

The City Council of the City of Charlotte, North Carolina convened for a Business Meeting on Monday, April 12, 2021 at 5:07 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Dimple Ajmera, Ed Driggs, Larken Egleston, Julie Eiselt, Malcolm Graham, Renee Johnson, Matt Newton, Greg Phipps, Victoria Watlington, and Braxton Winston, II.

ABSENT UNTIL NOTED: Councilmember Tariq Bokhari

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Mayor Lyles welcome everyone to the March 22, 2021, Business Meeting and said this meeting is being held as a virtual meeting in accordance with all of the laws that we have to follow, especially around an electronic meeting. The requirements also include notices and access that are being met electronically as well. You can view this on our Government Channel, the City's Facebook Page of the City's YouTube Page.

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INVOCATION AND PLEDGE

Councilmember Phipps gave the Invocation followed by the Pledge of Allegiance to the Flag by Councilmember Ajmera.

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ITEM NO. 2: ACTION REVIEW AGENDA OVERVIEW

Marcus Jones, City Manager said as the mayor stated, that tonight we have two items that will be on the agenda two weeks from now for a council vote. The first one is the Housing Trust Fund recommendations, and the second is the CATS (Charlotte Area Transit System) Battery Electric Bus Pilot Program. Before Ms. Wideman comes in, I'll talk a little bit about the Housing Trust Fund recommendations. Each year we come to you typically at this time of the year to talk about some of the 9% credits that are before you that would count against the Housing Trust Fund, as well as some potential 4% credits. It's an opportunity for you to see where we are in terms of the Housing Trust Fund, the current allocation, as well as the 2018 allocation. In terms of the CATS Battery Electric Bus Pilot Program, John Lewis did talk a little bit about this last week, but it's a great opportunity for us as we start to think about our SEAP (Strategic Energy Action Plan) program and electrifying the fleet as a tremendous step forward. So, Mayor, those are the two items that we have for the action briefing tonight.

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ITEM NO. 3: HOUSING TRUST FUND RECOMMENDATIONS

Pam Wideman, Director of Housing and Neighborhood Services said it's great to see you all today. Mr. Jones, thank you for that setup. You, as always, have made my job easy, so I will just jump right into it. I think my slides are being controlled for me. So again, I'm Pamela Wideman, Director of Your Housing And Neighborhood Services Department. We're not asking you tonight to make any decisions, but simply we want to preview with you our housing support funding request. As in previous years, you will receive a detailed booklet that will be in your packet this week if you want to take a deeper dive into anything that we're going to discuss tonight. Just one more reminder before I jump in, just to remind us that this is just a portion of the housing work that we do. This does not incorporate anything that we do to create homeownership or preservation or the work that you all recently did around ending and preventing homelessness. This is around our Trust Fund particularly and increasing the rental housing stock.

I'll cover the briefing objectives that you see up there. Just as a reminder, for most of you all, this is Gap Financing to both nonprofit and for-profit developers. It includes a mixture of development. So, there are some 9%, there are some 4% development, and then there

is just some developments that are not either 9% or 4%. So, we're trying to attack this from multiple angles to increase our quality, affordable housing stock. Again, we have stuck to the framework for at least 20% of each development. The units must contain units for 30% of households and below. Then we always get a long-term deed restriction. This is to ensure that the units remain on the ground over time in a well-managed and high-quality way.

This is just a snapshot to show you your Trust Fund over the years. So, since 2002, you can see that we have over \$210 million through the various bond allocations. So, where we started, we had a carryover of about \$1.3 million that we've netted out. The \$3 million that you all set aside last year for Brookhill and then 2020, we started with a new \$50 million dollar allocation. So, we started with a balance of \$51.3 million. Mayor, I believe you asked me this question when I was before you earlier this year about kind of where we are with things, knowing that we'd had COVID (mild to severe respiratory infection caused by the coronavirus) and that we'd approve things with some things that slow. So, we have 11 developments since 2018.

Let me start over. Twenty-four developments are in the pipeline, 11 of those are pending closings. So, that means that they're still getting their financing. Thirteen of those developments are under construction and are anticipated to be delivered by the end of this year. So, that's a little over 1400 units, and so we have a total in-process, as I said, of 24, and that includes the 194 shelter beds that you've heard about before. In our Housing Task Force last summer, I believe it was, we talked about a number of things. One of the things we did was reviewed our housing framework. A couple of enhancements that were made or we're doing a little bit differently. One of the major things is the opportunity to use Trust Fund dollars for homeownership. This is new, and so we did not get any developers coming forward in this round for homeownership. I will remind you back to what you all did. I think it was to point in Phoenix Rising on Beatties Ford Road, where we're using some city-owned land to get homeownership there, but I just wanted to acknowledge that this is new. We didn't have any takers in this round, but we're going to continue marketing that. That's one of the things we said we need to do more of with hopes of having some in future rounds.

The other significant thing that came out of that we discussed in the COVID Task Force was the federal government's ability to fix the 4% tax credit. Without going into much detail there, that is a victory that has been done. So, that should help us continue to control our costs with 4%^s. We know that you typically put more money in there, but that should help us to control our cost at a local level, as we also acknowledge that things like lumber costs and other costs are rising, that we might not be able to control. The point is to acknowledge that we incorporated some of the suggestions we got through the COVID Task Force.

We're here before you tonight. The purpose of this is just to remind you that this is a long process. We started in January. We're here tonight, as the manager alluded to, will be before you in two weeks asking for your approval. We will know which developments will be awarded by the Finance Agency in August. We will keep you posted as we move through this process. In terms of community participation, I won't spend a lot of time here other than to say that each development is required to host community meetings. One of the things that we acknowledge and had some conversations with Councilmember Watlington and we had a very good idea and we're incorporating that is, in addition to just sending out the regular notifications that we send, we're going to capitalize on the use of next door. We know that as we move into more of a digital environment, people are less likely to look at their mail, but people do sign up and they go on to next door. So, to let people know through that mechanism. So, we hope to increase participation at these community meetings through enhancing our process by using that as well.

This is the process that we agreed to several rounds ago in partnership with LISC (Local Initiatives Support Corporation). What I do hope is that you all saw the memo that was sent to you a couple of weeks ago. The one-pager and was a snapshot that had all of the developments listed there. Again, we're here tonight. LISC will be notifying their investment advisory committee tonight as well, about the same information that we're

presenting to you. They have a meeting in the coming weeks. So, we'll be back to you on the 26th again for your final approval. Again, this is just to remind you that this is a lengthy four-phase process tonight. Well, we're leading up to phase two and then it goes all the way through construction and monitoring.

You've seen this slide a number of times. This just tells you the evaluation criteria for each of the developments here. We'll go to look at policy, the strength of the development, the developer experience, the financial strength, look at the market study. It's an independent market study, community engagement. Then we look at the site scores on the 4% development and the 9% development. We've also been listening as we talk about the SEAP, right, about kind of what our goals are. So, just wanted to point out to you here that as we're doing new development, that we're cognizant of that, and you can see here that developments must incorporate green building techniques such as using energy-efficient appliances, sustainable site planning, water quality, and water efficiency, environmentally friendly materials, and then adherence to all of the EPA (Environmental Protection Agency) guidelines and regulations. our locational guidelines, again, we look at proximity, that's the proximity of the site to transit options and other amenities. We look at income diversity. We look at access to jobs. We look at change, the level of displacement risk. I know we've been having a lot of conversations, you all about anti-displacement. What are those measures? How do we mitigate it? Oftentimes, income, diversity, and change. Sometimes they go together, sometimes they conflict. We're learning as we continue to grow through this. We look at again, our locational guidelines. Then just to remind you of the exemptions there.

So, just a reminder about our review team. This is a combination of your City staff and the staff at LISC. Again, this is a joint process, a joint review. Also, in terms of our guiding principles and how we approach this, it's a joint piece of work meeting Housing staff and LISC staff. We look at data there. then some of the [inaudible] of public and private land, low-cost debt when we can, our Project Based Housing Choice Vouchers, and then our state and our federal resources.

So, here all of these will be in your package and we'll touch on them tonight, but I'm not going to spend a ton of time because I know I have a presentation behind me. To sum it up, we have seven 9% developments that have been put in front of us. I would remind us all is these are very, very competitive, right? We compete across the state. If we are lucky, we will get three to four of these. That would equate to our fair share. So, in previous years, what we've done is, we said we would send them all up for consideration to maximize the opportunity to get these units, knowing that we will not get all of these, we will not be asked to fund all of these, will only get our fair share, which again, is about three or four. The 4% we have five that are before us. So, now I want to point out here, particularly for CHOIF (Charlotte Housing Opportunity Investment), what you see here is that they will be sending up to their advisory committee for The Barton Seniors and for the River District. So, that's a total of \$6 million. When they started this work, they only had a \$5 million balance. I, know that three and three is six. So, what they are telling me is that they are in the process of raising additional dollars, and so with that, their intent is to fund these two developments or pull from other sources that they might have. The last thing I would say about this slide is your notice two are non-life tech, one is east or homes. That is a supportive housing community.

