You have many other tools in the report to work with, and that referral was still in the TAP Committee, if I think that could work, and I thought you said let me come back and show you what the other options are, and we can readily implement red light cameras. I think that several members of the Council have said, that does not take it off the table for me unless I know what my choices are and to get some things done. I do not think there is anything more important than us beginning to work on crosswalks, ways to move people around this city people better. If we remember the Vision Zero work came forward to the Council because of the number of incidents we had on Parkwood Avenue, and we instituted crosswalks. We talked about pulling out roads and making sure there were lanes and protections for pedestrians. I have heard Ms. Mayfield talk about lighting. I have heard Ms. Eiselt talk about speeding enforcements as an issue, so what I would like to suggest is that if a month is enough for you to come back and say to the Council, here is the list. It may not be costed out. Get a list of them, and get some nod from this group to say we are interested in having more research done around how to make our City streets and sidewalks and bike lanes safer. Then we can decide whether or not to send it directly, somethings for implementation immediately or somethings would need to go to a Council committee for a continued review. That would still be TAP. I think that we are not closing the door, and I have not heard anyone say that we would not be willing to do red light cameras. What I heard you say-

Mr. Winston said I had actually started the conversation with that.

Mayor Lyles said you are right. I did hear someone say that. I think what you said is that you would come back with the Vision Zero tool box, and I think what you have heard is the frustration that they actually be done that they have effectiveness as well as something that could be done, and if that means what I have talked about is balance in our capital budget for transportation needs around both congestion and safety. Those are things that are going to be coming up. I think that if you can come back and have the staff give us some ideas from the existing report and any other ideas that they have found that they would like to move forward, that is probably the best way to work. With that, I am going to close up the discussion, but I see that Mr. Winston has a comment before we close this out.

Mr. Winston said that is all good, but I think that we need suggestions. I do not think that we should waste our time looking at red light cameras. I think we should look at bringing suggestions of how to use the technology that we have, for instance as Ms. Mayfield was getting at. How can we better use our existing camera technology to reduce this? For instance, this might be a great opportunity to explore different types of public/private partnerships. We are bringing in new jobs, what was it 2,500 jobs from insurance companies, right? We have insurance companies that incentivize safe driving to lower rates. Maybe we can counter that, create some type of program where if they are seeing bad behavior because they are running lights overtime, maybe those insurance rates go up. I would like to see how could we create maybe using different types of coding to identify when lights are being run with all of these cameras that somehow that data gets collected and is used somehow to affectively mitigate this bad behavior.

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**OPPORTUNITY ZONES**

**Mayor Lyles** said this afternoon, I spoke with the Deputy Secretary of Commerce and you know, we have submitted opportunity zones for submission of consideration, and the deputy asked us if we will be willing to submit a few more, and I asked Ms. Campbell today to bring that forward, so the idea was there are two options if you remember, we have the segments that we have already, so do we include more around or do we go after something completely different and strengthen how do we do that?

The reason that we have to do this today is that it is due by Wednesday. You know you have to be nimble.

**Debra Campbell, Assistant City Manager** said what you have coming around to you is actually relatively crude in its appearance, and I apologize for that, but we just didn't have a



whole lot of time. So, let me explain very quickly what you have just received. The first sheet is actually the tracts that were submitted as a result as your discussion on March 5, 2018 to the Commerce Department. You will recall that there was one item, a census tract, I believe 42, that was Wilkinson, Freedom, Morehead. There was a request that we delete that and we added a tract 1606 that was in the Eastland Mall area. So, that was the change from your discussion on March 5, 2018, and it was what was submitted. If you turn the page, there is the revised submittal whereby we have been asked to add five additional census tracts. Essentially, our methodology was to look at the corridors that we had identified or areas, Beatties Ford. The reason why I say corridors is because these tracts are linked to the priority business corridors for the business corridor revitalization program. We looked at just closing those gaps. So, all the tract that are related to Beatties Ford Road, we added a new census tract. For Eastland, we added a new one. For the North Tryon area, if you skip all the way down to tract number five, it is the Tryon/Sugar Creek area, and we added Rozzells Ferry as a new tract.

Motion was made by Councilmember Mitchell and seconded by Councilmember Newton to approve the revised list of Opportunity Zones.

