

SPECIAL MEETING

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The City Council of the City of Charlotte, North Carolina convened for a Special Meeting on Monday, September 24, 2018 at 4:14 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Tariq Bokhari, Ed Driggs, Larken Egleston, Julie Eiselt, James Mitchell, and Greg Phipps.

ABSENT UNTIL NOTED: Councilmembers Dimple Ajmera, Justin Harlow, LaWana Mayfield, Matt Newton, and Braxton Winston, II

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ITEM NO. 1: MAYOR AND COUNCIL CONSENT ITEM QUESTIONS

Mayor Lyles said we start with any questions that were asked about tonight's agenda. Mr. Newton, were you satisfied with the answer on Item 22? The response for land acquisition on the tree program was the question you had. Are there other questions?

Councilmembers Ajmera and Newton arrived at 4:15 p.m.

Councilmember Newton said I am good with that.

Councilmember Ajmera said I would like to speak on that item.

Councilmembers Harlow, Mayfield, and Winston arrived at 4:16 p.m.

Mr. Newton said my question pertained as to whether or not we as Councilmembers would see the land acquisitions before the acquisition occurred. I understand the process, but I didn't know if these land acquisitions and maybe a grander scope, which is what I'm looking at with Mr. Winston's question and the answer here, is that some of these land acquisitions can provide opportunities for our trail amenities. I didn't know if they would provide opportunities for additional park space particularly in the Center City area in partnerships with the County but if we could hear a little bit more pertaining to that and if these would come back before us land acquisition would occur for our review.

Marie Harris, Strategy and Budget said are you asking for it to be changed? Because currently the action is Action A is coming before you now and then Action B and C is asking to give the City Manager authority over the next year timeframe to spend \$600,000 but the idea is no those wouldn't be coming back just so we can be competitive. Right now we are not very competitive and land is hard to come by; by the time we try to make a bid and get it before you for review it is already sold to a competitor.

Mr. Newton said I think what the folks in Property Management had explained to me that the process of acquiring land is time sensitive and so to make sure that we are on the front end of these purchase to obtain them is vitally important and why so that review period for this wouldn't exist.

Mayor Lyles said I think that one, it addresses under Action B, target acquisition areas for preservation rail connectivity are targeted area and I think the question that you are addressing is that as we go through the Agenda process it adds time to the schedule. Would it be appropriate to have the Manager report that we are in negotiations with something and let you have that in advance instead of waiting for a time that is a Monday or a holiday that's got a Monday to go forward? I suggest that we look at this and say in advance or when we begin negotiations we could send out an e-mail or a report on it.

Councilmember Ajmera said I remember discussing the overall land preservation strategy last year in the Environment Committee meeting for saving our tree canopy. Maybe Ms. Eagle, if you could talk about how the overall tree canopy strategy or the plan that we had developed I believe last year and how the land preservation strategy ties into that.

Kim Eagle, Assistant City Manager said Ms. Ajmera is correct; last year, the Environment Committee spent lots of time talking about our Urban Forestry Master Plan and how the tree mitigation fund of which this relates is a part of that overall plan. This provides for a source of funds for us to purchase land to preserve so that no development occurs in these areas so that we maintain the canopy. These funds come from developers in particular where if they are paying in lieu of other requirements we have funds to preserve trees, so that is how these two connect. If tonight there is some discomfort with approving Action B, you could take that as a separate vote, but to your point Mayor, it is very feasible for us to come back and report to you when we begin negotiations to let you know what parcels we are looking at but to keep moving on a quick, quick pace so that we don't lose opportunities if you approve both actions.

Mayor Lyles said it might be good to have it go back to Environment with a list they have.

Councilmember Egleston said I was just wondering if we start forecasting the properties that the City is eying, do we not drive the prices up on ourselves?

Mayor Lyles said that could be an issue. I think that we can do some kind of report that doesn't put that in jeopardy. Staff, can you figure out some way that is appropriate without putting us in jeopardy for price increases or competition?

Ms. Eagle said we can absolutely do that. We will look at the schedule within which that is happening and talk about a mechanism to keep you updated.

Ms. Ajmera said I think it might help if you could just distribute the plan that we had approved last year that actually spells out all the details about what we have to consider when we do the land acquisition to save our tree canopy rather than putting a list out there. To Mr. Egleston's point, it could end up driving the prices up, but I think the strategy that we are looking at and just the details would be sufficient.

Mayor Lyles said that is an excellent point. If it passes today we will do A and B; we will get the strategy out, and if there is any discomfort with that we can always talk about it later.

Right now Item No. 48 has been pulled. There will be comments on Item Nos. 22 Land Acquisition for Tree Canopy Preservation; and Item 23 6013 Ingleside Drive Storm Drainage Improvement Project.

Councilmember Harlow said I want to comment on Item No. 32.

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ITEM NO. 3: FEDERAL UPDATE

Dana Fenton, Inter-Government Relations Manager said in just a few minutes, our Federal Lobbying Team from Holland & Knight will be presenting a Federal Update. Annually our team comes into town and updates the Mayor and Council on the Federal Administration and Legislative Actions impacting the City, and they also highlight progress in meeting the City's key legislative priorities and provide a very brief look at what might be coming up in the next session of Congress. Of course it is really difficult right now to really guess what might be taken up in the next session as we have a pretty robust election coming before us. Without any further ado, I would like to introduce Rich Goad, the team leader of Holland & Knight, who will be making the presentation and I will let Rich introduce his team to you.