Councilmember Bokhari arrived at 5:15 p.m.

It's small and I'll go through that. But that's good news, meaning that technically without having to go through the low-income housing tax credit process, they can go faster. These units can come to the market quicker than the ones that are going through the tax credit process. This is pretty much a summary of what I just said. You've got proposals, you've got a 1,422, you've got a Housing Trust Fund request of 25.8. If you look at our investment per unit, that's about 8.1, and then the CHOIF requests. Again, I want to acknowledge that we will only get three or four of the nine, So, just keep that in mind as we're talking through these. Again, this is just another way to look at it. Twenty-five percent of the units are 30%. You can see how the remainder breaks down there.

So, I'm not going to spend a ton of time going through each one of these. Again, you all will get a book in your packet. We can send it electronically as well, where you'll have all of this and we can dig into any of the detail. So, I'll just briefly touch on this one is Evoke Living at Morrisville, it's district three, it's a 4% family development. You've got a leverage ratio here of one to eight. You can see the unit breakdown there a total of 132 units.

Fairhaven Glen, district three, you can see the request, their leverage ratios, one to two, 140 units.

Grounds for Change, this one I want to acknowledge in partnership with the YWCA. It's in district one. You can see the leverage ratio there and a total of 104 units.

Sugarcreek Apartments, district four, it's a 4%, a total of 188 units. Leverage ratio of one to thirteen.

The Barton Seniors, what I would point out here is this is Old Pineville Road. I think some of you received a letter of support. I think the council did receive a letter of support for this one. It's near the Light Rail Station. There are 174 units. You can see that this does have both an HTF (Housing Trust Fund) and a CHOIF request there.

Evoke Living at Eastland. I think you all know all about this one. This is a 9% development, 82 units leverage ratio of one to nine.

First Ward Place, this is this is rehab. We're all very familiar. This used to be Earl Village, so this is about rehabilitation, here 109 units, and a leverage ratio of one to ten there.

Fordham Place, district three, you can see the HTF request here, 1.6. A total of 70 units, 1.8 leverage ratio. Galloway crossing in district 5, 9%, \$1.5 million requests from the Trust Fund, a leverage ratio of one to eight, a total of 78 units.

If you go to Guardian Angel Villa, that's in district 3 as well, \$1.7 million dollars request, a total of 93 units there. I didn't hit on it, but all of these have at least a 30 year affordability period.

Marvin Road, district 1, \$1.7 million requests, a total of 70 units, one to eight leverage ratio there.

This is Ovata at Reedy Creek. It's in district four. You can see here and what I want to point out, it's a very small request. You might ask, well, why is this such a small request? One of the things that this developer, because they've partnered with someone who also does market rate, they're available to realize greater economies of scale and things like property management and other things so that the Trust Fund request is significantly lower, which is an anomaly from some of the other smaller organizations that we're working with.

I think you all are familiar. This is the Caldwell Presbyterian property. This conversation has been going on for a while in the community. So, we're really pleased to see it come forward. It's 21 units and is a small development, but it's supportive housing. I'm really excited about this. Their request is relatively small as well. Six hundred and thirty thousand. This is a non-latex, so it's not dependent on the tax credit process at all. That means it can come to market faster than some of the other ones will come to the market.

I believe this is the last one. This is the River District, I know some of you talked about this a lot when it was going through the rezoning process in 2016. This is a partnership with Crescent, between Crescent and Laurel Street residential. So, you all approved the rezoning and you talked a lot about it. As part of the rezoning, I remind us it was at least 85 units of affordable housing. Crescent and Laurel Street, are providing 146% of that required affordable housing in phase one. They're exceeding that by 39 units. So, I think that's something that is worth noting. The conversation at that point was how do you do this? How do you really create mixed-income communities? It was you do it on the front end, right where you while you are creating the community, you think about affordable.

It's not an afterthought. So, I would just point that out. It is a total of 124 units. There you can see the 1.9 leverage ratio

I told you wrong. That's not the last one. We've got Evoke Living at Nevin Park. What I would point out about this one is that there is no City request in this. This is just \$3 million in CHOIF. Again, as I said, they started with five, so, this makes \$9 million. They are in the process of raising more money. They're going to present all three to their advisory committee for funding. So, the developers understand this as we go through the process.

This is just a visual that shows you what I just talked about in terms of where these are throughout our community. So, we always like to have that in there for you. So, just again, in summary, we started with \$51.3 million. What I would point to is that we did an estimated 9% balance, right. So, when I say estimate, we said if we were awarded the highest three requests that we have in the 9% round, you would have a balance left if you decided to fund all of these of \$29.2 million for future rounds. Any 9% that don't get funded, that money goes back into your Trust Fund for future consideration. Again, the finance agency typically makes their awards in August of the year.

So, again, this just shows you your Council approval would be on the 26th should you desire, and then the phases that we go through to get the units delivered. So, just to remind you that your approval is really an early step in the process of unit delivery. I know I said a lot, but I want to be respectful of what you have come in behind me. You'll get some more information in your packet this week. I think you all know how to find me if you have questions. So, with that, thank you. And I'll answer any questions that you all my head.

Mayor Lyles said thank Ms. Wideman, and as always, we're doing good work here and our housing area, and we're grateful to the people in this community that vote for the bonds. We're grateful for the developers that help construct, and we're really grateful to make an impact. I'm glad to see that we're looking at energy efficiency in our units now because you may have adequate rent payment, but we've seen during this pandemic what can happen when you get into a crisis around utilities, heat, and air conditioning. Then I also just wanted to recognize that we are still getting the number of competitive opportunities here. So, it's really good work.

Councilmember Graham said and thank you, Mr. Wiedemann, for the presentation. I'm really excited about what I see before me in terms of the opportunity to add to the affordable housing next round Housing Trust Fund. The number of requests that we have pending and the variety of requests make me really excited. I do have a couple of questions.

One, you mentioned Brookhill, and I know we've made a commitment to try to get that over the finish line with a \$3 million dollar set aside. Can you give us a quick update in terms of any communications and or direction with that from the developer?

Ms. Wideman said we have not had any communication with the developer, since you all set aside the \$3 million in your last round. We've not touched the \$3 million. It is still there. So, when they come back with a plan, that money is still there. To my knowledge, they've not had any subsequent conversations with LISC either. I will tell you, though, that we did do what we said we would do in terms of working with United Way to begin working with the residents who are there to assess their individual situation to the extent that they want to get connected to other resources in the community and particularly other housing resources. So, no additional conversation with the developer.

Mr. Graham said I guess at some point, the Council, the Mayor, the Manager would have to decide what's the drop-dead date for it. I would love to do that project for a wide variety of reasons. But again, I'm not sure we can just have \$3 million sitting out there waiting for the developer to dot I's and cross T's without any meaningful updates from them. So, that's more comment for the Mayor and the Manager from my perspective.

Secondly, I did a quick survey as you were talking and notice that the bulk of the applications were in district three and district one and obviously thought, I mean six and seven had none. Again, just an observation to the Council that we got to find a way to diversify our housing throughout the community, understanding that land costs and land values are higher in certain parts of the City. But again, six in district three, four in district one. I'm almost certain that residents will take note of that, and I think we should as well.

My last one is the 30% of AMI, 50% and lower, and 30% and up, I'll study that a lot more closer as well. I think that's where we're really hurting in the community in terms of 50% and lower. I'm glad that there is a diagram in your presentation that divides where those units are and the quantity that we have.

Then lastly, relating to the balance, one of the things that we talked about at the COVID-19 Task Force was really being creative and innovative and doing things differently with our dollars for the Housing Trust Fund. Hopefully, as we pass these projects within the next couple of weeks, that we really can think really hard Mr. Manager, about how we will be creative and think out of the box without balance, to stay true to the mission of the Housing Trust Fund, but to really kind of see what we can do from a City perspective, to really begin to address again that 50% of AMI and lower with a number of developers and stakeholders throughout the community. Thank you very much.

Ms. Wideman said, Mr. Graham. I don't think you asked for a response, but I would just remind the Council, you made a great point and it reminded me we anticipate Ballantyne, the affordable component of that being in your next round. So, that will be coming forward. Then to your point about the mix of units, the 50% and below, it's just dollars and cents, so for every lower development, that means a greater ask from the Trust Fund or some other source of financing. So, that's why you see the various mixes in the developments, but recognize and being true to the framework, 20% of each development having at least 30% and below households. So, thank you.