**Councilmember Mayfield** said the first time, we had a short turn around on this, and now we are at a short turn around again, but I am trying to get a better understanding, because for one of the reasons why I said remove Freedom is because we have Wilkinson, Freedom, Morehead tied together. They are three individual areas, just like Beatties Ford Road is broken out in three different areas along Beatties Ford; Eastland is broken out in multiple, North Tryon. I am trying to understand why today we still have these three together, Wilkinson, Freedom, and Morehead, because they are three different nodes where activity is happening. The activity is not happening along Wilkinson the way it is FreeMoreWest. The activity is not happening on Freedom down by I-85 the way that it is near Morehead, so I am trying to get an understanding of why these three are tied together opposed to have been broken out the way the other streets have been.

Ms. Campbell said if you turn to the next page, there is a map. Again, I do apologize for us not having more clarity in terms of street names. Looking at the map, it looks like that Freedom and Wilkinson share census tract 41 and 40 I believe would be those tracts and a portion of Morehead as well.

Ms. Mayfield said still clarifying why wouldn't we break them up? Forty and 41 are two different conversations.

Ms. Campbell said we can break them up, but we would only have a portion of that corridor for Wilkinson or for Freedom, similar to how we did in some of the other tracts. What we heard, I believe at the last meeting was that you had some strong concerns about displacement.

Ms. Mayfield said that is why I am asking for clarification as we move forward, because what was mentioned the first time, again very short turn around, was that these were created off of information that was provided years ago. It is not looking at development and growth that has happened in the last three to five years, so there is development that has happened in certain parts that has not happened in other parts, so for me it is potential of penalizing one section because this section has growth, but it is kind of looking at our MPA's versus the NSA's.

Ms. Campbell said in response, we could do some additional analysis. Again, we were looking at and considering the concerns that you had expressed. We had a very short window of like hours. We can go back and potentially disaggregate and look at Wilkinson or look at Freedom. I am just not sure what portion.

Ms. Mayfield said but you do not have time, or do you?

Ms. Campbell said we can go back and look, but I would like for Council to give us direction to say, take one of the tracts out and add one of the tracts that are new that we added, like an area. Maybe it is Rozzells Ferry, maybe it is one of Beatties Ford, so that we do not have to come back to get approval.

Ms. Mayfield said I am not attempting to derail what we have, because also the understanding that I initially had is we are going to submit these and now the conversation is, hey they actually were interested so they want us to submit more. If we are going to submit more, I am just asking why, which I didn't ask the first time; why are my three all tied together opposed to being broken out. I do not want it being broken out to the point where it would hurt another potential project. I am just asking, if it is an and conversation, if they are saying give us some more opportunities because we are liking what you see, I am just asking us to be more strategic than what is listed here, because what is listed here has created a connection that maybe in 2007 made sense but doesn't necessarily make sense in 2018 but not to the detriment of taking anything out, but understanding moving forward I want the same opportunity at Beatties Ford Road and North Tryon and these other areas have of being identified on their own and not just all together.

Mayor Lyles said I see what you are saying, so if it were part of Wilkinson, it would be okay.

Ms. Campbell said unfortunately, that geography is within that census tract, and it is the census tract that is driving it. Maybe I did not do a good job of explaining that earlier.

Mayor Lyles said it is a requirement that it be census tract. I want to say very clearly, while they asked for five more, there is no guarantee of anything. This is just they said send some more. Okay, we will do that, but that did not mean approval, and it didn't mean approval of what was already there and who knows this is something that is coming up.

**Councilmember Phipps** said I just wanted to know, it would be helpful if we could identify these census tracts by which District they are in, because I really do not see that they are in mine.

Mayor Lyles said I looked at when we submitted the letter, it was some part of District 4 that was in it, because of one of the census tracts. I cannot remember, but it is primarily two, four, one, and five.

Ms. Campbell said I have that. Beatties Ford Road tracts are in Council District 2. Eastland is in Council District 1 and 5. North Tryon/Sugar Creek is in Districts 1 and 4. North End is in 1 and 2, and Rozzells Ferry is in District 2. One of the new tracts that was added is the one towards the end of the revised sheet, since the tract 5305 is within the North Tryon/Sugar Creek area.

