AGENDA

Meeting Type:	
Date:	08-02-1993

City of Charlotte, City Clerk's Office

COUNCIL WORKSHOP 8/2/93

MAYOR ✓
CAMPBELL ✓
CLODFELTER ✓
HAMMOND ✓
MC CRORY ✓
MAJEED ✓
MANGUM ✓
MARTIN ✓
PATTERSON ✓
REID ✓
SCARBOROUGH ✓
WHEELER ✓

5:15 p.m.

Vinroot
#1 White - Housing
Borgsdorf
J. W. Walton
McCrory
Walton
McCrory
Walton - Option 2 - 2 exceptions -
Vinroot

Walton
Vinroot
Martin
Walton - Attachment 4
McCrory -
Walton
McCrory
Martin - How many
Walton - 8,000
Martin
Walton
Martin
Walton
Vinroot
Patterson
Vinroot
McCrory
Scarborough
Vinroot
Patterson
Scarborough
Clodfelter - 1 -
2 -
3 - What happens to folks forced out by
Code Enforcement?
Patterson

Walton 65 families
Patterson
Clodfelter
Walton
Patterson
Walton - 42 months - maximum
Hammond
Walton
Majeed - How many transitional units
Patterson
Majeed
Patterson - 269
Walton 369
Clodfelter
Walton
Patterson
Majeed
Walton 369 TOTAL -
Patterson
Walton
Patterson
Walton -
Patterson - 511
Majeed - Do you feel in H.A. you have enough transitional housing?

Johnny Hayes
Carole Hoffgener
Majeed
Hoffgener
Johnny Hayes
Hammond - Income?
Hayes -
Hammond -
Hayes
Scarborough
Hayes
Majeed - Can still have 50 new
Walton - Yes
Majeed
Walton
Vinroot
Martin - (Pg. 2 of attachment 4)
Walton
Martin
Walton
Martin
Walton
Martin -
Walton - Very limited
Reid

Walton - We have met -
Vinroot - 6:02 Tape 1, Side 2
Hammond - 1- Who should we
provide assisted housing to?
2- Try to meet diversity of needs.
3- What constitutes need for
emergency housing?
Walton - have been self-sufficient,
but because of loss of job,
divorce, domestic violence, need
temporary (3-6 mnths) housing.
Hammond - Info from Ted
Fillette says.....
Vinroot
Patterson - more needs than can
provide. Likes suggestion of
using tenant based subsidies;
Staff bring back
some alternatives
Patterson / Reid
for the 309 units
Carole Hoffener - Housing Authority
Emergency Housing - greatly needed.
Catherine Housing Partnership
Velva Woollen
Patterson -
Vinroot

McCrory
Vinroot
Martin
VOTE - Texas.
Patterson
Reid -
Vinroot
Patterson
Hammond
Walton

Vinroot
Patterson wants to make motion on 50 units
Patterson / Wheeler -
Martin
Vinroot
Clodfelter - Potential $750,000 is in a holding pattern until we get rehab cost back
Vinroot
Mangum - 7-4
VOTE - No Reid, McCrory, Campbell, Mangum.

Vinroot

Break - dinner
6:25 - 6:30 Reconvene

Vinroot - Privatization Task Force
Stan Vaughan - Introduced members
~~Bobby Lowery~~
Bobby Lowery -
Vaughan
Randy Arthur - Asset Mgmt.
Stan Vaughan
Vinroot
Mangum - Tape 2, Side 1
6:58
Thank you.
Wheeler
Wheeler / Adopt Gov't's
Vinroot - 3 decisions - Policy
Coming on our agenda 8/23
McCrory
Mangum - Why

Vaughan
Mangum
Vaughan
Arthur
Lowery

Reid
Mangum
Majeed
Vinroot
Martin
Campbell
White - Best interest of community that City group be in best position to compete. - Council must pay attention to specific services they want.
Vinroot
White
Vinroot
Mangum
Vinroot

Vinroot - Rollout garbage
Hammond
White -
Seifert - Conversion to rollout
Vinroot - #1

Syfert
White
Martin
White
Martin
White
Syfert
Reid
Option #3 Reid/Clodfelter
Scarborough
Vinroot
Scarborough
White -
Campbell
White - Main savings comes from
going to roll-out -
Scarborough -
Syfert 7:40. Tape 2, Side 2
Majeed
Syfert
Wheeler
Syfert
Wheeler
Syfert
Wheeler

Campbell
Wheeler
~~[illegible]~~ Syfert
Wheeler
Hammond
McCrory
White
McCrory
Campbell
Vinroot
White
Scarborough
Majeed
White
Majeed
Syfert
Majeed
Vinroot
Patterson
Selzt. Patterson / Martin do optio

2

Majeed
Scarborough
Syfert
Vinroot
Martin

Vinroot
Hammond
Syfert
Vinroot
Hammond
White
Syfert
Mangum
Clodfelter

VOTE -
No Mc Reid, Campbell,
Wheeler, Clodfelter

Wheeler / McCrory - City Mgr.

Whe
Complete / Sec City Clerk
Ham / Mar
Exec. Sec Ashley Park

Patt / Whe
Adjourn
8:00 p.m.

City Council Workshop
August 2, 1993
Room 267
AGENDA

I.	Housing	5:00 p.m.
II.	Dinner	6:00 p.m.
III.	Mayor's Privatization Task Force - Presentation - Discussion	6:15 p.m.
IV.	Roll-Out and Request for Proposal for Garbage Collection	7:15 p.m.

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC:

1) Proposed FY94 budget with implications of decisions made at 7/12/93 workshop.
2) Future of 309 City-financed housing units.
3) Decision on whether to build a 50-unit multi-family project in FY94.