Rich Gold, Holland and Knight said thank you for having us here tonight; I just want to recognize my colleagues Shawna Watley and Scott Mason and Lisa Tofil who will be joining me and presenting to you tonight, and obviously we are all available to answer questions afterwards. We wanted to go through for you tonight a little bit of what is left of the agenda for 2018 for Congress and then as you start thinking through the Federal Agenda for the City for 2019 give you some sense of what is coming ahead. We are as you know close to the end of the Congress. The House is expected to be in session through this Thursday and finishing up its pre-election work by Thursday. The Senate will likely be here until Thursday. You will note there is a big date on Friday; there is a big date on Thursday too, but there is a big date on Friday as the fiscal year ends on Friday, and we expect to have to pass a continuing resolution to fund the government through December on Thursday and Friday in addition to other assorted activities.

We would like to talk to you a little bit about the end of session here again the Senate in addition to the House. The Senate will be here longer through October 19th, so while it won't be dealing with legislative issues during that period it will be mainly dealing with Executive Branch and Judicial Nominations. It will be in session longer than the House. The main issue I wanted to raise with you and then have Lisa go through some of the specific agenda items is our federal funding and where things stand. Obviously, Friday being the expiration of the fiscal year Congress will need to pass either all of the appropriations measures which isn't going to happen or continuing resolution for those that haven't been passed by Friday at midnight when the fiscal year ends. What we expect to happen is somewhere between three and six of the 12 appropriations measures to reach the President's desk by Friday and whatever isn't covered in those Bills most likely transportation, interior, environment and some of the discretionary domestic Bills will be wrapped into a continuing resolution for Congress to come back after the election and deal with either right before or more likely right after Thanksgiving.

So far, the big good news for the year is going into fiscal 2019, which will start October 1st, Federal funding for most of the programs that the City cares about is relatively robust. We are in the second year of a two-year budget agreement, and so on things like transportation and housing, workforce development, as Lisa will go through. We are in relatively good shape in terms of funding coming to the City both through formula funds as well as in grant opportunities that we will talk about going forward. We are expecting that there is not going to be any real hang up; you've heard some back and forth on the President insisting on funding for his border wall before he signs any of these measures. It looks like most of that has been ironed out at this point and we expect continuing resolution to pass relatively easy and for the President to sign the Bills that are sent to him, so we are in pretty good shape on that.

The other items that will be pending in addition to funding the government the House is going to be taking up tax reform legislation which would be sort of technical fixes and making permanent the personal side tax cuts that were only temporary for six or seven years this week. That is more of a political statement than anything that is really likely to happen, but you will see some noise around that. Then we are going to see an announcement in the next week or so, on opportunity zones, which obviously will be important from a work force development housing and economic development perspective going forward. With that, I will introduce Lisa and let her talk through some of the specific items and then we will follow up afterwards and get into a little bit of discussion. I know you are short on time but we are here to help you realize your goals for the City as you start this planning process for the City's agenda for next year we want to be here to be helpful.

Lisa Tofil, Holland and Knight said we are just going to walk through some of the critical priorities that we work on with your staff and on your behalf. First of all affordable housing; the good news is that for all of the concern that you have about affordable housing it has definitely garnered a lot of attention in Washington, DC increasingly over the last couple of years so we've been really pleased to see some of the critical infrastructure programs around housing, CDBG, continuum of care, home programs funding either at or above the prior year levels. Going into last year there were a lot of concern that we could face some serious cuts and pursuant to the budget

agreement that Rich was just talking about, we really haven't, so that has been very good news. Going into next year, we are not quite sure what that is going to look like, but at least for now those have looked pretty good. I'm very proud to brag on my H & K colleagues who have successfully worked with the City of Charlotte and other cities around the country to develop a coalition around affordable housing to really build up momentum and focus on the issue. We will continue to be working on that. We've recently seen a task force as part of a piece of legislation be developed, which really exemplifies the focus that we are able to start generating and building on with regard to affordable housing.

In terms of the 2030 Transit System Plan, the good news here is that there has also been funding, and there is funding for transit that has continued. We've seen a little bit of crunching around some of the longer new starts, but right now it is there and it is certainly something that is worthy of the Council and staff taking a look at in terms of priorities, whether that might be Silver Line or Gold Line or whatever you have coming on board. We definitely think it is worth taking a look at this as well as continue to pursue as CATS has Bus and Bus Facilities Programs and things like that because right now the funding is there. We think it is going to continue to be there, we are certainly hopeful and will continue our advocacy to make sure that it is. We just saw a note here the BUILD Grant Program is what you might have noted as the TIGER Program, and it has just been re-casted, but there is money sitting right there so another example of where we want to look carefully at where we can leverage and take advantage of that.

FTA, this is what I was just talking about, smaller in terms of the amount of new starts that they've been moving into so certainly if you want to pursue something large and big that is going to require some work and focus but we do think there is opportunity there. The big infrastructure initiative that the White House talked about and we've heard talked about in Congress isn't quite as big as it was originally proposed, but what we are seeing is that melting into the existing process of moving money out the door, so another example of whether with regard to Airport or transit where we want to be leveraging opportunities to build out the infrastructure where your priorities exist for the City of Charlotte. That is just more on the transportation infrastructure. Bill Shuster, the current Chairman of the Transportation and Infrastructure Committee is retiring, but you can see that he is putting out there and others have been putting out there a big thing, they are interested in regional projects, regional programs and projects of national significance as well. This just gives you another example of the kinds of continued grant funding that is out there that we are here to help you with and work with staff on in terms of trying to pursue for the Council's priorities. In terms of outlook for the 116th Congress, I will turn it back to Rich.