A vote was taken on the motion and carried unanimous.

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**ITEM NO. 1: COMMITTEE CHAIR REPORT-OUTS**

**Economic Development**

**Councilmember Mitchell** said in the spirit of the hall of fame, let me introduce our basketball team: Ed Driggs is our Vice Chair; Committee members are Justin Harlow, LaWana Mayfield, and Matt Newton, and Chaired by James Mitchell.

On March 5, 2018 is the Strategy Session. Three items were assigned back to the committee: Eastland Mall Redevelopment, Armature Sports, and the Lynx Gold Line Impact. I would like to thank everybody who was there at my meeting; on March 26, 2018, we saw the four teams present their proposal for the redevelopment of former Eastland Mall. I really like to thank all Councilmembers and Committee members. It was a new process for us, but I think it was one that served the community very well. Mayor, thank you. Kay Cunningham was there, and she took great notes for you, so do I need to go through the four proposals?

**Mayor Lyles** said no, you do not. I think that we have all seen them.

Mr. Mitchell said more importantly, this item will be on our agenda April 26, 2018.

**Councilmember Eiselt** said I would like to know a little bit more maybe not tonight. It does not have to be but maybe this whole process. I guess I thought that what we are going to see was going to be a little bit more substantive at that meeting, because instead of repeating the past, what gets presented is sort of aspirational and isn't really set in the reality of what the financing is, because that is kind of what it is all about. I would like to ask if we could look back and see what the original visioning plan was around Eastland, what the core principals were that were established by the community, because that has been done, but we have seemed to have lost track of that a little bit. I hope whatever proposal moves forward will really focus on those guiding principles.

Mr. Mitchell said especially Jacob's group.

Mayor Lyles said I was listening to it, read the presentation, and one of the things that I wonder is how are we going to make a decision if we are looking only at proposals without knowing what the guiding principles are, I would actually like for the committee to list out what the comparison is and how we are doing that. This has been going on as long as I have been on Council, and we seem to every time the projects come in, it seems like we are trying to look at proposals instead of saying what are we trying to accomplish? I think that we had a consultant come in. It would be helpful for me to review the latest consultant report with the recommendations that were included in it and to look at how will the Council say this is a good idea or a bad idea based upon the information that we are getting back from the community. I was really surprised to see one report had pictures from the report from years ago. I just thought that it seems to me we talk about the projects and not talk about what we are trying to accomplish. I think that is important, because I heard the radio show this morning, and there were some challenges about what we say or at least I think that someone said, "I think this is important," and the community may have said this was important, but yet there is no one in the development community that says, "I can get it done." So, for me some clarity around what are our guiding principles for this decision versus more discussion around just the proposals. I think we should take some time. I am surprised that you say in the next couple of weeks you will do this, because I just wonder about vetting something without having all of us agree on the criteria. I think the Committee should come back with criteria and have the Council vote or discuss it and approve it.

Mr. Mitchell said some of the stuff Kevin did go over; we have had discussion. To everyone's point about the criteria, what do we want to see as a guiding principal so that we can get the community on board? The other thing that I want to remind everyone is there was a Jacob's study we spend \$150,000 on that the citizens weighed in heavily and we spent almost seven or eight months. So, I think that staff is going to provide that to all of us so we can get updated on what was said in the Jacob's report, but I think that April 26, 2018 is going to be our normal ED Committee, that we are going to clearly talk about what we would like to be criteria, what would be a model, because I think that the first meeting, Ms. Eiselt to your point, it was very difficult for us to have the hard questions on a financial piece in the public forum.

Mayor Lyles said well you can't; that is proprietary information.

Mr. Mitchell said we had told the presenters going in that if you could kind of talk about your proposal, share your vision, and then in that financial piece, I think that Councilmember Driggs asked a question. As close as we could get to it, what is your public partnership; what do you expect from us? That is the closest we could get to really going over the edge. I hope that everybody will join us. This will still be a very important issue for us. I received a lot of emails from the citizens saying thank you for the transparency. If there were two things that you had accomplished in that meeting, we were very transparent to all of the citizens of District 5, and we heard from the developer community for the first time when we were in the Committee. We didn't know what the developers want to do on Eastland. We felt like we kept driving it, and for the first time, people said no, I would like to do something on those 69 acres. So, more to come.