KEY POINTS (Issues, Cost, Change in Policy):

1) Summary of decisions made at 7/12/93 workshop. (Attachment #1) Implications: substitution of federal for local dollars for Housing Partnership.
2) Decision on who is to be housed in 309 City financed units: If operated as conventional public housing, ongoing operating subsidy will be required. If operated as transitional housing, no subsidy required, but up front rehab and relocational costs higher.
3) Decision needed on whether to build a 50-unit multi-family project in FY94. If yes, CMHP funding will be reduced from $2 million to $1.6 million.

OPTIONS:

1)a. Approve budget with funding as tentatively allocated on 7/12/93 (see option I, attachment 2)
b. same as above, but fund a 50-unit project. Indirectly, this reduces CMHP to $1.6 million (see option 2, attachment 3)
2)a. Operate 309 units as conventional public housing.
b. Operate 309 units as transitional housing.
c. Pursue a combination of the two.
d. Based on a, b, or c, issue RFP to determine cost, ownership and management (see attachment 4).

COUNCIL DECISION OR DIRECTION REQUESTED:

1) Affirm policy directions given at 7/12/93 workshop.
2) Decide income group to be served by 309 units and process for deciding who will own and manage the units.
3) Finalize Innovative Housing Budget for FY94, including whether to fund a 50-unit multi-family project.

ATTACHMENTS:

Attachment 1: Summary of decisions made at 7/12/93 workshop
Attachment 2 & 3: Options for FY94 Budget
Attachment 4: Options for 309 units
Attachment 5: For information only - "Improving City Government Housing Efforts"

SUMMARY OF DECISIONS MADE AT JULY 12, 1993 COUNCIL HOUSING WORKSHOP

I. Overall Policy Direction/Priorities for FY 94

Council affirmed the broad policy framework contained in the 1987 Housing Policy Plan, which has since been incorporated into the City's Comprehensive Housing Affordability Strategy (CHAS) Staff is currently drafting the City's new 5-year CHAS, which will contain policy language pertaining to priorities and directions set by Council on July 12 This document will be brought to Council for formal approval in October 1993 prior to submission to HUD.

On July 12, Council affirmed the following priorities for FY 94

1. Housing Preservation: Includes strong code enforcement, homeowner and rental rehabilitation, aggressive acquisition and rehabilitation program aimed at increasing homeownership in City Within a City neighborhoods.

New Directions: Council asked staff to come back with a plan whereby housing inspectors will cite tenants for damage and poor housekeeping and refer them to remedial programs In general, Council requested more negative sanctions for tenants and more positive incentives for landlords to balance out current program emphases

2. Strengthening Neighborhoods and Neighborhood-Based Organizations *(Council-added this as a separate priority)*: Council agreed to seek out opportunities to support activities of neighborhood based organizations for both capital projects and capacity-building grants Council also sought to strengthen neighborhoods by linking housing efforts even more closely with community policing and public safety initiatives.

New Program: Council agreed to establish a $200,000 program to provide grants for operating support and training to eligible community development corporations on a competitive basis The purpose of the program is to help them build their capacity to carry out housing and economic development projects Staff will come back with proposed criteria for awarding the administrative support.

New Direction: Council requested that staff work with community organizations and (assisted housing) residents' organizations on developing public safety initiatives related to assisted housing and safer CWAC neighborhoods. Staff to come back with program specifics.

3. **Promoting Self Sufficiency**: Council strengthened this priority, and added components that address the needs of the lowest income groups to round out current efforts at preparing families for homeownership

New Program: Council agreed to fund a $350,000 Charlotte Housing Authority program to provide intensive case management services to residents of CHA-owned housing aimed at moving them up and out of public housing Council also affirmed the shift in Family Housing Services' mission toward providing counseling for tenants in private rental housing to promote greater tenant responsibility FHS and City staff were requested to work with the Property Managers Coalition in developing and evaluating these new program thrusts

Existing Programs: Council agreed to fund existing Innovative Housing Fund-supported self-sufficiency programs in pre-purchase mortgage counseling (CMHP) and removing legal barriers to homeownership (Legal Services), as well as programs by the YWCA and the CHA Safe Neighborhoods Program at their FY 93 levels. Family Housing Services is recommended to be funded at its FY 93 level as well. Council had already approved a small increase for Crisis Assistance Ministries

4. **Expanding and Making the Housing Supply More Affordable**: Council affirmed existing policy on scattered-site housing and recognized a need for rental assistance to make existing rental housing more affordable for low-income families

New Program: Council allocated $500,000 for a tenant-based rental assistance program limited to the City Within a City area While it was hoped that it could be funded with federal funds, HUD has since disallowed the program for use of HOME funds due to the geographical restrictions Therefore, this program will be funded with Innovative Housing Funds, with staff to come back with program specifics

Unresolved Issue: Whether to fund a new 50-unit multifamily housing project in FY94 This issue was deferred until a decision is made regarding the cost implications of resolving the status of the 309 City-financed public housing units.

II. Items to be Resolved at August 2 Council Workshop:

1 Finalize FY 94 Innovative Housing Fund budget in accordance with decisions made at 7/12 workshop, contingent upon
2. Future of 309 units: the income group to be served, budget implications, process for deciding ownership and management of the units
3 Decision on whether to fund a new multifamily project for FY 94

III. Information Requested:

1 Staff to come back with proposed FY94 budget showing the implications of all decisions tentatively made on July 12 Staff to identify income/expenses that are one-time only vs recurring.
2 Funding sources and availability of funds for potential operating subsidy, rehabilitation costs and relocation costs associated with housing different income groups in the 309 City-financed public housing units

IV. Other Follow-Up:

1 CHA has been requested to prepare a resolution for Council asking US Congress to change CHA reimbursement policy that penalizes Charlotte for being cost-effective.
2. CHA has been requested to prepare a report to Council on modernization needs and federal resources available to meet those needs.
3. Staff has been requested to identify federal regulations and policies that need to be changed to permit greater flexibility and innovation for programs in various City departments This list is to be communicated to Council to assist in lobbying efforts.