Mr. Goal said a lot of interesting issues coming up in the next Congress. We will have a major transportation reauthorization moving forward, which may or may not collectively more with the President's infrastructure proposal, depending on what the President decides to prioritize in the next Congress. Clearly, we are going to see a lot of continued focus obviously that you are well aware of on disaster relief and funding for those communities hit by hurricane season this fall. We've got some tax work to do as I mentioned with the House starting debate this week, at a minimum on technical corrections but there is a lot of focus around the fact that in the tax act from two years ago we have technical corrections that need to be made and the personal side of the current tax cuts ends in 2025/2026, so we will need to continue those.

That is really the main focus. As I said up front, we are really here as you start on your voyage this year to think through priorities for the City to help you along the way on that, not only here today, but as you move forward participating as you need us. We know that affordable housing, transportation, workforce development are key issues for the City, and we are here to help you think through that.

Councilmember Egleston said I'm sure it didn't escape anybody, but I want to make sure that CATS and we and our Lobbyist are all honed in on the opportunity for funding for no emissions and low emission buses given the low carbon resolution that we

passed. That is a good opportunity for us to get some federal dollars to pursue those efforts.

Councilmember Winston said I know one of the things we talked about when we were on Capitol Hill this winter was increased support for a Doppler radar system, and obviously we just had some crazy weather today wondering if there is any room in there, in the FEMA or anything like that to continue to move forward to get that.

Ms. Tofil said yes sir the study is continuing to be undertaken so we've got a number of delegations that have been leading the effort on a bipartisan basis with regard to Doppler. We are continuing to wait for the full evaluation to come back in terms of the best means by which to address it. The good news is that we have the attention of the fine folks around it. The bad news is we don't yet have a perfect answer, because as Dana would describe, some of the current technology is becoming outdated. We are trying to address exactly what that looks like so to the extent that you decide you still want to have it on the agenda it is definitely an issue that the delegation continues to have a lot of interest and pushing.

Mr. Egleston said Commissioner Ridenhour and others in the area have been talking about this more recently and to the point that was made it is not as easy just to go out and buy Doppler now, because it is becoming antiquated technology, but there is something that could be done, and I haven't gotten [inaudible] from the weeds to be able to explain it eloquently but with technology that already exists changing angles of satellites that we can close some of the gaps in our coverage and in our ability to predict things that are coming and they pop up quickly. We can I imagine get somebody to give us a better update on that, and I know there are some ongoing efforts.

Mayor Lyles said I've heard comments about Doppler are not going to be the thing that we want now.

Mr. Egleston said there is a way to close that gap and it is being worked on and maybe we should have somebody in that conversation.

Councilmember Driggs said could we see the slide on CDBG and homes again? Are these the only two funding streams from the federal government for affordable housing?

Mr. Gold said no, there are a variety of different programs, but these are the two programs that we were advocating on as part of the agenda.

Mr. Driggs said LIHT is a federal program isn't it.

Mr. Gold said yes.

Mr. Driggs said but in fact this commitment because you lead saying they have acknowledged this issue but what they are doing basically is holding these numbers flat; is that right?

Mr. Gold said it is flat to slight increases; it is within the context of the President's budget scaling back or eliminating some of these programs, so Congress has basically restored them. The affordable housing programs are contained in the Transportation, Housing and Urban Development Appropriations Measure, and so in some ways you can view that as they compete against transportation and Congress has prioritized in terms of additional funds for the most part transportation and then I think also Section H Vouchers on the housing side.

Mr. Driggs said we can assume that our funding from these programs will remain pretty much level then.

Mr. Gold said it should be yes; it is going to be formula.

Councilmember Mayfield said on the same line are we anticipating in our Legislative Agenda a challenge with the fact that I know some funds have been reallocated from the Ryan White Act, and that is a good percentage of our dollars as well for those with HIVNA that we are passed through, so do we have an idea what that impact is going to look like on us yet?

Mr. Gold said I don't yet, but we can get back to you on that; we will report back to Dana in the next couple of days and will take a look at it. We will have to see what the final conference report says on that because sometimes Congress gives direction in addition to directing the actual funds.

Councilmember Phipps said with respect to the transportation and infrastructure proposal, I notices in that last bullet that it calls for an increase of 15 cents on a gallon of regular unleaded and then another 20 cents on diesel. Is the appetite favorable for something like that?

Mr. Gold said it is very unclear. The main reason that the President's initiative on infrastructure didn't move forward in this Congress is because of the inability to identify a funding source, so the idea of raising the federal gas tax, which has not been raised since 1992, was a non-starter and other alternative revenue resources were not identified that could fill between a quarter of a trillion and a trillion dollar gap. What we are going to do in the next Transportation Bill, which we are starting to debate in January of 2019, is start looking seriously at alternative proposals because as you know the gas tax is dropping down because of fuel efficiency anyway, so we are going to need a new funding source even just to run the normal program.

