

The City Council of the City of Charlotte, North Carolina convened for a Strategy Session on Monday, March 2, 2020 at 5:02 p.m. in Room 267 of the Charlotte Mecklenburg Government Center with Mayor Vi Lyles presiding. Councilmembers present were Tariq Bokhari, Ed Driggs, Larken Egleston, Malcolm Graham, Renee Johnson, James Mitchell, and Victoria Watlington.

ABSENT: Councilmembers Julie Eiselt and Braxton Winston II

ABSENT UNTIL NOTED: Councilmembers Dimple Ajmera and Matt Newton

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Mayor Lyles said today's meeting is one of our Strategy Sessions where we try to address some of the bigger issues, problems and solutions that are going on inside the organization. We are going to be talking about Storm Water, Housing and Ballantyne and balance all of this. The main thing about this meeting is to allow for people that are working in one particular project and area to have the opportunity to make inquiries as well as address ideas so that everyone can be included. The whole point is, if you've got a question or anything about Storm Water or housing or the violence reduction, all of that, this is the time to say this is my question or this is what I want to know more of, or this is what I would like to contribute that I didn't have time to contribute before or hadn't thought to contribute before. The first three items are coming from the Manager's Office and then the next two are from Committee recommendations going forward. Again, this is to ask the questions that you may not have had an opportunity to think of around these two areas. Then we will have the balance of the Council Committee updates.

Marcus Jones, City Manager said we have a mixture of items tonight. The Storm Water Pollution Control Ordinance, we couldn't get to that at the last Action Briefing so, Mike Davis is going to bring that before you tonight. The reason that we are doing this is I believe in April there will be an ordinance before you for a vote. The Affordable Housing Update by Pam Wideman; I'm very excited about this presentation. It is comprehensive and somewhat of a spin-off of the Annual Strategy Meeting where Pam is going to talk about many of the tools in the toolbox as well as the nine percent and four percent LIHTC (Low Income Housing Tax Credit) deals that will be before you this spring.

A Ballantyne Reimagined; Tracey Dodson will give you an overview of Ballantyne. This again, will be before you during the spring timeframe and then as you mentioned Mayor; there are two items that came out of the Committees and what we typically do is, once something has been voted out of Committee, it is at a Strategy Session to have an opportunity to discuss that further and then we have your Council Committee Updates. So, if there aren't any questions, I would like to turn it over to Mike Davis.

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ITEM NO. 1: STORM WATER POLLUTION CONTROL ORDINANCE REVISION

Mike Davis, City Engineer said I will be giving this presentation tonight on your Stormwater Pollution Control Ordinance and I want to let you know at the beginning that I only have a certain depth of knowledge on this, but I think it is enough to get you through the main presentation. I have Marc Recktenwald, who is our Program Manager for surface water quality and Stormwater, so he is available if we want to go deep. Otherwise, it is pretty simple and I think a quick presentation. The purpose tonight, as was mentioned, was really to just introduce this topic as one that will come back on a future agenda. I will step you through what that looks like at the end. Really, it is just to let you know what this ordinance is, the revisions that we are proposing that be made to it and the process we have been using and will use to complete it.

From here it is about eight slides, the first of which is just meant to describe to you what this ordinance is. You already have it and its basic function is to keep people, like what is shown on the image on the left, from putting things in the stormwater system. We have a mission to try to keep our streams clean. One of the ways that we do that is by having an

ordinance that ensures that people are not allowed to dump things down drains. The reason I showed you the image on the right is just a visual reminder. People are generally familiar with what they see in the image on the left. You might call it a catch basin or a storm drain. You see those at street level and a lot of people don't realize that every one of these that you see at the street ends up somewhere like what is shown on the right. It outfalls as a pipe going into a creek and again, our mission is to try to use the tools that we can to keep our creeks clean.

Councilmember Newton arrived at 5:08 p.m.

A little bit about the ordinance; it was first created in 1995, it has been adjusted from time to time, but the last revision was in 2008. So again, its job is to kind of keep pollutants out of streams and that can include things like paint or restaurant grease or oil and fuel discharges, which are some of the examples shown on the right. We do this because it is a good thing to do for our community, but also because it is required and is part of what we do under the Federal Clean Water Act. That is what we already have in place. Now, a little bit about what we are proposing to change. I've got a few slides, sequenced from I think are the most significant down to the least significant and it begins by trying to describe something that is a little bit tricky, but it called PAH. The idea is to prohibit high PAH products from entering our streams. PAH stands for Polycyclic Aromatic Hydrocarbons and they are more commonly known or found in what are called tar sealants. These are sometimes used in communities on parking lots where you can spray them on, and it will seal the parking lot and also restore a finish to it to give it a nicer appearance and extend the life of the parking lot. What we know about cold tar sealants is that they are high in this concentration of PAH, which are known to be harmful to aquatic life. So, as we are aware that there are alternative products at a comparable cost and other communities are banning them, we think it is also right that they are banned here. We have done testing in our waterways and know it is a known pollutant here and there is an alternative that is readily available.

The next, what I call sort of a technical change to the ordinance is to add a prohibition on improper storage, handling and processing of materials. Essentially, what this gets to is just by the manner in which some operations, particularly industrial operations may house their operations on-site, it can allow with rainwater hitting it can cause bad things to kind of ooze and drift into creeks that may be nearby. This allows for the enforcement of that condition as well and our enforcement tends to involve, in this case, would involve implementation of a corrective action plan. Our interest is not to penalize, our interest is to get compliance and keep the bad things out of the creeks.

The next revision would be to increase the maximum allowable penalty from \$5,000 to \$10,000 per day, per violation. A little bit of context around that; it has been set at \$5,000 since the ordinance was created in 1995. Other regulators in our space that include DEQ (Department of Environmental Quality) and the EPA (Environmental Protection Agency) have mechanisms to regularly increase their fines. We do not so, we see this as a time to do that. This move would put us in line with Mecklenburg County, and you will see in a minute how that looks against some of our peers as well. But again, the purpose is to encourage compliance; the fines that are collected ultimately got to CMS (Charlotte Mecklenburg Schools).

I've got two charts I will show you on this slide. The first is just to make the point that we are not in this for the fines. On the left the number is 497; that is our five-year average for how often we are called upon to go out and see that something bad may be happening from an environmental perspective, from which on average over the last five-years a little over 100 of them resulted in what we call notice of violation. Then a much smaller subset of that it turns out nine over the last five years as an annual average is what we end up issuing is fines. So, we are not in it for the revenue, we are in it to try to achieve compliance and feel this approach has worked for us. Just a snapshot in terms of what the \$5,000 to \$10,000 change would mean. That arrow points to where we have been at \$5,000 moving into a different tier of peer cities at \$10,000, notably Mecklenburg County.

The last slide dealing with changes is that we would seek to add language that just adds failure to comply as a violation. Basically, this just strengthens our ability to achieve compliance when something has been found and if anyone is being slow to comply. As we would do in any other ordinance when you haven't been in it for a while, it is an opportunity to clarify things if there is clarification needed around definitions or any ambiguity, we would seek to improve that as well.

Those are the changes and the process looks like this. We have already drafted language that has been shared with a variety of folks outside this building. We've reached out to the public, trade organizations, industrial facilities, and development industry and the DEQ. We've taken this to what is called the Storm Water Advisory Committee or SWAC. This is your appointed Board that represents and provides recommendations on stormwater issues in concert with the County. All of that work has been done, we are here tonight at the City Council Strategy Session; following tonight we will continue to seek and receive public engagement to try to refine the language and then come back to you at March 23rd public hearing, make any final revisions that may follow from that and then go back to our Storm Water Advisory Committee for a final recommendation before coming back to you on April 27th.

Councilmember Ajmera arrived at 5:13 p.m.

Councilmember Driggs said does this affect the PCCO (Post Construction Control Ordinance) at all?

Mr. Davis said what you are referring to is the Post Construction Stormwater Ordinance and it is very easy to mix up. That is the PCSO and this is the SPCO; they are both ordinances under Chapter 18 of City Code, but they are otherwise unrelated. We know that in the past there has been a lot of interest in the PCSO which really deals with those regulations of private development and seeks to prevent, in particular, sediment and soil from washing into the creeks. This is not that, this has nothing to do with development regulations. This is really for all those other activities that are really meant to prevent people from putting things down the storm drains.

Mr. Driggs said so, this doesn't relate to what has to happen in a rezoning situation?

Mr. Davis said it does not.

Mr. Driggs said this is just you are creating dirt and we make you clean it up?

Mr. Davis said it would be more like people willfully or perhaps unknowingly dumping or allowing things other than dirt through construction. Dirt through construction would be the other ordinance, PCSO.

Mayor Lyle said I'm glad to see that the work we are doing really addresses the issues around keeping our water clean and the idea of how we look at sealants and things like that. It is beyond what we do for SEAP (Strategic Energy Action Plan) as we are continuing to look at making sure that clean water is available, so thank you. With no other questions, we will see this on the 27th of April.

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ITEM NO. 2: AFFORDABLE HOUSING UPDATE

Marcus Jones, City Manager said next we will have Pam Wideman come up and as I mentioned earlier, it is really a two-fold purpose that we wanted to give you a chance in a Strategy Session to discuss affordable housing because we have limited Budget Workshops between now and the preliminary proposed budget in May. Tonight. we have an opportunity to talk about where we are as well as get feedback from the Council.

Mayor Lyles said this has been referred to Mr. Graham's Committee to look at our framework to see any change, any activity that you see that you want to modify for the

Committee to deliberate. So, at the end of this just think about what we've done and where we want to go and put that idea out on the table so that everyone will have the opportunity to put their ideas and thoughts and Mr. Graham's Committee will take it from there.

Pam Wideman, Director of Housing and Neighborhoods Department said I am pleased to provide you this overview of updates on affordable housing. As I get started, let me say, this might be like listening to your favorite song for some of you. You hear a lyric in a different way than you've heard it before. You've heard it, but it might strike you in a different way. I think we will all walk away from this more enlightened or that is what I hope anyway. This is designed or built on the conversation that you all at your Annual Strategy so, we tried to include some questions and provide you information based on that discussion. We are going to just walkthrough, we're going to talk about how we fund housing in our community. We are just going to remind you and show you the continuum of housing programs that we have. We are going to introduce you to a new tool based on a conversation at the Retreat, it is your Housing Dashboard and then we are going to talk about, in addition to what the Mayor had said, some next steps.

In terms of funding, you all are familiar that we have three sources of funding. We get federal dollars each year based on our size and our population. Those come in the form of four buckers, it is your CDBG (Community Development Block Grant), your Home Program, your Housing for persons with aids and HIV and your Emergency Solution Grant. You can see that totals about \$12 million for this year. It fluctuates each year based on what is going on at the Federal Government. Two other sources we have; we have to apply for these and as Lead hazard control grant, we are in our third grant of that. It is about \$3.6 million, and we couple that with our rehab program, and it is designed to remove lead hazards from older homes. Then our new source of dollars is from the Federal Home Loan Bank and it is called our Communities Heroes Program. Thanks to the Mayor for her affiliation there. This really helps us provide affordable homeownership opportunities for our community heroes and it is intentionally named. It is our Police, our Firefighters and our school teachers and that is at the dictation of the Federal Home Loan Bank. We are really excited about that and I will give you some stats about how we are doing with that. You can see between those sources we have about \$16.1 million of federal sources that we have in this community to provide our affordable housing activities.