ATTACHMENT 2

7/26/93 14 34
Option 1

Community Development
FY94 Housing Program Activities and Funding Levels

ACTIVITY	CDBG	HOME	HOUSING FUND (B)	INNOVATIVE HOUSING	GENERAL FUND (C)	TOTAL
Rehabilitation:						
- Selective Rehabilitation	$2,063,985	$252,239				$2,316,234
- Rehab of Rental Housing		300,000				300,000
Acquisition & Disposition:						
- Acquisition	412,864	174,300				587,264
- Acquisition/Disp Program		300,000				300,000
Housing Development:						
- CHDO-Sponsored Housing		262,125				262,125
- CHDO Admin Support		69,900		$130,100		200,000
Housing Referral:	668,236					668,236
Replacement Housing:	484,670					484,670
Downpayment Assistance:	50,000					50,000
Tenant Based Rental Assistance (CWAC):				500,000		500,000
Public Services:	644,974					644,974
Program Delivery:	1,038,681					1,038,681
Administration:	512,935					512,935
Reprogrammable Savings from						
- FY93 Activities Note (A)	388,713	1,043,787				1,432,500
Innovative Housing Activities:						
- Local Match for the HOME Grant				332,025		332,025
- McAlpine Terrace/Glen Cove				275,000		275,000
- Stepping Stone				64,000		64,000
- Housing Code Enforcement				500,000	$500,000	1,000,000
- Charlotte Meck H Partnership Note (D)	1,000,000	500,000		500,000		2,000,000
- CMHP Pre-Purchase Counseling				138,422		138,422
- Legal Services- Homeownership Legal Barriers				84,000		84,000
- Family Housing Services				298,340		298,340
- Crisis Assistance				96,432		96,432
- YWCA Scattered Site Housing				54,253		54,253
- CHA Crime Prevention (SNAP)				152,120		152,120
- CHA Self-Sufficiency Program				350,000		350,000
- Available for Programming				441,122		441,122
Housing Fund Activities:						
- Rent Subsidies & Options for City Financed Units			$110,000			110,000
- Housing Maintenance Reserve for City Owned Units			33,443			33,443
- Landlord Tenant Mediation Program			150,000			150,000
- Management for Cherry Properties			8,400			8,400
- Repairs to Clinton Square & Wilkerson Apartments			150,000			150,000
- Available for Programming			689,266			689,266
Total	$7,245,168	$2,922,351	$1,141,109	$3,915,814	$500,000	$15,724,442

Notes:

Fields underlined reflect funding decisions made by City Council at the Housing Workshop on 7-12-93.

(A) Funds to be carried forward for reprogramming for eligible CDBG and HOME activities for FY94.

(B) Revenues generated from City owned Housing Clinton Square and Wilkerson Apartments.

CDBG Available Funds: (Funds granted yearly by Feds)

FY94 CDBG Grant	$4,460,000
FY94 Projected Program Income	1,416,455
FY93 Projected Savings	1,368,713
	$7,245,168

HOME Available Funds: (Funds granted yearly by Feds)

FY94 HOME Grant	$1,398,000
FY93 Projected Savings	1,174,851
Local Match	349,500
	$2,922,351

Housing Fund Available Funds: $1,141,109

Innovative Hsing. Available Funds: $3,915,814

General Fund Available Funds: $500,000

Capital Projects: In-Rem Repair: $300,000

(C) In Rem Repair includes $58,056 for contribution to Housing Code Enforcement.

(D) HOME and CDBG funds will be used for acquisition and rehabilitation.

(E) Funds were accumulated to form maintenance reserves for use in maintaining City-Owned housing units. The reserves are expected to decline because rents have decreased while the cost to maintain the housing units have increased. (This not a consistent source of funds.)

(F) Innovative housing funding is projected to be fairly constant through FY98. However, funding is at City Council discret

Subject to Federal Regulatory Compliance

Local Non-Regulatory Funding

ATTACHMENT 3

7/28/93 14 38
Option 2

Community Development
FY94 Housing Program Activities and Funding Levels

ACTIVITY	CDBG	HOME	HOUSING FUND (B)	INNOVATIVE HOUSING	GENERAL FUND (C)	TOTAL
Rehabilitation:						
- Selective Rehabilitation	$2,063,995	$252,239				$2,316,234
- Rehab of Rental Housing		300,000				300,000
Acquisition & Disposition:						
- Acquisition	412,964	174,300				587,264
- Acquisition/Disp Program		300,000				300,000
Housing Development:						
- CHDO-Sponsored Housing		262,125				262,125
- CHDO Admin Support		69,900		$130,100		200,000
Housing Referral:	868,236					868,236
Replacement Housing:	484,670					484,670
Downpayment Assistance:	50,000					50,000
Tenant Based Rental Assistance (CWAC):				500,000		500,000
Public Services:	644,974					644,974
Program Delivery:	1,038,681					1,038,681
Administration:	512,935					512,935
Reprogrammable Savings from	388,713	1,063,787				1,432,500
- FY93 Activities Note (A)						
Innovative Housing Activities:						
- Local Match for the HOME Grant				332,025		332,025
- McAlpine Terrace/Glen Cove				275,000		275,000
- Stepping Stone				64,000		64,000
- Housing Code Enforcement				500,000	$500,000	1,000,000
- Charlotte Meck H Partnership Note (D)	1,000,000	500,000		100,000		1,600,000
- CMHP Pre-Purchase Counseling				138,422		138,422
- Legal Services- Homeownership Legal Barriers				84,000		84,000
- Family Housing Services				298,340		298,340
- Crisis Assistance				96,432		96,432
- YWCA Scattered Site Housing				54,253		54,253
- CHA Crime Prevention (SNAP)				152,120		152,120
- CHA Self-Sufficiency Program				350,000		350,000
- 50 Units for New Housing Development				750,000		750,000
- Available for Programming -441,122				91,122		91,122
Housing Fund Activities:						
- Rent Subsidies & Options for City Financed Units			$110,000			110,000
- Housing Maintenance Reserve for City Owned Units			33,443			33,443
- Landlord Tenant Mediation Program			150,000			150,000
- Management for Cherry Properties			8,400			8,400
- Repairs to Clinton Square & Wilkerson Apartments			150,000			150,000
- Available for Programming			689,266			689,266
Total	$7,245,168	$2,922,351	$1,141,109	$3,915,814	$500,000	$15,724,442

Notes:
Fields underlined reflect preliminary funding decisions made by City Council at the Housing Workshop on 7-12-93.