Mr. Winston said as you know, we are bringing the RNC to Charlotte in 2020, and there is a bit of legislation for \$50 million public safety grant that we are expected to get sometime soon. It is supposed to be sooner rather than later. I know we are still waiting on an announcement from another City. Do we think that everything is in line for that to happen once that City is determined for the DNC?

Mr. Gold said we have a strange expertise in our firm because we have represented you before when the Democratic Convention was here and we represented Tampa before, so we've done Convention funding several times now and feel pretty comfortable on the road that we need to take to get it there, and I think you all will obviously be critical on that. This is where you all coming to Washington and making the case, the Mayor coming and making the case and obviously your good staff working making clear the need for the money, and what it is going to be used for in terms of paying for police overtime and that sort of thing will be particularly critical.

Ms. Ajmera said I know there were conversations when we had a meeting on RNC to ask for more than \$50 million to adjust for inflation; where is that as of right now?

Mr. Gold said I think in terms of what the actual request will be we will have to get a sense for where Congress is. I know in the last Conventions neither City over spent the \$50 million allotment, so I think folks will kind of need to go through at the Department of Justice and figure out based on exactly what you are saying whether \$50 million is the reasonable amount. Obviously, what you all will on your side think is required the federal government will make a similar determination on its side and then will come to some conclusion at the end of the day. Fifty million dollars has been pretty much the amount that has been designated since about 1996 I believe.

Mayor Lyles said the other thing that I'm really hopeful is that we look carefully at the transportation efforts perhaps along with our emergency funding for the places in Wilmington. Many of you know that we've been talking about Highway 74 becoming an interstate from harbor to our Airport in a way to increase the ability for logistic businesses to be here in our state, and if there is the opportunity as funding comes and I think this is something that is not Charlotte specific but regionally, very significant to us, that if there is funding to rebuild roads that the roads be rebuilt in a way that maximizes job opportunities, which really requires what we would say is internet

capacity across our region. I would hope that we begin to think about that now, and when you are advocating for us it means advocating for our region that connects to us for that effort particularly as we get the emergency funding coming in for hurricane recovery because that reaches very close to our borders and those roads are very important to our success as well.

Councilmember Bokhari said my Co-Chair of the Intergovernmental Relations Committee and I got to meet with partners today, and I think one of the things that I walked away with along with Dana or staff support is I think there are three ingredients as we are crafting this plan going forward for our own Legislative Agenda and our strategy for the next year that they related; one is innovative big thinking and the connection to the broader strategy and how we maximize those key points. I think that lines up with exactly what you have said. Two, region wide relevance so we are not individually asking for things that are along competition, which means taking our collaboration from Raleigh and Wilmington and Ashville and many other places to the next level and then three, consider the impact of the evolving technology and landscape so asking for things that may be thought of as being disruptive within the next ten years could be a challenge, but we talked about Highway 74 as a great example of that. Another thing I mentioned, and I would like to explore more is the evolution from 4g to 5g and our region kind of being on top of that, because it hits every one of those topics and when you look at it not only is that the infrastructure of the technology future and where we are going, that enables better bridging of the digital divide and things like autonomous vehicles and things that are going to lead in the future. I think that was a great take away from our meeting today.

Mayor Lyles said thank you and we will see soon; this fall I guess sometime in our meeting when we come for the visit. Dana, you got the follow-up items I'm sure.

Mr. Gold said absolutely.

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ITEM NO. 4: IMPLEMENTING HOUSING FRAMEWORK – SALE OF CITY PROPERTY

Councilmember Mayfield said I am handing it over to our extraordinary Director of Housing and Neighborhood Services, Ms. Pam Wideman and her team for her to lead us through this.

Pam Wideman, Housing and Neighborhood Services Director said lots of work has been going on kind of behind the scenes as you all approved the Housing Charlotte Framework at your August 27th meeting, so it was kind of like building a plane and flying it at the same time. I will talk to you about some progress to date. Let me take us all the way back; at your January Retreat, you all categorized some things into short-term, medium and long-term things, and we've been working since that time to kind of check some things off the box. In terms of the progress to date, in August you all recall the Foundation for the Carolinas, Crescent Communities and Wells Fargo made some pretty significant announcements around affordable housing, so that is the business community stepping up to help with this affordable housing issue. They are continuing to raise the housing opportunity fund, which will be a \$50 million fund we hope at the end of the day. As I said, on August 27th you all approved the Framework. LISC as I know they are continuing to interview and hire for a local Executive Director. The Housing Locational Policy is another thing that you all directed us to do. We are revising that Housing Locational Policy, and to date we have had four community engagement sessions. The average attendance at those sessions has been 40 to 50 people. Our goal was to do those throughout the City so everybody can have a chance to do community engagement and input up front. We will round those out this week, and tomorrow night we will have one in District 7, Mr. Driggs' District and we will round that out on Saturday and will have our final one at the Charlotte Fire Department Headquarters on the 29th. That is at the request of several community groups who have attended but they want a deeper dive, so we are going to tailor that just for them. Then we have a robust pipeline engagement, lots of momentum, lot of pent-up energy

and demand, so we hope to be bringing you information pretty regularly about projects that are proposals for development and I will talk to you about a couple of those tonight. When I talk about that pent-up demand you will remember that we had about 11 nine percent deals that you sent up approvals for. Those had been vetted, proven to be good deals for various reasons. Four of those got approved but that leaves us the balance of those that didn't get approved that we don't want to lose the momentum, so we will be bringing those back to you more than likely in the form of four percent deals and in some collaboration with the Housing Opportunity Fund.