From the State perspective, you all are very familiar with both our nine percent housing tax credits and our four percent bond deals. The only thing I will say about this tonight in addition to what you already know is this was specifically called out in our housing framework that the Mayor referred to earlier. It was called out in a couple of ways; two I will remind you of. That the consultant encouraged us to do more than four percent bond deals because that is a way to add to our production unit count, number one. It is also a way to catch some of those nine percent proposals that go up to the state, good proposals, but they are not awarded due to the limited resource at the state level. I will just remind you that the four percent require a little bit more of a gap subsidy and that is the beauty of having the Charlotte Housing Opportunity Fund, which is managed by LISC (Local Initiatives Support Corporation) and we are going to talk more about that. That comes directly from one of the strategies in your framework about how to increase rental housing production.

Speaking of LISC and our funding solution at a local level, we also a very robust public/private partnership. You all will recall that in addition to the \$50 million Housing Trust Fund bond the private sector has raised \$53 million. Again, those dollars are managed by LISC and then also in addition to the \$53 million, there is another \$103 million and that comes in the form of reduced interest loan rates, land donations and other housing investments. So again, more money than we've ever had in this community, thanks to public/private partnerships.

You all asked about our Housing Trust Fund and particularly how we are performing from that \$50 million bond referendum. What this slide shows you is that we've spent about \$28.2 million; that is 1,472 units. You do have 341 NOAH's (naturally occurring affording housing) units that are included in that number. You have three sites of City-owned land

included in that and then you also have 531 units that were invested in through that Charlotte Housing Opportunity Fund. Again, you can see how it is all working.

Another depiction of how this breaks down, what you will see here is that you have \$23.8 million in new construction, you have \$4.4 million working for preservation so, you have a remaining balance of \$21.7 million left in your Housing Trust Fund and we are going to talk about that a little bit later. We are in our second round so, you will be doing some approvals from that fund if you so choose later in the month. I will also remind you that you also put into your current budget some money to do NOAH's. We know that we have to preserve, we won't build our way out of this and you also put some money in to help do single-family acquisition and rehab. Again, this is another way to increase homeownership in our community. I will go into a little bit more detail on what that is looking like. So, you have a remaining balance of housing dollars of \$28 million at your disposal right now.

In terms of your Trust Fund you all know that it is designed to provide a gap subsidy, it has been in operation since 2001. The one thing that I will reiterate on that is, one of the things we are talking about, we are having discussions with the development community is the difference in the interest rate between the Housing Trust Fund and The Charlotte Housing Opportunity Fund. Both very good interest rates, but we are talking through that with the developers and I will say a little bit more about that. It is important to note this is our schedule, this is where we are. We will be back to you at a March Briefing Strategy to provide you an update on all of the Housing Trust Fund and the request that we got before you vote on April 27th. That will allow us to get everything to the state in time to meet their May deadline.

I won't spend a lot of time here, but this is just to remind you of the evaluation criteria and what I would also remind you of is that we do a joint RFP (request for proposal) and we evaluate any proposal jointly with LISC. So, we are looking at them from both sides of the organization. Here we talked a lot last year about how do we go faster, and we told you last time that our original goal was 45-days. I will tell you that we will have done our work in 54-days, not 45 days so, we are a little bit outside of that, but I just want you to know. Some key dates to remember here is that developers have already submitted their proposals. We told you that we give you several touchpoints last time before you had to vote and so, we are going to be putting some information in your packets prior to the March 23rd date so that you can see what developers are asking for. What I will tell you right now is that we are continuing to talk to developers to make sure number one, that they at least try with the Charlotte Housing Opportunity Fund. We can't force anybody to do anything, but the beauty of having that fund is so that we can leverage our Housing Trust Fund dollars. We are strongly, strongly encouraging developers to apply for both sets of dollars so that we can continue to leverage our dollars. We are looking at those now, and we've put information in front of you, we want you to have exact numbers. Also, you may recall a booklet that we gave you last year that included a lot of detail and so, we are working on that right now and we want to give that to you as well.

It is important for me to remind you that after we finish the work in Phase I after you've made your approvals, that the LISC Investment Advisory Committee then makes their approvals. One of the improvements that we are making is that they are going to do that very shortly after you all approve so that we can help developers continue to get through the process faster. This kind of begs the question of how quickly you start to see things get on the ground. After they get all of the approvals, the developers still have to get through the design and permitting phases before construction can actually begin. Once construction begins, it takes about 18 to 24-months before you actually start to see things coming out of the ground, and that is new construction. The beauty about the NOAH's is that; we've already done three NOAH's, those are in service, they've made the rehab so, that work can go faster obviously, than the new construction.

This is just an initial glance of what the requests are from the first round so, I won't spend a lot of time on this. What I want you to see is that we have nine percent requests, we have four percent requests, we had some non-LIHTC (Local Initiatives Support Corporation) requests and then we have NOAH requests. I will show you these on a map

and forgive me for the smallness of this but, I know we always get the question, where are these, are they evenly distributed, so you can see where they are.

In terms of the location guidelines, you all asked us at the Retreat how was that working. We believe that they are working well. We look at proximity, we look at income diversity, we look at access, we look at neighborhood change so, we are going to run all of our four percent's through this location criteria, so we believe it is working well. You asked us also about city-owned land. We want to remind you of the developments that you approved with the use of city-owned land, a total of 262 units that are in progress based on city-owned land.

I won't spend a lot of time here, but the purpose of this slide is just to remind you that we are engaged in a continuum of housing services, all the way from homelessness to homeownership and the counseling that goes with that. So, you all provide just a wide range of housing services in this community. We talked a little bit earlier about our Emergency Solutions Grant; this provides case management. We want to rapidly rehouse people. All of that goes to homeless services and we work primarily with the Center of Hope, the Men's Shelter and The Relatives. The A Way Home Endowment, I think I went too fast, this was an early, early partnership with our private sector and with our philanthropic sector where we provide temporary rental assistance to people throughout the community, so, great partnership. The Housing CLT, this supports the A Way Home Endowment. This program is designed to help recruit landlords and it is working really well. Some of you may remember a gentleman from Tennessee came and talked about it so, we have acquired this program from Tennessee.

In terms of our rent and relocation, we worked with Community Link, and I will highlight voluntary on this. We worked a whole lot with them, and you all remember this through Lake Arbor to get folks relocated. So, Community Link continues to be a great partner. Our tenant-based rental assistance, we help people every year. Again, many people living in the shelter, they work, they just don't earn enough to pay what we are seeing in rents now so, we provide tenant-based rental assistance to help them be rapidly be rehoused. Crisis Assistance, you all know that organization really, really well. They provide emergency rent and utility assistance. We talked about our HOPWA (Housing Opportunities for Persons with AIDS) dollars, our partner is Carolinas Care there and again, they provide services and housing for persons living with aids and HIV.

The Rent with East Program is a new program. It came out of a partnership through Harvard University and it is a new program designed to create more single-family affordable rental housing. Again, we are working with landlords to help provide housing and it is targeted towards households that earn between 50% and 80% of the area median income.

Preservation, we talked a lot about that so, I won't spend a lot of time here. Naturally occurring affordable housing, you can see how we are doing here. I'll spend a few minutes here; in your budget, I alluded to, you all put \$2.1 million in your last year budget. We got seven proposals from a request for qualifications that were due February 26th. The goal of the program is to again, increase homeownership. We will work with a third party to acquire, rehab, rehabilitate and resell these programs to affordable families. We are reviewing seven RFQ's and our goal is to have this program operational by early spring. You can see where we are in this timeline.

Single Family rehab; we do this in a couple of ways. This is our targeted so, we go in and we do holistic rehab. This is totally voluntary, we started in historic Camp Green and Lincoln Heights at LaSalle and we chose the areas we knew were right for gentrification, we also knew that they had a lot of code enforcement hot spots so, we finished up in the first two neighborhoods and we moved over to historic Washington Heights and Revolution Park. Our single-family rehab is where we go in and I call it we do one-off rehab, still a good program, but we rehab houses and the elderly population is who we serve most through this program. We coupled that program with our Lead Safe Program and again, that is where we go in and remove lead in older homes. Our Emergency Repair; you've heard me say this a number of times, we serve people between November

and March, based on how that winter is going. Thank you again, you increased the program in your budget last year and this is truly Emergency Rehab. Folks don't have time to go through the Federal Government procurement details that they have to do so, it really is emergency and we want to keep them in their homes. We work with Partners Habitat; they have been one of our huge partners to help rehab housing. You can see how we are working with them there.

Anti-Displacement, we tried the Aging in Place Program; you all approved that in your budget last year so, that program is there. Then lastly, Homeownership; we always get what are we doing around homeownership. Are we doing enough around homeownership? Our House Charlotte Program is alive and well, and again, because we have the Community Heroes Program that helped address a population that is not eligible for House Charlotte. The Community Heroes serves folks earning 81% of AMI to 120% and it is often known as the missing middle population still needing some help. I'm pleased to report that we have closed one loan, we are in the process of closing another one by the end of this week and then we have six more in the pipeline. You will remember we just started that Program I think in mid-November so, we promised the folks at the Federal Home Loan Bank that we would work really hard so we could more of that money in the community so, we are doing that.

Before I call Rebecca up to run through the Housing Dashboard, I do want to thank my staff, they are here. This is a lot of information, I don't do it alone so, I really thank the Housing Team, Miles and Zellica and if I'm missing anybody please forgive me. At this time Rebecca is going to help me with the Housing Dashboard. You all often have community meetings or just question how many this of that have we done in my District. This is really going to put us on the map, we will be able to get that information quickly for all of our housing programs and I just think as we move toward increased technology and data this is really going to be helpful for us. I will happy to answer any questions you all may have after Rebecca runs through that.

Rebecca Pfeiffer, Housing & Neighborhoods Program Coordinator said I feel like we are just rolling out Dashboards right and the left at the City these days. I'm excited to be back at a Strategy Session to share with you that we have gotten started on the Housing Dashboard with Pam and her great staff that she referenced and also some of the folks in Center for data analytics, Andrew Bowen who is here tonight and Frank Gocal has been working hard on this to have something to show you this evening. As you saw in Pam's presentation and well know there are a lot of different programs and funding streams so, this is an interesting dashboard to tackle, to put all the parts and pieces together. We just want to show briefly what the Housing Trust Fund portion of the dashboard is looking like right now just to give you a sample of what it is that we are working on and to show you where this is going. You can see some of the things we are trying to visualize for you are the amount of funding the City has invested, the total development costs, those dollars that the City has investments have leveraged and the number of affordable units that are creating.

We have filters in here for things like the funding year and Council District, you can take a look at the various levels of AMI (Area Median Income) to see the number of units created at any given level and then the project status. One of the things here, you can see, for example, here we are looking at 30% AMI over time about 2,800 of the total units developed have been developed at 30% AMI. Pam's presentation showed how much work has accelerated recently so, you can take a look and see, for example, that of those 7,600 units 5,000 are complete and you have the balance pending or under construction, so about 2,500 units out there. The Dashboard will also provide you with the ability to drill down and look at locations. If we came here and said we want to see what is going on in District 3, for example, or take a look at any one of the developments and see the number of units and the investment made and what we are looking at.

That is just a sample of one of the programs that will go into the Housing Dashboard. We wanted you to get a sense of where this is going and to be able to provide some feedback along the way about additional information that you may be looking for. This will continue to grow as we layer in additional housing programs over the coming weeks.

Ms. Wideman said thank you very much Rebecca, and I do want to emphasize that we are working really hard to make sure that the data is accurate because we know junk in is junk out and so we are working really hard on getting full and complete. Our goal is to have this rolled out as quickly as we can and as accurately as we can.