Same as option 1 with exception of adding funding of $750,000 for 50 units of new housing and reducing Charlotte-Mecklenburg Housing Partnership funding to $1.6 million and Innovative Housing Fund funds available for programming to $91,122 from $441,122.

(A) Funds to be carried forward for reprogramming for eligible CDBG and HOME activities for FY94.

(B) Revenues generated from City owned Housing Clinton Square and Wilkerson Apartments.

CDBG Available Funds: (Funds granted yearly by Feds)	
FY94 CDBG Grant	$4,460,000
FY94 Projected Program Income	1,416,455
FY93 Projected Savings	1,368,713
	$7,245,168

HOME Available Funds: (Funds granted yearly by Feds)	
FY94 HOME Grant	$1,398,000
FY93 Projected Savings	1,174,851
Local Match	349,500
	$2,922,351

Housing Fund Available Funds:	$1,141,109
Innovative Hsing. Available Funds:	$3,915,814
General Fund Available Funds:	$500,000
Capital Projects: In-Rem Repair:	$300,000

(C) In Rem Repair includes $58,056 for contribution to Housing Code Enforcement.

(D) HOME and CDBG funds will be used for acquisition and rehabilitation.

(E) Funds were accumulated to form maintenance reserves for use in maintaining City-Owned housing units. The reserve are expected to decline because rents have decreased wh the cost to maintain the housing units have increased. (Th not a consistent source of funds.)

(F) Innovative housing funding is projected to be fairly consta through FY98. However, funding is at City Council discr

Subject to Federal Regulatory Compliance

Local Non-Regulatory Funding

309 UNITS: THE IMPLICATIONS OF TWO CONTRASTING APPROACHES

ISSUE	A) IF USED AS CONVENTIONAL PUBLIC HOUSING	B) IF USED AS TRANSITIONAL HOUSING
1. Income group served	$5,000 to $10,000/yr., 12% - 25% area median	$10,001 - $15,000, 25% - 39% area median
2. a) Required Annual Subsidy b) Potential funding source and funds available	a) Approximately $212,000 first year, recurring and increasing annually b)* IHF ($441,122 available) or Housing Fund ($689,266 in FY94, but would be depleted if used for this purpose.)	a) No subsidy required - surplus estimated to be $243,000 per year b) Not applicable
3. a) Rehabilitation cost b) Potential funding source and funds available	a) Restore to original condition; cost to be determined by RFP. Cost estimated to be $500,000 to $1 million b)* IHF ($441,122 available), HOME ($1,063,787) or Housing Fund ($689,266).	a) Restore to original condition plus AC and carpet; cost somewhat higher than under A, to be determined by RFP Cost estimated to be $1,000,000 to $1,500,000. b)* IHF ($441,122), HOME ($1,063,787) or Housing Fund ($689,266).
4. a) Cost for relocation of families b) Potential funding source and funds available	a) Little or no relocation required b) N/A	a) Approximately 90 families would have to be moved during transition, none thereafter Estimated cost: $150,000 - $300,000 b)* CDBG ($368,713) IHF ($441,122) or Housing Fund ($689,266).
5. Options for ownership and management	a) CHA b) CHA ownership, private sector management	a) CHA b) CMHP c) Private sector d) City/private sector

ISSUE	A) IF USED AS CONVENTIONAL PUBLIC HOUSING	B) IF USED AS TRANSITIONAL HOUSING
6) Advantages	a) Would house a lower income population than B, meeting a community need b) Requires very little relocation c) Rehab costs slightly lower than B	a) Requires no ongoing operating subsidy from City; b) Surplus could be used to fund other housing programs c) If private sector manages, maintenance, utilities and other operating costs likely to be lower. d) Reinforces "move up and out" theory.
7) Disadvantages	a) Requires ongoing operating subsidy which will affect future funding for other City housing and priorities. b) City has 6,839 public housing units but only 269 transitional units. Conventional public housing is not highest and best use of these units, which were built as transitional housing. c) Unless coupled with self-sufficiency services and a maximum tenure of occupancy, residents would have little incentive to move up and out.	a) If CHA manages units, it might have difficulty attracting tenants in this income range due to stigma of "public" housing; b) If CMHP manages, it would have to develop new management expertise; c) If City owns, it also has little direct management expertise. It would contract out to private sector to gain cost advantage; d) If private sector manages, it may not operate units with same emphasis on human development as public/non-profit sector; e) Market may not support higher rents on inner-city units (111 out of 309); f) Rehab and relocation costs higher upfront (but higher operating revenues generated over time as a result).

*Dollar amounts reflect funds available under Option 1, shown on Community Development FY94 Housing Program Activities and Funding Levels.

