AGENDA

Meeting Type	S
Date	05/25/1993
SUBJECT	Budget Briefing

City of Charlotte, City Clerk's Office

Handouts
May 26, 1993

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INNOVATIVE HOUSING FUND

FY94-FY95 Budget
Issue Paper

Description: After several discussions by the C D and Housing Committee, there remain two outstanding issues to be determined by the Council which will have an impact on the FY94 budget.

Decisions Needed:

1) How to allocate Innovative Housing Fund resources among the various programs and agencies.

2) Who can most effectively own and manage the 309 city-financed housing units?

Options and Impact

1) **Option:** Schedule discussion on Housing goals and objectives for summer. Determine policies and strategies and how various programs and contract services "fit" into these goals. Staff will present a proposed process for this discussion at the June 9, 1993 budget workshop.

   Impact: Amend current contracts, extending operating expenses for three months; after workshops, renegotiate contracts to "fit" Council priorities. Allow contractors not recommended for funding to have an additional three month close-out funding.

2) **Option:** Consider recommendation from the C.D and Housing Committee concerning ownership and management of the 309 city-owned units The motion from the committee stated· "After a one to two year transitional phase involving city responsibility for ownership and management, the City-financed units would be transferred to the Charlotte/Mecklenburg Housing Partnership to be owned and operated as transitional housing serving families earning between 27% and 60% of the area median income." A vote on

the motion was taken and passed, however a quorum of the committee was not present. This discussion is scheduled for the June 14, 1993 Council meeting.

Options include:

- leave operation and management with Housing Authority

- transfer operation and management to Partnership

- bring operation and management "in-house"

- explore opportunities to "privatize" management of units

Prepared by. Budget and Evaluation
May 26, 1993

CHARLOTTE-MECKLENBURG HOUSING PARTNERSHIP

Housing
Contract Evaluation
FY94-FY95 Budget

A. Project Description

The Charlotte-Mecklenburg Housing Partnership (CMHP), incorporated in July 1988, is a broad based, non-profit housing development and finance corporation organized to expand affordable and well-maintained housing for low and moderate-income families in Mecklenburg County. An additional focus of the CMHP is increasing the ability of occupants to more fully enter the economic mainstream.

The mission of the CMHP is to develop affordable housing opportunities through public-private partnerships. The CMHP has a Board of twenty-four community leaders. The public partners are city and county governments, with support from the federal and state governments. The private partners are financial institutions, developers, businesses and investors The community partners are civic and religious groups, local non-profit organizations and target neighborhood representatives

The CMHP operates three programs: Housing Development and Financing, Homeownership and Pathways.

Under the FY93 contract, the CMHP is to develop and finance affordable housing. Under the Homeownership contract, the CMHP assists potential home buyers in money management and in clearing up credit problems which are a barrier to homeownership. Under the Mecklenburg County grant, the Pathways Programs in Summerfield and Fair Market Square provide individual-community support for self-sufficiency in multi-family units (Pathways I), and post-homeownership support while focusing on neighborhood empowerment (Pathways II).

Because of the revolving nature of the funding provided to the CMHP in the housing component and because the development of multi-family projects often spans two years or longer, this report covers CMHP activities life-to-date as well as highlighting accomplishments of this fiscal year

B. Funding from the City

Since FY90 the CMHP has received $8 million in grants and $445,000 in loans from the City. The CMHP uses 100% of the City funds to fund their housing program, including acquisition, rehabilitation and new construction. Their administrative costs are funded from a variety of sources, including interest earnings on City funds which are advanced to CMHP for the housing program.

Charlotte Mecklenburg Housing Partnership
Administrative Costs Funding Sources
FY92

Revenue Sources	Amount Unrestricted Revenues
Project Fees	$ 105,433
Unrestricted Contributions	31,968
Interest on Cash	84,537
Interest on Receivables*	72,476
Administrative Fees/Other	32,855
TOTAL	$ 327,269

*non-budgeted, non-cash item; accrual accounting entry only

According the annual audit for FY92, contributions from the private sector decreased from $98,473 in FY91 to $54,598 in FY92. The CMHP's response to the decrease is "because CMHP is attempting to not rely on contributions to fund operating costs."

How are the City funds used?

When the CMHP receives City funds, the funds are placed in an interest bearing account. The CMHP then uses their funds in several different ways. A portion of the CMHP funds are used for short-term acquisition and construction financing. These funds revolve or recycle when units are sold and permanent mortgage financing is secured. The program is designed so that the first mortgage financing does not equal the sale price (i.e the funds CMHP has in the unit) and therefore CMHP makes a second mortgage to the purchaser for

the closing costs and the difference , which makes the house affordable. This second mortgage is not payable until after the first mortgage is paid off (or the unit is sold) which is usually 30 years Therefore, these second mortgage funds are considered "permanently expended" and are not counted as part of the "revolving pool."

There are two types of single family programs: new construction and rehabilitation. City funds may be used to purchase a house to be rehabilitated and to pay for the rehabilitation. CMHP sets the sale price of the home equal to the acquisition and rehabilitation cost. City funds used for acquisition and rehabilitation are recycled in an amount equal to the permanent, first mortgage loan. Any difference between the purchase price and the first mortgage becomes the second mortgage (held by CMHP), to be repaid after the first mortgage. These funds represent a long term commitment. In some cases there may be a third mortgage from the N. C. Housing Finance Agency. This mortgage is deferred and forgiven over a period of years

On single-family new construction, City funds are used for acquisition of land and for construction costs. A portion of these funds are repaid from the first mortgage when the house is sold. CMHP sets the sale price of single-family homes equal to the estimated land and construction costs. CMHP takes all proceeds from the first mortgage to repay the short term funding. Any difference between the sale price plus closing costs and the first mortgage is funded through a second mortgage financed by the CMHP.

Under the single family programs (both new construction and rehabilitation) a total of $8,773,935 have been expended. Of this total, $1,637,610 is permanently expended.

In multi-family projects, City funds may be used to purchase land, and carry out pre-development tasks. Applications are made for the many types of financing necessary to make a multi-family project work. Once this permanent financing is finalized, the CMHP may make an equity investment or a loan to the project. All of the funds spent on multi-family projects represent long-term mortgage arrangements and are considered "permanently expended." To date, $1,378,080 has been spent on multi-family projects.

In other instances, the CMHP has provided loans at low interest rates to other non-profits and for profits in order to provide affordable housing Examples include: a long-term loan to Neighborhood Housing Services, a long-term loan to Crosland Properties for Summerfield, and a long-term loan to the Charlotte Housing Authority for Seneca Woods. All of these loans, are long term financing and should be considered "permanently expended." The total single

family and multi-family funds permanently expended is $4,328,965. The balance of the funds, not permanently expended, are revolving for acquisition and rehabilitation or tied up in inventory.

How are private funds leveraged?

A consortium of banks has created a mortgage pool of $17.5 million for home purchase loans to low and moderate income persons. On the single-family units which have closed, the CMHP used $3.7 million in private funds and $1,442,098 in City funds for a leveraging rate of $2 56 private dollars for every City dollar invested.

Sixty-eight percent (68%) of the cost of the completed multi-family developments was funded with private dollars. The investment of $1.2 million in CMHP funds and $1.1 million in other Innovative Housing funds has leveraged $4.8 million in private investment, a rate of $3.86 in private dollars for every $1 of CMHP dollars or $2.04 private dollars for every $1 in city funds. In the completed projects, the average per unit cost has been $48,458 and the cost to the city has been $15,954.

C. Contract Objectives

What is the status of CMHP contractual obligations for FY93?

A table itemizing the FY93 contract objectives and the status of achievement is attached to this evaluation as Table 2.

There are five specific, measurable objectives included in the CMHP contract:

1. Leverage private dollars to city dollars at a minimum of a $2:$1 ratio.
2. Purchase or finance a minimum of 100 units per year
3. Meet commitments as outlined in the separate Genesis Park agreement.
4. Meet commitments as outlined in the separate Seversville Agreement.
5. Design and implement a plan for construction of 30-40 new single family residences in Greenville

1. Leveraging

The contract objective for leveraging private funds was at a rate of 2 to 1. Throughout the life of the program, private funds have been leveraged at a rate of $3 67 to $1.

2. 100 units per year

The production goal for the CMHP is 100 units per year in public-private partnerships. As of March 31, 1993, the CMHP has actual production and planned production of 418 units, an average of 103 per year of operation.

However, it should be noted that production goals for FY93 have not yet been met. CMHP is in the process of negotiating options which may result in this goal being met by June 30, 1993. Between March 31 and June 30, the CMHP plans to acquire 28 additional single family homes in Genesis Park, 23 in Seversville and 16 other scattered sites bringing activity levels up to 100 units for FY93. As of March 31, 1993, 33 units have been closed, are under contract or under construction

CMHP identified several reasons for reduced production level this fiscal year. During the last six months, the CMHP staff grew from five to fifteen (four of whom are funded under a separate contract with the City). This created a need for policies and procedures and a more formal structure than was needed for five employees. In addition, a major new component was added to the CMHP -- Homeownership Counseling. This required a great deal of time from key staff members in developing the new program, hiring and training staff, etc. During the last six months, the organization relocated to larger quarters to allow space for its expanding staff and expanding activities.

3. Genesis Park

The CMHP made a commitment to revitalize and stabilize Genesis Park, a deteriorated area which is one of the most drug ridden neighborhoods in Charlotte. The strategy is to acquire and rehabilitate and sell to home purchasers enough of the homes in the area to turn it around. To that end, the CMHP has completed the rehabilitation and sale of 7 units and has acquired 39 units, 13 of which are now under construction. There have been complaints from some of the first purchasers; however, the CMHP has taken action to correct those problems. A new full-time CMHP position of Construction Supervisor, which is filled by a licensed contractor, allows increased involvement in planning rehabilitations and increased monitoring of the construction work in progress.

As of January 1993, the CMHP had expended the $250,000 loan made by the City for the Genesis Park project and had exceeded its $900,000 funding commitment to Genesis Park CMHP estimates that it will cost an additional $1,430,000 to rehabilitate the units acquired in that neighborhood.

4. Seversville

The construction of 47 multi-family apartment units is nearing completion; occupancy is scheduled to begin in April Also, in this neighborhood, the strategy is to increase the number of homeowners in the area by acquisition of single family homes for rehabilitation and resale to owner occupants. There will be 23 units in the first phase of acquisition The CMHP commitment to Seversville includes the implementation of the full range of Pathways I and II programs to serve both the multi-family units (pre-homeownership) and support home ownership and community empowerment.

With the pending acquisition of 22 units and one lot in Seversville, the CMHP will have fulfilled its FY92 and FY93 funding commitment to Seversville of $600,000 (CMHP's offer to purchase has been accepted and a closing date of June 10, 1993 established); the remaining commitments are $400,000 in FY94 and $300,000 in FY95 CMHP estimates that it will cost $990,000 to rehabilitate the 22 units in Seversville. In addition CMHP has expended the $195,000 loan to purchase the land for the multi-family project in Seversville which is nearing completion. This loan is a 30-year loan.

5. Greenville

Sales in Greenville Phase I moved slowly, but all 40 homes have been sold. In order to reduce the amount of funds tied up in homes that are ready to be sold, new homes in Phase II will only be built as units are sold Subdivision work is currently underway for the eighteen units counted for the current year. Therefore, production may be slower than originally anticipated. However, house plans have been redesigned, and some cost containment measures have been developed in order to produce a three bedroom unit for $55,000, which is $10,000 less than a similar unit in Phase I. This should make it easier to sell the homes Several graduates of the new Homeownership Program are waiting for houses in Greenville Construction has begun on three homes and lot development on two other sites.

CMHP has purchased the land for new construction projects in Greenville Phase IIA. CMHP estimates the cost of the 18 Greenville Phase IIA units at $990,000. The cost to build the 17 units in Phase IIB is estimated at $935,000. City Council has authorized the sale of land for Phase IIB.

What other projects are underway or have been accomplished?