Tonight, I'm going to spend a little bit of time talking to you about publicly owned land. You will recall that in your Housing Charlotte Framework, that was one of the 36 or so strategies that was outlined in there and that was one based on conversations we'd even had under previous Council we thought we could keep that momentum going, so I will talk to you a little bit about those tonight. I will also remind you all that in April of last year you all approved a new Asset Management Policy. You asked us to not just sell land for the sake of selling it, but before we sold it look at where we could do some affordable housing with that land as well. We've been working on some proposals; you've heard bits and pieces about those so today's briefing I want to really kind of drill down in four buckets; the sale of City owned property for affordable homeownership. We have some opportunities there; the acquisition of land. We have some opportunity to purchase land for affordable housing. You all, if you choose, will have the opportunity to donate land to further leverage your Housing Trust Fund and other public dollars that may be available for affordable housing and then talk to you a little bit about our request for proposals.

You all have seen this on your agendas; we've kind of stopped and started several times. This is land that is for sale to create affordable homeownership. Matheson Avenue 0.34 acres, the developer there desires to create three single family for sale homes. One of those homes will be, if you all approve, for a House Charlotte eligible applicant. This is an opportunity to get home ownership in an area of high opportunity that would not otherwise occur without this transaction. You can see the appraised price is \$25,900; they are offering to purchase it at \$25,900. We will bring this back to you on your October 8th agenda for approval. Parkwood Avenue a similar deal, 0.259 acres and this developer wants to do up to five townhomes, one of those townhomes will again be for House Charlotte eligible person 80 percent of area medium income. I failed to say on the other one we've been working with these folks going back and forth, and we've gotten them up from a ten year affordability to a 15 year affordability period for these homes. On the previous one, this one and the next one nothing precludes you from buying these homes back at the end of the 15-year period if you want to buy them back for another person an affordable household to live in at that time. This one is a little bit of a nuisance, and we've talked about this. I've had some individual and some collective conversations. This one has been on the market for a long time, the appraised value is \$209,300 and the purchase offer is \$140,000, so you say what is that delta, what am I getting for that value. The gap there is \$69,300, so what you are getting in exchange is really the opportunity for someone to live in an area of high opportunity, gain wealth, achieve economic mobility in that area of high opportunity. You might say well Pam, what if we didn't do this? Then this development probably wouldn't move forward, because the light blue pieces are the City pieces, so they need that entire corner to make this development work. What you have to consider, however you consider it is, this has been on the market for a while with no takers and the purchase price for the house is \$327,000. This house would be sold to a House Charlotte person at \$224,000, so that gap is about \$103,000 so that is what you are giving up if you will in order to create a home ownership opportunity. This one will be brought back on October 8th for your consideration as well.

Spencer Street, same thing here is 1.37 acres. The developer wants to do 59 for sale townhomes and 10 percent of those townhomes will be eligible for households 80 percent for home ownership opportunity. Fifty thousand dollars is the appraised value on this property, and the purchase price is \$50,000, and we will be bringing this one back on October 8th as well for your consideration. Double Oaks, the Manager talked to you about this during your budget process and a couple of weeks ago. This has

moved forward; it is 11.1 acres and I will remind you that not all of the 11 acres is eligible to be redeveloped because of the topo. The appraised value is \$3.150 million and the City has offered to purchase for \$3.125. On August 14th CMS approved the sale of this. They declared surplus a while ago and approved the sale. On September 5th the County declined their first right of refusal, so we will be bringing this back to you on October 8th as well for you to consider moving forward with a purchase. Morris Field, again this is all homeownership, Habitat for Humanity, we've been talking about this for a while. We've owned this property out at Morris Field for many years; no takers, no offers on it so far. It is 8.92 acres and Habitat desires to build 47 single-family homes on this property. These homes will serve households earning 30 percent and 80 percent of AMI. The appraised value of this land is \$205,000, and I will say a couple of things about this. In addition to the land Habitat will also request \$1.2 million of CDBG funding. They have to put in the infrastructure out there so if you think about this it is kind of like what you did in terms to make Bright Walk happen. Some of the streets that you see in Bright Walk, they don't exist. So, they've got to do infrastructure work and build the homes. We heard a lot from the community and some of the Councilmembers about stepping up the design of the Habitat homes, so there are three different elevations that you see here that Habitat has worked on especially for this community, again, an opportunity to help create some affordable homeownership.

Request for Proposals, we have talked a lot about so a couple of years ago the City Council at that time asked us to look at our City owned property, to tell us which of those parcels are conducive for affordable housing. We have lots of City owned properties. Many of those are just slivers left over from sidewalk or they are in the flood plain and are not suitable for development. We looked at the ones that are suitable for development. We let an RFP to developers of affordable housing and we've gotten those responses back. We will be bringing these to you as we work through the proposals. We've gotten three responses on five sites. LaSalle Street 38 units would be developed there. North Tryon Street, the proposal is 120 units; Toomey Avenue and Freedom Drive, this would be combining parcel to develop 190 units and then West Tyvola would be 72 units. What I would say to you here is I would ask us to consider being flexible enough. We know that all of these won't come back to you at the same time. There are opportunities out there we believe to attract some opportunity zone funding. Some of those investors will want to close before the end of the year, so that is the reason that they do it to reemploy their capital gains so we may bring some of these back to you sooner than later in order to enable the developers to take advantage of the opportunity zone funding. That is also good news because to the extent that the developer can take advantage of opportunity zone funding that is either no Housing Trust Fund dollars or very minimal Housing Trust Fund dollars, so we really want to use all of our tools that we can to make these developments work.