Mr. Graham said thank you very much. Good work.

Councilmember Winston said just a note to Mr. Graham's point, we will never see the development of affordable housing or diverse price point housing in District six and District seven if City Council continues to covet single-family exclusionary zoning. It's just a fact of the matter and it's a fact of the map.

You mentioned next door and utilizing next door, that does bring up some considerable equity issues for me. While it is a fact that many people use next door, there a considerable amount of barriers to entry to that app. So, I have real concerns that we can really concentrate the power of information where we have done considerable work over the years to better our outcomes there, especially when these decisions are being made around the Housing Trust Fund. Again, when we look back to the things that we thought about and changed when we went from \$15 million to \$50 million, I have concerns that relying heavily on next door will erode some of that. So, how are we controlling for equity when we gather our portfolio of outreach methods around our Housing Trust Fund dollars?

Ms. Wideman said Mr. Winston, I'd love to have a deeper conversation with you to understand kind of more of some of your concerns, but my point was, and maybe I said this poorly, is we're not going to stop sending e-mail and we're not going to get away from kind of the distance that you all agreed to in terms of who was affected. But what we were trying to do is enhance the process, recognizing that people may not check their mail and they, therefore, they may not know it. So, we were just trying to offer another avenue by which they could know. So, that was the intent. But again, I'd love to know more.

Mr. Winston said Yes, I definitely understand. I'm not saying that we necessarily shouldn't, but even when you're enhancing the volume, right, sometimes you can add something and the marginal effect on the overall outcome can be detrimental.

Ms. Wideman said sure.

Mr. Winston said if you're not controlling and you are not understanding how certain audiences and certain constituencies within our City interact with those outreach methods. I have very, very strong concerns about who next door is reaching and who it's not, and the type of, again, the power that could be giving to certain groups and taking away from other groups.

Ms. Wideman said yes, no, I totally get your concern, Mr. Winston. So, we would just need to think through it. I don't have a perfect answer for you tonight, but some of the things that quickly come to mind is making sure we stick to the property owners who are affected, right, so we don't bring out the unnecessary nimby, making sure that we perhaps through Housing and Neighborhood Services in our community engagement, really help kind of underutilized or marginalized communities to the extent that they can and want to sign up for next door so that they can have equal access. Then I think we'll rely on you all too, right, to based on the information that we give you all to make the tough decisions in the face of not in my backyard based on what you all know our need is for affordable housing in our City. So, I think it will be a multiple-prong approach where we will all have to help each other in this.

Councilmember Watlington said a of things just real quick. I did want to actually say thank you, Pam, and also Taiwo, I know the staff worked diligently on coming up with and communication channels along the lines of next door. So many of my residents, particularly in my corridors, asked specifically to increase communication channels. So, let's be very, very clear about [inaudible]. It's not so much that people are not checking their email or checking their mail. It's that most people about these four doors don't live within our allotted distance. So, there are [inaudible] that impact their local area. But because of the way the corridors are situated, they are not actually on the list to receive mailers in the first place. So, as we begin to develop solutions, we want to make sure that we keep the community's desire and need in front of us so that we're developing solutions that actually match what they've asked for. So, I appreciate you all leaning in on the community engagement. I know that's very important. That's something that I talk about, specifically about Pam and Taiwo, and so I'm excited to continue to see how we're going to continue to reach out to our communities in the ways that they have requested.

I wanted to piggyback on the Brookhill question from Councilmember Graham. I also would like for us as a Council to think about how long we wait for the particular project, New Brookhill before we think about how we can utilize those dollars to still deliver housing affordability in the local proximity. I'd like to see us think about that and think about what the other opportunities are for us to take the lead on creating solutions there. I know we talked about what we could do to house current residents of Brookhill should that project go forward. So, I would just like to revisit that conversation and think about what we can do, not in response to displacement, but proactively to create some opportunities in that local area. I believe, but I just want to confirm that I understood after should we approve all of the projects that are recommended, we would have about \$30 million dollars left for this cycle, is that correct?

Ms. Wideman said yes ma'am and I can tell you that exact number. Ms. Watlington said that's okay, that's close enough. On slide seven, I just want to go back to that. You mentioned something about the federal guidelines changing on the four percent. I was in a conversation with the Land Trust and a developer and community organization discussing one of these projects last week, and they mentioned that they had discovered that there was some opportunity for LIHTC (Low Income Housing Tax Credit) to be used for homeownership. Can you speak to that at all as well?

Ms. Wideman said what I was speaking of. Ms. Watlington is fixing the four percent tax credit rate from a rental perspective, right. So, what that does is more or less allows the developer to strengthen their Performa and they know exactly how much money they can be expecting. I was not referencing homeownership. I can check if there is an additional tax credit for homeownership that has either been approved or is working through in any of the legislation that is coming down.

Ms. Watlington said absolutely. I would love to hear back on that because I think that the more we understand how those tools have changed and what's new that can enable homeownership, the better off we can be to your point in advertising or working with the developers to understand how to put together projects that work. So, to that end, I'm just curious and you don't have to answer tonight, but I'd be interested to know if we understand what the current barriers are for developers as it relates to putting together projects for homeownership, because I just want to make sure if there's anything there that we could be lobbying for through our legislative agenda, we include it. Does that make sense?

Ms. Wideman said yes, ma'am.

Ms. Watlington said I also had a quick question about the Locational Policy and the scores. Can you refresh me? Will we be receiving the scoring rubric with our pamphlets?

Ms. Wideman said you will. So, it's in your booklet that you will receive. Just as a reminder, in the location of the approved locational guidelines, it doesn't apply to the 9%, but it applies to the 4% development and the non-LIHTC. So, you will receive it in your packet.

Ms. Watlington said thank you. Then also Councilmember Graham appreciates the lifting up of the concentration of these projects in District three. I think I might have counted nine, including River District. Some of them don't have local asks, but definitely, we see that there is a concentration of these in District three, some of which the community has supported and some of which they've got concerns about. So, I look forward to speaking to some of my colleagues regarding that in the next couple of weeks, because I want to make sure that, as we're considering and I'm sure this is your position as well because we're considering Housing Trust Fund projects, we want to make sure that we're thinking about place-type and the Comp 2040 Plan equity in our existing playbooks and community plans and how we grow in a way that's going to be sustainable for all of our areas as the City as a whole, but also as we look at each of our districts. So, I want to continue that conversation.

Then finally, just wanted to know, can we use these Housing Trust Fund dollars for land acquisition because I would love to see and I know that we have talked about several times taking a more proactive leadership approach to these development projects as the City. So, I just wanted to understand if Housing Trust Fund dollars, could be used to that end?

Ms. Wideman said Ms. Watlington, let me go back and read the bond language. I don't want to misspeak and the attorney is here. But, let me go back and read the bond language. I know the bond language says it is for the capital construction of low and moderately priced units, but let me look at that again because I want to give you a correct answer on the land acquisition.

Ms. Watlington said okay, you.

Councilmember Ajmera said Ms. Wideman, great work. I really appreciate the energy efficiency as you alluded to earlier because it does factor in when you're talking about the cost of living. If we have the equipment, it's going to reduce the cost of living when it comes to utilities, especially electricity. So, that's great. [inaudible] effort in helping us also meet our SEAP goals. I'm trying to understand as we are looking at multiple applications that are coming in for the Housing Trust Fund, is there a range in number we are looking at when it comes to the City's investment dollars per unit or leverage ratio and cost per unit?

Ms. Wideman said sure. So, Ms. Ajmera that's a great question. No two rounds are exactly the same, right, because the market fluctuates. Cost fluctuates, right. So, we don't set a hard goal to say we won't put in more than X amount. What you recall that when we first started with LISC, the thought was they put in \$2 million for 4%, we put in \$2 million for 4% as we go along, like right now, I just read an article the other day about the cost of lumber is increasing, right. So, that could drive costs, but also it balances it out. When I

just said the 4%. The federal government has fixed the 4% tax rate. So, we look at it each round. It fluctuates right now. I am pleased, just based on my professional opinion and knowledge that we aren't putting more than I think our average per investment is about \$18,000. You can look at the leverage ratio for each development. Years and years ago, we said we would try to achieve a one to 10 leverage ratio for each development, but that has since changed. So, it's really a case by case and a round by round. So, we've not set a hard and fast, we won't put more. We also look at where we're putting in dollars and LISC is not putting in any dollars and really trying to make the best decisions and leverage the money as best we can with what we have and throughout all the projects. So, that's not a direct answer, but I know that was a long answer.