6. MECA Properties - 20 Acquisitions for Resale to Homeowners

CMHP has the option of acquiring any units that CMHP clients are interested in purchasing. MECA will handle the relocation as well as some of the rehabilitation work. CMHP is under no obligation to purchase the units. This program will, however, increase the selection of units available to show to potential purchasers.

7. Cheshire Road

Cheshire Road is a 55 unit multi-family project undertaken by CMHP. CMHP has spent $310,000 on the Cheshire Road development to date and $387,653 remains to be paid as construction progresses. This project has been approved by the North Carolina Housing Finance Agency for tax credits. CMHP's total financial commitment to this project is $697,653.

8. Idlewild - 20 new construction units

The CMHP has purchased over 5 acres on Idlewild Road suitable for the development of approximately 20 single-family units. The estimated cost of the 20 units in Idlewild is $1,100,000. Funds expended to date are $82,043. This future project will be on a sell/build system.

9. Other accomplishments

The Construction Trades Partnership has been formed to teach Garinger High School students about construction. The partnership includes the Charlotte-Mecklenburg School System, the Home Builders Association of Charlotte, Carolina Association of General Contractors and the CMHP The CMHP is providing the necessary underwriting to purchase a lot, building materials, supervision and leadership. The students will actually build a house on school property. The house will be relocated to a lot and sold to a CMHP client, with mortgage funds provided under the CMHP program. Any profits earned from the sale of the house will be placed in the school's vocational-technical education fund as seed money for future projects.

D. Clients Served/ Services Provided

How many new homeowners have been created?

A total of 91 families have purchased homes under the program

- FY90 4 families
- FY91 21 families
- FY92 53 families
- FY93 13 families (thru 3/31/93)

The sales price of the homes sold ranged from $29,500 to $75,080. The average cost of the homes was $53,777, with an average first mortgage of $39,085 and second mortgage of $14,867 Thirty-two (32) of the home purchases had third mortgages with the North Carolina Housing Finance Agency averaging $3,084.

How many new housing units have been constructed?

Completed/Closed/Under Contract

147 multi-family units
55 single family homes

Under Construction

47 multi-family units
4 single family homes

TOTAL NEW CONSTRUCTION = 253 UNITS

Plus: Approved for Tax Credits

55 multi-family units (Cheshire Road)
(in planning, working with neighborhood)

How many units have been rehabilitated?

Completed/Closed/Under Contract

49 Single family homes

Under Construction

55 single family homes

TOTAL REHABILITATIONS = 104 UNITS

How many additional units are "In Development"?
(These units will be counted in future years.)

Greenville Phase II	17 units
Idlewild Road	20 units

TOTAL "IN DEVELOPMENT" = 37 UNITS

TOTAL UNITS, INCLUDING THOSE "IN DEVELOPMENT" = 455 UNITS

For more detail concerning these projects, see attachment, Table 1.

E. Suggested Program Changes

1. *Second Mortgage Subsidies*

Second mortgage subsidies are being made from City funds granted to the CMHP in order to make homes affordable to low and moderate income home purchasers. These second mortgages are currently being provided as 30-year deferred payment loans at 2% interest. Ninety families have received these loans. The average second mortgage is $15,521. Deferred for 30 years at 2% interest, this amount grows to $27,563. After having paid off the 30-year first mortgage, the homeowners will have to pay nearly 6 more years to pay off the second mortgage. At $400 per month, it would take 30 months just to pay off the interest and another 39 months to pay off the principal.

The Program Committee of the CMHP Board is considering some changes to this aspect of the program. The following options are offered for consideration by the Board:

a. Since the funds used for these second mortgages are provided to the CMHP as a grant, these funds could be loaned to lower income persons interest-free.

b. Or, since the CMHP might not even be around thirty years from now to collect the second mortgages, perhaps a percentage of the second mortgage could be forgiven for every year that the original buyer remains the owner of the house

CMHP response: "We are studying various options, but are not yet ready to commit to change."

2. Shared Appreciation of the House

Currently if a home purchaser sells his or her home at any time during the first ten years, the CMHP shares in the appreciation of the value of the home. Even after five years in the home, the homeowner would retain only 40% of the appreciation.

While this provision discourages persons from buying a home under this program just to keep it for a few years and make a profit from its sale, it also deprives low income families from the opportunity to have what other homeowners have. After 5 years in a home, a family can grow and need a larger home. The appreciation of value in the home they have paid on for five years can help them to buy another home, and it can contribute to their economic independence.

While it is true that many of these families could not become homeowners if it were not for the relaxed credit standards and counseling available under this program, these families are paying their own way. They are paying 8% interest on their first mortgage -- the same as or even higher than is currently available on the open market. The second mortgage is at an interest rate of 2%, which accrues even though it does not repay for at least 30 years.

The following option is offered for consideration by the CMHP Board.

a. Shared appreciation could be limited to the first five years of ownership. This would allow families whose housing needs change after buying the home to sell their home after five years and utilize the appreciation on that unit as downpayment on another house.

CMHP Response: "Families could not buy without second mortgage program. Based on current loan structure, there is no appreciation in first five years because of 2nd mortgage interest and financing closing costs."

3. Interest Rate on the First Mortgage.

When the bank consortium was first established, interest rates were high. When the program guidelines were developed, no one then foresaw a time when interest rates would be as low as 8% Therefore a floor of 8% was established for the first mortgage loans. Since interest rates of 8% or less are currently available on the open market, this policy could be reconsidered.

CMHP response: "Floor has been lowered to 7%."

F. Options for Changes to City Contract

1. A Drawdown System be Implemented

Currently the CMHP draws down the total grant amount form the City in one lump sum. Thus, the CMHP earns interest on the funds until the funds are expended on projects. If the City retained the funds until the CMHP submitted a project and definite plan for use of the funds, the City could retain interest earned on the funds. The City could then encumber the funds, but still retain the funds and release them only for actual project expenditures.

According to their annual audit, the CMHP earned $84,537 in interest on City funds in FY92 These funds were used to support administrative costs This amount would be enough to fund one the annual programs currently funded from the Innovative Housing Fund, such as the Legal Service of the Southern Piedmont, Crisis Assistance Ministry, or The YWCA Scattered Site Day Care.

A drawdown system would also give the City an opportunity to review projects undertaken and consider them in relation to City Within A City and City housing objectives.

CMHP response: "A drawdown system is not feasible. This was tried in first year and found not workable. Since funds recycle on a daily basis, the sheer volume would slow down the system and overload staff at the City and Partnership staff.

If city wishes to review projects at all stages, there is no need for the Partnership since there is absolutely no flexibility The purpose of the Partnership is to bring private perspective to housing productions. City direct oversight of each specific house purchase or project destroys that purpose."

G. Priority of Program in Relation to City Within A City Objectives

This contract was ranked 1st among the services funded under Innovative Housing Fund contracts, because it addressed two of the three CWAC goals. The program focuses on CWAC neighborhoods and is linked with the CWAC teams and neighborhood groups CMHP "strengthens and revitalizes neighborhoods" by building new housing and by purchasing rental housing in CWAC neighborhoods, rehabilitating the houses and selling them to homeowners, and by providing on-going support to the new homeowners and communities through its PATHWAYS II program. Increasing the number of homeowners stabilizes and preserves the neighborhood. Whenever possible known drug houses are purchased, rehabilitated and sold to homeowners, thus decreasing drug traffic in the neighborhood The program "increases the self-sufficiency of individuals and families" by assisting them to become homeowners, through relaxed credit standards for the first mortgages and by providing a deferred payment second mortgage.

Prepared by: Budget and Evaluation
May 26, 1993

Table 1

BREAKDOWN OF CMHP PROJECTS AND EXPENDITURES FOR COMPLETED PROJECTS

Note All projects for which CMHP has been given contractual credit are listed by year to which the project has been credited Total units are listed by year, even if the units are not completed and sold CMHP funds refer only to long–term, permanently expended funds, not the revolving funds which will recycle when permanent mortgaging has been arranged Total cost, amount leveraged and city cost per unit are only calculated on completed projects Totals for each year are shown only for completed projects, except for the number of units which represent all activity credited to that fiscal year

PROJECTS, by Year Funded	UNITS	CMHP FUNDS	TOTAL COST	AMOUNT LEVERAGED	CITY COST PER UNIT
FY90					
Seneca Woods*	50	$550 000	$2 499 162	$2 38	$23,800
Summerfield*	52	$475 000	$2 736,226	$3 78	$18 115
CHDC	15	$90 000	$705,000	$6 83	$6 000
TOTAL MF CLOSED	117	$1,115 000	$5,940,388	$3 33	$18 991
Greenville – new	31	$517,460	$2,015,560	$2 90	$16 692
Greenville – rehab	3	$29 928	$142 728	$3 77	$9 976
Scattered Site – new	5	$94,470	$309,270	$2 27	$18 894
Scattered Site – rehab	8	$76,576	$372,436	$3 86	$9 572
TOTAL SF CLOSED	47	$718,434	$2 839 994	$2 95	$15 286
Scattered Site – new	2	N A.	$125 000 EST		N A.
TOTAL SF UNDER CONSTRUCTION	2	N A	$125,000 EST		N A
TOTAL FY90	**166**	$1,833 434	$8 905,382	$3 19	$17,929

*other city funds in project Seneca Woods–$640,000, Summerfield–$467,000

FY91					
Seversville – MF	47	N A	$2 666 377 EST		N A
TOTAL MF UNDER CONSTRUCTION	47	N A	$2,666 377 EST		N A.
Greenville – new	9	$151,000	$579 300	$2 84	$16 778
Greenville – rehab	2	$33 592	$92,992	$1 77	$16 796
Scattered Site – new	2	$14 140	$67,090	$3 74	$7 070
Scattered Site – rehab	8	$125,464	$448,764	$2 58	$15 683
Genesis Park	6	$77 107	$313,827	$3 07	$12 851
TOTAL SF CLOSED	27	$401 303	$1 501,973	$2 74	$14 863
Scattered Site – new	1	N A	N A		N A
Scattered Site – rehab	1	N A.	$43,700 EST		N A
TOTAL UNDER CONTRACT	2	N A	N A		N A
Genesis Park	11	N A	$605,000 EST		N A
TOTAL UNDER CONSTRUCTION	11	N A	$605 000 EST		N A
TOTAL FY91	**87**	$401 303	$4,817,050	$2 74	$14 863

PROJECTS, by Year Funded	UNITS	CMHP FUNDS	TOTAL COST	AMOUNT LEVERAGED	CITY COST PER UNIT
FY92					
Accessible Apartments	30	$123,275	$1,183,000	$8 60	$4 109
TOTAL MF CLOSED	30	$123 275	$1,183 000	$8 60	$4,109
Cheshire Road	55	N A	$2,700,000 EST		N A
TOTAL MF–NCHFA APPROVED	55	N A.	$2 700,000 EST		N A
Greenville – rehab	6	$73 006	$300,776	$3 12	$12 168
Scattered Site – rehab	8	$140,725	$457,075	$2 25	$17,591
Genesis Park	1	$10 800	$50 800	$3 70	$10 800
NHS – new/rehab**	6	$75,000	N A		N A
TOTAL SF CLOSED	21	$299,531	$808,651	$2 60	$14,969
Greenville – rehab	2	N A.	N A		N A
Scattered Site – new	1	N A	N A.		N A
Scattered Site	23	N A	N A		N A
TOTAL UNDER CONSTRUCTION	26	N A	N A		N A
TOTAL FY92	132	$422 806	$4 691 651	$4 73	$7 729