South Village, good news here, we probably need a drum roll. This was on Scaleybark, and we promised you that we would get this property closed by August 31st. It was a great team effort to get this property closed. It is in the hands of the City; we are working with the Charlotte Mecklenburg Housing Partnership, who was the original developer, to do up to 100 units for households earning 30 to 80 percent of AMI, so we really talked to them about that unit mix, because we really want to maximize the ability for folks to live along the transit line. So, that is really good news there.

As I wrap up, we are making good progress. There is a lot of pent-up demand out there, lots of energy, and again I would just employ us as Council and as staff all the way around, even with permitting and zoning to be really flexible to work with our development community to make these developments happen. We will bring you updates and Council Action as review. I won't stand here and tell you that all of the policies are ironed out, but we are ironing them out as we want to bring things to you so we don't miss opportunities. I talked about the locational policy in Committee. We are going to make I hope the target rehab program, a formal program, not a pilot anymore. We've made some really good progress on that. Our aging in place program, we are putting parameters around that and when I think about aging in place. I don't just think about the \$700,000 that was approved; that is an additive. I also think about the rehab work we do to help people stay in their homes in gentrifying communities, so it all works

together. Then as I alluded to we don't do any of this by ourselves. It doesn't happen without engineering, without C-DOT, without Planning to help everything work together so we are working on our expedited permitting and process. Lastly, I would like to thank my team who helps me work on this every day.

Councilmember Eiselt said Pam, going back I can't remember what the title of the slide was but the public land, my question is when we are look at our land that we are selling there are two things that concern me. The criteria is just because we happen to own it and our goal is to put affordable housing on it, but some of that land might be in areas that don't have good access to transit that are on bus lines so do we have some sort of a matrix when we look at that as to how we place it, do we really want 30 to 60 percent AMI on a piece of land that has no access to grocery stores, to schools, to buses? How are we taking that into –

Ms. Wideman said Ms. Eiselt; remember when we are selling land or these proposals nine times out 10, they are going to require either a nine percent tax credit or four percent tax credit or some other funding mechanism that kind of checks those boxes. Are they close to amenities and retail; are they close to a grocery store? As we are looking at the Housing Locational Policy and you will recall that we are looking at a scoring matrix that accounts for all of those things as well. Then the other thing to remember and I hear your point and it is a valid point, I also like to remind people that people who live in affordable housing have cars, so they are not always totally dependent, but the short answer is that we do take that into consideration. I will tell you there is no matrix that Engineering goes through to see independently without the funding matrix that goes along with this to see if it is close to transportation. You are right we don't want to put an affordable housing opportunity in the middle of nowhere. The ones that we are talking about on Parkwood and The Plaza, they are close to center City, bus lines and the Blue Line Extension if you will remember as well.

Ms. Eiselt said I agree with that but there have been some that we've approved that have been questionable as to what kind of access they have. I would put out there is, there not also an opportunity to take land that we own that someone wants to buy and maybe it is not really perfect for the kind of affordable housing we want to be building and bank those proceeds to be using for other land that we buy? We know we've got to start buying land along our transit lines for the future and we talked about that a long time ago.

Ms. Wideman you did and you have a great memory. That is one of the things with the sale of the properties on Matheson, Parkwood and all of these properties. This money will go into your general fund just like the sale of West Tyvola, remember that, it went into your general fund. Now, you guys can come back and decide at some point, and I would encourage you to think about how you want to use that but it goes back into the general fund for that reason, for you guys to decide where it is best used.

Ms. Eiselt said we did talk about whether we should put it aside specifically for land purchase.

Ms. Wideman said you did, but you didn't make a decision on that yet.

Ms. Eiselt said the second thing, going to one of these parcels, the one where I think our cost is a hundred and some thousand.

Ms. Wideman said the appraised value is \$209,300; the purchase price is \$140,000. That is what the developer is offering to buy it for.

Ms. Eiselt said so I think our cost on this is \$69,000.

Ms. Wideman said that is what you lose, \$69,300 that is the delta.

Ms. Eiselt said there was another one that was like \$103,000 or whatever and you were saying we were able to go from ten years to 15 years affordability.

Ms. Wideman said on all of these we were originally at 10 but went back after our last discussion and the developers have agreed to go to 15-years. Remember that is passed on to the homeowner, not the developer because these are for sale.

Ms. Eiselt said that is how we should be looking at it though that we are essentially giving that homeowner a certain amount of money every year for 10 or 15-years. First of all I have a problem with 10 or 15-years. It feels like it should be 20 or 30-years closer to the life of the building itself.

Ms. Wideman said quite frankly, the developer doesn't care. Again, it is passed on to the homeowner. There is nothing that precludes you all from buying it back, and the real thing that you guys have to reconcile we talk about homeownership is a way to create wealth. There could be a cost sharing in the appreciation; that could be something that we consider too. It could be like at the time of sale.