ATTACHMENT 5

June 1993

4 CHAS Input
6 Auditors' Questions
8 Property Tax Relief
10 Helping Nonprofits
12 Bulletin Board
14 Info/Resources

Cost Cuts

A PUBLICATION OF THE ENTERPRISE FOUNDATION Vol. 10, No. 1 JUNE 1993

Improving City Government Housing Efforts: Important "HOME" Work

by Paul Brophy

In January 1992 Enterprise Vice Chair Paul Brophy was asked by Philadelphia's Mayor Ed Rendell to head up a task force on the revitalization of the city's housing programs. Mr. Brophy's efforts to help produce a blueprint for the reorganization of Philadelphia's housing machinery prompted the following article.

City governments that are capable of and committed to improving housing and neighborhood conditions are crucial to the success of any low-income housing strategy in America's cities.

The National Affordable Housing Act of 1990 includes within it the HOME program, which provides block grant-like funds to cities for low-income housing rehabilitation and development.

One of the challenges facing cities is to equip themselves to use these funds as effectively as possible.

Local Partnerships

With the belief that partnerships at the local level are necessary for long lasting improvements in the system to house the poor, The Enterprise Foundation has been working with local governments to increase their capacity to be effective partners with nonprofits and other key players in the housing system.

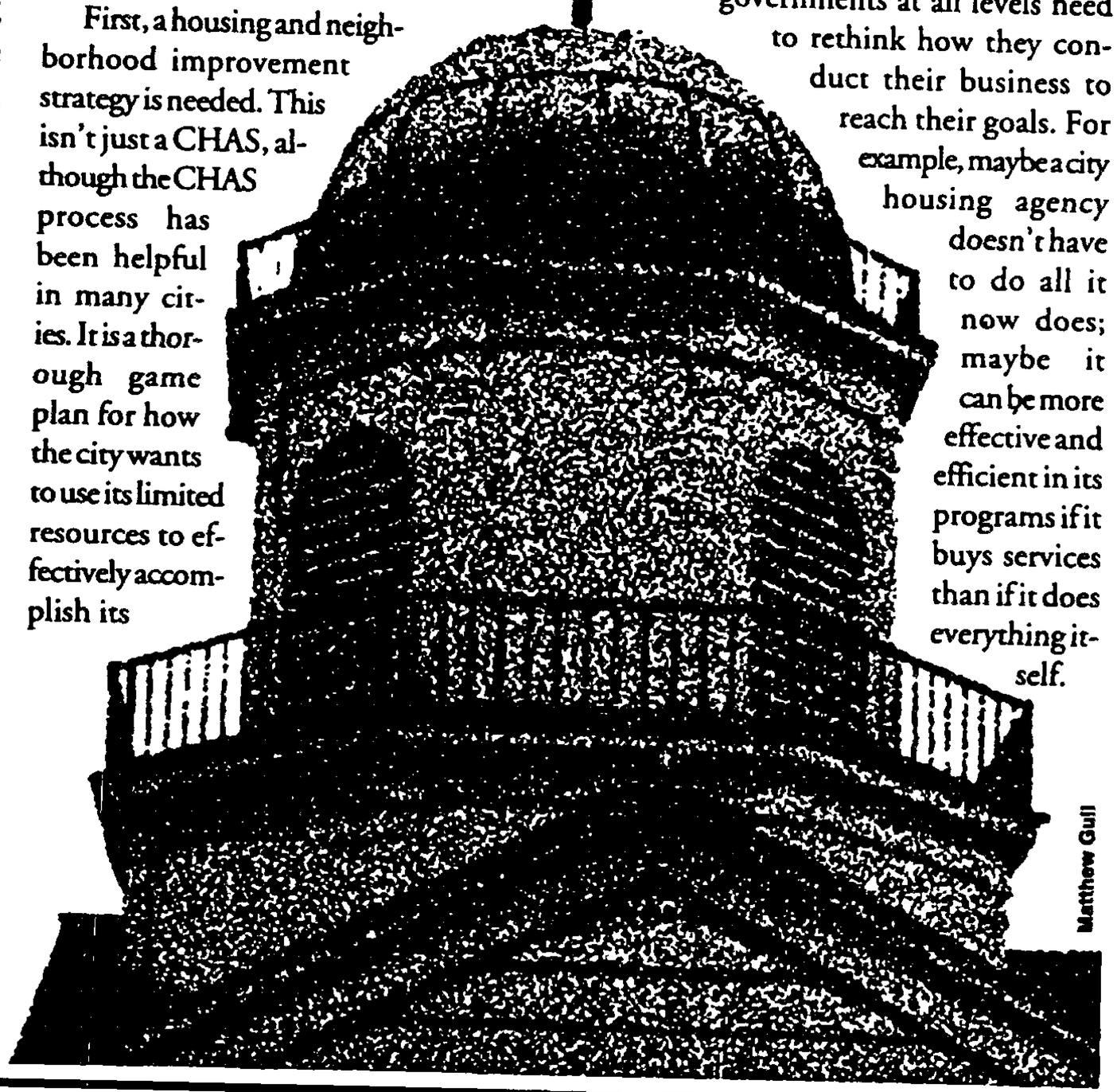
The lesson from Philadelphia and other cities where Enterprise is providing some help—Dallas, Denver, and Orange Co., Fla.—is that there is no one way that a city should be structured to be an effective housing partner and to run its own programs well. Rather, the challenge is for a city to recognize its particular needs and history, and to structure itself and its programs individually, while honoring some key principles of organization.

Principle 1: Cities must have locally crafted housing strategies and these must be implemented with the best professional and business-like approach possible.

Local public officials have an exceptionally difficult task: to improve housing conditions in what are, at times, very adversarial circumstances. Two ingredients are critical.

First, a housing and neighborhood improvement strategy is needed. This isn't just a CHAS, although the CHAS process has been helpful in many cities. It is a thorough game plan for how the city wants to use its limited resources to effectively accomplish its goals. The key is knowing what the goals and most effective strategies are. This is more an art than a science, since each strategy must be home grown, sweated over and routinely tested to see if it's working. This is what the politics of local housing efforts should be about.