** not calculated in leveraging

FY93					
Greenville – rehab	2	$22,830	$106 450	$3 66	$11,415
TOTAL CLOSED	2	$22 830	$106 450	$3 66	$11,415
Greenville – new	4	$48 025	$223 225	$3 65	$12 006
Greenville – rehab	1	$12 180	$55 230	$3 53	$12 180
TOTAL UNDER CONTRACT	5	$60,205	$278 455	$3 63	$12 041
Greenville – new	1	N A	N A		N A
Scattered Site – rehab	13	N A	N A		N A
Genesis Park	6	N A	N A		N A
TOTAL SF UNDER CONSTRUCTION	20	N A	N A		N A
Seversville	23	N A	N A		N A
Scattered Site – rehab	20	N A	N A		N A
Genesis Park – rehab	30	N A	N A		N A
TOTAL CONTRACTS TO ACQUIRE	73	N A.	N A.		N A
TOTAL FY93	100	$83,035	$384,905	$3 64	$11 862

Table 2

ACHIEVEMENT OF OBJECTIVES

NO.	OBJECTIVES	ACHIEVEMENT OF OBJECTIVE
	GENERAL ACHIEVEMENT AND PERFORMANCE OBJECTIVES	
1	Continue to locate and obtain private and nonprofit financing for development of low-income housing opportunities	Projects developed by the program have leveraged $12.5 million over 3 75 years of operation.
2	Continue to facilitate development opportunities for low income housing and serve as a clearinghouse for public/private housing development ventures	A multi-family development in Seversville is currently under construction, and the Cheshire Road project is being developed.
3.	Continue to coordinate with other agencies to develop neighborhood opportunities for economic self-sufficiency	The CMHP works with other agencies to assist families in their Homeownership Program and in the Pathways Program
	SPECIFIC ACHIEVEMENT AND PERFORMANCE OBJECTIVES	
1	Continue to develop and make available private lender dollars to obtain a minimum leverage factor of 2 to 1 of private dollars to public dollars, with a goal of purchasing or financing a minimum of 100 housing units designated for affordable housing.	The program has leveraged funds at the rate of 3 647 to 1
2	Meet the following current commitments for funding and development:	
a	The Contractor's commitments for the fiscal year ending June 30, 1993 as set forth in that certain Agreement for Genesis Park Development executed as of August 30, 1991 by and among the Contractor, the City of Charlotte and certain other parties	Agreement requirements have been met

b.	The Contractor's commitments for the fiscal year ending June 30, 1993 as set forth in that certain Agreement for the Development of the Seversville Community executed as of December 20, 1991 by and between the Contractor and the City of Charlotte	Agreement requirements have been met.
c.	The Contractor's continued commitment towards the construction new homes in the Greenville community through design and implementation of a development plan for approximately 30 to 40 single-family residences in the Greenville community	Plans have been developed for 18 units in Phase IIA and 17 units for Phase IIB. Four (4) units are currently under construction.
3.	Utilization of uncommitted funds in cooperation with the City of charlotte by working in targeted neighborhoods identified by the Contractor to improve and enhance the housing stock through acquisition and rehabilitation of existing housing, new construction and development of multi-family housing projects. In *determining the priority of activities* undertaken by the Contractor which utilize the uncommitted funds provided by the City of Charlotte pursuant to this Contract, the Contractor will take into consideration the following activities, listed in order of priority	The CMHP has worked extensively in Seversville and Genesis Park, which are top priority neighborhoods for the City Within A City Committee. The CMHP also works in Greenville, which is another CWAC neighborhood 81% of the units built or rehabilitated on scattered sites have been located in CWAC *neighborhoods.*
a.	Acquisition and rehabilitation of housing units located inside the City Within A City Area and designated for single-family home ownership.	These activities have occurred in Seversville, Genesis Park and scattered site locations in the CWAC area.
b	New construction of housing units inside the City Within A City Area designated for single-family home ownership.	New construction has occurred in Greenville and scattered site locations in the CWAC area
c	Development of multi-family low income housing units in accordance with the City of Charlotte's locational policy	Current multi-family developments are in Seversville, Cheshire Road and scattered site locations in conformance with the City's locational policy.

4	Coordinate and support the purchase of single-family residences by low income households through utilization of (i) a first mortgage loan pool for single-family residences and (ii) City of Charlotte funds to provide a second mortgage pool	These activities are being conducted in Seversville, Genesis Park and scattered site locations
5	Coordinate and support the production of multi-family low income housing units in accordance with the City's locational policy through utilization of (i)a mortgage loan pool for construction and permanent financing of multi-family projects, (ii) City of Charlotte funds in the form of equity investments or loans to finance multi-family projects, and (iii) low income housing tax credits, to the extent available and economically feasible	The two current multi-family developments are Seversville and Cheshire Road Both projects utilize private funds, city funds and tax credits.
6	Work in targeted neighborhoods identified by the Contractor to assist neighborhood organizations to improve all types of housing.	The CMHP is working primarily in CWAC areas This includes the Pathways Programs.
7.	Explore additional financing mechanisms such as.	
a	Development of an equity pool for sale of tax credits,	This has been done
b	Federal and State funds,	This has been done.
c	Private funds for second mortgage pool, local trust funds, and social equity funds.	This is being explored.

CHARLOTTE-MECKLENBURG HOUSING PARTNERSHIP

Homeownership Counseling
Contract Evaluation
FY94-FY95 Budget

A. Project Description

This is a new program this fiscal year; the contract was signed August 1, 1992 and runs through July 31, 1993. The program provides pre-purchase counseling and referral assistance to low and moderate income families to resolve credit problems and to budget wisely in order to increase their economic stability and qualify for a home mortgage

The major objective of the program is to have 120 mortgage-ready clients by July 31, 1993 They are to qualify for home mortgage financing in accordance with the requirements of the single-family Mortgage Loan Pool administered by CMHP on behalf of a consortium of banks

In addition, CMHP is to design a plan for generating revenues for the homeownership counseling by charging fees to participants who receive mortgage financing, with a goal of minimizing city operating subsidies in the future

Background

Two of the City Within A City goals are to "increase the self-sufficiency of individuals and families" and "strengthen and revitalize neighborhoods" One of the City strategies for strengthening both families and neighborhoods is to increase homeownership.

When the Charlotte-Mecklenburg Housing Partnership (CMHP) began to produce new and rehabilitated homes, eligible buyers were needed. To make families mortgage-ready, even under relaxed credit guidelines, is often a lengthy process Family Housing Services was asked to provide credit counseling and budget management assistance to these families In FY93, it was decided that since the CMHP was in charge of producing the housing, it needed more direct control over producing an adequate number of ready buyers A new program component of the CMHP was created that would provide pre-purchase counseling and classes for potential homeowners

Program planning and staffing were completed in September, counseling and interviewing began in October, and the first Homeownership class was conducted in December 1992.

B. *Funding from the City*

FY93 is the first year of funding; the program received $163,422 from the City

C. *Location of the Program*

The Homeownership Program is located at the CMHP office at

1201 Greenwood Cliff, Suite 300
Charlotte, NC 28204

D. *Target Population/Program Linkages*

The target population for the program is first-time home purchasers whose family income is 80% or less of Charlotte's median income The median income for a family of four in Charlotte is $40,500, 80% of median for a family of four is $32,400, and 50% is $20,250

Is the program related to the City Within a City effort or another City-sponsored program?

Potential home purchasers come to the program to purchase homes in Genesis Park, Greenville, Seversville and other CWAC neighborhoods They are referred by

the Charlotte-Housing Authority,

the Community Development Department because of displacement from their homes by code enforcement or other government action,

Habitat for Humanity or other non-profits, or

Pathways I or II, Gateway or Stepping Stone -- all of which are self-sufficiency programs

Are clients a part of a self-sufficiency program?

The program is linked with and supports four self-sufficiency programs by helping clients referred by those programs to become homeowners·

Pathways I and II,

Charlotte Housing Authority transitional housing programs -- Stepping Stone and Gateway, and

Habitat for Humanity.

What percentage is the of the total funding?

The program received 89% of its funding in FY93 from the City, based on the annual budget. A fee of .5% of the sales price of each house sold goes toward funding of the homeownership program

What do City funds pay for?

The City pays most of the operating costs for the program, including four positions -- Manager of Counseling and Training, Intake Counselor, and two Counselors It does not pay all of the accounting costs

E. Clients Served/Services Provided

There are four components of the program Intake, Analysis, Counseling/Referral, and Training.

Intake

The prospective owner receives a Pre-Qualification Application for Homeownership, fills it out and returns it to CMHP The intake counselor logs the application into a log book and into the computerized database The intake counselor then obtains a credit report on the applicant and performs an initial assessment of the mortgage-readiness of the applicant

Analysis

After the initial assessment, another counselor then analyzes the application thoroughly This analysis includes a telephone call to the applicant to confirm the information provided This counselor then confirms or re-assesses the intake counselor's assessment

The analysis, based on income/employment, other debt, cash availability, paying history, downpayment and legal marital status, categorizes the estimated time the applicants will require to become mortgage-ready:

A	Will be mortgage-ready within 6 months
B	Will be ready in 7 to 18 months
C	Will take longer than 18 months
D	Does not qualify as low-to-moderate income, exceeds 80% of median income

Clients in the "A" and "B" categories are considered enrolled in the Homeownership Program. "C" status clients are not declined from consideration, their enrollment is just delayed since they will not be ready for 18 months or longer "D" clients are disqualified because of income

Clients are also assigned a priority code

1	In Assisted Housing (this priority is exempt from income qualification)
2	Is a City relocatee
3	Has income 80% or less of median, with children under 15 years old and is living in substandard conditions, or is living in unaffordable conditions, or is living in overcrowded conditions
4	Has income 80% or less of median without children under 15 years old and is living in substandard conditions, or is living in unaffordable conditions, or is living in overcrowded conditions
5	Has income 80% or less of median with children under 15 years old
6	Has income 80% or less of median without children under 15 years old

Those with incomes 60% - 80% of median may only purchase within City Within A City boundaries Families with incomes below 60% of median may purchase anywhere in Charlotte

Counseling/Referral

The "A" and "B" clients receive face-to-face counseling, a budget summary and guidance regarding what they need to do in order to qualify for a home mortgage The "C" clients receive a letter highlighting what they need to do in order to enter the program. The "D" applicants, whose income is too high to qualify for the program, receive a letter referring them to a list of seven local banks and other community resources.

Training

Eight hours of training are provided, covering the following subjects

Introduction to CMHP

Choosing Your Home

Maintaining Good Credit

The Mortgage Process

Budgeting

The Sales Contract

Responsibilities of Homeownership

Community Involvement

Guest speakers are brought in for some of the topics Evaluation questionnaires filled out by class members show that on a scale of 1 (Poor) to 5 (Excellent), all subjects covered received a usefulness rating of 4 or higher The responses also indicate the length of the course should "Stay the same" (94%) and the length of each session was "Just right" (84%)

How many clients have enrolled in the program since it started?

A total of 754 clients have gone through intake

How many clients have purchased a home?

At the end of March 1993, 13 families purchased homes and 5 more have signed sales contracts and were waiting to purchase their homes

How many have been qualified and are waiting to purchase a home?

An additional 39 families are qualified and waiting to purchase

How many classes have been held? How many completed the classes?

Three classes have been held A total of 45 families have completed the classes

How many families have become mortgage-ready this fiscal year?

A total of 52 families have become mortgage-ready Class attendance is not required for becoming mortgage-ready, if the client has been certified by the Manager of Counseling & Training as having met the counseling requirements for homeownership

How many are being counseled individually? How many hours of assistance are provided to each client (or the average client) per month?

Each "A" client receives approximately 9 5 hours of assistance, with 8 of those hours spent in the classroom training

Each "B" client receives about 10 hours of assistance, with 8 of those being spent in training

Each "C" client receives an average of 20 minutes of assistance by an intake counselor during the quarterly phone calls before graduating to "B" status.