Ms. Ajmera said no, that is helpful Ms. Wideman. It's good that we are providing flexibility when it comes to City investments when it comes to cost per unit because it could go up with the number of the cost going up, as well as with the leverage ratio. The biggest challenge we have when it comes to affordable housing is the cost of living. I know that Mr. Graham and Ms. Watlington alluded to this earlier about having diversity when it comes to location. So, having affordable housing availability in Districts six and seven. I think that's something Council has to review that let's say there is a land cost that is going to be contributing to a higher City investment. Are we okay with that? I think if the answer is yes, then yes, we can certainly encourage more affordable housing developments in District six, and in District seven, but unless and until we provide that direction, it's going to be difficult to see more diversity in terms of location. So, I really hope the Housing Committee will take a deeper dive in terms of cost per unit, how comfortable we are with increasing land cost in Districts six and seven that we are willing to contribute to from our City investment dollars? On the last slide, number thirty-seven, the balance that we have left

Ms. Wideman said do you want that slide back on the screen Ms. Ajmera or was there a question about it?

Ms. Ajmera said yes if you can please bring up that slide. Ms. Wideman, when you're looking at non-LIHTC developments, what kind of requests are these? I know you had mentioned one was from supporting [inaudible] communities. What developments where will fit in that category?

Ms. Wideman said the other one is the River District. So, you've got the River District and you've got the Eastland homes, which is the Caldwell.

Ms. Ajmera said [inaudible] earlier last year we had worked with a developer in Ballantyne. The project is called Ballantyne Reimagining. I'm trying to remember if there was any asks from the City when it came to affordable housing?

Ms. Wideman said Ms. Ajmera, that is why I alluded to that you will see in your next round. We will have the details. You will see the details of how that development performs out in your next round. So, that one will be coming forward.

Ms. Ajmera said so, there will be an ask, that's what I'm hearing?

Ms. Wideman said yes, ma'am.

Ms. Ajmera said can you go to slide number four, please? I just wanted to see our City's investment. Very good. Thank you so much.

Ms. Wideman said thank you.

Councilmember Johnson said thank you, Ms. Wideman, for the presentation. I just wanted clarification on the homeownership at the beginning of the presentation. I thought I heard you mention we didn't have any applications for the homeownership. So, can you elaborate more on what we will be seeking from developers for the homeownership and what we can do with Councilmembers to help get that information communicated?

Ms. Wideman said again, this is a new product, right. So, I think what you all can do as councilmembers is, as you're talking to people, is help us market that, right. Help us let developers know that there is a Trust Fund that now through the Trust Fund that they can apply for homeownership. Well, like, for example, when we had our developer roundtable, if you will, at the beginning when we released [inaudible], we invited folks to come in and ask questions about it. We talked about it a lot there. So, people are still getting their heads around it. I mean, I think developers need to continue to get comfortable with it as a result of Trust Fun, right, there's going to be an affordability period on it, right that will follow with the land. So, I think it's just a matter of introducing something new into the market. We want to continue to learn and that's one of the things that we'll be doing leading up to this next round is working with some of those smaller developers that we know of and saying, hey, you didn't come for this last time, but tell us, help us shape this so that it works for you. We don't have all of the answers. So, we want to hear from some of those developers who are interested in using this tool. What they would need to help it work for them.

Councilmember Phipps said are Housing Trust dollars required to be used exclusively for constructing affordable units or can fund also be used for infrastructures like sidewalks or streets?

Ms. Wideman said Mr. Phipps, the easiest way to answer that is the Housing Trust Fund dollars are used for the construction of affordable units, right. So, to the extent that there is infrastructure within the development, yes, that is a part of the package. So, that's how they are used. You'll recall that we also have our Neighborhood Improvement Bonds, which voters approved, which is a totally separate use of infrastructure.

Councilmember Newton said I was on our Housing Committee, which now is the Greater Neighborhoods Committee when we amended the Housing Locational Policy. It was always my understanding that the Housing Locational Policy truly is a manifestation of our quality of life metrics and the development projects are supplementing affordable housing projects within our City. I just wanted to ask a quick question to clarify a point on that policy. Ms. Wideman, you had mentioned before that the Locational Policy does not apply to 9% deals. That's my understanding, too. I recall that being part of the conversation back when we were discussing those amendments to the Housing Locational Policy, but although it doesn't apply and nothing in that regard says that we as a Council are required to take into consideration what we would do with the 4% deal. I just wanted to clarify the point by asking. We can still consider it, though, can't we? Nothing prevents us from looking at that in our consideration percent deals though, Right.?

Ms. Wideman said Mr. Newton, I want to be fair to the guidelines, and I want to be fair to our partners who do this work for us. We specifically said that those developments, as you stated, are exempt. So, we don't score those. Also, we don't do that is because we know a couple of reasons that is the most kind of like free money that we're going to get from the federal government and the state to help us expand our supply of affordable. So, we don't want to minimize our chances. We want to send up as many as possible to compete, if you will, across the State. So, it's important that we do not send mixed messages. Our current guidelines that the Council approved State at the 9% are exempt. The 4% is our opportunity because typically you're putting more money into those. So, that's our opportunity to really direct where we're making our larger investments in the community.

Mr. Newton said I understand that you're saying that we do not score these, but if there was a request for a score, that is something that could be taken into consideration, though, right, by the Council as a whole, and whether or not it decides to approve the 9%, that's not something that's prevented, though, right?

Ms. Wideman said currently, Mr. Newton it is. I mean, you would be setting a precedent which would be leading to your deviating from your approved policy. One of the things that we hear from developers is we want to know what the rules are. One of the reasons I say that is, developers, this is a long game, right? They look at a property, they take it

through rezoning, or if it has to be zoned, but they are they start this work. So, to start this work based on a set of rules and then the rules get changed halfway through it, I don't think that's the type of precedence we want to be setting as we do this work.

Mr. Newton said and I guess what I'm saying is that it is my clear understanding and recollection that there is a purpose for our Locational Policy and needs to guarantee the quality of life for residents who will be living in these new developments to the extent that's important. I think it's still important in a 9% deal, just like it would be a 4% deal. And gosh, I think I recall us actually looking at that after the policy was amended in regards to 9% deals over the past say, two years. We will talk about that more offline, not to take any more at the time of the Council, but that is my recollection. I think that to the extent that anyone does want to know those numbers, I think it should be available to Councilmembers.

Ms. Wideman said well, the last thing I would simply say, Mr. Newton, we don't score the 9% based on the Council's approved policy. So, we don't score those.

Mr. Newton said but if there was a request, I would hope that you would be forthcoming with that information.

Mayor Lyles said Pam, it's always an interesting topic, and people I'm looking forward to the April 26th approval and adoption so that we can continue this strong program that you've had so much to contribute to. Thank you very much and please thank your entire team.

Ms. Wideman said yes ma'am.

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ITEM NO. 4: CATS BATTERY ELECTRIC BUSES PILOT PROGRAM

John Lewis, Chief Executive Officer of Charlotte Areal Transit System said it's a pleasure being here with you THIS evening to discuss an important and exciting program that CATS and other City departments have been working on for the past year. I want to give you an overview of the program that we will bring to the Council for action at the April 26 meeting. There's no action required this evening, but just wanted to give you an update of where we're going, what the purpose of the program is, and prepare you for the action on the 26th. A little over a year ago, CATS received an unsolicited proposal from eTransEnergy, which is a subsidiary of Duke Energy, to create a public-private partnership that would provide options for CATS to transition its fleet from diesel vehicles to battery-electric buses. This proposal was comprehensive in nature and included the ability to procure acquire buses, also included the charging infrastructure associated with moving to an all-electric fleet and also and very importantly, this system, an energy optimization expertise that will help us not only leverage this transition but make sure we maximize that investment into the future and get the most efficient and effective output from this transition as possible.

CATS and eTransEnergy first developed the joint partnership and submitting a low no grant proposal to the federal government. This low no mission program and the grant that we receive from the FTA (Federal Transit Administration) gave us funding for six battery-electric buses, also funded the infrastructure and training associated with moving to an electric fleet. During our discussions with eTransEnergy over the last year, number one, we determined that a six bus pilot program wouldn't give us the kind of information and analytics we needed to make an informed decision about the path forward to transitioning our fleet. We decided to expand that to 18 buses. We will bring in vehicles from each of the three known manufacturers here in North America. So, we'll be getting between four and six buses from each of those manufacturers. We're also want to leave a little bit of room in case a new local manufacturer is able to move forward with that into the future. We would like to bring in and pilot the operations of all of those battery-electric buses in the market right now. So, we're working with the eTransEnergy to procure those vehicles. eTransEnergy and this pilot will also install the charging infrastructure necessary to

operate this pilot at both our South Tryon and North Davidson bus facility. What is very important about this pilot is it will give us the ability to not only evaluate the performance of each of the vehicles, enable us to make an informed decision on which manufacturer or several manufacturers we may want to move forward with as we transition the entire fleet, but also give us the necessary analytics that will enable us to make an informed decision about the depth and breadth of our capital program moving forward, what is the operational characteristics of battery-electric buses in our environment and enable us to come back and inform the final negotiations with eTransEnergy on how we may want to move forward in the future?