Next Steps, where we are going here is again, I will be back in front of you on March 23rd to give you a comprehensive overview after you have received your Housing Trust Fund information of all the developments and kind of what LISC and your staff's recommendation is on the Trust Fund request. I talked about the Single-Family Acquisition Rehab so we are going to be reviewing those and making a recommendation about which organizations to go with to do that work. Then we are going to begin on March 18th, as the Mayor alluded to earlier, addressing the referral that was made last Monday night in the Great Neighborhoods Committee. That concludes my presentation and I'm happy to answer any questions that you all might have.

Councilmember Driggs said in the past we've talked about the total need and where we are; do we have a current sense of what the shortage is today and how we are doing in terms of addressing it?

Ms. Wideman said the current shortage Mr. Driggs; and we are actually working on this right not to make sure that these numbers are correct. You saw an article I believe it was last week and it said 34,000. We believe that is somewhere around 32,000 for 80% and below. That is where we are with the shortage and I will have that for you when I'm back in front of you. How we are doing at addressing this; you can see the numbers that we have under production. I think what I would encourage us to remember is that Charlotte is growing and so, people come every day. Not all of those people have affordable housing needs, but many of them do. What I'm very confident in saying is that we're leveraging and using all of our resources to go as fast as we can to get more units in production.

Mr. Driggs said this has come quite a long way just in the few years that I've been here, and I did want to mention; colleagues, there will be a quiz on the presentation, so I hope you are paying close attention. My other question was, we've got the \$4.2 million for NOAH, is there any reason that we can't use Trust Fund money for NOAH's. I know we can't use LIHTC but is there anything in here that prohibits us from using Trust Fund money for NOAH.

Ms. Wideman said no sir. There is nothing that prohibits, I will remind you that we put that in there because we didn't want to just rely on Trust Fund money. You all were being progressive which is great, you put some money in there for NOAH's as well. What I will also remind you is we have to take those as they come Mr. Driggs, and so we didn't want to have to wait for around of Trust Fund if we didn't need to.

Mr. Driggs said based on the opportunity we are going to have a hard time getting our 40% target on NOAH's because they are not out there, right. Our framework had indicated 40% as a goal for NOAH's, but I don't think there are that many projects that we could actually –

Ms. Wideman said we haven't seen that many at this point, but we want to be prepared as the opportunities present themselves.

Mr. Driggs said you said there was a requirement that 20% of units be at 30% of AMI; on a four percent deal that is kind of tough to do. Are we saying that we will not do Trust Fund transactions unless there is 20% at 30% AMI?

Ms. Wideman said yes sir, that is in your framework, and you will recall Mr. Driggs that all of the four percent that you approved last year, they were able to accomplish that. We anticipate them being able to accomplish that as well this year.

Councilmember Johnson said this is a really good job and I'm excited to see all these programs that the City is developing. I have a couple of questions; on the tenant-based rental assistance, it looks like in FY-2017 there were 85 individuals served and last year there were 52. I wanted to know if you could speak to that.

Ms. Wideman said what you will see Ms. Johnson is that this number kind of fluctuates year to year. Your question was?

Ms. Johnson said do you know why the numbers have dropped? Was there a goal and could it be because we know that out in the community some individuals are experiencing trouble when they are using these vouchers, the source of income discrimination and we are hearing from the community. I wanted to know if we run into any of our constituents that are having trouble using the voucher, was that why the number dropped?

Ms. Wideman said I don't want to confuse this necessarily Ms. Johnson with a voucher. This is, for example, if someone is in the men's or women's shelter and they are working, they can pay a portion of their rent and we would provide the gap. It could be a number of reasons for why this number dropped in 2019. I haven't drilled down to find out exactly why it could be perhaps that more people resolved on their own. It could be that more people stayed in the shelter; it could be that more people were able to reunite with a family member or they chose to relocate somewhere else. So, there could be a number of reasons why this number is lower in 2019.

Ms. Johnson said do we have outcome goals for the subsidies? Do we have a goal or a number?

Ms. Wideman said don't set overall goals for the subsidy, but within each contract that we do with each organization like the women's shelter or the men's shelter, we do have goals around the tenant-based rental assistance. We have individual goals with each organization, but not an overall goal for tenant-based rental assistance.

Ms. Johnson said the reason I'm asking; the number has dropped, and we know that there are still people that need this assistance. I was just wondering why we are serving less people in 2019 than we served over the past couple of years. I don't know if you can provide an answer for that or find out if our customers are having trouble using these subsidies. I know that they are not the housing choice vouchers, but it is a source of income and landlords may or may not be willing to take.

Ms. Wideman said the other thing that I will remind you of also is the 2020, and I know you didn't bring this up. This is just six months' worth of data, but I will get you some more information on 2019. It could also be the number of units, so this speaks back to our overall work, just don't exist in the community to afford them that rent, but I will get you some more information on that.

Ms. Johnson said the Acquisition, Rehabilitation & Resell Program, slide #36, can you tell me a little bit more about that? Are we requiring that the houses stay within market rate or below market rate for affordable once they resell them?

Ms. Wideman said this is a new program, it was introduced into your budget last year and so, and this is around preservation as well. The idea would be to work with a third party who would go out and purchase the houses, rehab them and then resell them again for affordable homeownership. This will be affordable homeownership.

Ms. Johnson said so there is a number that is defined because the average price in Charlotte I think it's like \$270,000 or something like that. Is it going to be below that or how are we defining affordable homeownership?

Ms. Wideman said it will be within the \$234,000 range and there will be differences. Our goal on this first round is to acquire 12 of these so, once we've done that, we will be able to give you a little bit more data on each price point.

Councilmember Watlington said to piggyback off Mr. Driggs' question about NOAH, I know we've had several discussions about partnering with the Land Trust. I was just wanting to know if there are thoughts arising some of the ideas, we discussed how do we partner with the private or community Land Trust or something like that to preserve NOAH?

Ms. Wideman said in the housing framework that we will be reviewing in the Great Neighborhoods Committee, that was one of the strategies. It was either to create or to partner with a Land Trust. The West Side Land Trust, they exist and so we've had several conversations with the Land Trust. We believe if managed, Land Trust is a good tool and they are used across the country to do just what you said, to help preserve affordable housing in the community.

Councilmember Ajmera said what are the criteria for a partner to participate in this program? Is this our few for an agency who is going to find homes that are going to be turned into affordable homes? I'm not sure I understand this program.

Ms. Wideman said it is named intentionally, Acquisition, Rehabilitation & Resell and so the idea is just as you said Ms. Ajmera, to work with a third party who would go out, identify, acquire a home, have the ability to rehabilitate it and then resell to a household to maintain it as affordable. Just think about it, it is another opportunity for us to one, create affordable homeownership and to do so by preserving an existing housing unit.

Ms. Ajmera said if there is a third party that goes out and acquires the property that is currently occupied, that is a displacement and I don't know if you are creating a bigger issue here or are, we really addressing the problem? I'm just not sure, so what are the criteria for that third party? Does it have to be a property that is currently tenant occupied? What are the criteria that we are looking at to ensure that we are not actually contributing to displacement?

Ms. Wideman said you raised a great point. I should have added one more descriptor to that. Vacant; these will be vacant homes, so we are not going to displace anybody.

Ms. Ajmera said if you go back to slide #15, there is a list of all the development requests; is this a comprehensive list of requests that we have gotten so far?

Ms. Wideman said yes ma'am and I will remind you that requests were due to us on February 10th, so this is a comprehensive list of all of the requests that we received as of February 10th.

Ms. Ajmera said the challenge we continue to see is the lack of affordable housing throughout the City. We don't really have, as you can see from the last column, we continue to see a lack of affordable housing in all parts of our City. What is the root cause that we are not seeing any applications coming in for affordable housing in District 6 or District 7?

Ms. Wideman said I think it is some of the things that we know; land costs are prohibitive. If rezoning is required that presents a whole other set of challenges so, I don't think they are new issues, I think they are issues that this body, and we've had discussions about.

Ms. Ajmera said I'm not sure what can be done, but I think it is good that we have requests for affordable housing, but it creates challenges for those who want to live in District 6 or District 7 where we don't have affordable housing options in those Districts. What is it that Council can do to encourage? I know the land costs are prohibitive because it is going to cost us more to build more affordable housing in District 6 or District 7 but how about NOAH? I'm sure that NOAH also contributes to additional costs in terms of having it in District 6 or 7, but I think there has got to be an option where we are doing something to provide affordable housing in those Districts.

Ms. Wideman said I will say two responses to that Ms. Ajmera. For example, for NOAH that is a good tool. I will remind us that with a NOAH you have to have a willing seller so,

the property owner has to be willing to sell. The other thing I will remind you of in terms of getting affordable housing in District 6 and 7, we talked a little bit about The Way Home Endowment. We have realized some successes just through private landlords in getting affordable housing in Districts 6 and 7. Albeit, it is not what you see in terms of new production, but there are some other smaller things being done to help accomplish that.

Ms. Ajmera said if you could share those smaller things that are being done to address affordable housing in those Districts it would certainly help.

Mayor Lyles said Ms. Ajmera; I think you are going to see an example of that with the Ballantyne Reimagine where we've worked really hard to make sure that development has included something that we haven't gotten before. I want to say that it is really important to look at it from the beginning and to work with the development community to do that. I'm grateful for that. The other thing that I think we've got to do is we've talked about this as being the City's efforts and the public's efforts, but I really do believe the faith community; when you look at how houses of worship are being built, whether or not we can encourage them if they are building something, can they utilize land that they already own and control? As things are changing are there ways to work more carefully with the faith community to see if there is property out in South Charlotte to do this. I really believe we haven't done an outreach to our faith-based partners in a way to say specifically. A lot of faith communities, land is donated or willed and left for them. It is just an effort that we can really encourage it. I think one of the reasons that NOAH is so hard is that most South Charlotte's development occurred since 1970 or 1980 so, they've got a little way to go before they get to a NOAH. I don't give up hope and I think we are still, as much as I remember Mr. Driggs and I, when we first came on Council, we are court still on a project out in the south and we are working through that with a partnership, but still, we haven't given up hope on it. So, in some ways when we've taken those opportunities, we've really focused on them. I'm hoping that project will eventually be resolved, and people will see an affordable complex doesn't look any different than the other apartment complexes in South Charlotte. That is what we have to get, some examples out there of what can be done and follow-up on those. So, hopefully, that works out.

Ms. Wideman said Mayor; if I might just to kind of tie-up what you just said to her. You will recall the regulatory item that was brought before the Council last week. That is also being referred to so, we are trying to develop as many tools as we can through the voluntary, regulatory process that might encourage the larger developers to include affordable housing units in their larger developments, particularly in South Charlotte. I didn't want to lose that point.

Ms. Watlington said I just wanted to follow-up; you mentioned The Way Home Endowment; are there any programs on the homeownership side as we think about these areas of high opportunity that we want affordable housing to go in but looking at some of the areas that typically have not necessarily been areas of high opportunity, for example, District 3, District 2, other parts of District 5. Can you talk a little bit about if there is a plan or what the supportive kind of wrap-around services look like in those areas? As we try to put affordable housing in places that are areas of high opportunity, sometimes we know there is work to be done there so, we are not concentrating poverty. I just want to understand if there are any other programs that we are looking to build on top of these affordable housing or around the affordable housing?

Ms. Wideman said you mean particularly homeownership or are you talking about multifamily rental?

Ms. Watlington said I really mean both. I'm sorry, I said homeownership earlier, but I mean both so, as we are putting these LIHTC properties in and we are looking for NOAH and we know that there are certain locations where the land is cheaper, are there other services that we are providing so that we can create more opportunity in those areas or how are we overlaying other types of programs?