F. Effectiveness/Efficiency

This program has two objectives It has met one and partially met the other

Please see the chart on the following page for the achievement status of each of the

program's objectives

	OBJECTIVES	OBJ	ACTUAL THROUGH 3/31/93	% ACHIEVED
1.	Prepare a minimum of 120 eligible applicants such that they qualify for home mortgage financing in accordance with (i) the requirements of the single family Mortgage Loan Pool administered by the Contractor on behalf of a consortium of banks (the Mortgage Loan Pool") or (ii) the requirements of other mortgage loan financing administered by the Contractor	Obj through March 31 = 80 Annual Obj = 120	52	65% of Obj. through March 31 43% of Annual Obj.
2	Design a plan for generating revenues for the homeownership counseling program by charging fees to participants who receive mortgage financing, with a goal of minimizing City operating subsidies in the future		Met A plan has been developed and implement-ed	

The contract for this new program was signed August 1, 1992 and had a two-month start-up period for planning and staffing The program actually began October 1, 1992.

Through March 31, 1993 (six months of actual operation) 52 families had become mortgage-ready In order for the Homeownership Program to meet its objective of 120 mortgage-ready families, they will have to make an additional 68 families mortgage-ready. With only four months remaining under this contract, it is unlikely that they will meet their client objective this year

For a four-month tracking period, counselors each averaged 24 face-to-face appointments per month The average time spent per first-time appointment is 45 minutes

The program has met its second objective A plan to raise part of the program's funding has been developed and implemented A fee of 5% of the sales price of each

house sold is paid at closing to the program On the seven (7) homes sold since this policy has been implemented, a total of $1,806 50 has been generated During budget negotiations with the City for FY94, these funds will be available for use by the program.

G. Priority of Program in Relation to City Within A City Objectives

The program was ranked 3rd among the services provided under Innovative Housing Fund annual contracts. The Homeownership Program addresses two of the City Within A City Objectives

It "increases the self-sufficiency of individuals and families" by improving the financial stability of families and helping them tp become homeowners, and by supporting Gateway, Stepping Stone, Pathways I and Habitat for Humanity, which are other programs which assist individuals and families to become self-sufficient

Increasing homeownership in neighborhood such as Genesis Park and Seversville -- both CWAC neighborhoods -- "strengthens and revitalizes neighborhoods"

Prepared by Budget and Evaluation
May 26, 1993

FAMILY HOUSING SERVICES, INC.

Counseling
Contract Evaluation
FY94-95 Budget

A. Project Description

In 1972, Family Housing Services was created as a non-profit housing counseling organization to provide assistance to low and moderate income families and individuals with housing and housing-related problems Concerned churches of the Charlotte community provided the initial funding for the agency's operation with the goal of preventing the loss of the homes of low and moderate income families as a result of mortgage foreclosure and rental eviction

In addition to preventing mortgage foreclosure and rental eviction, FHS's traditional services have included home purchase counseling, pre-rental counseling, energy conservation, home improvement/ rehabilitation, consumer education, displacement counseling, and information, assistance and referral.

The services offered under the FY93 contract include the following

PROGRAM COMPONENT	CLIENTS SERVED	% OF TOTAL
Mortgage Default	464	55%
Housing Authority Waiting List	198	73%
Rental Delinquency	195	88%
CDBG Rehab Loan Borrowers	87	91%
Transitioning from Public to Private Housing	72	22%
Pre-Ownership Counseling for Non-Profit Clients	46	94%
Assistance for Tenants Referred by Landlords	22	91%
Delinquent CMHP Home Purchasers	19	95%
Code Mediation Follow-up	5	40%
CDBG Rehab Loan Defaults	0	0%
TOTALS	1,108	68%

(For achievement of objectives, see Table 1)

Background

Family Housing Services has been receiving annual funding from the City of Charlotte since 1975. Traditionally, the program has provided services to residents on a citywide basis The City is the primary funding source of the agency, in FY93 providing 77% of the funding Thus, as the City Within A City goals to "increase the self-sufficiency of individuals and families" and "strengthen and revitalize neighborhoods" have evolved, the City has encouraged Family Housing Services to modify the focus of the original program to support City programs and objectives

One of the City strategies for strengthening both families and neighborhoods is to increase homeownership The Charlotte-Mecklenburg Housing Partnership (CMHP) had begun to produce new and rehabilitated homes, eligible buyers were needed. To make families mortgage-ready, even under relaxed credit guidelines, is often a lengthy process FHS was asked to provide credit counseling and budget management assistance to these families

In FY93, it was decided that since the CMHP was in charge of producing the housing, it needed more direct control over producing an adequate number of ready buyers A new program component of the CMHP was created that would provide counseling and classes for potential homeowners. The services now offered by FHS, with the exception of mortgage and rental delinquency assistance which are provided on a citywide basis, are geared to meet the needs of City-sponsored programs

B. Funding from the City

Family Housing Services received $288,340 in FY92 and $298,340 in FY93

What percentage of total funding is that?

According to the City's Internal Audit Section, City funds constituted 73% of the agency's funding in FY92 and 77 1% of the funding in FY93 (See Attachment #1)

What do City funds pay for?

City funds pay:

> 100% of the costs associated with the 7 counselors who work solely for the City program,

87% of the Executive Director, Fiscal Officer, Executive Secretary, Receptionist, Counseling Supervisor and Intake Counselor, and

87% of contractual services and commodities

This percentage was developed during FY93 contract negotiations based on expected funding for the year. This percentage of administration costs was too high, based on the City's Internal Audit Section Report. (See Attachment #1)

FHS Response· "The City pays 87% of the agency administrative cost which is in proportion to the time spent by administrative staff on city contract related activities This percentage is derived from employees' time distribution and documented semi-monthly by individual time sheets "

C. *Location of program*

Alexander Street Center
910 N Alexander Street

D. *Target Population/Program Linkages*

The target populations include

Persons earning 80% or less of median income experiencing mortgage default or delinquency citywide,

Persons earning 80% or less of median income experiencing rental delinquency citywide,

Families in units managed by Charlotte Housing Authority who are nearly ready for home purchase or market rate rental housing,

Families on the Charlotte Housing Authority Waiting List who need affordable housing,

Persons who have applied for Community Development Block Grant (CDBG) rehabilitation loans from the Community Development Department,

Persons who have received a CDBG rehabilitation loan and who are delinquent in payments,

Persons referred by the Code Mediation Process,

Persons referred by non-profit housing providers, and

Tenants referred by landlords

Is the program related to the City Within a City effort or another City-sponsored program?

Of the 1,108 clients served by FHS during the first nine months of FY93, 750 (68%) lived were CWAC residents. In some categories of service, as many as 95% of the clients live in CWAC neighborhoods

(See Table 2)

FHS provides some services on a citywide basis, these include

Mortgage Default and Delinquency Assistance,

Rental Delinquency Assistance, and

Pre- and Post Occupancy Counseling to tenants referred by landlords

While mortgage and rental delinquency assistance is provided citywide, they fall within City Within A City goals, because they contribute to the self-sufficiency of families by helping them stay in the private market housing they are in In fact, 55% of the Mortgage Default clients and 88% of the Rental Delinquency clients are live in CWAC neighborhoods

The rest of the service provided under this contract are directly linked with and support programs operated by the City Community Development Department, Charlotte Housing Authority Programs Charlotte-Mecklenburg Housing Partnership and other non-profit housing providers

Are clients a part of a self-sufficiency program?

Yes The program keeps people who are already in market rate homes, both homeownership and rental, in those homes by assisting in clearing up mortgage and rental delinquencies It also assists low and moderate income families resolve credit problems and become financially stable enough to become homeowners It assists persons in public housing to move into market rate housing It helps persons waiting for public housing find alternative affordable housing on the private market

E. Clients Served/Services Provided

A total of 1,220 clients were served in FY92, and 1,108 clients were served in the first six months of FY93.

FHS is meeting nine of its ten objectives for FY93 For achievement of objectives, a complete list of services provided and the number of people served in FY92 and FY93, please see Table 1. The objective not met is to assist residents of public housing to move into market rate rental units or homeownership opportunities, for the FY94 contract, FHS will recommend a longer period of assistance for transitioning these tenants.

(See Table 1.)

During this 18-month period, how many renters were prevented from being evicted because of delinquency?

A total of 284 (97%) of the 293 families counseled for rental delinquency avoided eviction; only 9 families were evicted The average amount of delinquency was $350.

(See Table 1.)

During this 18-month period, how many were saved from foreclosure?

Of the 691 persons counseled for mortgage delinquency, only six lost their home through foreclosure The average amount of delinquency is $1,500, and the average length of delinquency is 2 - 3 months

An analysis of the outcomes of the 464 mortgage default cases in FY93 revealed that almost 25% of the clients (110 persons) who came to FHS do not follow through; 13% come through intake and do not come back, and 10% stop coming before all avenues of help have been exhausted

Of the 346 clients who participated in the program

1% experienced foreclosure,

3% sold their homes and

96% kept their home

(See Table 3)

How many persons on the Charlotte Housing Authority Waiting List were assisted in finding alternative affordable housing on the private market?

A total of 217 families were assisted in finding affordable housing on the private market.

F. Effectiveness/Efficiency

Family Housing Services appears to provide best the traditional services it has always provided -- mortgage and rental delinquency assistance and assisting clients in finding affordable housing.

Mortgage and rental delinquency assistance accounted for 60% of the clients served under this contract Assisting families on the Charlotte Housing Authority Waiting List in finding affordable market rate housing accounted for another 18% Together, these three services accounted for 78% of all clients served The other six services accounted for only 22% As can be seen in Section E, FHS has a 96% success rate in preventing mortgage foreclosure and a 96% success rate in helping clients avoid eviction.

Of the 72 persons referred by the Charlotte Housing Authority in FY93 to be moved to market rate housing, FHS has already moved two, three moved on their own, six will be ready to move before June 30, 1993, twelve will be ready to move by December 31, 1993 The remaining families will require additional counseling and assistance before they are ready to move into market rate housing For the FY94 contract, FHS will recommend a longer period of assistance for these families, who have been found to need lone-term comprehensive counseling and referral

Options for Changes to the FY94 Contract.

As the City considers user fees for various services, it is natural to explore user fees for contract services Two of the services offered by Family Housing Services account for 60% of the clients served under the City contract Mortgage Default Counseling and Rental Delinquency Counseling

In some cities around the country, agencies which provide these services are compensated by the mortgage companies and landlord/property managers, respectively It has been recognized that keeping the current owner or tenant in place saves money for these companies -- they avoid loss of income while the property is vacant, repairs to the property before it is re-rented or re-sold, legal costs, etc Charges range from $125 to $250, and sometimes up to 14% of the amount collected.

1 Fees for Mortgage Default Assistance

If the mortgage companies had paid FHS $150 for the 330 in FY93 who were avoiding foreclosure or sale of their homes, it would have raised $49,500 If they had paid to FHS 10% of the amount collected, it would have raised an additional $49,500.

In other words, with the average delinquency being $1,500, the 319 clients would have owed a total of $495,000 In return for FHS collecting that $495,000 for the mortgage companies, those companies would have paid 10% - 20% of that amount to FHS -- amounting to $49,500 to $99,000.

Since FHS deals with mortgage companies all over the country Some might be willing to pay, others might not This can only be determined by contacting those companies.

2 Fees for Rental Delinquency Assistance

Preliminary discussions have already begun with the local property managers and will be continued during FY94

In FY93, if landlords or property managers had paid $150 for the 188 clients who avoided eviction with the assistance of FHS, FHS would have received $24,400 If they had paid 10% of the delinquent amount (188 clients times $350 = $65,800), FHS would have received an additional $658

Together, these fees could potentially have raised $124,058 This would have reduced the amount of City funding needed by FHS

It is recommended that City Council consider two objectives for FHS to develop these concepts

1. Develop a fee structure, gain the support of property managers and landlords for the concept, and implement by the end of the second quarter of the FY94 a system of fees contract for assisting clients to avoid eviction for Rental Delinquency

2 Develop a fee structure, gain the support of local mortgage companies, contact and gain the support of all mortgage companies which have referred clients to FHS during the past two fiscal years, and have in place for implement by the end of FY94 a system of fees contract for assisting clients to avoid foreclosure or the sale of their home.