**Councilmember Newton** said I think that it is very important that we look back at the guiding principles, and we start to formulate this process moving forward based upon those, I think that there would be a lot of push back against the proposition that the Jacob's report was actually consistent with those guiding principles, and from the stand point of my contribution to the formulation of the process, I think there would also be push back within the community

pertaining to the communities input within the Jacob's report as well. I just want to make sure that is on the table and everybody understands that.

Ms. Eiselt said we have to make sure what the community says they want is something that is realistic. So, you can say that you want all of these fun things, but the fact is that that may not be what the market forces are going to be able to support. So, that is where we do need to get information on the Jacob's report, but we have to remember, this has been an evolution that didn't start two months ago. We need the District Representative to keep things going and to be the voice of the people, but this has been going on a long time, and we have to take into account all of these pieces and how they fit together, or it looks ridiculous to the community.

Mr. Newton said just to push back a little bit against that too, I think that the opinion of the community, we do not know that yet. That is why we saw those four proposals, and there could be a proposal for all we know that is financially viable. We cross that bridge next. I do not think those things are mutually exclusive, so this idea that somehow it is not financially viable what the community would want, because we do not know that yet.

Mayor Lyles said I think that is the debate that you guys will have in committee, but I do think that we have some goals.

**Councilmember Driggs** said I just wanted to say, there was a huge amount of information missing from those presentations, which therefor meant that we weren't really in a good position. We were not as far along as the staff suggested when they said they were going to look at this and come back with a recommendation. I actually made the motion to refer back to committee, and what I specifically said was that the Committee should decide what is needed, so the conversation that we are having now should take place. There was no RFP for example. I did talk to a couple of people off line who said they were a little confused about the process and where we were, so I think that we need to make clear what the steps are that we want to take and what we want to get and share with Council from the petitioners. It is going to take a couple of more iteration before we are ready to decide to choose somebody.

**Councilmember Bokhari** said this is just a rough opinion, having seen this for a little while, so it may not be completely well rounded out, but I would suggest that in our next ED meeting that we take what the Mayor has ask but we maybe go a little more specific and try to take it down to the basics of what are the things that we control that we are willing to offer and in return, what we would most like to get. So, if we just simplify this for the market and say we own a piece of property; we are willing to sell that. We are willing to give that away. We have trust fund money. We have got wrap around services. We pick, list out the things that are in our control, and we way here are the things that we like there, the things that the community has said; 30% and below AMI, as many people may know and it just became clear to me tonight, is it important? So, maybe that is a thing. The point is the discussion is to list out those things and let's let the market go. If we simplify and say these are the things that we and the community and others would like to have, and these are the chips that we have at the table to bargain for that, then perhaps given where we are in the process, maybe it is time to ask for a few other bidders to enter. I do not know if there is enough or not. I do not know the timing, but if I am being fair, four of four were not being legitimate contenders that we saw. I do not want to be the one that slows down a process in place, but I think that we need to make sure that we have all the best people at the table and we are crystal clear as simple as possible about what we are trying to achieve and what we are willing to give to do that.

**Councilmember Ajmera** said I agree with my colleagues in terms of how this process has come a long way since we have started with the developer's forum last year, but what I hear in the community is that when you go out, I think that we have made promises in the past. There was first the ski slope then some movie theaters and I feel that there is a lot of vetting that needs to happen to make sure that there are credible proposals, so I know that financial information, we cannot discuss that as a committee, but I hope that before we bring recommendation, there is a lot of work done behind the scenes to vet those proposals financially, so we are only seeing the credible proposals, folks with capital who can afford to make this dream a reality, because folks are frustrated. They have gone through this process many times and say well it didn't happen, so I just hope that it does not happen this time, and we take our time to vet the proposals fully while also insuring that it means east principals that were laid out.



Mr. Newton said let's not forget too, this is the Economic Development Committee that we are talking about that we are in. We need to have a proposal that is going to lead to economic growth and development. I think probably what is a good idea and what I would suggest within the vetting process, if it is vetted privately, that the proposals that are legitimate that can be financially sustainable and the ask of the City, that all of those come back to the Economic Development Committee to discuss.