As I mentioned earlier, this 12 to 18-month pilot will enable us to evaluate the results in real life of each one of these manufacturers and inform the second phase of our negotiations with eTransEnergy, and determining what is the best path forward they will enable CATS to transition the rest of the fleet to electric bus technology and meet the goals established in the Strategic Energy Action Plan. So, with your action, hopefully, on the 26th, that will allow us to move forward with procurement of those 18 vehicles, six of which will be funded by the low no grants, the next 12 will be funded out of CATS Capital Program. If we're able to move forward in April, we expect to begin receiving those by the end of this calendar year and we'll start the operational pilot beginning next year. We will then continue our discussions with Duke, with the analytics that we get from the performance of this pilot, and we'll continue to keep Council informed on the performance of the pilot, but also in determining our path forward for transitioning the entire CATS' fleet to electric technology. With that, that concludes my presentation. If there are any questions, I'll be happy to address those.

Councilmember Eiselt said thank you, John, for the presentation. It's really exciting to see us moving forward with the electrification of our bus fleet. A couple of questions for you. When you say 18, will that give you the ability to try it on short routes, long routes, because I know in the past you've been concerned about the longer routes in the battery optimization to be able to get them to run all day? Has that changed over the past year? Are you seeing a difference in battery life, that kind of thing in the technology?

Mr. Lewis said great question, Mayor Pro Tem. That is one of the reasons why we decided to move from six vehicles to 18 vehicles. We wanted to get the best information on the performance of this technology throughout our entire system. Utilizing only six vehicles probably would not have given us the type of data we needed to make a good evaluation of the technology and how we wanted to move forward. So, by expanding this program to 18, we'll be able to get really good data on all of our routes and how these vehicles perform. So, to your second question, technology changes so fast that things that we are experiencing now could be very different a year from now. That's is why we wanted to test all of the manufacturers and to get real information on how they perform in our environment, things like operating environment, how many hills you have, the temperature, average temperature in the winter and the summer could have an impact on the performance of these vehicles. So, we wanted to test that in real-life scenarios here in Charlotte and then be able to make that determination on how we move forward afterward.

Ms. Eiselt said okay, thank you. My second question is the difference now versus when we were talking about this a year or two ago, to your point, is this partnership with Duke, which is fantastic. Are they covering the cost of the rapid charging stations, because that's kind of a game-changer, isn't it, being able to have that versus just the standard?

Mr. Lewis said what we would like in the pilot, we want to evaluate the full day charge. So, the most optimal deployment of this would be for CATS to charge all of its vehicles at night and hopefully have those vehicles go out like our diesel vehicles do today and are able to operate all day in the environment and come back and get charged that night. That may or may not determine, depending on the routes we put it on again, the time of the year, other environmental aspects of that. So, we want to evaluate that capacity. So, we will be evaluating not just the charging at the station, but also evaluated based on the day-to-day mileage of those vehicles, whether or not we may need to also add quick

charge facilities throughout the community that will allow us to extend the operations of those vehicles during the day.

Ms. Eiselt said will we be getting any of those quick-charge stations, though? I know that separately, Duke is working on deploying, I think, 15 of them across the state. That quick charge, will any of those be coming to this area?

Mr. Lewis said we are not moving forward with the quick charge in this pilot. There's a lot of data over how long you need to charge a vehicle midday or en-route. What we want to see is how long those vehicles can last on a single charge, knowing that we have the quick charge capability that we could fall back on.

Ms. Eiselt said okay and then one last question if that's okay. Assuming that this works really well and we know that the technology is going to continue to improve, how do you feel about the sort of budgetary planning process? I mean, you know, we talk a lot about investing in our bus system to be able to offer shorter trips, shrinking the frequencies so that we could get kind our average 90-minute trip down to 45 minutes, but that involves tens of millions of dollars of investment, but so does convert to electric buses. So, have you really thought about maybe a ten-year plan or on how or even great to have a five-year plan and how we're going to do that? Do you have a preference for one or the other electrification versus cutting our bus travel times down?

Mr. Lewis said so, that is a difficult question in that, I think the pilot will help us informed how we can move forward. It may be that if these vehicles can only go 80% of the day-to-day mileage that our current buses can do. That means we may have to acquire more vehicles. So, a 320 bus fleet may have to turn into a 350 or 370 bus fleet. So, that has a cost impact associated with that. Then there's the actual cost of the vehicles themselves. Currently, battery-electric buses are more expensive than our diesel vehicles. So, the individual costs of the buses will have to be factored in. Also the operating performance. So, we know what our fleet size will be moving forward. Now, technology changes pretty quickly, but when we use federal funding to acquire vehicles, we are required to keep them for either 500,000 miles or 12 years, whichever comes first. In our experience, we tend to reach that 500,000 miles around year 12 anyway. So, we currently plan to replace our vehicles when it reaches its 13th year. So, we still want to keep that on a 12-year program because we wouldn't want to have, let's say we purchased 100 buses next year and 100 buses two years after that. You know, 12 years from now, they're going to be a lot of expiring vehicles in the fleet. That will have an ongoing financial impact on future councils and future CATS stats. So, we probably still want to stay on that 12-year horizon, but what we need to know is how many vehicles in the individual costs of those. That won't help us to plan our budget for our 12-year program.

Ms. Eiselt said okay, thank you. Very exciting. Thanks, John.

Councilmember Ajmera said Mr. Lewis, thank you for CATS' investments in testing to understand the performance of these electric vehicles. I'm trying to understand have we considered or looked at a partnership with the arrival? I know they are working on manufacturing electric shuttles for UPS (United Parcel Service) and I was just wondering if you had any conversations with them?

Mr. Lewis said yes. Ms. Ajmera, as I mentioned earlier on this 18 bus pilot, we want to test the performance of all of the North American manufacturers. There are three that have passed FTA scrutiny, but we're leaving the room if a rival passes what it's called the Altoona testing requirements requirement, which is the federally required safety testing that all manufacturers must pass in order to be eligible for federal funding programs. So, in order for us to buy from a new manufacturer, that manufacturer has to pass federal safety guidelines in order for us to utilize federal funding to acquire those vehicles. We know they are in that process, but sometimes that can be a multi-year process. So, we want to in this 18 bus pilot, we would like to save room for us to acquire vehicles from them, but if they for some unforeseen reason, are not able to meet those requirements, we'll move forward with the other three manufacturers, but we are aware of their goals.

We have had conversations with them and we're hoping that they will be able to move forward within this timeframe.

Ms. Ajmera said that's great to hear, because it's a local company, we will probably even have better support if performance was an issue. So, I appreciate you already looking into that. Also, you mentioned we have 12 to 13 vehicles per year that get replaced. Are any of them scheduled for this year that are diesel buses?

Ms. Lewis said actually the useful life of each vehicle is 12 to 13 years. So, it's 12 years or 500,000 miles. For our current fleet that would put us in that 20 to 25 vehicle replacement schedule each year. There are some anomalies in there where in some years we've gotten 35 or 40. What we'd like to do is flatten that out over that period of time. So, this year, as an example, we would normally replace about 25 vehicles, but we're only going to replace 18 of them. And that is going to be with these 18 battery electric vehicles. We are not acquiring any more diesel vehicles.

Ms. Ajmera said okay, that's great to hear. I know that was a concern last year where we were replacing vehicles, where some of these vehicles, as you mentioned, will be in our fleet for over a decade and we would miss our 2030 goal. So, that's great to hear. I certainly appreciate, Mr. Lewis, your commitment to electrifying our entire fleet.

Mr. Lewis said thank you Ms. Ajmera.

Councilmember Driggs said Mr. Lewis, we had conversations in the past were talked about whether or not electric buses were capable of dealing with some of our routes. The conclusion a year or two ago was we probably needed to do an interim step to hybrids. So, we leapfrogging hybrids now and aiming directly toward battery-electric buses?

Mr. Lewis said yes, we have made the decision to leapfrog the hybrids. That has been our past pathway forward, but this partnership with eTrans, that would give us a path forward to reaching the SEAP goals. We still have a lot of work to do in evaluating the financial aspects of their full proposal. We think it is prudent for us to move forward with this initial pilot with the 18 vehicles. These 18 vehicles will help us with replacing some of those older vehicles that have reached their useful life. Then over the next year as we continue to get more information about the performance of those vehicles, we'll be able to make more informed decisions on how we want to move forward with meeting the SEAP goals, but also making sure that we are keeping our fleet as reliable as possible from a service standpoint. We don't want to go too long with vehicles that are reaching their 13, 14, 15 years of service because it will impact the reliability.