Second, local housing officials must routinely question whether their approaches to the tasks are the best possible. As David Osbourne and Ted Gabler have said in *Reinventing Government*, governments at all levels need to rethink how they conduct their business to reach their goals. For example, maybe a city housing agency doesn't have to do all it now does; maybe it can be more effective and efficient in its programs if it buys services than if it does everything itself.



Matthew Gull

Principle 2: Delivering housing is a complex task. Cities must organize their housing functions in a logical way.

It is possible to look at some city housing programs and organizational charts and almost trace the history of federal housing programs: a housing authority, a redevelopment authority, a rehabilitation agency, perhaps a weatherization division, and so it goes. City housing efforts are often a collection of programs, rather than a well thought through and organized machine that helps to produce housing and assures that housing is well maintained and successful in the long run.

The cities most effective in housing efforts are those in which city government views itself as a partner.

In the housing context, it is best for a city to think of itself as one organization with a mission of improving housing and neighborhood conditions. Even if it isn't practical to bring all of the housing programs under one roof, it is best to think about them being so, and to put someone in charge of the housing functions—the executive function. This executive, a strong professional in charge, should organize on the basis of functions—not programs. Key housing functions for any city include:

- strategic planning and program development;
- land acquisition and disposition;
- rehabilitation and construction supervision (including energy and weatherization);
- code enforcement and building inspection;
- housing finance;
- housing development;
- housing management;
- social services to support housing, including housing counseling; and
- relocation.

Each city needs to organize in its own way, but in a way that allows changes in the city's housing strategy or programs to accomplish these functions.

Principle 3: City housing efforts must be coordinated and well-orchestrated.

While this principle seems obvious and easy, its execution is difficult and rare. Far too often nonprofit groups and others have to become experts in knowing how a cumbersome city government system works. In the worst cases, groups trying to work with city government must spend lots of energy in dealing with competing agencies to avoid getting caught in crossfires.

Strong leadership is needed to execute this principle. Simple mechanisms, like interagency housing councils within city governments, are needed. These interagency groups can become the places where orchestration and decision-making gets centered. An interagency council that includes all or the top housing officials, as well as those critical to neighborhood economic development, can be an effective approach.

Principle 4: Cities must be effective partners with others in developing and implementing successful housing strategies.

Time and again, Enterprise has seen that the cities most effective in housing efforts are those in which city government views itself as a partner with other key housing players including lenders, nonprofit and for-profit developers, community groups, local philanthropies, and businesses. Tough housing problems are best seen as a community issue, not just as a city government issue.

City officials will serve their goals well by using CDCs as effective partners.

City government's role should be to lead the forces needed to develop and implement a sound strategy, with each player functioning as a partner bringing its particular expertise and capacity to tackling housing and neighborhood problems successfully.

This partnership approach is particularly important in the city government/community development corporation (CDC) relationship. Where the relationship has been cultivated and allowed to flourish, CDCs have become an important

Cost Cuts

Cost Cuts is published by The Enterprise Foundation to provide technical information on housing and related community services to low-income housing practitioners; to raise awareness of the issues and approaches to housing low-income people and helping them out of poverty; and to provide information on reducing costs in low-income housing development.

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ally with city governments in improving housing and neighborhoods. CDCs know the neighborhood problems first hand, they are tenacious in trying to solve them, and they produce results that are enduring. City officials will serve their goals well by using CDCs as effective partners.

In Milwaukee, for example, the city's community development department has forged a working partnership with neighborhood-based and city-wide CDCs. The city provides operating funds for housing development and rehabilitation activities of the groups and hosts monthly meetings to share information and discuss issues. In return, CDCs agree to abide by firm production goals and to join the city in support of housing initiatives.

Local housing officials must routinely question whether their approaches to the tasks are the best possible.

Principle 5: Housing efforts must be part of a more holistic strategy of helping low-income people move up and out of poverty and of improving neighborhoods.

If there is a gap in communication among different parts of the housing world, there is an absolute chasm between the housing world and the social services system. But the chasm must be bridged, because the purpose of providing housing goes beyond getting people well housed. It is also to use that housing as the base that people need to cope with other problems in their lives—the need for a good job, improved physical, mental and emotional health, and more. And, the purpose of improved housing is also to improve a neighborhood and to build community.

City housing strategies need to reckon with these goals by reaching out to those who can help. In cities like York, Pa., and Ft. Worth, Tex., the local United Way has played a key role in helping establish this linkage. Elsewhere, housing and neighborhood organizations like ACTION-Housing in Pittsburgh and The Westminster Corp. in St. Paul, Minn., are succeeding in connecting creatively.

The issue is a crucial one in implementing successful local housing and neighborhood strategies.

Principle 6: City housing staff must be well trained and entrepreneurial in their work.

Typically, local government housing agencies feel like public bureaucracies. To succeed they need to have the culture of an entrepreneurial business with a well trained staff that is expected to do a good job. Staff must take this ethic of enterprise to heart in carrying out functions—leveraging public funds, making loans that carry reasonable risk, being innovative in program approach.

Pittsburgh is a remarkable story. Over the past 14 years the housing department of this city of less than 400,000 people, with 160,000 privately-owned housing units, has financed the acquisition, improvement or construction of about 49,000 housing units, or 31 percent of the privately owned stock. This has been accomplished through the creative leveraging of the city's public resources with private funds from lenders and the capital markets.

The tide of change is quite clear. Increasingly local governments are taking on the responsibility to develop and implement housing efforts. Federal roles, now and in the future, are likely to work on the principle that bottom-up efforts are more effective than top-down initiatives. Increasing their capacity to succeed at being an effective leader and partner in improving housing and neighborhoods is a major challenge cities must confront.

Paul Brophy is vice chair of The Enterprise Foundation.