Mayor Lyles said vetting of proprietary information does not mean privately. I just want to draw that distinction, because we are not trying to take it privately. We are trying to do something that respects the proprietary information.

## **Environment**

Ms. Ajmera said we had a very productive committee meeting this month; we unanimously voted to recommend to full Council the pilot cost sharing program, and this program is an innovative way to address the 10 to 15 year back log that we have in our current Storm Water, which are a low priority Storm Water issues that we currently have. With that, I also want to recognize my fierce committee members: Vice Chair, Mr. Egleston; Committee members: Mr. Newton; Mr. Phipps; and Mr. Winston, and honorary member Mr. Driggs who actually helped us and Mr. Bokhari. Mr. Driggs was instrumental in helping us with this Storm Water- creating a program that could help us making sure the program is successful.

So, we had looked at various feedbacks that we had received from my committee members, starting from how do we prioritize Storm Water requests that have been on the list for 15 years to something that has been on the list for something that was there in 2015 before we stopped taking on more lower priority request. We took all of this feedback and figured out this very good approach that I think could potentially help us address this 10 to 15 years backlog and also address about 4,200 folks that we currently have on our current waiting list to receive this Storm Water service. I am sure that many of you might have received the request emails or calls about Storm Water, especially if it is a lower priority. All we could use to be able to say is you just have to wait until your turn comes and we were not able to give a definitive time frame. With this approach, we should be able to give them an option that here if you want something to be done right away, here is a program that could help. So, I think that this is a very good solution that I hope that full Council will approve, and I am sure that it would be part of our City Manager's budget recommendation. We have approved \$5 million in cost share program, which is a pilot program which is going to last for two years, \$2.5 million each year. Please keep in mind that compared to \$600 million in liability, this is a relatively small amount; however, there could be opportunities for us where we could potentially look into some of the requests where it may have escalated into higher priority, which is priority A or B, so we do not have to necessarily address it through cost share program. Also, nature could have taken its own course to address some of the request, so staff now has a clear direction in terms of what they should do with the existing backlog, is to go back and access and give us some data as to how do we move forward, so that is our storm water policy, and I think for now, we have completed our policy work for the Environment Committee. The second that we have is the clean energy resolution. The clean energy resolution is currently on schedule, and that will be up in front of full Council in late May. We are still working with the numerous stakeholders to refine our baseline data and come up with the short term as well as long-term plan to come up with the clean energy plan. We are on schedule as I said, and I think that you would be very pleased to see what we bring back to you all in May with our clean energy. So, it will not be just a resolution. Again, I think it will be a very solid plan that can help us get to the goal.

Mr. Driggs said what the Chair described was our solution for the low priority projects, which represents \$600 million in back log. The other \$400 million is in the higher priority areas. Our funding for that is also inadequate. That waiting list is growing, so in our budget conversation in policy next year, we are going to have to take up the question of how we also solve that.

**Councilmember Winston** said just to follow up with that. What we came up with was a pilot program that infuses \$5 million to see if this is something that could be scaled up in the future, so this is not the end solution to a problem but just the start, just to make that clear.

Mr. Bokhari said this is just a test. There is a \$600 million problem, and the other thing that I would mention, which is also really challenging is, unless we decide to jack up rates in the budget committee, this test will come at the detriment of A's and B's, because where as we wouldn't spend money on C's when A's and B's came up before, now we are saying over the next two/two and a half years, we are going to spend \$5 million on them. So, there is no magic funding pool for even this five million at this point. Unless we jack up rates, other things will be sacrificed, even for this little tiny pilot, so I think it is important that we level set on that.