Mr. Driggs said no, I understand that. I think my impression from our earlier conversations was that there were technology constraints that made us hesitate before trying to go all-electric because we were looking at all-electric. So, we had issues about the cost of the units, operating expenses, things like that. I mean, I think it's a very exciting development. If we see a realistic prospect. Isn't the technology well enough tested and understood for us to have a pretty good idea of what to expect from the pilot program?

Mr. Lewis said I think, as I mentioned, there are lots of characteristics that impact the service of these vehicles from one jurisdiction to another. Over the past five years, the information that we have gotten that we've been able to acquire has been very wide-ranging. So, things like the environment, as I mentioned, if the systems in the Northeast that have longer winters and more harsh winters are getting very different performance out of vehicles, then maybe the same vehicles operating in a warmer, milder climate, but then vice versa. Vehicles are having vehicles have different operating characteristics in the heat of the summer than they would in other jurisdictions. So, what we determine, rather than trying to extrapolate information from systems that have very different operating characteristics than CATS does here in Charlotte, that the best path forward would bring each one of the manufacturers here to test their vehicles in our environment, our winter, our summer, our hills with our loads of passengers, and then be able to make very informed decisions on which manufacturer we will move forward with, how it impacts CATS from an operational standpoint. As an example, Mayor Pro Tem mentioned

whether or not we would have to do in-route charging. That changes the operations of each and the performance of our routes. So, rather than guessing on that, we wanted to get our own data to be able to make those decisions based upon it.

Mr. Driggs said I think that's a good approach. The last question, you recently showed us in committee I believe, or at the workshop, a \$120 million five-year capital plan. So, are the costs associated with this pilot and the acquisition of Electric Buses Incorporated in that plan?

Mr. Lewis said it is incorporated in 18. As I mentioned, six of those vehicles are being paid for utilizing the federal loan, no grant program. The other 12 are coming out of CATS Capital Program and we are programmed for the next five years to replace vehicles based on two scenarios, a non-electric bus utilization, and an electric bus utilization just in case. But it is our intention and we believe this program will work. We will come up with the best path forward, choose the best manufacturer, and we will begin working with Duke, evaluating their financial proposals in this that will help us continue to meet our capital program moving forward. Our current capital program is based on CATS' current method of utilizing its funds and federal grant availability to purchase outright these vehicles. One of the options that eTrans is bringing forward are financing options, and that is going through the necessary due diligence once we have the analytical data, what is the best path forward in that?

Then finally, we also know that sustainable energy technology is one of the goals of the Biden administration. It may be that there may be additional grant opportunities in the future. Once again, moving forward with this pilot, getting this information and allowing us to get a better understanding of the total environment that we are working with from a federal standpoint, but also here at CATS', I think we will then be able to come back with a comprehensive program that answers each one of these questions.

Mr. Driggs said so the funding you have now paid for 18 buses, including the money that we expect to get from others, right?

Mr. Lewis said that is correct.

Mr. Driggs said are they about eight or nine hundred thousand pieces, how much these buses cost?

Mr. Lewis said on average of the three manufacturers, around 900,000 apiece.

Mr. Driggs said all right. Thank you, Mr. Lewis. Very exciting.

Councilmember Phipps said so I'm trying to get an understanding of the length of this pilot. Are we saying that this pilot is a 12-year pilot or 500,000 miles or comes first?

Mr. Lewis said no, sir. I don't think you would allow me to do a 12-year pilot. It's a 12 to 18-month pilot.

Mr. Phipps said okay, but we're buying 18 buses, right?

Mr. Lewis said that's correct, sir. I will have to keep those vehicles for a minimum of 12 years.

Mr. Phipps said okay, so we are buying the 18 buses, but we'll have these buses whether the pilot is successful or not. Right?

Mr. Lewis said that is correct.

Mr. Phipps said okay, I wanted to get that clarified. Now, another question I have is, has there been an assessment of any potential conflicts of interest with respect to a relationship with Duke Energy?

Mr. Lewis said this has been vetted through the City Legal staff, whether or not they specifically looked at the conflict of interest? I'm not sure, but I will ask that question, but it has gone through legal and procurement scrutiny, both here at the City and also at the federal level, and has met all of the requirements, both locally and federally.

Mr. Phipps okay, I look forward to your response when you follow up legal on the complex potential or, you know, real or imagined. Thanks.

Councilmember Winston said the point I want to kind of touch on is the difference between changing systems versus systemic change. The SEAP for instance, looked for systemic change within the operation of our government to reach our goals, understanding that green technology and the environment is something that we have to deal with in the policy. In the bigger picture, we can't change the system. We can only change our one point in the system, which is why we took the approach that we took. So, good for us for trying to change our bus system, for instance, to help us reach our goals. This depends on a significant potentially long-term investment to Duke Energy or a subsidiary of Duke Energy. The last thing that I would want to do was to change our systems and good for us, but for instance, make massive long-term investments to something that isn't getting to that same systemic change. So, what do we know about this subsidiary in terms of the way they generate electricity, the way they generate power? How can we be assured that we are not just displacing our investment in fossil fuels by potentially going into a long-term relationship with Duke Energy in this fashion?

Mr. Lewis said great question, Mr. Winston. Let me attempt to answer that in two sections. Number one, this pilot is only for the 18 vehicles. We are not tied to any long-term relationship to eTransEnergy as a result of entering into this pilot. CATS paying for these vehicles upfront and we will own those vehicles. We are also paying for all of the charging infrastructures. So, all of the aspects of this pilot does not tie CATS or the City in any aspect to eTrans, duke, or anyone else. We think that eTrans has provided us with options that we would not have had outside of this unsolicited proposal. As was alluded to by Mr. Driggs, CATS' current capital program would not have allowed us to meet the goals established under the SEAP. Our vehicles, as we know, the average price of these vehicles we're looking at is around \$900,000. The average price of the diesel hybrids that we were getting about 500. So, you know, give or take, they're about twice as expensive and we could not have met that 2030 goal to transition CATS entire fleet without a significant infusion of new revenue.

What eTrans allows us, it gives us a financing option. That is if we choose to exercise that option. As I mentioned, we don't know what will come out of the new federal infrastructure bill. There may be greater grant opportunities. You all are having a very vigorous debate about how we fund transportation projects into the future. So, we have options here, but right now, this pilot does not tie us to any of those at this point. We will evaluate the performance of these vehicles and we will be back to Council making recommendations on the path forward and getting your input on that.

Finally, in regard to where eTrans energy, which is a subsidiary of Duke where Duke gets its power, we have stated that is an important question and is an important concern from Council. We have been told that our power supply source will be coming from a sustainable source. That is something that we will verify through this pilot and be able to come back to you and give you very clear information on where that source is coming from.

Mr. Winston said I hear you. It's definitely a short-term investment for a potential long-term relationship. Still, I think we need, especially that we're having this conversation in terms of SEAP goals, I think that question needs to be answered. It's something that I need to be answered. I know this Councilmember to go back to the community, to have a matter-of-fact conversation about these very real facts of sustainability to actually call this sustainable. I think we need to verify certain things. I'm not comfortable with the information that we have right now. So, whatever we need to do to get Duke to the table to answer some of our questions, I think that would be a good thing.

Mayor Lyles said thank you, Mr. Lewis. A lot of change rapidly happening, sometimes difficult to understand all of our choices. So, we'll continue to work with you and the team to see how this goes.

Mr. Lewis said thank you, Madam Councilmember.

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ITEM NO. 1: MAYOR AND COUNCIL CONSENT ITEM QUESTIONS AND ANSWERS

Mayor Lyles said Are there any questions by the council?

Councilmember Winston said yes, I just had some folks from the community reach out to me at the beginning of the meeting about item number 30. It's an interim property. Seems to be the construction was halted. Ad I know there are many options that the interim process gives us, but I think the community has some concerns. So, if I could learn about what's going on there, the community is watching and we'd like to get to know a little more.

Marie Harris, Strategy and Budget said If we can go down to CH-14, I believe Ms. Jane Taillon is down there in the chambers and can speak to us now.

Jane Taillon, Housing and Neighborhood Services said I am here virtually. Councilmember Winston, this is a house that is located on Craig Avenue. We have been out there. It appears to have been abandoned. We have reached out to what appears to be a property preservation company and they have failed to respond. I reached out to them personally. We have a structure that has been gutted. There has been some training done without permits. We have contended that the frame that they have done would not pass based on some of the changes that have been made. It is a loft-style house. There is no railing on the stairs that take you up to the loft ceiling is missing and then we also have a substandard structure at the rear of the property as well.

Mr. Winston said you said the ownership on record was a property acquisition company, but what we have here are individuals that own it.