Ms. Wideman said two responses to that. In terms of homeownership you have your down payment assistance program and so, one of the things required in order to use down payment is you have to do pre-homeownership counseling with a HUD-certified counselor. That is really important and has proven to be successful because people really know what they are getting into, what the responsibilities are in terms of being a homeowner. That program helps a whole lot. We talked about the Community Heroes Program as well, so that is another homeownership opportunity. In terms of the multifamily kind of wrap-around services, we don't provide them ourselves. We tend to partner with people like Good Will and other partners in our community who are doing workforce development, financial literacy training so, those are the types of training where we've had money invested in places like Renaissance West where you kind of had that community quarterback on the site. We've done some of that work with the Self-Help Credit Union in Grier Heights. We try to leverage all of our partners and not create those programs ourselves.

Ms. Watlington said that is on the services side and then from our infrastructure side as we think about the Comprehensive 2040 Plan and we know schools and other components, mobility and those kinds of things, how are we overlaying the housing plan with our mobility plan? How does that line up with the CMS School Plan? The reason I ask the question is because I see this blue dot here along Wilkinson Boulevard and I know that there are some habitat projects that are going on out there as well and I'm thinking about we are wanting to locate these projects in areas of high opportunity, but I also know that the schools in those areas aren't necessarily as highly rated if you will, as one would expect to call something a high opportunity area. So, I'm just wondering if there is a larger plan that is not just built around housing but to grow that area holistically. Does that make sense?

Ms. Wideman said it does and I think what I would say, Ms. Watlington, is that I would like to give a little more thought to that. Taiwo in Planning, we talk about partner a lot, we talk about what our hopes are from the Density Bonus Program that was just put into place, how is that working. Maybe that is something we can flush out a little bit more in Committee so that I can make sure that I understand and what we are really getting at that you are interested in.

Mr. Jones said I would just like to add to what Pam said to I guess frame this a little bit tonight what we are attempting to do. I have this unfair advantage because I have this cheat sheet in front of me which goes from finding rentals to becoming a homeowner. I think if we get that to you, we can show you the depth of what Pam is presenting tonight. A couple of key takeaways that in 2018 we had the \$50 million HTF (Housing Trust Fund), the bond, and before that every other year was \$15 million. Tonight, you can see that we have almost oversubscribed the \$50 million so, the \$50 million is a good number and that \$50 million is planned for the 2020 bond also. The other thing that is important is that there are a number of new programs and that is what Pam was referring to and what the naturally occurring affordable housing. Of source you can do that out of the Housing Trust Fund, but also those 12 homes is something that we've never done before because we are trying to move into homeownership also. So, if that is a very good product and potentially as this is back in the Great Neighborhoods Committee, do you rethink how you go about spending the money? Mr. Driggs is exactly right, I think it is actually 41% in the framework was supposed to be NOAH's. Is that still valid, should we rethink, should there be more along the lines of homeownership? That is why we think it is the perfect time to revisit the framework and there are some new tools in the toolbox that weren't there beforehand. I will just add that even Rent With Ease is a pilot program that we are attempting to see. Can families find rental properties in some of these high opportunity areas? So, there are so many good things that are going on that are just not related to the four percent credits and nine percent credits, if that helps.

Ms. Johnson said thank you Mr. Jones; you mentioned those 12 homes. I think that is an excellent idea and this again is the Acquisition, Rehabilitation and Resell, slide #36 and I want to ask you about the affordability, and I don't know if that number is in the RFQ, but you mentioned the number 234,000?

Ms. Wideman said I mentioned that Ms. Johnson because that is a new program and we want to make it as user friendly as possible. I mentioned that number because that is the House Charlotte number so the product can't cost more than \$230,000 to be able to use our Down Payment Assistance Program. We are trying to bring these houses or sell them for no more than that rate so folks can use the various Homeownership Down Payment Assistance Program should they need to. That number is an affordable homeownership opportunity. I think that is your question.

Ms. Johnson said what is concerning is I'm thinking to qualify for a home you have to have a certain income and I believe it used to be 30% of the purchase price. If you do the math for that, that is not an affordable income salary. I just wanted to make sure those two –

Ms. Wideman said I'm not saying that the house will cost \$230,000, I'm saying it won't cost more than that, but you are right, a mortgage person will say you should not be paying more than 30% of your annual income for that house. But, when you begin to use our Down Payment Assistance Programs basically, you free up more money for that person to be able to pay over the life of that mortgage.

Mayor Lyles said the Home Charlotte Program has put a lot of people into housing because it is often matched by the private sector. You might qualify both Wells (Wells Fargo) and BofA (Bank of America) to have programs that match the down payment assistance that we do.

Ms. Wideman said the state has a program as well.

Mr. Driggs said I wanted for one to clarify; District 7 there are 35,000 units shortfall. If you give up on the number of units you create because you really want to create diversity in these more expensive neighborhoods you have some very tough choices. I guess that is all I would say about that but trying to reconcile all the things that we want to do results in some tough decisions. The other thing I wanted to mention is on that buy it, rehab it and sell again; when we sell it is the sale like a habitat house where we identify an eligible buyer and we provide the down payment assistance and we do all those things?

Ms. Wideman said it could be very similar to that Mr. Driggs, yes sir.

Mr. Driggs said I think it is worth maybe on another occasion, explaining more of the differences between affordable rental properties which I think we are a little more familiar with where you just take a percent of the AMI and you have an index and the mechanism through which ownership is achieved. That basically involves the down assistance that amortizes this because what happens if the owner of the house moves in five years or whatever? So, you have to have a whole different plan for ownership than the one that we use for rentals and it might be good on a different occasion again to be able to know more about that. My question also was on LISC; will LISC be involved in all of the proposals that you bring to us?

Ms. Wideman said yes sir, LISC will be involved in all of the Trust Fund proposals and they are also doing a joint review with us on this For Sale Acquisition Program as well. They are a partner there too.

Mr. Driggs said but they won't necessarily be private funds in each of them like LISC may come back to us with an ordinary trust fund request like in the old days.

Ms. Wideman said that is right so, what we know, based on our discussion with LISC last year, The Housing Investment Fund does not work for nine percent deals. So, you won't see any Charlotte Housing opportunity or LISC money in the nine percent deals. Where LISC is most helpful to us is in the four percent and the non-LIHTC deals. So, they will be involved, that is what the team is doing not, both the LISC team who is here, Rusty is here and our team, we are looking at all of those four percent and those non-LIHTC deals now during our evaluation and underwriting.

Mr. Driggs said so, we may see some [inaudible] sub-debt and other structures that we haven't necessarily dealt with before?

Ms. Wideman said yes sir, you are absolutely right.

Mayor Lyles said before we leave this subject, I just want to make sure if you've got something that you would like for the Committee to address or look at, that we make sure that we've included that in the charge and I'm going to start off. I think Mr. Driggs asked a good question about the use of Trust Fund dollars and CHOICE so, when you start talking about this, this is where my concern is. I'm not so sure that when an application comes in if it is just because they want to do it a certain way because it benefits that one development versus thinking about the overall use and strengthening all of the availability of units. So, if we've got \$100 million to spend and everybody just wanted to have Housing Trust Fund money, we lose the leverage of that \$50 million. I don't know if there is a leverage point, but I think this is about the greater good instead of it being well, I picked this to fund my project because that is the best way for me to be successful. We want everybody to be successful and for that, that means everybody has to have a little bit of skin in the game and I just wanted to ask the Committee to look and see how we leverage the CHOICE Fund, and that we don't just automatically assume that you will get Housing Trust Fund because you asked for it. Because that is going to hurt the long-term ability to finance more projects in the end. So, that would be my request.

Councilmember Graham said I want to make sure that we evaluate the Aging in Place Program to make sure that we can see whether or not that could be income-based as well, and just kind of do some due diligence on that program. I keep hearing conversations that Mecklenburg County wants to partner with us with that. I just want to kind of flush all of that out and see what makes sense.

Mr. Johnson said I would just ask to evaluate the Acquisition & Rehabilitation Program, if that is a realistic goal, if that is affordable, what number and who can qualify for those homes?

Mayor Lyles said can we track that for a year and then come back because that hasn't started yet?

Mr. Johnson said yes, okay. For the framework, if we are really looking at the source of income and our individuals. I know this is kind of outside the City programs, but if individuals are able to obtain housing when they are getting the assistance, take a look at that problem.

Ms. Watlington said as we talk about the County/City partnership, they have been a couple of items that I think are worth looking at from a Committee standpoint. What are some other ways that we can partner with the County to maximize investments on both ends?

Mayor Lyles said the Manager and I have had a meeting with the Chair and the County Manager on this subject. They are looking at some things that they think might work. We've already got a construction project, the Billingsville Road project. That is a situation where they are going to build something, but the Trust Fund dollars are going to be requested for that. So, we are going to be having some collaboration on that as well. I think we need to not fall over each other. That is one of those things that we have to try not to do or do it intentionally if we decide to do it that way.

Councilmember Bokhari said I've brought this up a bunch of times in the past, but if we are just tossing out things that could be discussed by the Committee, I would really like to take a hearty look again at our appetite to make a choice between the two driving factors that we could be going after in housing. And again, on housing with our capital front we are doing other things in workforce development, but particularly, as we look at our strategy for deploying those funds in housing number of units versus upward mobility. While we always strive to do both we either all in trying to go after making a dent in the 34,000 unit crisis, which means when you look at Districts 6 and 7, like Mr. Driggs, said

a minute ago, and the property values are five to 55 times more expensive, you are going to the latter of those strategies if that is what you are going to do which is a much smaller number of units designed to be around the amenities in transportation necessary for upward mobility. If that is the strategy, that is fine, but we have to go into it eyes wide open that the number 34,000 units that are that many more essentially heads than beds for the homeless and near-homeless that we are saying we are going another route. There is no perfect right answer, but I stand firm in my belief that in order to be truly effective at one or the other, you have to choose one or the other and the longer you sit in the middle with the opinion of we can strive to do both, you really water down your efforts on one versus the other. It is a very politically difficult conversation to have, but one that I think is important. I don't know what the right answer is, I just know that we've yet to say as a body which one of those two peeps we want to go all-in on. So, I think it would be a very intriguing debate to have.

Ms. Watlington said to that end I would be interested to see how we are thinking from a reasonable perspective. We know that okay, Charlotte is getting more and more expensive every day, but how do we make sure that as we are doing our Comp Plan and we look at our Transportation Plan that we are partnering with our neighbors to say okay, we know that we want to invest in transportation, how do we use that plant leverage potential investment for affordable housing. I think we've got to start thinking more regionally when it comes to how do we move people around and make sure that they can afford to live, even if it is not within our City limits?

Mayor Lyles said I think you will see like Davidson has a program that mirrors ours and more. I think one of our issues has been that the Housing Authority by Charter, is limited to the City of Charlotte and I wondered if we actually talked about the Housing Authority has the ability to operate in the other towns. Whether or not that would increase the ability to have more opportunity or not. I don't know the answer to that and I'm not so sure it is the top priority to address, but I think the idea; I know that Davidson and Matthews I believe all have kind of an idea, but it is not Comprehensive across all of six towns. I'm not sure what happens in Gaston County, whether they have a Housing Authority or not; I've not asked that, but that is a good question. The easiest way would be for our Housing Authority to expand their footprint to the entire County. That might be an easier answer said than done.

Mr. Graham said we have a lot of work to do for sure, but I think the Committee is up to the challenge.