## **Transportation and Planning**

**Councilmember Phipps** said in 2017, we had 15 items on our agenda. Five of them were completed; four of them were information sharing, and we got the following six pending items. Of course we have the UDO. I thought Taiwo would be here tonight, but that UDO concept is going to be rebranded, and I guess calibrated, but we are not taking a break on it. He is going to have some good things to say about how we move forward on that. Also, we had the Parkwood Plaza Corridor study that is still in the queue. Of course we had a good discussion tonight on the red light cameras, and I think the Manager is going to get back to us in the context of the whole Vision Zero discussion. Also, we have the tiny homes project Keyo Home West. It was decided. The Planning Director came to us at our last meeting and said that as far as that neighborhood overlay district was concerned, that was going to be put on hold until we pursue some other things that are more important, so I will be interested to see how that goes forward right now. South End Vision plan, that is still on the table, and you have received in your package this weekend that whole packet, and Charlotte Walks, the sidewalk ordinance revision, is in the queue as well. As far as the two things that are assigned to the City Manager, we did talk about the red light cameras. He is getting back with us. The Parkwood Plaza corridor study, that is complete and it has been funded to the tune of about \$6 million. To the extent that we have been receiving some emails about the bike plan not being totally funded, but this is a part of that bike plan. We have other projects that we have been funding that contributes to our overall bike plan but maybe not in the budgeted dollars that they might think they should be.

The South End Vision plan is coming back for us. We received an Action Review session at our last meeting on the 26th, scheduled for public comments on April 9th, and the Planning Commission will come back to us with this recommendation on April 17, 2018, then it comes back to the TAP Committee, and we are going to consider it on April 23, 2018. So, Council action is expected on May 14, 2018. We have some good work going in that direction. Charlotte Walks plan, we are looking at the Chapter 19 amendments that are scheduled for our April 9, 2018 Council Action Review and for an April 23, 2018 Council action plan. So, we have some items that we want to clean up on that regard. We talked about the Keyo West; the overlay district is being postponed or deferred it looks like indefinitely there. The Unified Development Ordinance, as I said, our Planning Director is going to be giving us some more direction on that, but it looks as if we are still debating on whether or not we are still going to have it still in TAP or whether we are going to have an ad hoc committee, but I think we are leaning not towards an Ad Hoc Committee but keeping it in the TAP Committee with maybe a couple of us or if a third one wants to join us, we are going to all of these meetings that is going to be given up here soon for each district, then a big one city wide. Charlotte Bikes, that is going to be discussed in the budget process to the extent that we can fund even more than we already are. The Silver Line, we have the right of way protection concerns that are being deliberated in Mathews and will be part of the May 17, 2018 transit summit, followed by a public meeting in May, then one thing that we are going to be doing in terms of public street safety, we are going to be looking at congestion, and also, I want to be looking at those 10 most dangerous intersections that we have in the City in terms of what we can do to help increase safety concerns there.

## **Community Safety**

Ms. Eiselt said the Community Safety Committee is made up of my Vice Chair, Mr. Winston, and members Mr. Bokhari, Dr. Harlow, and Mr. Mitchell. In 2017, we looked at 13 items. Four of them were completed. Eight of them were information sharing. One of them was a pending item, and that has to do with the medical clinic protests; the medical clinic protests were assigned to the City Manager's office. CMPD is managing sites of routine protests near the women's clinics. I think that there is a lot of follow up that needs to be done on that, so I will be

talking to Chief about that so we can do a regular check in and find out. Apparently there has been a management/staff change out at the clinics, so we had a pretty good rhythm going with the counter protesters and protestors, and that is not necessarily the case anymore. I will be checking in with that with the Chief and having him bring it up to date with a few of the things that are going on up there. One item was assigned to our committee, the intimate partner violence prevention support. The Committee discussed this at the February 20, 2018 meeting. Information was presented by Kim Eagle and Karen Whichard. Discussion points during that meeting were around finding ways to reach out to the immigrant community and to reach out to partners, such as UNC Charlotte with data analytics resources. Council will review financial partner funding request, and staff will identify short-term measures prior to opening up Family Justice Center and explore rapid rehousing options. The Mecklenburg County Domestic Violence Task Force will update the Committee on its work at our May meeting. I also want to mention that on Friday, Mr. Phipps and I are going out to the Camino Center to talk with the Hispanic community about how they might be more engaged in the effort to combat domestic violence, so we are doing that Friday morning. Mr. Phipps sits on the board up there and is very much involved in that group.