Ms. Taillon said there are individuals that own the property, however, listed on the door of the house, there's a company by the name of Guardian. I have contacted them. I let them know that we were ready to take Council action. I was told that somebody from their agency would contact me. That was approximately two weeks ago and we have not had any conversations with them. They have not reached out to us. They have not responded to our request.

Mr. Winston said so who is Sabas or Jana, and Janet, or Dana?

Ms. Taillon said it appears they are the title owners, but it appears that this could be a foreclosure, but there has been no action at the property in several months.

Mayor Lyles said may I make a suggestion that we do adopt the ordinance and then once again perhaps write the [inaudible] couple and just to make sure that it is a foreclosure, but at the same time not slow down the process if the improvements haven't met the permitting standards and the code standards for construction. So, we can go ahead and approve the in rem and ask the staff to come back to us after contacting the two people that are listed as the property owners and follow through on that because it takes more than a couple of weeks to act on an in rem. So, if that's okay. Thank you Mr. Winston for the question.

Mayor Lyles said I do want to mention on the consent items, items 21 through 37. The staff has settled the property settlement, in item 32, which is for the Charlotte Water construction that's being done at McMullen Creek.

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ITEM NO. 5: CLOSED SESSION

No closed session occurred.

CONSENT AGENDA

Motion was made by Councilmember Eiselt, seconded by Councilmember Driggs, and carried unanimously to adopt and approve the Consent Agenda items as presented, with the exception of No. 32 which has been settled.

The following items were approved:

Item No. 21: Construct 5601 Wintercrest Lane Storm Drainage Improvement Project
Approve a contract in the amount of \$1,786,690.40 to the lowest responsive bidder United of Carolinas, Inc. for the 5601 Wintercrest Lane Storm Drainage Improvement Project.

Summary of Bids

United of Carolinas Inc.	\$1,786,690.40
Sealand Contractors Corp.	\$1,900,103.32
RPM Partners, Inc.	\$1,935,450.00
Blythe Development Company	\$2,196,604.74

Item No. 22: Catawba River Water Pump Station Rehabilitation

Approve a contract in the amount of \$8,113,500 to the lowest responsive bidder Shook Construction Co. dba Shook Construction Co., Inc. for the Catawba River Water Pump Station Rehabilitation project.

Summary of Bids

Shook Construction	\$8,113,500.00
The Harper Corporation – General	\$9,549,000.00
PC Construction Company	\$9,758,000.00
Crowder Construction Company	\$10,096,672.50

Item No. 23: Paw Creek Pump Station Upgrades Construction Change Order

Approve change order #3 for \$1,664,919.10 to State Utility Contractors, Inc. for the Paw Creek Pump Station Upgrades project.

Item No. 24: Water and Sanitary Sewer Infrastructure Construction Contracts

(A) Approve a unit price contract in an amount not to exceed \$6,509,779.10 to the lowest responsive bidder R.H. Price, Inc. for Fiscal Year 2021 Water and Sanitary Sewer Infrastructure Construction Contract 1, and (B) Approve a unit price contract in an amount not to exceed \$6,662,998.10 to the lowest responsive bidder HG&L Development, LLC for Fiscal Year 2021 Water and Sanitary Sewer Infrastructure Construction Contract 2.

Summary of Bids #1

R.H. Price	\$6,509,779.10
DE Walker	\$7,035,887.10
State Utility	\$7,334,660.30

Summary of Bids #2

HG&L	\$6,662,998.10
DE Walker	\$6,687,940.60
RH Price	\$7,106,199.10
State Utility	\$7,226,167.30

Item No. 25: Water and Sanitary Sewer Infrastructure Repairs

(A) Approve a unit price contract to the lowest responsive bidder Fuller & Co. Construction, LLC (SBE) for water and sanitary sewer infrastructure repairs for an initial

term of one year, and (B) Authorize the City Manager to renew the contract for up to three, one-year terms with possible price adjustments and to amend the contract consistent with the purpose for which the contract was approved.

Summary of Bids

Fuller Co. Construction LLC	\$1,498,378.90
State Utility Contractors	\$3,530,635.00
Hall Contracting Corporation	\$4,217,939.00

Item No. 26: Water Main Replacement

(A) Approve a unit price contract to the lowest responsive bidder HG&L Development, LLC for Fiscal Year 2021 Water Main Replacement Contract 3 for an initial term of one year, and (B) Authorize the City Manager to renew the contract for up to three, one-year terms with possible price adjustments and to amend the contract consistent with the purpose for which the contract was approved.

Summary of Bids

HG&L Development	\$957,302.64
D.E. Walker Construction Co.	\$1,114,249.12
State Utility Contractors, Inc.	\$1,403,650.50

Item No. 27: Bond Issuance Approval for The Park Seniors

Adopt a resolution approving INLIVIAN's request to issue multi-family housing revenue bonds, in an amount not to exceed \$9,000,000, to finance the development of The Park Seniors.

The resolution is recorded in full in Resolution Book 51, at Page(s) 393-396.

Item No. 28: Refund of Property Taxes

Adopt a resolution authorizing the refund of property taxes assessed through clerical or assessment error in the amount of \$553,534.89.

The resolution is recorded in full in Resolution Book 51, at Page(s) 397-398A.

Item No. 29: Meeting Minutes

Approve the titles, motions, and votes reflected in the Clerk's record as the minutes of February 01, 2021 Strategy Session, February 03, 2021, Budget Workshop, and February 08, 2021, Business Meeting.

IN REM REMEDY

Item No. 30: In Rem Remedy 4301 Craig Avenue

Adopt Ordinance No. 34-X authorizing the use of In Rem Remedy to demolish and remove the structure at 4301 Craig Avenue (Neighborhood Profile Area 394).

The ordinance is recorded in full in Ordinance Book 63, at Page(s) 615.

PROPERTY TRANSACTIONS

Item No. 31: Charlotte Water Property Transactions - McMullen Creek Tributary at Quail Hollow, Parcel #32

Acquisition of 91,099 square feet (2.09 acres) Sanitary Sewer Easement, plus 37,707 square feet (0.86 acres) in Temporary Construction Easement at 3700 Gleneagles Road from Quail Hollow Country Club, Inc. for \$217,705 in easement fee and \$1,805,038 in property restoration costs for McMullen Creek Tributary at Quail Hollow, Parcel #32.

Item No. 33: Property Transactions - Beatties Ford Sunset Road Pedestrian Project, Parcel #10

Resolution of Condemnation of 50 sq. ft. (0.001 acres) Sidewalk Utility Easement, 2966 square feet(0.068 acres) Temporary Construction Easement at 0 Sullivans Trace Drive from The Woodlands Community Association Inc for \$1,825 for Beatties Ford Sunset Road Pedestrian Project, Parcel #10.

The resolution is recorded in full in Resolution Book 51, at Page (s) 399.

Item No. 34: Property Transactions - Brown-Grier Road Improvement Project, Parcel #9

Acquisition of 9,104 square feet (0.21 acres) Fee Simple, Plus 6,584 square feet (0.151 acres) Temporary Construction Easement at 13815 Brown-Grier Road from Kevin Loftin And Tanya Loftin for \$21,950 for Brown-Grier Road Improvement Project, Parcel #9.

Item No. 35: Property Transactions - Mallard Tributary Replacement Sewer, Parcel #1

Resolution of Condemnation for 16,776 square feet (0.39 acres) Permanent Easement, 2,812 square feet(0.065 acres) Temporary Construction Easement at 10400 North Tryon Street from James F Alexander, Susan Alexander Boone, Stella Alexander Harman, and John W Alexander for \$4,625 for Mallard Tributary Replacement Sewer, Parcel #1.

The resolution is recorded in full in Resolution Book 51, at Page (s) 400.

Item No. 36: Property Transactions - McCullough Drive Streetscape, Parcel #21

Acquisition of 771 square feet (0.018 acres) Utility Easement, 444 square feet (0.01 acres) Sidewalk Utility Easement, 1,254 square feet (0.029 acres) Temporary Construction Easement at 132 East McCullough Drive from Shreeji Hospitality of University LLC for \$15,938 for McCullough Drive Streetscape, Parcel #21.

Item No. 37: Property Transactions - McCullough Drive Streetscape, Parcel #22

Acquisition of 3,593 square feet(0.082 acres) Utility Easement, 1,853 square feet (0.043 acres) Storm Drainage Easement, 714 square feet 0.016 acres) Sidewalk Utility Easement, 4 square feet (0 acres) Temporary Construction Easement at 139 East McCullough Drive from Shreeji Hospitality UNCC LLC for \$43,657 for McCullough Drive Streetscape, Parcel #22.

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PUBLIC HEARING

ITEM NO. 7: PUBLIC HEARING ON THE PROPOSED FISCAL YEAR 2022 ANNUAL ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT

Mayor Lyles declared the hearing open.