FHS Response: "FHS is in the process of developing a survey of mortgage companies and property managers to determine the level of willingness to provide fees for these clients Results of this survey will direct how to schedule implementation of a fee for service structure "

G. Priority of Program in Relation to City Within A City Objectives

This is not a ranking of efficiency, but a ranking of how well the stated objectives of the program contribute to City Within A City objectives Since the program offers a number of different services, these services have been ranked individually

Service	Target Population	CWAC Goal Addressed	Ranking
Mortgage Default Counseling	All home owners citywide - including CDBG rehab loan recipients	Individual & family self-sufficiency	4 5
Pre-rental Counseling	Housing Authority Waiting List	Individual & family self-sufficiency	4 5
Budget & Money Management Counseling	Public Housing tenants ready to move to private market housing	Individual & family self-sufficiency	4 5
Long Term Credit Counseling & Money Management	Potential CMHP home purchasers who require more than a year to become mortgage-ready	1) Individual & family self-sufficiency, 2) Strengthen & revitalize neighborhoods	4 5
Post-Occupancy Counseling	CHMP home purchasers experiencing budgeting or other problems	Individual & Family self-sufficiency	4 5

Rental Delinquency Counseling & Assistance	All tenants citywide	Individual & Family Self-Sufficiency	4 75
Money Management & Housekeeping Counseling	CDBG rehab loan recipients	Partial - Individual & Family Self-Sufficiency	7
Money Management & Housekeeping Counseling	Clients referred by Non-profits	Partial - Individual & Family Self-Sufficiency	7
Pre-Rental & Post-Occupancy Counseling	Tenants referred by Landlords/ Property Managers	Partial - Individual & Family Self-Sufficiency	8

Table 2

FHS TOTAL CLIENTS COMPARED WITH CWAC CLIENTS SERVED

PROGRAM COMPONENT	TOTAL CLIENTS SERVED	CWAC CLIENTS SERVED	% OF CWAC CLIENTS SERVED
Mortgage Default	464	257	55%
Housing Authority Waiting List	198	144	73%
Rental Delinquency	195	171	88%
CDBG Rehab Loan Borrowers	87	79	91%
Transitioning from Public to Private Housing	72	16	22%
Pre-Ownership Counseling for Clients of Non-Profits	46	43	94%
Assistance for Tenants Referred by Landlords	22	20	91%
Delinquent CMHP Home Purchasers	19	18	95%
Code Mediation Follow-up	5	2	40%
CDBG Rehab Loan Defaults	0	0	0%
TOTALS	1,108	750	68%

Table 3

CASE OUTCOMES FOR MORTGAGE DEFAULT CLIENTS

CATEGORIES OF OUTCOME	CLOSED CASES		ACTIVE CASES		ALL CASES		LEAVING OUT "INTAKE ONLY" AND "LACK OF PARTICIPATION"	
DROPPED OUT								
Intake Only	42	13%	20	16%	62	14%		
Closed – Lack of Participation	48	14%	0	0%	48	11%		
Sub–total	90	27%	20	16%	110	24%		
FORECLOSURE								
Foreclosure	5	1%	0	0%	5	1%	5	1%
Sub–total	5	1%	0	0%	5	1%	5	1%
POSITIVE OUTCOMES								
Mortgage Currented	96	29%	17	14%	113	25%	113	33%
Mortgage Reinstated	10	3%	0	0%	10	2%	10	3%
Forebearance	48	14%	26	21%	74	16%	74	21%
Payment Plan	49	15%	28	23%	77	17%	77	22%
Negotiations with Mtg Co	9	3%	7	6%	16	4%	16	5%
Assignment (Refinanced)	17	5%	23	19%	40	9%	40	12%
Sub–total	229	69%	101	83%	330	72%	330	96%
HOUSE SOLD/BEING SOLD								
House Sold/Listed For Sale	5	1%	0	0%	5	1%	5	1%
Advised to Sell House	5	1%	1	1%	6	1%	6	2%
Sub–total	10	3%	1	1%	11	2%	11	3%
TOTALS	334	100%	122	100%	456	100%	346	100%

DRAFT

FAMILY HOUSING SERVICES, INC.
Analysis of City Percentage of Major Funding
For Fiscal Years 1988 Through 1993

	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
SOURCES OF FUNDS:						
City of Charlotte	$255,611	$272,665	$284,857	$285,590	$288,340	$298,340
HUD	14,625	17,675	18,035	23,800	47,740	44,590
Z. Smith Reynolds	15,000	35,000				
Mecklenburg County		16,400	17,200	27,000	28,000	28,000
Grants			15,000	20,700	22,900	
City of Monroe				5,400	8,000	16,000
N.C. Dept. of HR		8,000				
Total	$285,236	$349,740	$335,092	$362,490	$394,980	$387,030
City Percentage	89.6%	77.9%	85.0%	78.8%	73.0%	77.1%

Note: Source of funds data for Fiscal Years 1988 through 1992 from annual financial statements prepared by Bobby T. Martin, CPA, P.A. Fiscal Year 1993 data provided by Gwendolyn Boyton, Executive Director of Family Housing Services.

CRISIS ASSISTANCE MINISTRY

Energy Payment Contract
Contract Evaluation
FY94-FY95 Budget

A. Project Description

Crisis Assistance Ministry is a non-profit agency which helps Charlotte-Mecklenburg families in emergency situations by seeking long-term solutions while providing short-term financial assistance for the basic needs of shelter and food, and by distributing donations of clothing, furniture and appliances By providing emergency financial assistance, the program contributes to a goal of preventing homelessness

In FY93, Crisis Assistance Ministry as a whole will interview approximately 35,000 families and will provide funds to resolve 20,000 financial emergencies

This contract covers the payment of

- o heating costs and
- o water reconnections

for city residents experiencing emergencies The program serves approximately 1,000 households with City funds

The program operates on a demand basis, that is, clients come to Crisis Assistance Ministry and request assistance The Energy Payment contract between the City and Crisis Assistance Ministry assists clients

- o who are delinquent in paying winter fuel bills and who have had their utilities cut off or are facing cut-off, or
- o who cannot afford to purchase fuels such as heating oil, or
- o who are without water service due to delinquency

Volunteers interview clients to determine events leading to the emergency situation and assist the client in planning ahead so he/she will not continue to be in crisis A case plan is devised Supervisors provide counsel and authorize any financial assistance necessary under the guidelines of various funds being used

Energy payments are made directly to the fuel vendor, such as Duke Power, Piedmont Natural Gas, oil companies or coal companies, or to the Charlotte-Mecklenburg Utility Department Any funds remaining at the end of the year are to be returned to the City.

B. *Funding From the City*

STATUS OF FUNDS	FY92	FY93	TOTAL
Contract Amount	$84,120	$91,832	$175,952
Interest & Sales Tax Rebate	1,200	169	1,369
Expenditures Through 12/31/92	84,562	74,822	159,384
Balance	$ 758	$ 17,179	$ 17,937

In FY92, the program actually spent more that the contract amount, because of interest earned on the funds and sales tax rebate. Thus, The $758 balance at the end of FY92 was carried forward into FY93 Since three months of winter remained at the end of December, it is likely that all funds will be expended in FY93.

What percentage is this of the total agency budget?

City funds account for about 4% of total funding Most funds are provided by Mecklenburg County, United Way and private donations

What do those funds pay for?

The funds are used solely to pay past due energy bills to prevent cut-off or restore service, to purchase energy fuel, or to pay reconnection fees for water service No staff or administrative costs are paid from City funds

SERVICES PROVIDED	FY92	FY93 THROUGH 12/31/93
Heating Payments	$65,352	$63,329
Water Reconnections	19,211	11,493
Totals	$84,563	$74,822

C. *Location of program*

The program operates out of the Mecklenburg County Community Services Center located at 500 Spratt Street

D. *Target Population/Program Linkages*

This contract serves City residents 1) who are delinquent in paying winter fuel bills and who have had their utilities cut off or are facing cut-off, 2) who cannot afford to purchase fuels such as heating oil, or 3) who are without water service due to delinquency.

Is the program related to the City Within a City effort or another City-sponsored program?
Not directly; however, many of the referrals to Crisis Assistance Ministry come from these programs, for financial assistance as well as for clothing and furniture Over 81% the clients served by Crisis Assistance Ministry are from the City Within A City Area

Are clients a part of a self-sufficiency program?

No The program's primary focus is to provide emergency assistance However, in the interview process long-term solutions are sought, and frequently referrals are made to address these problems Long waiting lists for services frequently prevent immediate solution of the problems, i e shortages of affordable housing and day care

E. *Services Provided*

Emergency utility assistance was provided as follows

SERVICES PROVIDED	HOUSEHOLDS ASSISTED FY92	HOUSEHOLDS ASSISTED FY93 THROUGH 12/31/93
Heating Payments	575	536
Water Reconnections	443	232
Totals	1,018	768

F. *Effectiveness/Efficiency*

The program is meeting all seven of its Scope of Work requirements The program appears to be operating effectively and efficiently in providing the services required under this contract

	SCOPE OF WORK	STATUS OF ACHIEVEMENT
1.	Identify City residents with a fuel emergency and intervene when possible with energy vendors to alleviate emergency situations	During the first 6 months of FY93, the program assisted 536 households with fuel emergencies
2.	Make payments directly to energy vendors, Duke Power, Piedmont Natural Gas, oil companies or coal companies for the payment of disconnect and meter removal fees for those clients in need Payments are not to be made to clients.	This has been done.
3.	Maintain record of payments made using City funds that indicate 1) vendor, 2) client's name and address, 3) amount of payment, and 4) date of payment. Have copies available of such records to the City's Finance Department by June 1, 1993.	This was done in FY92 and will be done June 1, 1993
4	Allow the City of Charlotte Finance Director or his designee to review the financial records of the Crisis Assistance Ministry upon five days notification	This was done in FY92 and will be done in FY93
5.	To provide a pertinent response to request for information as required by the City including, but not limited to, IRS forms, annual audit, personnel information, and organization charts	The program director and staff have been very cooperative in providing all information requested for this evaluation report
6	At the end of the fiscal year, return all unused City funds	In FY92, the program spent more than the contract amount, because of interest earned and sales tax rebates
7.	Provide the City with a report on the accomplishment of FY93 objectives in January 1993 and July 1993	FY92 reports and the FY93 report due January 1992 were received on time

G. *Priority of Program in Relation to City Within A City Objectives*

This priority ranking is not a measure of effectiveness or efficiency, or even of the contribution the services provided make to the community While Crisis Assistance Ministry provides a much needed service to the community, the service does not fit very well with City Within A City (CWAC) goals, even though 81% of those served reside in the CWAC area.

The primary function of Crisis Assistance Ministry is providing emergency assistance. Counselors identify the problem which has caused the emergency, develop a plan for the individual to resolve the underlying problem if possible, and refer the client to other service providers. This aspect of the program partially addresses the CWAC goal to "increase the self-sufficiency of individuals and families" It also partially addresses this goal by the prevention of homelessness, which assists families who are in danger of losing their current residence to remain self-sufficient

This program is ranked 6th among the services provided by Innovative Housing Fund contractors

Prepared by Budget and Evaluation
May 26, 1993

LEGAL SERVICES OF THE SOUTHERN PIEDMONT

Legal Services
Contract Evaluation
FY94-FY95 Budget

A. *Project Description*

The contract for this program became effective October 1, 1992, so the program had only been in operation for six months in this evaluation period The program consists of four components.

Promoting Home Ownership.

LSSP will assist individuals and families

1. who are referred to it by·

    a the City of Charlotte or any of its departments,
    b the Charlotte-Mecklenburg Housing Partnership (CMHP),
    c Family Housing Services (FHS),
    d Charlotte Habitat for Humanity (Habitat) affiliate, or
    e. any Neighborhood Based Community Development Corporation within the City Within A City Area, or

2 who reside in Housing Authority of the City of Charlotte (HACC) transitional housing to remove legal barriers to home ownership by providing legal assistance

Preserving Home Ownership.