In the Committee meeting on March 15, 2018, we had a presentation by the Chief on the Citizens' Review Board recommendations that have come out of the most recent cases, so not just the Mr. Scott case, and we asked for a presentation on where all of those recommendations stood, and Chief updated us on that. We talked about implicit bias training, and this is a point of clarification that I might need if Mr. Hagemann is here. We talked about wanting implicit bias. Well, we just have to find out what our ordinance actually says, because we talked about whether implicit bias training was a prerequisite for candidates or a prerequisite once you have been appointed before you serve, but I think the goal of the Council was to say that everyone who serves on the Citizens' Review Board has had implicit bias training. So, if it is not stated properly, we would have to do an ordinance amendment to rewrite that. So, I would like to ask if we could get that clarification as to exactly what the ordinance says. Crime reduction work group outcomes, that is our micro grant program, which is opening this week. I would really like to see a more robust effort to roll this out and to promote it, because I think this could be really a terrific program that hopefully we could continue after this year, so that is going on. The last thing is that Mr. Winston had sent us an e-mail with regards to the table top exercises of crisis planning and interventions, that type of thing. That kind of plays into a bigger discussion that does keep coming up, and that was mentioned and referred to in the Police Foundation recommendations. What I asked Mr. Winston if he would be opposed to saying let's step back, and the first thing is that I would like to ask the Mayor to refer to our committee having the Chief give us an update on the recommendations that were in the Police Foundation report so that he can give us some feedback on those recommendations, what they are already working on, what needs to be done, so that we can eventually approve those as a Council and adapt those recommendations as a Council. I think that will also give us some information to what we need to prioritize around crisis planning, protocol for communications, all that kind of thing, which other cities have done following some of the tragedies they've had. The Mayor pointed that out, that Dallas has done that; Las Vegas has done that, so I think we do need to have a pretty good idea about what the protocol is during and after crisis and incidence.

Mayor Lyles said I particularly think that the public deserves our vote of either yes or no on the Police Foundation report. We ought to put it on our policy agenda, have it resolved. I think that a lot of times you will hear people say, well we just had a report and nothing happened. I do not believe that is the position that we want to find ourselves in. We will write up something and get that referred to the Committee so that we can at least acknowledge anything that we are not going to do and bring that back for adoption.

Mr. Winston said I just wanted to put a bit of a clarification, because this is an e-mail that I sent this morning, and it actually spoke to the need for internal processes of the way that we communicate within the organization. I do not think that this is something that should eventually happen. I think it should immediately happen. I agreed with Madam Chair's assertion that we should adopt the Police Foundation report before we start working on suggestions. It makes pragmatic sense, but I think that these are things that we need to deal with, not just my assertions but as I talk to some of our senior staff who were put in the middle of a crisis situation that we have never experienced before and really continue to, lack of a better term, lament about our abilities to handle these situations and that we haven't grown

from that. I would like to really- I would say to everybody on the Committee, the Manager, and the Mayor, anyway we can kind of streamline this process, I think it really does call for the most serious urgency on our behalf.

Ms. Ajmera said I have a question for Ms. Eiselt. I know you had mentioned engaging the immigrant community and Camino Community Center that serves the Hispanic community. Have you also looked into other communities? Have you at least looked into it? There is a huge refugee community that I think we ought to be looking into, and the majority of them live in District 5, and I know when I served that district, we have had several cases that went unreported. So, if we could do some outreach in that community, I would be happy to connect folks to that community. Also, look at the Asian-American community as well.

Ms. Eiselt said yeah, that is great, not to exclude anyone.

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**ITEM NO. 4: CLOSED SESSION**

Motion was made by Councilmember Mitchell, seconded by Councilmember Egleston, and carried unanimously to go into closed session pursuant to NC General Statute 14 3-318.11 (a)( 4) to discuss matters relating to the location of industries or businesses in the City of Charlotte, including potential economic development incentives that may be offered in negotiations, and pursuant to NCGS 143- 318.11(a)(3) to consult with an attorney in order to preserve the attorney-client privilege and to consider and give instructions concerning the handling or settlement of Brian Kurzel, et al. v. City of Charlotte, 16-CVS-19521.

The meeting was recessed at 9:20 p.m. to go into closed session in Room 267. The meeting returned to open session in Room 267 at 9:36 p.m.

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**ADJOURNMENT**

Motion was made by Councilmember Driggs, seconded by Councilmember Bokhari and carried unanimously to adjourn the meeting.

The meeting was adjourned at 9:36 p.m.



Emily A. Kunze, Deputy City Clerk, NCCMC

Length of Meeting: 4 Hours, 32 Minutes  
Minutes completed: April 30, 2018