There being no speakers either for or against, a motion was made by Councilmember Egleston, seconded by Councilmember Driggs, and carried unanimously to close the public hearing on hearing on the proposed fiscal year 2022 annual action plan for housing and community development.

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POLICY

ITEM NO. 8: CITY MANAGER'S REPORT

There was no City Manager's Report presented.

BUSINESS

ITEM NO. 9: APPROPRIATE ADDITIONAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR COVID-19 RESPONSE

Motion was made by Councilmember Eiselt, seconded by Councilmember Driggs, and carried unanimously to (A) Adopt and approve Budget Ordinance No. 30-X appropriating \$4,919,487 from the United States Department of Housing and Urban Development's Community Development Block Grant in the General COVID-19 Assistance Fund, and (B) Authorize the City Manager to execute any necessary contracts related to the use of CARES Act: Community Development Block Grant funds.

Councilmember Graham said I just want to say it's great to work, I'm glad that we're here. I mean, this is good work by the staff and the City Manager's Office to addressing really a critical issue in our community. I believe it's money well spent. I look forward to working with all the agencies involved to get a successful conclusion that these is resources well spent to really impact a very severe problem. So thank you, Mr. Manager.

The ordinance is recorded in full in Ordinance Book 63, at Page(s) 611.

ITEM NO. 10: APPROPRIATE PRIVATE DEVELOPER FUNDS

Motion was made by Councilmember Eiselt, seconded by Councilmember Johnson, and carried unanimously to adopt and approve Budget Ordinance No. 31-X appropriating \$44,506.35 in private developer funds for traffic signal installations and improvements to the General Capital Projects Fund.

The ordinance is recorded in full in Ordinance Book 63, at Page(s) 612.

ITEM NO. 11: APPROPRIATE PRIVATE DEVELOPER FUNDS FOR THE BROWN-GRIER ROAD WIDENING PROJECT

Motion was made by Councilmember Eiselt, seconded by Councilmember Driggs, to Adopt Budget Ordinance No. 32-X appropriating \$439,500 in private developer funds for road improvements to the General Capital Projects Fund.

The vote was taken on the motion and recorded as follows:

YEAS: Councilmembers Ajmera, Bokhari, Driggs, Egleston, Graham, Johnson, Newton, Phipps, and Watlington.

NAY: Councilmember Winston.

The ordinance is recorded in full in Ordinance Book 63, at Page(s) 613.

ITEM NO. 12: MUNICIPAL AGREEMENTS FOR TRAFFIC SIGNAL INSTALLATIONS

Motion was made by Councilmember Driggs, seconded by Councilmember Eiselt, and carried unanimously to (A) Adopt a resolution authorizing the City Manager to execute two Municipal Agreements with the North Carolina Department of Transportation for the installation of two traffic signals, and (B) Adopt Budget Ordinance No. 33-X appropriating \$226,900 for the installation of two traffic signals on North Carolina Department of Transportation’s system of roads to the General Capital Projects Fund.

The resolution is recorded in full in Resolution Book 51, at Page(s) 387-387V.

The ordinance is recorded in full in Ordinance Book 63, at Page(s) 614.

ITEM NO. 13: RESOLUTION TO CLOSE CECIL STREET

Motion was made by Councilmember Eiselt, seconded by Councilmember Driggs, and carried unanimously to Adopt a resolution and close Cecil Street.

The resolution is recorded in full in Resolution Book 51, at Page(s) 388-392.

NOMINATIONS TO BOARDS AND COMMISSIONS

Mayor Lyles explained the rules and procedures of the appointment process.

ITEM NO. 14: NOMINATIONS TO THE BUSINESS ADVISORY COMMITTEE

The following nominations were made for one appointment for a partial term beginning upon appointment and ending April 28, 2022.

- Robert Allen, nominated by Councilmember Driggs
- Stephanie Moore Hand, nominated by Councilmember Graham
- Ashok Pratap Mora, nominated by Councilmembers Ajmera, Egleston, Eiselt, Johnson, Newton, Phipps, and Watlington
- Judson Larking, nominated by Councilmember Winston

Motion was made by Councilmember Egleston, seconded by Councilmember Ajmera, and carried unanimously to appoint Ashok Pratap Mora by acclamation.

Ashok Pratap Mora was appointed.

There were no nominations made for one appointment for a three-year term recommended by the Certified SBE-Hispanic Contractors Association beginning upon appointment and ending April 28, 2023.

Nominations will be considered at a future Business meeting.

ITEM NO. 15: NOMINATIONS TO THE CHARLOTTE BUSINESS INCLUSION ADVISORY COMMITTEE

The following nominations were made for one appointment for a two-year term for a Carolinas Association of General Contractors representative beginning March 1, 2021, and ending February 28, 2023.

- Sharon Walters, nominated by Councilmembers Ajmera, Bokhari, Driggs, Egleston, Eiselt, Graham, Johnson, Newton, Phipps, Watlington, and Winston

Motion was made by Councilmember Egleston, seconded by Councilmember Ajmera, and carried unanimously to appoint Sharon Walters by acclamation.

Sharon Walters was appointed.

There were no nominations made for one appointment for a partial term for a Latin American Chamber of Commerce representative beginning upon appointment and ending February 28, 2022.

Nominations will be considered at a future Business meeting.

ITEM NO. 16: NOMINATIONS TO THE CIVIL SERVICE BOARD

The following nominations were made for four reappointments for a three-year term beginning May 16, 2021, and ending May 15, 2024.

- Charlitta Hatch, nominated by Councilmembers Ajmera, Bokhari, Driggs, Egleston, Eiselt, Graham, Johnson, Newton, Phipps, Watlington, and Winston
- David McCleary, nominated by Councilmembers Ajmera, Bokhari, Driggs, Egleston, Eiselt, Graham, Johnson, Newton, Phipps, Watlington, and Winston
- Carolyn Millen, nominated by Councilmembers Ajmera, Bokhari, Driggs, Egleston, Eiselt, Graham, Johnson, Newton, Phipps, Watlington, and Winston
- Ryon Smalls, nominated by Councilmembers Ajmera, Bokhari, Driggs, Egleston, Eiselt, Graham, Johnson, Newton, Phipps, Watlington, and Winston

Motion was made by Councilmember Egleston, seconded by Councilmember Ajmera, and carried unanimously to reappoint Charlitta Hatch, David McCleary, Carolyn Millen, and Ryon Smalls.

Charlitta Hatch was reappointed.

David McCleary was reappointed

Carolyn Millen was reappointed.

Ryon Smalls was reappointed.

ITEM NO. 17: NOMINATIONS TO THE COMMUNITY RELATIONS COMMITTEE

The following nominations were made for one appointment for a partial term beginning upon appointment and ending March 8, 2022.

- Gregory Jackson, nominated by Councilmembers Bokhari, Driggs, Egleston, Eiselt, Graham, and Winston
- Jamielynn Sebaaly, nominated by Councilmembers Ajmera, Johnson, and Phipps

- Maya Wells, nominated by Councilmember Newton

Motion was made by Councilmember Egleston, seconded by Councilmember Ajmera, and carried unanimously to appoint Gregory Jackson by acclamation.

Gregory Jackson was appointed.

ITEM NO. 18: NOMINATIONS TO THE DOMESTIC VIOLENCE ADVISORY BOARD

The following nominations were made for one partial term beginning upon appointment and ending September 21, 2021.

- Christine Hart, nominated by Councilmembers Ajmera, Bokhari, Driggs, Egleston, Johnson, Phipps, Watlington, and Winston
- Johnell A Holman, nominated by Councilmember Newton

Motion was made by Councilmember Egleston, seconded by Councilmember Ajmera, and carried unanimously to appoint Christine Hart by acclamation.

Christine Hart was appointed.

ITEM NO. 19: NOMINATIONS TO THE HISTORIC DISTRICT COMMISSION

There were no nominations made for one appointment for a partial term for a Resident Owner of Heritage Court beginning upon appointment and ending December 31, 2023.

Nominations will be considered at a future Business meeting.

ITEM NO. 20: NOMINATIONS TO THE TRANSIT SERVICES ADVISORY COMMITTEE

There were no nominations made for one appointment for a partial term in the Vanpool Rider category beginning upon appointment and ending January 31, 2022.

Nominations will be considered at a future Business meeting.

ADJOURNMENT

Motion was made by Councilmember Eiselt, seconded by Councilmember Driggs, and carried unanimously to adjourn.

The meeting was adjourned at 6:53 p.m.



Stephanie C. Kelly, City Clerk, MMC, NCCMC

Length of Meeting: 1 Hour, 47 Minutes
Minutes Completed: May 25, 2021