In Orange Co., Fla., Enterprise helped bring together the city of Orlando and Orange Co. to work in partnership with a community-based nonprofit to develop 48 new units of rental housing affordable to low-income individuals and families. Left to right: Robert Ansley, director, Orlando Neighborhood Improvement Corp. (ONIC); Linda Chapin, chairman, Orange Co. Board of County Commissioners; Glenda Hood, mayor, city of Orlando; Oramenta Fleming, program director, The Enterprise Foundation; and Robert Frincke, ONIC.

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Mayor's Privatization Task Force

KEY POINTS (Issues, Cost, Change in Policy): The Privatization Task Force will present their observations and recommendations. Task Force recommendations address both City services and City-owned assets.

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED: The workshop is for Council to discuss the recommendations of the Task Force. Council will be requested to consider for approval the Task Force's recommendations and staff implementation plan at the August 23 Council meeting.

ATTACHMENTS: Privatization Task Force Final Report

July 12, 1993

Mayor Richard Vinroot
City of Charlotte
600 E. Fourth Street
Charlotte, NC 28202

Dear Mayor Vinroot:

It is with great optimism that we present to you our report and recommendations on Privatization. In May 1992 you appointed our Task Force and gave us a charge to evaluate the services and facilities provided by the City to determine whether there are areas in which those services and facilities may be more effectively and efficiently provided by the private sector.

We have worked diligently for the past year. We researched, read, studied, discussed and debated the topic of privatization and are unanimous in the recommendations contained in our report. We are optimistic that through our efforts the City will, at first, see the potential of and through application realize the benefits of our recommendations.

Our report is presented to you in three sections. Section I presents our overview of implementing a privatization program for the City and a summary of our overall recommendations.

Section II presents our discussion and recommendations for services contracting. This section includes our recommended process and guidelines for having the City compete with the private sector for service delivery. It also includes our recommended strategies for minimizing the potential impact on City employees.

Section III presents our discussion and recommendations for asset privatization. This section includes our discussion about selling the Charlotte Coliseum.

In implementing a privatization program for the City, we emphasize three components:

1. Policy Direction: We have recommended a policy statement for the Mayor and City Council. We believe approval of this policy sets in motion the direction and basis for a sound privatization program.

2. Organize for Privatization: Privatization should be viewed as an on-going management tool. As such, it (the Privatization Program) should be managed just as the City would manage other programs or processes. "Organizing for Privatization" should also include the involvement of citizens.

3. Utilize Processes: We have recommended processes for the City to use to evaluate services and assets for privatization. We believe the processes and guidelines will lead to the best outcomes for the City -- whether the service is retained in-house or privatized. And we believe the processes, as recommended, will be perceived as fair to both City departments and private sector firms.

Although the potential rewards are numerous, privatization of City services and assets is not without some risk. We have spent some time discussing how to minimize any of the risks and our recommendations reflect this. In short, a well-managed privatization program can mitigate the risks which may be present.

It has been our pleasure to serve our City. We look forward to our discussion with you and City Council.

Sincerely,

Privatization Task Force

Stan Vaughan

Bobby Lawson

Randy Arthur

Dieter H. Klatz

Barney Lawson

John McArthur Jr.

Dick Schlig

Herbert L. Stettins

COUNCIL WORKSHOP
AGENDA ITEM SUMMARY

TOPIC: Implementation of Roll-out and Privatization

KEY POINTS (Issues, Cost, Change in Policy): Staff is pursuing concurrent implementation of roll-out and privatization (scheduled for June-July 1994). This means that solid waste collection for a portion of the City may be awarded to a private firm at the same time the City transitions to roll-out.

The City Manager recommends that Council consider separating the implementation of roll-out and privatization. Council's Public Services Committee discussed this issue on July 21.

OPTIONS:

COUNCIL DECISION OR DIRECTION REQUESTED: If City Council wants to consider separating the implementation of roll-out from privatization, then staff will present revised timetables for consideration at Council's August 23 meeting.

ATTACHMENTS:

1. Current Implementation Schedules and Assumptions for Implementing Roll-out and Privatization
2. Material presented July 21 to Public Services Committee

ROLL-OUT AND PRIVATIZATION

On July 21, 1993, Council's Public Services Committee met to discuss the transition to roll-out collection and putting up for bid a portion of the City. The following items were reviewed at the meeting:

1. Request for Proposal (RFP) Process - Attachment #1
2. "Typical" Outline for a RFP and Contract - Attachment #2
3. Council Issues for Preparing a RFP - Attachment #3

Implementation Schedules and Assumptions

City staff is moving forward on the implementation of both roll-out and privatization, and is working under the following schedules and assumptions:

Roll-out Garbage

1. Roll-out will begin June - July 1994. There will be one roll-out pickup per week per household/customer.

2. The City will furnish 100% of the containers for implementation of roll-out. Staff will bring recommendations and specifications before the Council's Public Services Committee in August or September 1993. Containers will be provided to all residences prior to commencement date for roll-out.

3. Bid specifications for containers and retrofitting trucks will be approved by City Council in September. Prior to formal release, specifications will be provided to vendors for input.

4. Contracts for containers and trucks will be approved by City Council in October 1993.

5. Public education program will begin in April 1994.

Privatization

1. A contract covering solid waste collection for a portion of the City will begin in June - July 1994 at the same time roll-out is implemented.

2. One-fourth of the City will be identified for bid; three-fourths of the City will continue to be served by City forces.

3. In the area for bid, all residential solid waste (recycling, yard waste and roll-out garbage) will be included in the contract.

Roll-out Implementation

ISSUE: Concurrent Implementation of Roll-out and Contract Bidding Process

PROBLEMS: Concerns about Success with Implementing Roll-out and Contract Bidding Process at the Same Time

The Roll-out Conversion Requires:

1. Re-routing the entire city;
2. Training employees on the new routes;
3. Placing unneeded employees;
4. Information campaign for the public;
5. Bidding, evaluation and decision on containers;
6. Bidding, evaluation and decision on equipment.