Ms. Eiselt said I guess I will take it up in a separate discussion, but is there a balance between 10 or 15-years, and they get to buy it back, and they have accumulated this wealth and how much we've put into it? Do we participate in some of that?

Ms. Wideman said I think that is one of the tradeoffs that you as a Council have to consider if you want to sell City owned property to help create homeownership. For multifamily it is always going to be 30-years and some of these will be 40.

Councilmember Winston said this Parkwood parcel and the Matheson Avenue parcel; can you explain again why this makes sense to sell this parcel at market value versus the reduced market value when we are getting the same thing, one unit at 80 percent? You explained it before, and it made sense.

Ms. Wideman said on the Parkwood parcel Mr. Winston, what you are doing here is you are getting a couple of things in exchange. This is a City owned property right, so without this City owned property they won't be able to do the five townhomes. This also gives them site access that Planning requires them to have on their site plan. You also are maintaining an easement to assist with the Plaza/Parkwood diet, so those are kind of the tradeoffs of what you are getting in exchange, and you create an opportunity for someone to live in an area of high opportunity in a home. You are creating a homeownership opportunity.

Mr. Winston said I understand that is the result but why reduce it when we can just down the road we are selling it for at market rate to make this deal work?

Ms. Wideman said you will remember I said at the beginning this parcel has been on our books for about two-years and nobody has come forward. This person is the first person to come forward within two-years with an offer that we even thought was reasonable to bring to your attention.

Mayor Lyles said I think the question is why are you selling it lower than appraised value.

Mr. Winston said Ms. Wideman had explained this and it made sense but it got lost and to be able to explain this to the community of why we are doing this, why we are selling at a reduced rate that this isn't just appeasing developers, and this makes economic sense.

Ms. Wideman said I hope I can remember what I explained but again it is what I just said. It allows a homeownership opportunity in an area of high opportunity close to the Blue Line Extension, you are maintaining an easement that would help you with the Plaza/Parkwood diet, and this has been on our books for a really long time. We haven't had anybody to come forward with an offer on it that made reasonable sense to bring forward.

Mayor Lyles said I guess the question would be if he paid the appraised value then he would want to build and would not want a townhome at a lower cost being constructed there. I'm assuming that he would build more market rate or maybe he would just walk away too. I don't know.

Ms. Wideman said the thing that I'm leaving out is the purchase "but for" having it House Charlotte eligible, the price of these homes are like \$327,000. You are affording somebody an opportunity to live in one of these homes for \$224,000, which is about \$103,000 less. They wouldn't be able to purchase there but for this program.

Mr. Winston said we are sort of setting a precedent that we are going to take a little less to give somebody else an opportunity. We are land owners, and that is what we are going to do and without that happening it would never occur.

Ms. Wideman said that is right and that signifies your commitment to helping achieve affordable homeownership.

Mayor Lyles said if the City had to build that unit it would be over \$200,000.

Councilmember Harlow said it is good to see Double Oaks on the list for sure but a question about the process of when we decide to donate land or sell land and then also in the selling of land the majority of the time do those come through an RFP process or is that just some private builder wanting to come to us knowing that we own the land?

Ms. Wideman said it happens several ways Mr. Harlow; the for sale properties that you see Matheson, Parkwood, and Spencer, those were developer coming to the City's Real Estate Department offering to buy the land. What we have now instituted is if you want to do that we let them know about the importance of affordable housing, and we urge them to include affordable housing, and that is what happened here. For the RFPs that I talked about, at the direction of a previous Council we went through our list of City owned property, because we know that is the best practice for furthering affordable housing. We let an RFP so those came through an RFP process, so it happens those two ways.

Mr. Harlow said as in general, not just for this, what do we see more of? If our goal is let's try to create more affordable units and maybe there are a bunch of builders out there that don't know that we are in that business, so maybe we should do more RFPs. If the data drives us that way, I just didn't know; what does the history tell us?

Ms. Wideman said one important thing that I left out is we also through the rezoning process. This is a process improvement that we implemented about two years ago is when a developer comes in for their pre-submittal, if they are doing any kind of residential or multifamily particularly, they get a piece of paper in their pre-submittal package that says the City has a need for 24,000 units of affordable housing; please go talk to Housing and Neighborhood Services so we get a lot voluntary affordable through that process as well.

Councilmember Driggs said I thought I saw one transaction where the City actually buys land, is that right?

Ms. Wideman said that was the Double Oaks one.

Mr. Driggs said is that Trust Fund money or what money do we use to buy the land?

Ms. Wideman said that is already included in this budget, that is money that the City Manager put in to bridge the Trust Fund in this year's budget. That is how we will do that.

Mr. Driggs said it is from the Trust Fund then.

Ms. Wideman said yes sir, it is housing dollars.

Mr. Driggs said it is Trust Fund, or the CIP it is Trust Fund.

Ms. Wideman said yes sir I guess that is the best way to say it.

Councilmember Phipps said on the Double Oaks you said that 11.1 acres all of it was not developable. How many acres did you say was developable?

Ms. Wideman said I think it is about 6.9 or about seven acres is developable.