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ITEM NO. 3: BALLANTYNE REIMAGINED

Tracy Dodson, Assistant City Manager said before I dig into this and start going over this, there is one thing that I want to acknowledge. The Manager and I have talked for years now about when we have these big complex projects, taking a more collaborative approach to these unique opportunities. I really want to commend our team for coming together and doing that. Between Taiwo and his team in Planning, Liz and Ed on the Transportation side, John Lewis on CATS (Charlotte Area Transit System) and Louise and the ED (Economic Development) team, everybody on this has really come together and think beyond just one piece of a project or even just the boundaries of the project. We've really tried to dig into this as what is good for the larger community, beyond just Ballantyne?

For tonight, I want to start this as an overview, give you a little bit of history. I think a lot of you have met with the development team, but also kind of frame this and this is going to be multiple conversations over the next several weeks or months or so. So, to give you a little bit of history, Ballantyne is only 26-years old so, as we talk about it, a lot has happened out there. When it came in originally it was 2,000 acres the community; 535 acres are the Corporate Park. The current rezoning is about 470 acres and there is also the golf course component to it. A lot has happened in a very short amount of time.

Ballantyne Corporate Park today is a mixture of 4.8 million square feet of office, hospitality and medical buildings. There are 17,000 employees in the Corporate Park. There are over 30,000 employees in a short area around here along 521 as well. With more than 300 companies and 92% occupied right now. It is really important that this is a strong employment center for us. It is under single ownership and I would point out that when this was sold Ballantyne, we were very fortunate for Northwood to come in and maintain that single ownership. I don't think without that we would be having the conversations that we are having today about a new transformation.

Ballantyne Reimagined; if you go back to the Retreat and remember the presentation and Taiwo and I did, and we talked about preserving some of today's strong areas. This is exactly that; I kind of refer to it is Ballantyne 2.0. What you are seeing here shows Phase I and Phase II of what is contemplated and that includes Phase I, which would be the first five years, over 1,000 units of residential, 10% of which are affordable. The construction of a public amphitheater, 300,000 square feet of retail and restaurants, 200 hotel rooms, greenway connections and an additional road and infrastructure. For Phase II, another 1,000 residential units, eight percent of those are affordable, 300 townhomes and 400,000 square feet of office. There is a Phase III that is contemplated but it is much more further down the road, but what you are looking again in this rendering is Phase I and Phase II. And again, it achieves a lot of the City's goals; it achieves more walkability, significantly increase the road network grid, which I will show you in just a second. Enhanced ped and bike facilities, it preserves the ability for public transit out here. As I mentioned on the last slide, affordable housing commitments are made and greenway. Overall it includes a more inclusive live, work and play community and again, it is thought about under the single ownership we can get this in a way, and it can be delivered in a way that is truly integrated for this area.

I don't want to dive into the rezoning tonight; you will have the public hearing in a couple of weeks. I just show you this slide to kind of get your frame of reference of what is coming forward. Everything in the orange is the 2020 rezoning, what is in the purple was in the 2011 rezoning and what is in green was out of the original 1994 rezoning. So, again you will see what I showed you earlier, on this slide is the Phase I, Phase II and on this slide is contemplated Phase III, but you will get that, and I will discuss the timeline with you in a little bit more detail at the end.

Then there is the discussion about the enhanced road network, and this is through significant private investment, but also a request for a TIG (Tax Increment Grants). The only public investment to date that has happened in Ballantyne was in the 2011 Tax Increment Grant that was for Community House Bridge over I-485. What you see in red at the top is for this road connection right through here, is a CIP (Community Investment Plan) discussion, what is in yellow through here is a TIG request and I remind you that the TIG's are funded by a third city investment and two-thirds county. Then, what is in blue, the intersections that are circled are a little bit of a cost-share. Some of these would be fully on the development team, some of these would be a cost-share with the TIG and private developers. The idea here is that the intersection improvements would be expedited sooner, rather than when they would actually be required as a part of the development. Then, in addition, there is another six intersections on here that are included that do not show up on the map. So again, we've tried to take a different holistic approach and not look at just the infrastructure that is needed to support the rezoning but pull back and look at the larger area, better coordinate with NC-DOT (North Carolina Department of Transportation) and then look at the timing of when improvements need to come online.

The Public Benefits – I've hit on these, they are significant, but the affordable housing, I mentioned earlier is 100 units, 10% of the Phase I units. The development team has changed their commitment from those 100 units all being at 80% AMI. They went from an eight percent commitment up to a 10% commitment in Phase I and then they split to do 20 units at 60% AMI and 80 units at 80% AMI. That is a change from the original commitment which was all of the first phase units at 80% AMI. Then in Phase II, it is eight percent of the units, but also the same split, which again is a change from the first time. The two major East-West Connection roads are significant because it gives us much

better connectivity through the area around the interchange. More than 100-acres of open space; part of that is for parks with a public amphitheater and then a commitment to MWSBE. We haven't worked out the exact percentage on that yet, but I will say that they exceeded their goals in the 2011 TIG. But then also the job creation that comes out of this. Over 940 jobs in retail and hospitality, 5,500 construction jobs and over 6,000 jobs of office have the potential to be added out here.

From the commitments, we've hit on what the commitments are. Our investment, the request is a \$17.5 million CIP request with a \$25 million TIG request, totaling \$42.5 million. The private investment between the parks and the other roads, the investments totals over \$60 million. All of this is to then leverage \$1.5 billion of additional investment over the next 12-years in their build-out. So, if you look at this and you look at where we stand today there is a \$1.3 billion current tax base in Ballantyne and then you can see the breakdown below that and what is the City share and what is the County share. If you look at the first two phases and go back to what I was just referring to, in the \$1.5 billion new tax base that can be added, it is a \$3.4 million additional tax to the City during the TIG and \$5.1 million to the County during the TIG. After the TIG would be paid off it is \$7.9 million annually to the City and \$14 million to the County, totaling over \$2.8 billion tax base in Ballantyne.

As I mentioned when we started this is intended to just be an overview. The County will actually take this to ED Committee later this week. There will be the public hearing on the rezoning on March 16th and then following that we will have additional discussions on the CIP and the TIG and anticipate coming and bringing this back to you again where we dive into the CIP and the TIG in a little bit more detail, ideally before you make a decision on the rezoning. So, between that March 16th and mid-April timeframe for more discussion and then wrap up bringing back for a public vote late April, early May on the CIP and TIG discussions. The development team anticipates actually trying to start on this in September, third quarter of this year, so this is something that is teed up and ready to go as well.

Councilmember Graham said I think it is a great proposal. Again, I remember there was nothing there and here we are going through yet another reimagined exercise. I appreciate the affordable housing units, it is just not enough, right. I understand the numbers, I understand the difficulties in doing it. A lot of service workers are going to be working out there and we've got to find a place for them to live or we will have to better reimagine the transportation system to get people to the jobs. A lot of service workers will be working out there and won't be able to live there and that is our community's problem, it is not my problem, it is a community problem that we just talked about, about 30 minutes ago, how do we really solve that issue so, I understand that. The other issue, did you say four parks?

Ms. Dodson said over 100-acres, four significant parks that were in there, yes.

Mr. Graham said and they are working in conjunction with Mecklenburg County to develop the park system?

Ms. Dodson said I think they have been talking to Mecklenburg County on that, yes.

Mr. Graham said I think that is good because again, we've got to improve our parks. A lot of open space over there. I love greenways, I think we need greenways and we need more parks so, I'm glad there is some discussion with Mecklenburg County about the parks in addition to the greenways and the trails. I think we need more active space, more tennis courts, more fields and those types of things for families and communities, other than walking the trail. I'm glad that it is a part of it as well. Again, I think I made the comment about the service workers, we've got to find a way to peel that onion and I don't have any answers. I just know that the jobs that are being created are service workers and if we don't have a way to get them to jobs via an inadequate bus system and transit is still a way away. Congestion on I-485 is not getting any better; how do we get the workers to the jobs?

Councilmember Driggs said I just wanted to say I think one of the advantages of this is you've got a very large site that is being developed in total coordination. Imagine if you had 200 two-acre developments going on here or 20-acres here and 30-acres there. That means that there is kind of a central theme to this new community that I think will be an asset to all of Charlotte frankly. It certainly will be to my District. On the affordable housing question, I like the idea of having more affordable housing there, but I think we need to be honest and realistic about the economics. We can't just prescribe. If you got to put that many units in there for us and expect the developer to absorb the costs. I think the conversation we need to have is about what we would like to see there and how that cost is met. I imagine that we will continue to discuss that, but I do think there are a lot of opportunities here and that given the \$1.5 billion in private investment, the amount that we are talking about in terms of public funding is not unreasonable.

Councilmember Ajmera said I think this is a great investment of almost \$1.5 billion of private investment over 12-years, that is pretty transformative. I'm concerned about affordable housing; I think we just talked about it, how we do not have enough affordable housing, especially in Districts 6 and 7. I understand the point that Mr. Driggs had made about the cost and how we have to be realistic about the cost, but at the same time, we have a housing framework where we have at least 20% of affordable housing at 30% or below AMI. What we are seeing here, if you go back to slide #8, I don't see anything at 30% AMI or below. The other question I have, 100 units of affordable in 30-year affordable housing commitment which is a longer commitment and I appreciate the leadership of this developer to show that longer time commitment but there is only 10% of the units that are still at 60% AMI. I think that is a concern for me. I would like to see that number go up, especially considering the public investment we are making in this development.

Mr. Driggs said for one the reference you made was to the policies we have around the use of our Trust Fund and other dollars. This is actually a voluntary inclusion of housing on the part of the developer so, there are no tax funds or other things involved. You need to look at it holistically I think and I'm all in favor again, of seeing more units there and the negotiation, but what I worry about is this sort of insistence well, you must have room for more of these units. Creating those units in that environment, given the opportunity cost, is a big number. I think what we need to do is get a little more quantitative, figure out what that really looks like and make sure that we are being reasonable in terms of the expectation we have. We have to be mindful of the fact that we can't make our zoning decision contingent on an outcome that we would like for affordable housing because we are not allowed to do that. This has got to be a negotiation, it's got to be sort of a friendly engagement where we look at the numbers and figure it out.

Ms. Ajmera said I do agree the framework we have is for Housing Trust Fund dollars and this one is not coming out of Housing Trust bucket which I understand, but still there is an ask for public investment. We are making investments for CIP which is \$17.5 million-plus we are making \$25 million in tax increment grants so, there is a public investment. Yes, it may not be for Housing Trust dollars, but this is a public investment and I think we've got to ask for more for this kind of public investment that we are making.

Mr. Driggs said just in response to that, I think if you want to talk about that public investment, then we need to look at how we define what ought to be properly private and what is reasonably public. If improvements are being made to our road network that improves connectivity in the area that is actually a reasonable public money investment and if you are saying well, we are putting in more than we have to for that and that should cover the affordable housing, then let's be a little disciplined, let's look at that. But as it is the majority of the infrastructure investment is private.

Ms. Ajmera said I agree that there is a private investment that is being made for infrastructure Mr. Driggs, but then also there is a public investment that is specifically being asked for, for this development. So, we have a responsibility when it comes to public investments to address the needs of our residents which includes infrastructure, housing, parks and recreation, all of it. I think as a Council if affordable housing is our priority, we've got to ask for more. This is not enough. This does not even meet the criteria that we have set for the framework.