The Contract Bidding Process Requires:

1. Developing bid specifications, performance standards, issuing RFP;
2. Developing team for evaluating proposals;
3. Council review and decision process;
4. Developing in-house bid proposal;
   (accounting and budget changes; indirect cost allocation for overhead; identifying competitive obstacles and addressing them)
5. Developing monitoring process for successful bidders;
6. If city is successful, implement contract service;
7. If city is unsuccessful, implement plan for getting out of part of the business (employee placement, equipment disposal, etc.)

CHOICES:

1. July, 1994: Implement roll-out
   Implement contract for 1/4 of city

2. July, 1994: Implement roll-out
   Sept. 1994: Approve Bid Contract
   Nov. 199~~5~~4: Implement Contract for 1/4 of city

   Manager recommends

3. July, 1994: Approve contract for 1/4 of city
   Oct., 1994: Implement contract
   Implement roll-out

4. The Request for Proposal (RFP) will be developed in August 1993 and approved by City Council in September 1993. Prior to formal release, the RFP will be provided to vendors for input.

5. The City will bid on the one-fourth area using the same guidelines as vendors, and will submit sealed bid at the same time.

6. A prebid conference will be held in October 1993.

7. Contract will be awarded by City Council in January 1994.

Council's Public Services Committee will be involved in both processes and will make recommendations to City Council.

Concurrent Implementation of Roll-Out with Privatization

At the meeting, the City Manager discussed issues related to the concurrent implementation of roll-out and privatization. The City Manager recommends that Council consider implementing roll-out prior to subjecting a portion of the City to privatization. An optional schedule for Council consideration is to implement roll-out as currently planned and delay the privatization process for 6 months.

The primary reason for first implementing roll-out is **to focus our resources on successful implementation of roll-out and minimize any potential impact on the customer.**

The City has committed to changing the method of residential garbage collection for approximately 145,000 residences, and as a result save approximately $40 million over ten years. For the customer, this means changes in where and how garbage is placed for collection. One of the keys to successful implementation will be public education. For the City, this change requires new route alignments, different equipment, and different work methods and schedules. The concurrent implementation of privatization can require additional changes for both the customer and the City.

Several concerns have been raised about separating the implementation of roll-out and privatization. These are stated below with strategies to address those concerns.

- The City should not purchase capital equipment nor retrofit existing equipment if a private firm might provide the service in the near future.

  Strategy: The City can lease new equipment (for roll-out) until the privatization decision is made.

- Container selection (for roll-out) may dictate the type of collection equipment and may preclude certain vendors from participating in the privatization process. The City should consider allowing private firms to provide the containers.

  Strategy: Staff will be recommending to City Council that the City provide all containers for roll-out. The specifications will call for a "universal" container which will be compatible with any automated or semi-automated collection equipment. City Council and vendors will be included in the process for developing the specifications for the containers.

Attachment #1

Request for Proposal Process

1. Develop Request for Proposal and Bid Package

   Bid packages usually include: RFP, timetable and schedule for completing process, bidding requirements and bid award process and criteria, and copy of proposed contract.

2. Approve and Issue RFP and Bid Package

3. Pre-bid Conference

   Some cities make the pre-bid conference mandatory

4. Bids/Proposals Due

5. Bids/Proposals Evaluated

6. Approve Bid/Award Contract

ELAPSED TIME: 6 MONTHS

In preparing the RFP and bid package, we recommend the following process:

1. Staff recommends strategies and resolution of issues to Public Services Committee
2. Public Services Committee reviews and approves or modifies strategies and recommends to City Council
3. City Council approves RFP and bid package

Attachment #2

SOLID WASTE COLLECTION CONTRACT

STANDARD ITEMS

1. Definition of Terms
2. Scope of Work
   a. What area(s)
   b. What services
   c. Number and type of units to be served
   d. How much and in what condition
   e. Special instructions (number of elderly, handicapped collections)
3. Term of Contract
4. Equipment Used by Contractor
5. Employees of Contractor
6. Hours of Operation
7. Disposal Requirements
8. Holidays
9. Containers: who provides/responsibility for maintenance
10. Route order and changes to routes
11. Public education/notification
12. Citizen complaint process
13. Contractor point of contact (and local office)
14. Payment Schedule (basis and method of)
15. Performance Bond
16. Insurances/liability/indemnification/taxes/permits
17. Compliance with local ordinances/state and federal laws
18. Non-performance procedures and remedies
19. Default/termination of contract
20. Contract administration/monitoring of contract/audit and inspection
21. Modifications to contract
22. Ownership of Solid Waste
23. Additional/Emergency and disaster services/Force Majeure

OTHER

24. Contractor employee health benefits
25. Affirmative Action Requirements
26. M/WBE Requirements
27. Handling of displaced City employees
28. Purchase/lease of City equipment

Attachment #3

CITY COUNCIL ISSUES FOR RFP PROCESS

I. Scope of Work

A. What area(s) of the City are to be considered for bid?
B. What services are to be bid?

II. Term of Contract

A. What is the desired duration of the contract?

III. Materials/Services Provided by City or Contractor

A. Who should provide materials and perform the following services?

1. Containers (and maintenance on containers)
2. Public Education/Notification
3. Citizen Complaint Process

IV. Conditions on Contractor (if any)

A. Should the City require the contractor to . . . .?

1. Provide minimum health insurance to contractor employees
2. Meet M/WBE goals
3. Have an Affirmative Action plan/Employee Grievance Process
4. Hire displaced City employees
5. Purchase/lease of City equipment

V. Bid Award Criteria

A. What criteria (and weight) will the City use to award the contract?

1. Experience
2. Financial capability
3. Price
4. Other (e.g. M/WBE, . . .)