Councilmember Egleston said back to Parkwood, the reason I took issue with these when they were on our agenda the other week; I think the other two make a lot of sense once you realize there is limited access, and they are only of value to an adjacent property owners that could combine them, and we are selling them at appraised value so that makes a lot of sense. Here we keep talking in circles, and I think everyone sees the value in allowing someone at 80 percent or below AMI to get into homeownership and build wealth so I don't think that is in question. I think what I and maybe some others were pushing back on is \$69,300 a good price. Essentially, it is an opportunity cost, it is not money out of our pocket necessarily, and it is a valid point that we haven't had a strong offer on it, but I think these slides should present a couple more things than they do for us to better understand them and not slow the process, which is (A) I hadn't at the time heard of the easement that we are getting out of this to help with a project that we are already working on. I think that is relevant and two there ought be some metric where we say on average in this senses track we spend \$72,000 to get an 80 percent AMI for purchase unit then that would make us a good deal if in this senses tract we averaged \$53,000 for an affordable unit for sale, then that would make this maybe not as good of a deal and maybe we would be better off trying to maximize the purchase price and put the money in the Housing Trust Fund. I think it was just all relative to is \$69,300 the right amount? I don't think of us know, so we've got to maybe use more data to demonstrate that it is a good value. We understand the value and principle of giving people homeownership, but the real dollar value of that one unit is \$69,300 high, low or right on the money.

Ms. Wideman said Mr. Egleston, thank you for that, you jarred my memory. When you and I discussed this the last time I circled back with Don Gately at Crossroads and what they were doing in the Grier Heights Community and also to CMHP, and what they are doing in Druid Hills, which is right adjacent to Bright Walk. This is \$69,000; their number was about \$80,000, so you could argue that this number is lower, and so perhaps \$80,000 is the benchmark.

Mr. Egleston said these are arguably higher dollar area, so that is something that is highly relevant, and I think would have made this a lot more of a slam dunk the first time.

Mayor Lyles said I think that is a relevant point within the real estate community. It would be just like you would have anywhere else.

Councilmember Bokhari said before the October 8th meeting, can we get a meeting together where you can sit down and walk me through how this fits into the broader strategic plan? I mentioned this several times, and I will just build on what Mr. Egleston said which is how do we look at and compare, is one townhome at 80 percent AMI for that number of years' worth \$69,000, but I think it is bigger than that too, which is what are we sacrificing on the broader scale by doing this deal and spending \$69,000 for that one? I've asked multiple times, and I love the framework we have, I love the goal, the \$50 million we have and the number of units but there is this huge gap in between of this strategic plan that is a pro forma based view of here is what we are going to do or sign up for here and here and here and then when these decisions come up then we can give relevance to them by saying okay, well \$69,000 here means that you need a shift and we are going to get less over here and until we have not just the real estate deal by deal relevance, but the broader macro picture of what is this going to do to the couple thousand units we are ultimately solving for here. I think we are kind of

operating in the dark a little bit and it feels to me like we've got a toolbox full of stuff ready to build a house with no plan. We are all getting there and we are going to see more and more things just like this, great opportunities, which probably are great, but we don't have the context by which to understand what we are compromising, and I think that is the most important thing we can do between now and November when the community votes on the bond.

Mr. Winston said I think he hit the nail on the head of what my question was trying to get at. We need to come up with this matrix that we can implement into policy so that we can say it makes sense because it fits into this range that maximizes affordability so that we are not having this discussion time after time, and honestly it makes sense to the public, and it is something that people can buy into and really understand.

Ms. Wideman said that is fine, and I appreciate that discussion, and we will do that. To some degree you could use this as a level setting as we are going into November, but I hear your point and is well taken.

Ms. Mayfield said Ms. Wideman, thank you for the information and thank you to your team, to the Housing and Neighborhood Development Committee. We've been having a number of conversations, and we are still working on pulling this toolbox together. I've already spoken to Mr. Korolos, and we have one correction that we need to make as far as what area is actually being identified but as we move forward you've heard the comments from my colleagues. I think ultimately for us to be able to go out to the community and explain the difference between tax value and market rate and understanding what we are dealing with as far as what the cost of what development is today versus what it may have been, and as far as the 15-year, yes I would love for it to be 30, but a lot of the loans today are 15-year fixed rate loans so when we think about the environment we are in today it will be helpful just to provide some information to Council that shows that we are also thinking about the future and what is coming around the corner between 2019 and 2020.

Mayor Lyles said I want to make sure that we've set clear expectations. I heard several folks say that this matrix is important then I heard one person say let's have it by October 8th, which is next Monday. I just wanted to make sure that we are level setting and that we are going to be coming in and thinking about this that was agreed upon but I didn't know by the time these transactions would be on our agenda if we would be looking at something differently. One other point, I would like to make is why the value of these things may go up if we are trying to save money sometimes the value of the neighborhood is important to the livelihood of that family living in that house. Like if you've got \$69,000 subsidy, you could probably go to a number of places and build something for \$69,000, and we would be doing code enforcement in five-years. Those are the kinds of things that there is also the opportunity cost, but the opportunity costs also includes value of those things we've been talking about, making sure that people feel safe, and they are living in a neighborhood that they can love.

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ADJOURNMENT

Motion was made by Councilmember Egleston, seconded by Councilmember Driggs, and carried unanimously to adjourn the meeting.
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The meeting was adjourned at 5:23 p.m.



Emily A. Kunze, City Clerk, NCCMC

Length of Meeting: 1 Hour, 9 Minutes
Minutes Completed: October 9, 2018