LSSP will assist individuals and families who own and reside in homes within the City Within A City Area, with priority to be given to individuals and families who purchased homes through City of Charlotte, CMHP and Habitat home ownership programs and individuals and families referred to it by FHS to remove legal barriers to continued home ownership by providing legal assistance

Preventive Community Legal Education.

LSSP will assist homeowners and tenants avoid or prevent legal barriers to new or continued home ownership by providing 60 hours of preventive community education on legal issues that impact low income individuals' ability to become homeowners At least two educational events will be held at each of the neighborhood centers

Protecting and Enhancing Neighborhood Viability.

LSSP will assist homeowners and tenants within the City Within A City Area individually and collectively in maintaining the viability of their neighborhoods and to develop
neighborhood opportunities for economic self-sufficiency through legal assistance projects approved by the Director of the Community Development Department of the City of Charlotte (CDD), with goals to be defined for each project at the time approval of the project is granted

B. Funding from the City

This is a new program, funded for the first time in FY93 at $84,000 However, LSSP bills the City only on the basis of actual hours of service, up to 1,600 hours

What percentage is this of the total agency budget?

About 7% of the agency's $1.2 million budget for its operations in five counties

What do those funds pay for?

The funds provided under this contract pay for 1,600 hours of legal work

o Promote Home Ownership	1,000 hours
o Preserve Home Ownership	480 hours
o Preventive Community Legal Education	60 hours
o Protect and Enhance Neighborhood Viability	60 hours

Only 140 hours and 38 minutes of service had been provided through March 17, 1993; thus, only about 9% of the contract budget had been expended through that date. Of the total hours of service provided, 122 hours and 38 minutes of service were provided by LSSP attorneys and 18 hours of service by paralegals

C. Location of Program

Individual client services are provided at the LSSP office located at 1431 Elizabeth Avenue Legal education classes will be offered at the three Neighborhood Centers in the City Within A City Area

The Neighborhood Viability Program will initially focus on the Belmont, Seversville and Genesis Park areas, and will expand to other areas in the future

D. *Target Population/Program Linkages*

Is the program related to the City Within a City effort or another City-sponsored program?

Yes, to be eligible for legal assistance under this contract, an individual must either

1 reside in units maintained by the City of Charlotte or the Housing Authority of the City of Charlotte, or

2 meet the following criteria

a. reside in substandard, overcrowded or unaffordable housing,

b earn 60% or less of median income (except that applicants to purchase homes located inside the City Within A City Area may earn up to 80% of median income) and

c be on the Master Waiting List for subsidized housing administered and maintained by the Housing Authority or similar list maintained by an entity approved by the City of Charlotte, or

3. meet otherwise applicable LSSP financial eligibility requirements

The components for **Promoting and Preserving Home Ownership** provides legal counseling and assistance for clients referred by any of the City departments, the Charlotte-Mecklenburg Housing Partnership (CMHP), Family Housing Services, Habitat for Humanity, or any neighborhood-based Community Development Corporation (CDC) within the City Within A City Area

The **Preventive Community Legal Education** component is linked with the Charlotte-Mecklenburg Housing Partnership's Home Ownership Program An attorney presents a session on resolving legal barriers to home ownership and other legal matters related to home ownership

The special project developed under the **Protecting and Enhancing Neighborhood Viability** is linked to the City Within A City program The prosecution of small drug houses as public nuisances will occur in Belmont, Seversville and Genesis Park and will provide legal civil remedies to the residents for ridding themselves of the nuisances This is a key activity in making these neighborhoods safe places for people to live.

Are clients a part of a self-sufficiency program?

No, but they are a part of the Charlotte-Mecklenburg Housing Partnership's Home Ownership Program

E. Clients Served/Services Provided

SERVICES PROVIDED	NO OF PEOPLE TO BE SERVED	NO OF PEOPLE REFERRED/ REQUESTING SERVICE	HOURS OF SERVICE TO BE PROVIDED	HOURS OF SERVICE PROVIDED
PROMOTE HOME OWNERSHIP	100	137	1,000	59 47
PRESERVE HOME OWNERSHIP	50	0	480	6 66
PREVENTIVE COMMUNITY LEGAL EDUCATION	300	50 PARTICI-PANTS	60	50 25
PROTECT AND ENHANCE NEIGHBORHOOD VIABILITY	NA	NA	60	24 25
TOTALS	450	187	1,600	140 63

Promote Home Ownership:

Referrals began with two in November and 105 in late December, 1992 By March 17, 1993, 131 person had been referred to LSSP Forty-seven persons have been screened, and work is in progress on those cases

Clients are classified and worked with in the same categories as are used by the Charlotte-Mecklenburg Housing Partnership

"A" Category clients should be eligible for a loan to purchase a house within 6 months of the referral date

"B" Category clients should be eligible for a mortgage loan in 6 to 18 months

"C" Category clients will take more than 18 months to qualify for a mortgage loan

LSSP prioritizes and schedules its work provided to clients so that the legal work will be completed by the time that the client has attained other aspects of "readiness" to qualify for a home mortgage, such as saving a downpayment, reducing their indebtedness, etc In many cases, LSSP is involved in assisting clients to clear up credit problems Most of those who are referred to LSSP for this service have serious credit problems which require a long time to correct

LSSP received no "A" referrals through December and has received only one "A" referral to date Thus, no clients were scheduled to have work completed and to quality for homeownership by the end of March 1993 However, work has been completed for 6 persons

Preserve Home Ownership:

Only one case in this category has been counseled This case contacted the office directly Under the terms of this contract, referrals are not required in order to accept a preservation of homeownership case However, priority is to be given to those homeowners attempting to preserve the homes they purchased through the City of Charlotte, Charlotte-Mecklenburg Housing Partnership and Habitat for Humanity homeownership programs, as well as individuals and families referred by Family Housing Services

Preventive Community Legal Education·

An attorney from LSSP is now presenting a session for each Home Ownership class sponsored by the Charlotte-Mecklenburg Housing Partnership Two sessions have been presented December 9, 1992 and February 3, 1993

The contract calls for LSSP to conduct two workshops in each of the City's three neighborhood centers located in the City Within a City Area Two workshops have been presented at two centers through March Amay James Neighborhood Center and Belmont Center Another community workshop is scheduled on May 13, 1993 at the Greenville Center. Approximately 50 persons have attended the workshops

Protect and Enhance Neighborhood Viability·

A project has been developed by LSSP and approved by the Community Development Department The project will identify small drug houses in Belmont, Seversville and Genesis Park and will provide legal civil remedies to the residents for ridding themselves of the nuisances, primarily by prosecution of civil nuisance actions LSSP will coordinate the project through its Deputy Director Ted Fillette A Program Advisory Committee, composed of target neighborhood residents, community police officers, and staff of organizations working in those neighborhoods, will develop the evidence for nuisance actions, recommend the priority of cases and recruit resources A legal team comprised of LSSP staff and volunteer attorneys will devise a strategy

for pre-trial evidence gathering, demands upon the offenders and formal discovery Private attorney volunteers from the Mecklenburg County Bar through the Volunteer Lawyers Program (VLP) will staff the cases

Assistant District Attorney Steve Ward, in charge of the special anti-drug prosecution program, has pledged his support of the program He will provide information regarding known drug nuisance houses in the target neighborhoods and will brief the private volunteer attorneys. He will ask the District Attorney to be the named plaintiff in appropriate nuisance actions, this will save the community organizations from having to post bonds

In addition, the program has received pledges of support from the Superior Court Judge Shirley Fulton who is co-chair of the criminal justice committee of the Fighting Back and Anti-Drug Abuse Committee, the Charlotte Police Department, and the Volunteers Lawyers Committee of the Mecklenburg County Bar

F. Effectiveness/Efficiency

The contract began on October 1, 1993 However, referrals began slowly -- 2 in November and 105 in late December As of March 31, 1993, the program has been in operation only six months and has been receiving clients only three months Therefore, according to the "A", "B", "C" categorization of clients, no clients needed to have their legal work completed for at 6 months following referral, which would make the first "scheduled" completions of legal work fall due in July 1993

Thus, the program has not been in operation long enough to assess effectiveness and efficiency The program is meeting only 5 of its 12 objectives and subparts, however, the program has six more months (through September 30, 1993) to meet its annual objectives In the event that workload objectives are not met due to the slowness in receiving referrals, any unspent funds can be rolled over into the FY94 contract

Options for Changes in the FY94 Contract

The two subparts of objectives No 1 and No 2 which address the percentages of cases which should be completed during the 12-month contract could be re-written to take into consideration the time frames for each category of clients For example,

> "Work should be completed within 6 months from referral date for all "A" Category clients, within 6 to 18 months for all "B" Category clients, and within more than ___ months for "C" Category clients "

This would reflect the actual design and intent of the program

	ANNUAL OBJECTIVES	ACTUAL	% OF OBJECTIVE ACHIEVED
1	PROMOTING HOME OWNERSHIP		
a	Provide legal assistance to 100 individuals and families	137 persons referred, 47 cases in progress	47%
b	Complete all legal work on 50% of those cases, and	Work has been completed on 6 cases	10%
c	Expend 1,000 hours of advocate time on activities in this category	59 hours 8 minutes	7%
2	PRESERVING HOME OWNERSHIP		
a	Provide legal assistance to 50 individuals and families,	1 person	2%
b	Complete all legal work on 75% of those cases, and	0	0%
c	Expend 480 hours of advocate time on activities within this category	6 hours 40 minutes	1%
3	PREVENTIVE COMMUNITY LEGAL EDUCATION		
a	Provide legal education to at least 300 individuals and families through community meetings and workshops,	50 participants	18%
b	Offer at least two workshops each year in each of the City's three neighborhood centers located in the City Within A City Area,	Workshops have been held in two centers, one is scheduled in May in 3rd center	50%
c	Develop educational materials as needed to facilitate the program and	Educational materials have been developed	100%
d	Expend 60 hours of advocate time on activities within this category	50 hours 15 minutes	83%
4	PROTECTING AND ENHANCING NEIGHBORHOOD VIABILITY		
a	Accomplish the goals established for each project, and	A project has been developed	In progress
b	Expend 60 hours of advocate time on activities within this category	24 hours 15 minutes	83%

NOTE It should be noted that this contract began October 1, 1992 The program had been in operation only 5 5 months and had been receiving adequate client referrals for only 3 months when this assessment was made Thus, this is a very new program, and there is still time for the program to make significant progress toward objectives by September 30, 1993 when the contract expires

G. *Priority of Program in Relation to City Within A City Objectives*

This program addresses two of the three City Within A City (CWAC) Objectives. It addresses the CWAC objective to "increase the self-sufficiency of families and individuals" in its components for **Promoting and Preserving Home Ownership** and in its **Preventive Community Legal Education**, all of which assist lower income families to become home owners and to retain home ownership The program also contributes to the CWAC objective of "strengthening and revitalizing neighborhoods" Home ownership strengthens both the family and the neighborhood Neighborhoods where the percentage of home ownership is high are more stable and better maintained The program's component for **Protecting and Enhancing Neighborhood Viability** also contributes to "strengthening and revitalizing neighborhoods" in its project to rid CWAC neighborhoods of small drug houses

The program is linked with other City programs including the Community Development Department, the Charlotte Police Department, the Charlotte-Mecklenburg Housing Partnership's Housing Contract and its Home Ownership Contract, Charlotte-Housing Authority, the neighborhood-based organizations in the CWAC neighborhoods of Belmont, Seversville and Genesis Park, Habitat for Humanity and Family Housing Services.