Mayor Lyles said I think we could debate this. I think the point that both of you made is a point around how do we do something in a neighborhood where it hasn't been done traditionally. So, for me, what I really hope that we understand is that the staff has already put together about six or seven creative new proposal programs for us. There are bankruptcies in South Charlotte as well. Maybe that is a place to acquire and rehab and sell a property to someone. This is going to take all of our energy and all of our will to make this happen. The way that I see it is there is no one magic answer to it. The framework is the framework, but if we follow the framework it is not going to happen in this area of the City at all. We do need the infrastructure all across here; we can't do our rail system that is going to make economic mobility possible without connecting roads. Let's not make this an either/or, let's figure out what are we willing to do. I'm going to say this and sometimes I don't like to tell stories on myself, but I will. I went down to see the School Board Chair and I was like well you need to do this, and you need to do this and all of a sudden, I asked myself, why am I telling her what she needs to do? What have I done? What have I done to make a difference? So, let's not sit here and think about this in the context of well you know this is the only way to get it done or this is what we have to ask for. We have to ask what are we willing to do. I hope we will continue the discussion with the developer.

I hope there will be ways to identify land beyond the ones that we have under court in conflict right now to say how do we buy land. This is one of the things I'm worried about, even with the framework review. I think we've got to invest; 30-years is only one and a half generations. How long is a generation; I don't know, my children are very old so I'm not going to go with that. But, if you think about what we are doing right now, 30-years, that is two generations, is that still going to be enough? Is our housing policy of rentals only in places where there are 15 to 30-years, is that sufficient for us? If we are going to make an investment in South Charlotte, we ought to be talking about how do we acquire land and how do we do that and I'm not so sure we can wait for the rail to go out there to acquire that land. We've already got the policy on TOD and acquisition. What I'm hoping is, I know that this is a great company and a great organization; they wouldn't be doing this project without that of strength and ability. If they will just help us do better, let's figure out where we go from there. We are just going to ask for help, but we are going to have a development in Southeast Charlotte that is going to grow jobs. I'm not sure that we are willing to give up jobs over a discussion just around how do we connect roads and how do we build things out here. We have to figure this out and we have to be innovative and different and we have to ask for help. I hope that we don't put this as a discussion that there has to be a winner and a loser. It ought to be how do we win/win all the way across the board.

Councilmember Bokhari said agreed and again, a very exciting project. One thing that I will just mention now that I will be interested in seeing when the rezoning happens is particularly the strategy around and the forecast around what that will do. If you look at the choke points or funnels between uptown and Charlotte Central versus the Ballantyne area, obviously more trips, but are we expecting those to kind of centralize into two mini-cities if you will or is that going to be a greater choke point back and forth? I don't know you do that, but it is something that obviously that will be a big deal that may make us think differently about what kind of other investments we need to shore up those cross pipes.

Mayor Lyles said we've covered affordable housing, connectivity. Anything else we want to cover? I know there are rezoning petitions coming up. When did you say?

Ms. Dodson said the public hearing for the zoning is March 16th.

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ITEM NO. 4: VIOLENCE REDUCTION FRAMEWORK – SAFE COMMUNITIES COMMITTEE RECOMMENDATION

Councilmember Egleston said coming around is the framework to address violence using a public health approach so everyone will have a copy. This can serve as my Committee update for later too, but our Committee in our last meeting heard a presentation from Gibby Harris, the Health Department Director, how the County is looking at violent crime as a public health crisis and thereby looking at how we address it through a public health lens. The Committee discussed this framework document, viewed the purpose, short and long-term goals, the five key building blocks you will find those on page 2 of the handout that you just got. They are Intergovernmental Collaboration, Community Collaboration in Priority Areas, Interrupt Violence, Invest in Community-Led Efforts and Use Data and Evidence. Obviously, Intergovernmental Collaboration, we need to make sure that staff and elected officials at all levels and across all bodies that have a touchpoint in this issue, which is pretty much all of them are sharing resources, sharing information and working together, not duplicating efforts but complementing the things that each are doing.

Community Collaboration – make sure we are layering programs in geographically specific locations. We've talked previously you will recall about the four hot spots where we have a disproportionate amount of the violent crime that is taking place in the City occurring is just accumulatively of two square miles between these four hot spots. In the recent cross body meeting that we had, there was some consensus around trying to pilot some of these initial efforts in the Beatties Ford/LaSalle area which was one of those four hot spots. We will be talking more about that moving forward.

Creating a Violence Interruption Program, which would be one of the pilots we potentially explore deploying in that hot spot, using an evidence-based model that addresses the gap we have there identifying what our role in that is. Obviously, the Violence Interruptive Program would enlist a lot of community partners, of which I know we have some in the room today. In terms of utilizing their social capital that they have in those communities in a way that Police or City government or other entities like that might not have that same level of trust in the communities will rely on the trust that has been built over time with those community leaders.

Similar, but we have it as a separate building block, Community-Led Efforts; we know there are groups already that are doing this sort of work in the community. Again, I know that we have some of those representatives here in our meeting tonight so, this is not something we want to do instead of supporting the efforts of the groups that are already working in the community to address violence, but we want that to continue be a part of the solution going forward. We want this to be data and evidence-based and that doesn't mean if there is something that we can kind of anecdotally know is working in our community that we abandon it. But we want as best possible to be able to measure the results of the efforts that we are undertaking and our community partners are undertaking and evaluate those over time to see what is working best so we can deploy more of our resources, more of our attention to the things that are showing the best return on investment.

The Committee voted unanimously, to approve this framework, its adoption and sending it up to the full Council. I'll let you read through the specifics and the notes in this handout, but it will be used as a guide for staff in terms of the action steps or informed budget needs and opportunities that we have as we go through that budget process, which we will be back at the table talking about two days from now. Staff will take this framework and identify the short and long-term goals, working with our partners and identify what our first steps and roles and responsibilities will be from this point.

Mayor Lyles said are there any questions for the Chair? I'm going to ask Mr. Jones to address some of the issues that the policy, while the City of Charlotte, what that really means if we are using a public health approach in a collaborative way.

Marcus Jones, City Manager said one of the things the Council charged me with is working with the County Manager to make sure that we are aligned with this framework and we have been doing that. Dena and I and Chief Putney and Sheriff McFadden and the Health Director, we have been working together periodically. Here is the opportunity, we have two separate Committees that one County Committee and one City Committee that is working on this. Our whole mission is to have one framework that we are both working off of so, just as Mr. Egleston suggested that Beatties Ford Road and LaSalle Street became the focus at one meeting, we wanted to make sure that we didn't lose I-85 and Sugar Creek Road because that is where we started. As we aligned this, we believe that the best way moving forward is to continue to have the leadership of the Chief, me and Dena and our teammates discussing what is happening through the Committees, writing of one consistent framework, but also making sure that all of the grassroots organizations have a voice also. We believe that there is an opportunity to have, not only the Executive Leadership Team but a Steering Committee and different stakeholder groups in each of the four hot spots. We think that is a way to have supper collaboration so, as I'm talking to you about this, Dena is also going to be sharing this with either the Committee of the Board in general. I think that is important because we've had some confusion about how we move forward and when I have the Mayor asking me daily where we are, I think it is important that we show momentum also.

One of the first things that we've done is we've shared information with the County with some of the programs that we have been doing in these four hot spot areas. You may remember that three of the four hot spots are actually in the corridors of opportunity that we've discussed and even language means a lot. I know we've been talking about this Violence Reduction Strategy, but also, we are discussing corridors of opportunity and all the tools that we have in our toolbox. I feel comfortable where we are; we were going to have a follow-up meeting, but I just wanted to let you know that is what we are thinking from a joint effort between the City Manager and the County Manager.

Councilmember Watlington said having said that, from a technical standpoint, will they, they being the Board, see this framework or will they make a framework that will match this or how will we go about ensuring that everybody marching to the beat of the same drum?

Mr. Jones said the goal is to come out with one framework and there will be certain places where the County is taking the lead, there will be certain places where the City is taking the lead or maybe certain places where the faith community is taking the lead. So, that is it, we really want to walk away with one document, which will be incorporated in that, yes.

Mayor Lyles said I continue to feel a sense of urgency about this. This weekend wasn't one of our best. It just seems like maybe we close out the year and we all kind of started over with a new recount and not really with the urgency we are feeling and wondering every day as we picked up the paper in December. I want to thank the Committee for moving quickly to do this. I'm still looking forward to additional data that will help us decide and implement more strategic efforts. We've got some history of the work that other cities have done and in making some of those decisions there is still an element of identifying programs that work at each of the framework areas. I'm hoping that after everybody gets the framework in place that we actually have programs that have been proven and a team of people that care so deeply about this that they are not going to let us stop thinking about it every day. I'm continuing to look at the impact that it has on our City overall from the neighborhoods to our reputation as a place to visit and that makes a big difference. I think that urgency can't be dropped now. I thank the Committee, I'm glad the management team is going to put together an organization that works but I think the people that work on this have to really feel empowered to do. That is where we've got to go with this so, thanks very much for that.

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ITEM NO. 5: OPPORTUNITY HIRING GRANTS – WORKFORCE AND BUSINESS DEVELOPMENT COMMITTEE RECOMMENDATION

Marcus Jones, City Manager said this is another item that has come out of the Committee that is ready for a Strategy Session thumbs up. Emily Cantrell will be leading us through this next discussion and Mayor; after that, those are the items that have come out of Committee that need to have some level of discussion at this level. The next would just be reports.

Emily Cantrell, Economic Development Operations Manager said I am currently the Interim Assistant Director for Talent Development for our City's Economic Development Department. As some of you know I have been very involved in developing talent strategies to fill the 4,700 new jobs we announced in 2019 through the City's Business Recruitment efforts. Tonight, I will present a framework for a new incentive focused on hiring and talent development opportunities for our community that we are calling the Opportunity Hiring Grant. We've learned a lot over the past year in leading business recruitment for the City of Charlotte and one take away is that we need to be more innovative in our incentive policy. That's led to the creation of the pilot program framework that is currently in place. We've also learned that we need an incentive tool that drives equities and opportunities in job creation by incenting companies to partner with training providers to fill jobs, incenting companies to consider alternatives to pathways to employment within the organization and incenting the focus on hiring Charlotte residents.

Tonight, we are proposing an Opportunity Hiring Grant Pilot Program and what this would essentially provide is a cash grant of up to \$2,500 to prospective or expanding companies for each new full-time employee hired from our certified talent development partners. In order to receive this cash-grant, the company must demonstrate that they have hired the employee and provide us benefit, wage and position information. While this is a business recruitment incentive there are also talent development objectives to this program. One of those is to increase opportunities for individuals in our community to obtain employment. This is an investment that stays with our residents as they continue through their career pathways. We also want to create a new tool for business recruitment and expansion that is tied to providing equitable opportunity for new jobs created as well as bolster utilization of the City of Charlotte talent development partners. In doing so we will increase connections between economic development and our community development objectives.

Because this is an incentive program it is targeted towards companies who are coming to our market in a competitive nature. That would be prospective businesses considering relocation to Charlotte or existing companies considering expansion in our market and another market outside of our region. In addition to creating new jobs in our community, the company must also be in one of the target industries within our current Business Investment Program and be offering jobs that have transferable skills and in-demand skills as well as competitive wages. The companies are also required to partner with our talent development partners. We've also added this tool to be comparative with our peer cities, to have added employment and training grants tied to equity.