The services provided under this contract are ranked 4th among Innovative Housing Fund contract services

Prepared by Budget and Evaluation
May 26, 1993

YWCA

Scattered Site Day Care Contract
Contract Evaluation
FY94-FY95 Budget

A. Project Description

The program provides educational and recreational services two days per week in each of the scattered site public housing developments at Cedar Knoll, Leafcrest, Savannah Woods and Gladedale It offers such activities as

After-School Homework Assistance
After-School Tutorial Sessions for at least 90% of children at all sites
Music Lessons
Crafts
Employment and Counseling and Referral
Drug Education Workshops
Teen Groups
Assistance with College Applications

It also offers a summer camp for resident children from June through August

There is a Program Director on site all day two days per week Each Program Director is responsible for the programs at two sites, except for the Program Director at the newest program (Live Oak) who is responsible for only that site

During the morning and early afternoon, the Program Director develops study and activity plans for the after-school program, contacts teachers or parents regarding the students' needs, conducts special sessions for adults, and provides one-on-one assistance to residents seeking training and educational opportunities

After school, a part-time staff person joins the full-time person to conduct the children's activities, except a the newest site where there is only a Program Director

The children arrive and receive homework assistance and participate in other activities At some of the sites, neighborhood churches pick up some of the children needing tutorial assistance and take the children to a church-sponsored tutorial program When the children return, they join in the activities of the rest of the group.

B. *Funding from the City*

The program received $41,658 in FY92 and $54,253 in FY93 from the City

What percentage is this of the total program budget?

City funding accounts for approximately 37% of the total funding for the program The balance of funding comes from United Way of the Central Carolinas, Inc.

What do City funds pay for?

City funds pay for

2 full-time Program Directors,
1 part-time Program Director,
2 part-time Assistant Director positions, and
supplies and materials for programs at the sites

City funds are divided among the sites as follows

PROGRAM SITES	FUNDING LEVEL
Leafcrest/Cedar Knoll	$20,829
Live Oak	$12,595
Savannah Woods/Gladedale	$20,829
TOTAL CITY FUNDING	$54,253

C. *Location of program*

The program is located in the following scattered site public housing complexes

Program Sites Funded by the City.

Cedar Knoll (off Nations Ford/Green Needle Ct)
Leafcrest (off Archdale),
Savannah Woods (Marsh Road),
Live Oak (near Southpark), and
Gladedale (Old Providence Road)

Program Sites Not Funded by the City

Mallard Ridge (off South Boulevard/Muddy Pond) and
Sunridge (Milton Pond at Sharon Amity)

D. Target Population/Program Linkages

The primary target group is youth ages 5 - 17 and their parents. However, approximately 1,417 people who live in these scattered site developments continue to attend special events and workshops sponsored by the program

Are clients a part of a self-sufficiency program?

No.

Is the program related to the City Within a City effort or another City-sponsored program?

The program is conducted on site in Charlotte Housing Authority developments Otherwise, there is little linkage with other City programs

E. Services Provided

The following services are provided

After-School Homework Assistance
After-School Tutorial Sessions for at least 90% of children at all sites
Music Lessons
Crafts
Employment and Counseling and Referral
Drug Education Workshops
Teen Groups
Assistance with College Applications
Summer Camp

The following chart shows enrollment in the after-school program

HOUSING DEVELOPMENT	NO OF CHILDREN ENROLLED IN PROGRAM
Leafcrest (off Archdale)	26
Savannah Woods (Marsh Road)	24
Live Oak (near Southpark)	25
Sunridge (Milton Road at Sharon Amity)	29
Gladedale (Old Providence Road)	27
Mallard Ridge (off South Blvd/Muddy Pond)	29
Cedar Knoll	29
TOTAL	189

How many mothers were enabled to work as a result of the program?

The program offers after-school care only twice per week and, thus, is not designed to provide consistent daily after-school care that is needed by a working mother

Of the approximately 94 households represented by the children enrolled in the program, approximately 2% to 5% of the mothers work

How many mothers were enabled to go to school?

Of the approximately 94 households represented by the children enrolled in the program, twelve (12) mothers attend school

F. Effectiveness/Efficiency

The after-school program at two of the sites were visited in preparation for this report There were five children at one site and six at the other The evaluation team was told at both sites that a neighborhood church had picked up several of the children for tutoring sessions The few children in attendance could have been handled by one worker.

The program appears to be meeting all but one of its seven contract objectives

The objective not met is Objective No 1, which states that after-school tutoring will be provided for 90% of the children residing in the scattered site developments Approximately 32% are enrolled in the program However, the Ms Meta Waldon, YWCA Coordinator of Area Youth Development, states that special after-school

activities attract many additional youth who are not enrolled on a day to day basis She estimates that on a weekly basis they actually reach 20 to 40 children at each site.

Please see the following chart for the achievement status of each of the program's objectives

	OBJECTIVES	STATUS OF ACHIEVEMENT
1	To continue providing educational and recreational services in the Scattered Site projects at Cedar Knoll, Leafcrest, Savannah Woods and Gladedale, through programs such as o Employment, Counseling and Referral o Drug Education Workshops, o Teen Groups, o After-School Tutorial Sessions for at least 90% of the children at all sites, o Music Lessons, o Crafts	A wide variety of programs is provided at the sites, including those listed in the objective Of the 560 school age children who reside in these Scattered Site projects, 189 are enrolled in the after school program
2	Maintain current program levels and increase activities as population requires within funding level	The enrollment at each site, the number of households served, and the number of children residing in each location was provided for this evaluation and should become a part of all future reports from the YWCA
3	To offer a summer camp for resident children from June through August	Summer camp was provided in FY92 and is scheduled for FY93
4	To provide records indicating how often programs are held, program description and the number of residents in attendance at each	This was done
5	The approved budget is as follows Leafcrest/Cedar Knoll - $20,829 Live Oak - $12,595 Savannah Woods/Gladedale $20,829 Total - $54,253	Funds are being used to provide staff and materials at these sites
6	To provide a pertinent response to request for information as required by the City including, but not limited to, IRS forms, annual audit, personnel information, and organization charts	This was done
7	To return all unused City funds at the end of the fiscal year	A review by the City's Internal Audit Division showed no City funds remained unspent in FY92

Options for Changes in the FY94 Contract

The program was intended primarily as an after-school enrichment and tutorial program There did not seem to be enough activities during the day to justify full-time staff persons One or two consolidated, regional sites might offer better use of staff and an opportunity for more depth and diversity of programs

Consolidation of sites might allow the expansion of the program to a 5-day per week program This would provide consistent, dependable care for the children and would provide an opportunity for the mothers to enroll in a jobs training course or to seek employment This would make the program more supportive of the City Within A City objectives for increasing the self-sufficiency of individuals and families

The program currently no linkages with other City programs The City should encourage the Charlotte-Housing Authority to explore ways to support this program and/or provide day care, education and recreation for the children living in public housing Programs are available at some but not all locations The CWAC goal to increase the self-sufficiency of individuals and families" can be effectively implemented when children are educated and empowered to be self-sufficient adults

G. Priority of Program in Relation to City Within A City Objectives

The program as currently structured partially addresses the CWAC objective to "increase the self-sufficiency of individuals and families" The program was ranked 5th among the other services provided by Innovative Housing Fund contracts However, it has the potential for a higher ranking if it were a five-day per week program instead a two-day per week program

As the program is currently structured, it is an enrichment program -- something for the children to do twice a week What do they do the other three days? The argument can be made that something is better than nothing, but the program could be restructured to offer much more without significantly increasing the cost Consolidation of the programs at fewer sites might require the purchase of a van or two, but would allow much better use of staff and much better services

If this were a five-day per week program, it would offer consistent after school care with more depth of remedial/supplemental education and enrichment and would allow mothers of the children to seek employment, training or educational opportunities Such a restructured program would better fit with CWAC objectives.

Prepared by Budget and Evaluation
May 26, 1993

COMMUNITY DEVELOPMENT DEPARTMENT
PROGRAM EVALUATION REPORT

NAME OF PROGRAM: COMPREHENSIVE EDUCATION AND ENRICHMENT PROGRAM

PERIOD COVERED: JULY 1, 1992 - March 31, 1993

DATE PREPARED: MAY 5, 1993

CONTRACTOR: BETHLEHEM CENTER

A. EXECUTIVE SUMMARY

The Bethlehem Center Enrichment Program is designed to remedy academic deficiencies and to provide cultural enrichment for school students in the first through twelfth grades. The elementary and junior/senior high programs operate separately, with the junior/senior program beginning when the elementary program ends each day.

Program emphasis is on tutoring in basic reading, math and computer skills. Homework assistance is also provided.

1. The contract was approved by City Council for $158,825 for the period July 1, 1992 - June 30, 1993.

2. During this 9-month period, program expenditures totaled $86,492, 54% of the amount budgeted. (Nine months represents 75% of the contract year).

3. The Program served a total of 227 persons (101% of its objective), including:

   - 118 Youth in the Summer Day Camp,
   - 27 Junior High Youth in the School-Year Program (See Exhibit A Daily Schedule), and
   - 82 Elementary Youth in the Tutorial School-Year Program (See Exhibit B - Daily Schedule).

4. The annual cost per youth is $652. (See Table 1 for Enrollment, Dropout and Retention Rate by Program Component).

5. Of the 10 objectives stated in the contract:

   - the program met or surpassed 9 objectives, and
   - the enrollment objective for school age youth was exceeded; but, the junior/senior high youth were 7% short of their goal during the summer season and 10% short of their goal during the fall.

   (See Table 2 for Summary of Objectives Achievement by reporting period.)

6. The program is located at Bethlehem Center and operates:

Age Groups	Summer	School Year
Elementary	7:30 AM - 5:30 PM	2:00 PM - 5:30 PM
Junior/Senior High	5:30 PM - 8:30 PM	5:30 PM - 8:30 PM

7. During the 6-month period between pre-and post-testing, the elementary students gained an average of 4 months in reading and 4 months in math. The junior and senior high youth increased: 8 months in Reading, and 1.4 years in Math.

8. During this contract period, in addition to the on-going support from the United Methodist Church, the Contractor received additional funding in the amount of $81,556 from the USDA Food Program Child Care Resources, Inc. and Presbyterian Hunger Relief Fund.

B. CONCERNS AND RECOMMENDATIONS

Concern No. 1: The summer enrollment for junior/senior high students achieved 93% of its objectives and the school year enrollment for this age group achieved 90% of its objectives. The achievement of this objective increased by 10% during the summer session and 8% during the fall.

Recommendation No. 1: Continue to strengthen the enrollment of the junior and senior high students.

C. NARRATIVE

1. Staffing

A total of 15 persons are employed by the program. Eight teachers, a program director and a curriculum coordinator work with the students. The student to teacher ratio is 14 to 1. Volunteers also assist with student activities.

2. Basic Education

The students are divided into clusters by age. The junior/senior high program starts each day when the program for the elementary school students ends.

The program provides tutoring in reading and mathematics, along with homework assistance and other educational activities. Current events and high interest topics, such as space and black history are an integral part of the educational process.

3. Enrichment Activities

Enrichment activities are an important part of the program, especially since 100% of the students come from families earning 50% or less of the local median income. Field trips included: Mint Museum, Farmer's Market, Johnson C. Smith University, Uptown Men's Shelter, Latta Park, Memorial Stadium, Charlotte Coliseum, Spirit Square, Discovery Place/Omnimax, Spaghetti Warehouse, Science Hobbies, Main Library, Animal Shelter, NationsBank Corporate Center, and many other educational and entertaining places.

On November 3rd, students in the After-School and Jr./Sr. High programs cast their votes for the next president of the USA and the Governor of North Carolina. At 12:00 p.m. the polls opened at Bethlehem Center, and by 1:30 p.m. when the polls closed, Bill Clinton was declared the winner of the Presidential race and Jim Hunt, the new Governor of North Carolina.

4. The After-School program in a cooperative effort with Discovery Place established a science club for program participants. The club meets every other Monday, and students are exposed to hands on science activities under the direction of an employee of Discovery Place. The students have been overwhelmed and excited about this program addition and the fact that science can be fun. The purpose of the program is to get students interested in science as a career.