For the pilot, we are proposing an award of up to \$2,500. We do want to be flexible in this amount, given that this is a pilot, but currently we are proposing a grant in the amount of up to \$2,500. This will be provided to the company as a cash grant once the hiring is completed and the company will have a defined period of time to make the hires. This grant money can be used for offsetting the tangible costs and also intangible perceived risks of hiring some of our opportunity talent population as well as covering costs of professional certification and exams an employee may need upon entering into the position. We are also hoping that a company could use this money to leverage additional grants such as our Community Colleges Customized Training Grant and Charlotte Works Upskill grant. Again, these are investments that remain with the individuals who receive this money.

Feedback is going to be an important tool for the success of this program, therefore we will be tracking the number of grants awarded, jobs created as well as the number of

eligible candidates presented by our talent development partners, who was hired, who wasn't hired and why what program seemed to be producing the type of talent our employers are asking for. We will be asking for quarterly feedback from both the companies and to the talent development partners throughout the year.

We've used the term certified talent development partners, what we really are those organizations in our community who we already work with on a daily basis, who are offering programs or just continuing education programs, technology training programs, skilled trade, and professional service classes. We are developing a process for these partners to submit an application for consideration into this program and some of the criteria we will have is that the provider must be a not for profit and located in Charlotte. They also must be offering an industry certified curriculum and credentials and they need to continue to provide support to those participants they have placed in employment through supportive services.

Ideally, I would also like to link the company to our talent development partner in terms of developing an onboarding strategy for these employees who are entering this position in order to ensure their ongoing success. In a year we will hold up a program that has helped achieve the City's mission of being a top market for business recruitment and expansion by creating an incentive tool that invests in the residents of Charlotte as well as better utilizes our talent development partners and increases placement in employment opportunities for our program participants.

Tonight, we are asking for your recommendation to implement this pilot program beginning immediately. We'd also like your approval to work with companies who have announced in our community since July 1st and who are currently in the hiring phase of their expansion or relocation into our community.

Councilmember Watlington said I know that Charlotte Works has a similar program where they incentivize employers and they cut some of the risks in the first six months of hire. I'm sure you've done benchmarking from that program. From that what do we expect to see in terms of numbers.? What I don't see here is a guide path or any target. I know it is a pilot, so we are learning, given that there is a similar program I'm trying to see what –

Ms. Cantrell said I'm familiar with those programs and I think an important thing to note is that some of those grant programs, the criteria is that the employee has been with the organization for up to a year. This will be hiring grants for new employees in new positions.

Ms. Watlington said do we have an idea of how many people were hired through that program and what the demand? I'm just trying to get a sense of the demand.

Ms. Cantrell said I do not know the number of folks hired through the Charlotte Works Program, but we can certainly find out. What that your question?

Ms. Watlington said yeah because I just want to get a sense of what we are expecting to see from here.

Mayor Lyles said think you will see, depending on the pilot, how much the spend rate is and seeing how the effective metrics work. It will be different than Charlotte Works. They do both, under and unemployed and underemployed in this market they are coming back to work pretty quickly.

Councilmember Driggs said you have as a reporting requirement for hiring salaries. Does that mean that we have a definite idea of what salaries we want to see from the program?

Ms. Cantrell said yes sir, I think what we try to encourage and sometimes require in our incentive programs is salaries that are in line with the industry averages. Some of our programs, for example, in training and logistics would have salaries around the mid-thirties.

Mr. Driggs said so, it is the appropriate salary for whatever the training was aimed at?

Ms. Cantrell said correct; we look at the industry and the occupation the companies are filling, and we look at that wage data in those occupations and our MFA is currently trending.

Mr. Driggs said would we be working with CPCC (Central Piedmont Community College) for example?

Ms. Cantrell said they could be one of our certified training providers if they decide to fill out the application. We've had conversations with them, and they are excited about this opportunity so I do anticipate that they will participate.

Mr. Driggs said it doesn't look like this is a huge program financially, but do you have a budget in mind for the pilot?

Ms. Cantrell said I would like to personally be able to incent at least 50 positions within the next year, but a lot of that will be driven by the company's willingness and the opportunity to create these positions for them.

Mr. Driggs said I just think there is sort of a natural limit in terms of how many opportunities we will have to use this tool?

Ms. Cantrell said we also want to be flexible in terms of if there is a really great project with a lot of opportunities to work with them to create some bold targets to make an impact.

Mr. Driggs said it looks very interesting, good job.

Councilmember Newton said thank you and I appreciate the presentation, great job. When we talk about innovative solutions here, I think you know we are hitting the nail on the head. At the same time, we are talking about increasing equity and opportunity, I think what we are looking at here is we are looking at an opportunity to incentivize, not just big business, but small business. I wanted to maybe hear a little bit more information pertaining to that. I wanted to ask about benchmarks. Ms. Watlington a moment ago was mentioning how Charlotte Works has a benchmark of an employee being there for a year. Do we have any benchmark like that here where an employer doesn't just hire somebody, receive the grant and then that person gets let go a month later? What benchmarks or is there a ceiling? Once again, talking about equity here, and to Mr. Driggs' point, I think a moment ago I think you were saying we are looking at salaries in the mid-thirties. Is there a ceiling for salaries where we are not talking about kind of supplementing or incentivizing salaries in the six-figure range when we want to make sure that we are helping folks get some of those entry-level or mid-level opportunities?

Ms. Cantrell said sure. That that was a multi-faceted question so I will try this.

Mr. Newton said small business versus big business if you could comment on that and kind of benchmark here; the periods of time and maybe ceiling for salaries.

Ms. Cantrell said I got it. We are intentionally trying to be flexible with this tool and one of the reasons is because we have encountered companies coming into our market where our current incentive program has not been able to assist them in doing really good things in our community. One of those examples is the company called Time Solutions and I think you've heard us talk about Time Solutions in the past. They are a company that was considering Charlotte for an expansion; they are currently here. They have committed 1,000 jobs to our community, but they intentionally want to work with the residents who need these job opportunities. Because the capital investment and their wages did not meet the current threshold of our program, we didn't have any tool to partner with them to help them accomplish their goal. That is one example of a company that we would hope we could incent into this program, is one that wouldn't traditionally fit the framework

and meet the capital investment and the job creation numbers of our current policy. That is where some of that innovation comes into play is that we needed an additional tool to incentivize companies like Time to come into our community. That being said, if a company is considering Charlotte and it is competitive in nature, the size of the company doesn't as much matter as the fact that it is a competitive project because this is a tool under our Business Recruitment Program. The benchmarks that we will be tracking really are what industries are the best fit for a program like this, what occupations in our community are most attractive for players to partner with our talent development partners. What are those wages? I mentioned the mid-thirties just as an example, but I could see an opportunity such as partnering with the Carolina Fintech Hub Win Program of another one of our technology training programs to accelerate someone into a six-figure salary. That would be a huge success for us to take someone who needs the opportunity in a career who has attempted to better themselves in their career through going through a training program. I would be thrilled if to place that person into a technology salary job. I think we are wanting to see how the market responds to this program and still remain flexible in a way that we can create early partnerships with employers and also get some data points to look at quarterly to see how we are performing.

Mr. Newton said I like the creative here, but I just want to make sure that we are meeting our goals, specifically the goals being outlined for this particular program and we are not finding ourselves in a position where we may be taken advantage of. I wanted to ask another question too and that was regarding our talent development partners and their involvement here. When we award a City contract, oftentimes these are big dollar contracts and there are a lot of employees that get hired to institute the objective of the contract. How do we work with our development partners in that context? Do we work with them in that context?

Ms. Cantrell said yes, absolutely. I just want to make one distinction that this program is an incentive program, but on the flip side of that, a lot of the work that we do is with our existing companies and capacity building. I would say an example of what you just mentioned is how even with the City contracts that are on the Airport and the Convention Center, there is an initiative that Holder/Leeper/Foard/Edison general contracting partnership, they specifically developed a workforce development component to those projects. Then, in turn, we worked with our talent development partners who are offering training specifically in construction. Some of those programs are Project P.E.A.C.E. programs to feed residents who have gone through those training programs into those employment opportunities. We work kind of all sides of the talent development spectrum and that is one recent example.

Councilmember Bokhari said to me I think this is a really good approach the staff takes in ED on piloting and figuring out a very small scale of things work. I think an easy way to picture this one is over the last two or three years I've seen this interesting kind of intersection of three forces and you all will probably recognize these as well. One of them was when we are out recruiting companies, jobs, Lowe's, Honeywell's, all these different companies like that, the number one thing they are always asking is about talent. It is the war for talent and usually when they are picking between the top couple cities, they are trying to figure out which one is going to give them the competitive leg up from talent. The second one is this element as we are seeing these workforce programs in our town be it CPCC or others evolve, we are starting to see it evolve towards the model of no longer just like a, we will train you as kind of a side hobby and then maybe one day you will get a job. People are moving towards you are going to get paid by the people who want you to have those skills if you have the aptitude to learn how to do the job and then do the job all in one fell swoop.

The third factor is inside our own walls in closed sessions where sometimes there is pushback when we see salaries too high in the incentives that we are doing. We say well this furthering the gap of inequity and are we bringing in \$80,000 and \$90,000 jobs that are ultimately hurting. I think this is a potential glue pared with overhauls and enhancements that we are already looking at and the Mayor's Youth Employment Program and Project P.E.A.C.E. to really institutionalize some of the broader actual programs and things that will deliver these things longer term at a scale. But, until then,

this is that glue that says we are not going to try to incent and only bring jobs that pay \$30,000 a year that are literal jobs, dead-end jobs in a lot of cases. We are going to find careers that they when they need it will connect to a source of new market talent that can catapult them into upward mobility. I think is going to be really hard, I have no idea if this is actually going to be successful or not, but I know the space is critical so, the very small approach in a pilot form like this, I think it is going to be really interesting to see both large but also small companies coming here with jobs to say will you hire out of these programs that guarantee upward mobility and the talent you need and do you view it as competitive? I think if we crack that nut it will completely change the game in the way that we recruit and look at jobs that have higher paying salaries because what we want to do is launch those in our bottom quintile of poverty into careers, not into minimum wage or livable wage-paying jobs and that is ultimately where it stops.

Ms. Watlington said I've just got some clarifying questions. The first one is, is this intended for companies that are relocating to Charlotte or existing companies that are already here or both?

Ms. Cantrell said it is both as long as they are doing so in a competitive process. They are considering Charlotte as well as another market outside of our region.

Ms. Watlington said my next question is; I've asked this a couple of times so, bear with me. I'm trying to understand if I'm a business I need to hire people to stay alive so, why would I go to the incentive to hire people that have the skills that I need? Is it that they are hiring people that are not just coming out of these programs? I'm not able to connect the dots as to why we would need to incent businesses to do what they would need to do ordinarily.

Ms. Cantrell said to that I will say this; I've sat down across the table from a lot of businesses over the past year, both considering our market and would be new in our market as well as existing. There is an opportunity in our community to help our businesses understand the value that our talent development partners bring to our local workforce. I would love to see as a result of this a higher utilization rate of our talent development partners for industry-specific employment. Whether it is a perception or a tangible lack of skills out of these programs we need to push that connection and make it tighter so there is a very seamless transition for a resident coming out of a training program and into a competitive wage job. I think there is a huge opportunity in our community to do that more and to do it better and this is the tool that I hope will drive that connection and drive a higher industry placement rate out of some of our training partners.

Ms. Watlington said so if I am understanding what you are saying, in particular, industries there are people who have not gone through these programs that are getting hired in lieu of the people who are coming out because there is a branding or whatever problem in terms of perceived quality coming out of these programs. Correct?

Ms. Cantrell said I would say yes.

Ms. Watlington said so if that is the case it would seem to me that means that employers have an option and if they've got an option between hiring people out of these talent programs or hiring people who did not come through these programs, that would tell me there is a surplus in the potential employee because if they needed everybody they would have to hire everybody.

Mayor Lyles said I'm going to try; Emily, I know there may be some perception around this, but I was at the CIAA this weekend and I talked to one woman serving in one of the suites. She works three 12-hour days at a large company out by the Airport, she makes \$17 per hour, she is a teacher's assistant in CMS, she makes \$13 an hour, then she tries to get another 10 to 15 hours working either at Spectrum or the Panther's Stadium. Now she is employable, but she has to get to a training program and somehow, we've got to get this money to incent that person who works really hard, more hours than most people that have regular jobs working, but she is not trained and if we can get those kinds of folks matched up. So, I don't think there is a surplus of employees. There is a surplus of the

perceived employable so, how do we match employable and training and get them to understand this isn't \$2,500 to pay this person but it may be to get them to go to the training program that might be just four hours a day or whatever. It is not just that so, I know that we as a City, what we did after the Keith Lamont Scott, we created training programs and we had to go and beg people. Now, today people are knocking on the door, but we don't have the people trained. So, there is a big difference between willing to work and willing to get away from the jobs. Her rent is \$1,000 at Renaissance West.

Ms. Watlington said but this incentive is incenting the employers to hire her when she comes out of the training.

Mayor Lyles said when she comes out of the training there is a risk there because she may not have done the job before. She has an entirely different background, but she's got the willingness. To say to that person, we are going to hire you, this incentive works for us, but maybe they could actually use it to identify training for that person. If you are not spending \$2,500 on what you are currently doing and you can invest in your workforce, I think that is what most employers are trying to do now, to keep people and find more people that are able to have their first real opportunity at a well-paying job.

Ms. Watlington said understood, but my question remains in that if she is not hired, they are going to have to hire someone. Are we saying and that is what I want to know, based on the conversation you've had with the businesses, are they leaving opportunities vacant rather than hiring somebody that has got willingness?

Mr. Bokhari said Madam Mayor, if I may; I think it is a real simple angle to this thing here which is while I think all those things are true points of it, but to this point, it has to be a competitive deal from a company who is looking at multiple cities. So, this gives us a new tool if it is competitive and we may lose them to another city to give them, especially smaller businesses where we don't have a lot of tools to give them. Because this is very small dollars, we now say here is a small pot of money to come to Charlotte, the string attached being, you need to hire out of these programs. They want to hire anyway if the programs have good quality. This is just simply a recruiting and retention tool for competitive deals.

Councilmember Johnson said I think we have a real opportunity right now to really address economic mobility because a lot of those programs like Urban League and a different training programs have an income limit to even participate in the training courses. So, the population that you are getting is a population that might be at a certain income limit. Another thing many of those companies will work with formerly incarcerated so, I think this opens up the pool of potential employees because there are people that are willing to work but not able to obtain employment. I think that this is a real opportunity to target specific populations, get them trained and then get them employed.

Councilmember Ajmera said this really gives us an opportunity to promote local hire talent which we can ask them to do it specifically, but this sort of incentivizes employers let's hire the local talent here that is just coming out of training and education, etc. instead of recruiting someone from out of town or out of state, etc. I think this is a good tool. I'm looking forward to seeing what kind of results it is going to generate for our local residents.

Mayor Lyles said I think you got a go-ahead to try the pilot and just let us know how it is going.

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ITEM NO. 6: COUNCIL COMMITTEE UPDATES

Mayor Lyles said I know you've all read these in great detail. The purpose of today is not to have them repeat what is in front of you, but to actually ask you to comment on or question anything that you think about what is on our report today. You heard from Safe Communities; Larken do you have anything else that you want to comment on?

Councilmember Egleston said no ma'am.

Inter-Governmental Committee

Councilmember Bokhari said as we all know because, in the last couple meetings, we've approved what our ultimate agendas are, but we will be leaving on Sunday, a majority of folks to go to DC and aside from the National League of Cities, on Wednesday we will be acting on our Federal Legislative Agenda. We are focusing on affordable housing, comprehensive immigration reform, transportation infrastructure and urban area security initiatives and will be paying congressional briefings on Wednesday, March 11th. Then we will have the State Delegation Briefing in April.

Mayor Lyles said anything on Inter-Governmental; everybody has got their reservations and I think there are nine people going out of the 12 of us.

Great Neighborhoods Committee

Councilmember Graham said I think Ms. Wideman did an excellent job today giving you an overview of the affordable housing that we are dealing with within the Committee. At our last Committee meeting, we had a presentation from LISC; they celebrated their one-year anniversary in the City working on affordable housing with us and they did a tremendous job, just updating us on what they are doing, how they are doing and what they propose to do moving forward. I think it was a great presentation. Obviously, the Committee just got a boatload of work, thank you Madam Mayor. Starting with the housing framework, I met with Pam briefly over there for about two minutes on about 12 items that we will kindly condense. So, we will begin to work on that immediately.

There are three items that have not been referred to the Committee and that the Committee is not taking up at all, but we are gathering information on. One is the source of income discrimination, you've heard about that and so we just want to educate ourselves as a Committee, no referrals, we are not taking any action other than acknowledging that we receive all the e-mails and the phone calls from the community in reference to it. In addition, short-term rentals, not a referral to the Committee, but I asked the City Attorney to kind of help me identify best practices across North Carolina. We are meeting, we being me and Councilmember Eiselt via phone with AirB&B on Wednesday. We will see how that goes, but the Council should know those issues are buzzing around and we acknowledge that we hear the buzz and at the appropriate time we will have a conversation with the Mayor and/or the City Manager about where we go from here if we go anywhere. I just want to let the Council know that those issues are kind of buzzing around.

Lastly, ALIVIAN, formerly known as the Charlotte Housing Authority keeps requesting feedback in reference to meeting with the Council as a whole. I will let you and the City Manager respond to that. They want to meet, I delivered the message and I'll let you and the City Manager in your wisdom decide how you want to move forward with that request.

Mayor Lyles said I think ALIVIAN has a report to your Committee as a part of their annual report to Committee so, I think you should feel free to go ahead and set that up and other members can join them. On short-term rentals, Andrew Fetty is now the Head Compliance Officer for Airbnb. If you guys remember Mr. Fetty is from around the scenes here in Charlotte. I forget which town, it is a little town outside of Silicone Valley, that area. We have talked, I think Dana can give you a briefing on this as well from the State Legislative so if you can do that it will be great.

On income discrimination I really want us to be informed and it is more than just housing vouchers and all of that. I have learned from the referrals of the dog tethering and all of that when you come in with only one point of view then everybody thinks that is the only point of view and I've asked the income discrimination advocates to find out what other points of view are on this subject and to actually think about consequences of them and try to resolve those and not put the Council in the position of refereeing. We can do, I'm not saying you can't, but it would be a lot better to come at it in a different way. I appreciate

your guy's willingness to learn more about it and again, that is something we have to work through Inter-Governmental and the State as well, so thanks for taking that on.

Budget and Effectiveness Committee

Councilmember Driggs said I wanted to say to you and report, one I hope there is something we can do about the short-term rentals because we've got a couple of situations [inaudible] and I don't know how to do that without getting [inaudible]. The Budget and Effectiveness Committee consists of myself, Councilmembers Eiselt, Ajmera, Graham and Johnson. We met and discussed five topics, General Capital Debt Affordability Overview and Update, Water Budget Outlook, Stormwater Budget Outlook, Employer of Choice Compensation and Benefits update and Proposed Budget Workshop Agenda. On the General Capital Debt Overview and Update, Kelly Flannery gave us a model that shows how given our existing debt and our projected cash flows, we can actually predict a steady-state debt incurrence capacity for planning purposes. What she told us was that there is about \$223 million per bond cycle that we can incur in debt against our projected cash flows and be able to service. For me, the next step is now to think about how we match up all the things that we want to do in the capital investment area with that but that is very useful information.

The Water budget outlook is good; they expect to request an annual rate increase in line with what we've been told to expect in the past in the 3 to 3.5% range. Good capital spending there. They really seem like they are on top of their game. Stormwater budget outlook is also good, which is interesting because this was a very difficult subject for us a couple years ago and we have now reached a point where we have under control the request for service and we have a plan in terms of meeting the capital needs and working down the waiting list for service.

Employer of Choice Compensation Benefits update was mainly about the benefits package that employees and we get, health care in particular, which is a good package. The My Clinic Program has been a huge success, resulting in a lot of financial input that we didn't expect that we would have so, I think that is a very favorable outlook for this year in the budget.

Finally, we talked about the proposed Budget Workshop Agenda and we will see what that is. You will see what it is, but it is pretty much those topics plus one or two others that had been proposed to us. We do want to start thinking about what our capital plans should be for the 2022 cycle. I think those are the high points.

Mayor Lyles said you have in front of you two letters; in December I talked about having a Citizens' Committee on Governance and a Citizens' Committee on Transportation. It took a while to get there. In terms of the Council Retreat, we started talking about mobility, which is very different than just transportation funding. I'm pleased to announce that Harvey Gantt has agreed to lead the activity and the review of what we are calling our Mobility Task Force, which is Charlotte Moves. It is to actually talk about how do we get mobility solutions from the vision into action. I wanted to share with you, and you can see the names of the people, we still have a few people that are not confirmed. This Committee will start with their meetings in March. One of the things that Harvey insisted upon is that the Committee will have their meeting and then there will always be a citizen time for comment that is actively engaged about what the Committee discussed during that meeting at that time. Those meetings will be from 6:00 p.m. to 8:30 p.m. and both the Committees have agreed to try to finish up by December. You also have the one on the Citizens' Committee for Governance. I want to say that we tried really hard to balance; we had maps of where people were, which districts were represented, race, ethnicity, all of those things we tried, but I know that no system is perfect and I expect that you will have someone that will say to you, I wanted to do this. What I would say is tell them to come, give their input, there will be opportunities for both. There will be lots of engagement and time at each meeting for citizens to talk and impact whatever discussions have gone on. I know to get Amy Peacock, Cyndee Patterson and Harvey Gantt to agree to do this work again was something that I'm really proud that they believe enough in what we are doing in our community to continue to be actively engaged. I think

we've got the right folks in leadership positions and I'm pretty excited about it, especially when they said they would finish by December. They are going to really work hard and I'm looking forward to the results of their work. You can the charges are imbedded in the letters that we sent out for the folks to be participants in it.

Workforce and Business Development Update

Councilmember Bokhari said you saw one item thereof several that are underway around recruitment, economic development company recruitment. There are several others underway there, but a lot of emphasis right now is on workforce and figuring out what the City's involvement is going to look like in the next fiscal year, particularly at our two existing programs, the Mayor's Youth Employment Program and Project P.E.A.C.E. and how those might be enhanced. As well as inventorying up all of the players in the ecosystem and how we can greater combine and leverage the full force of the community really going heavy on the topic of workforce in this next cycle.

Marcus Jones, City Manager said I believe tonight you will receive an e-mail that gives the 57 or so items that came out of the Retreat that we said that we would give to you. We've consolidated them down to about 30; six of them have already been referred to Committee. There are about 10 that seems like they may need further Council action and 10 that I and the team will work on to give you more information, but the concept would be that this would be discussed at the April Strategy Session.

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ITEM NO. 7: CLOSED SESSION

There was no closed session.

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ADJOURNMENT

The meeting was adjourned at 7:32 p.m.



Stephanie C. Kelly, City Clerk, MMC, NCCMC

Length of Meeting: 2 Hours, 30 Minutes
Minutes Completed: April 1, 2020