Enrollment, Dropout, and Retention Rate
by Program Component

Program Component	Enrollment Objective	Total Enrollment	% of Obj.	No. of Dropouts	Retention Rate
Summer Program July 7, 1992-Aug 14, 1992					
Junior High Youth (28 days) 3 hrs/day	30	28	93%	0	100%
Elementary (28 days) 10 hrs/day	90	90	100%	0	100%
Subtotal	120	118		0	100%
School Year Program (Thru Mar.) Aug 24, 1992-March 31, 1993					
After School - Elementary 3-1/2 hrs/day	74	82	111%	9	89%
Evening - Jr. High 12/hrs/wk	30	27	90%	5	81%
Subtotal	104			14	91%
Total Program(Thru Mar.) July 7, 1992-March 31, 1993					
All Components	224	227		14	94%

TABLE 2

SUMMARY OF OBJECTIVES ACHIEVEMENT

Abbreviated Objectives	Year to Date	% of Obj. Met
1. Enrollment in Program to improve basic skills		
a. 90 Elementary School age youth enrolled (Summer)	90	100%
b. 30 Jr/Sr High enrolled (Summer)	28	93%
c. 30 Jr/Sr High enrolled (School Year Evenings)	27	90%
d. 74 Elementary age youth (After School Program)	82	111%
2. 224 Enrolled low/mod students from Southside NSA	227	101%
a. Enrollment based on need for individualized instruction	Met	Met
b. Need determined by objective and subjective assessment	Met	Met
3. Assess needs w/i 6 weeks (Fall)	Met	Met
4. Encourage parental involvement		
a. Meet w/each family twice	Met	Met
5. Report student progress by April 9, 1993 (See Table 3)	Met	Met
6. 1 Cultural Event week; each student participates in 2 events per month	Met	Met
7. Avg. daily attendance of:		
a. Elementary Age Youth (80%)	81%	101%
b. Junior High School Age (60%)	78%	130%
8. Involve parents		
a. 1 Meeting before August 1, 1992	Met	Met

	Year to Date	% of Obj. Met
b. 1 Meeting per quarter before August 1, 1992	Met	Met
c. Review program operation	Met	Met
9. Teacher/Staff workdays		
July 1-6, 1992 for Summer Session	Met	Met
August 17-21, 1992 for School Year	Met	Met
June 24-30, 1993 for final reports/closeout	X	X
10. Identify and secure other funding	Met	Met

Met = Required by contract and provided by contractor.
x = Not required during the reporting period.

TABLE 3

TESTING RESULTS

Testing Component	Average Increase in Achievement Level	
	Elementary	Jr./Sr.
Reading	4 months	.8 years
Mathematics	4 months	1.4 years

Exhibit A.1

Summer

Daily Schedule

Elementary

Daily Schedule Time	Activity
7:30am - 8:30am Monday - Friday	Arrival Table Games
8:30am - 9:00am Monday - Friday	Breakfast Clean Up Late Arrivals
9:00am - 11:00am Monday - Friday	Arts & Crafts Recreation & Games Reading Period Workbook Activities Field Trips
11:15am - 1:00pm Monday - Friday	Lunch Rest Period
1:00pm - 3:30pm Monday - Friday	Arts & Crafts Recreation & Games Reading Period Workbook Activities Field Trips
3:30pm - 4:15pm	Snack Clean Up
4:15pm - 5:30pm	Table Games, Music Games, etc. Dismissal

Exhibit A.2

Summer

Daily Schedule

JR./SR. HIGH

Daily Schedule Time	Activity
5:30 - 6:00 pm	Arrival
Monday - Friday	Table Games
6:00pm - 8:00pm	Teacher's Choice Discussion Groups/Rap Sessions, Workshops, Arts, Crafts, Field Trips, etc.
8:00 - 8:30pm	Clean Up Dismissal

EXHIBIT B.1

Fall

Daily Schedule

Elementary

Days	Time	Activity
Monday-Thursday	2:00 - 3:00	Arrival and Homework
Monday-Thursday	3:00 - 4:00	Snack
Monday & Tuesday	4:00 - 5:00	Tutoring (1st-2nd, 5th-6th)
Wednesday & Thursday	4:00 - 5:00	Tutoring (3rd-4th)
Monday-Thursday	4:00 - 5:00	Field Trips, Arts and Crafts, Group Activities
Friday	4:00 - 5:00	Fun Fridays: Special Events
Monday-Friday	5:00 - 5:30	Dismissal

Exhibit B.2

Fall

Daily Schedule

JR./SR. HIGH

Days	Time	Activity
Monday-Thursday	5:30	Arrival and Recreation in game room.
Monday-Thursday	5:30-6:30	Group Instruction, homework
Tuesday & Thursday	5:30-8:00	Tutoring
Monday	6:30-8:30	Seminars, Workshops, Recreational games, Arts and Crafts, Discussion groups, etc.
Wednesday	6:00-8:30	Field Trips
Monday-Thursday	8:30	Dismissal

COMMUNITY DEVELOPMENT DEPARTMENT

Program Evaluation Report

NAME OF PROGRAM: GETHSEMANE ENRICHMENT PROGRAM

PERIOD COVERED: July 1, 1992 - March 31, 1993

DATE PREPARED: May 25, 1993

CONTRACTOR: Gethsemane Enrichment Program, Inc.

A. EXECUTIVE SUMMARY

The program is designed to improve academic skills and cultural awareness of students in preschool through fifth grade. It provides an excellent balance of basic education and enrichment activities. Since attendance of the program is voluntary, the high attendance year after year speaks well for the program's success at making education enjoyable.

The daily programs are carried out according to established class plans and objectives for each age group. Homework assistance is also provided.

1. The contract was approved by City Council for $486,149, covering a 12-month period (July 1, 1992 - June 30, 1993.)

2. During the first nine months, the program served 530 youth in a summer program and 488 youth in an after-school program; this was 100% of its enrollment objective.

3. Expenditures for the first nine months totaled $397,496.08 which is 82% of the amount budgeted.

4. The cost per youth is $824.92.

5. The program has met or surpassed all of its 8 objectives. (See Table 1.)

6. Over a period of 6 months, the average increase in academic achievement level was 13 months in Reading and 9 months in Math.

7. Both the summer and fall programs were conducted at the following locations:

   Amay James Elementary School
   Billingsville Elementary School
   Lincoln Heights Elementary School
   St. Paul Baptist Church

B. CONCERNS AND RECOMMENDATIONS

Concern No. 1: Test scores were not available for the St. Paul Baptist Church site.

Recommendation No. 1: The contractor should ensure that testing is conducted at each site, or that test scores are secured from the public school system.

Concern No. 2: The Saint Paul site has had 3 different site coordinators during the nine months period. However, the current site coordinator is anticipated to remain through the FY94 contract period.

Recommendation: The contractor should look at either combining the site or providing more technical assistance during interim periods.

C. MAJOR FINDINGS

1. The average daily attendance was:

   - 107% for the summer program.
     See Exhibit A for Summer School Schedule.

   - 104% for the after school program.
     See Exhibit B for After School Program Schedule.

2. The dropout rate was: Summer Program - 0% and
   After School Program - 17% -

3. The program also provides in-school tutoring or counseling for students in the program when requested by any of the 35 schools where the students are enrolled.

4. Efforts to secure other funding resulted in securing a total of $151,921 from Mecklenburg County ($114,234), Knight Foundation ($35,187), and United Way ($2,500). These funds were designated to assist parents in becoming more involved in their children's education and provide and promote good parenting skills. Additional tutors were hired to lower the student-teacher ratio.

5. In an effort to promote parenting skills, 5 parenting workshops were held.

   Adult Basic Literate Education (ABLE) and Graduate Education Diploma (GED) classes were provided at various sites for 30 parents. The GEP created parental involvement by forming four Parent Advisory Councils. (See Table 2.)

D. NARRATIVE

1. Staffing

Each of the four program sites has a certified teacher functioning as the On-Site Lead Tutor. These lead tutors work with the clusters, as well as coordinate duties. There are four age clusters at each site, for a total of twelve. There is a certified teacher for each age cluster. Due to the large number of students in one of the clusters, an additional certified teacher was assigned. Thirteen van/bus drivers serve as teacher assistants.

A total of 41 volunteers work at the four sites. Training sessions are provided for all staff and volunteers.

2. Basic Education

The curriculum is designed to meet the basic needs of the students served by the program. The Standards Objective Course Study that is designed by Charlotte-Mecklenburg Schools, as well as other resources, is used in designing the curricula. Various diagnostic instruments are used to assess the students' individual needs so that instruction may be tailored to meet those needs.

D. **NARRATIVE**

1. Staffing

Each of the four program sites has a certified teacher functioning as the On-Site Lead Tutor. These lead tutors work with the clusters, as well as coordinate duties. There are four age clusters at each site, for a total of twelve. There is a certified teacher for each age cluster. Due to the large number of students in one of the clusters, an additional certified teacher was assigned. Thirteen van/bus drivers serve as teacher assistants.

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Table 1

STATUS OF OBJECTIVES

ABBREVIATED OBJECTIVES	OBJECTIVE	ACHIEVED	STATUS
1. After School Teacher/Student Ratio	1:20	1:14	143%
2. Enrollment	488	488	100%
3. Identify needs of students and develop a program of instruction to meet those needs within 6 weeks after enrollment	within 6 weeks	Met	Met
4. 1/2 month educational achievement of each month of instruction	3 mos. Reading	13 mos. Reading	Met
	3 mos. Math	9 mos. Math	Met
a. Pretest Administered	by 9/21/92	Met	Met
b. Post-test Administered	by 4/1/93	Met	Met
5. Recreational & Cultural Activities			
a. 1 activity per week	1/week	Met	Met
b. 2 activities/month for each youth	2/month	Met	Met
6. Program Retention Rate	80%	83%	Met
7. Advisory Committee Members	10	Met	Met
Meetings per Quarter	1	Met	Met
8. Identify Other Funding Sources	Not Quantified	$151,921	Met

TABLE 2
PARENT EDUCATION
12/1/92 THROUGH 3/31/93

PROJECT	SITES	NO. of PARENTS
KNIT A SOCK CHRISTMAS PROJECT Preparations Shopping for Gifts	Barringer Billingsville Genesis Lincoln Heights	19 15 8 9
RESOURCE CENTER - 12 WKS (16 Parents) Word Processing/Tying	Barringer Genesis Lincoln Heights	3 4 3
Sewing/Shopping for Materials Shopping for Materials	Barringer Lincoln Heights	2 7
Communications	Genesis Lincoln Heights	1 1
GED/ABLE/HIGH SCHOOL COMPLETION	Barringer Billingsville Genesis Lincoln Heights	10 9 4 7
AFRICAN AMERICAN FAMILY SUMMIT JCSU	Barringer Billingsville Lincoln Heights	5 8 10
FIGHTING BACK DRUG WORKSHOP	Billingsville	21
HIGH BLOOD PRESSURE WORKSHOP Session #1 Session #2	 Billingsville Billingsville	 25 30
PARENT ADVISORY COUNCIL MEETING	Genesis Lincoln Heights	4 8
SOUTHERN LIVING SHOW	Barringer Billingsville Lincoln Heights	1 6 4
ROUND UP (TRIP TO CIRCUS)	Barringer Billingsville Lincoln Heights	26 27 10
HOME VISITATIONS	Resource Ctr Recruiting GED/High Sch Recruiting Follow up with Disciplinary Problems	50 35 160
TELEPHONE CALLS	Follow up calls Southern Living Show African Ameri Summit	75 45 20
ENROLLED ONE PARENT - Paid Tuition, Books and Exam Fees) American Red Cross Nurse's Assistant Program - Barringer		

EXHIBIT A

GETHSEMANE ENRICHMENT PROGRAM
SUMMER SESSION
JULY 6 - JULY 31, 1992

A TYPICAL DAILY SCHEDULE 8:00 - 1:00

*Lunch Schedules to be assigned by ON-Site Lead Tutor

7:50-7:55 - - - Staff Sign In

8:00-8:15 - - - Vans/Buses Arrival of Students

8:00-8:30 - - - Breakfast (moment of silence before meal
Van/Bus Drivers Report to Clusters

8:35-8:45 - - - Preparation for Day - Attendance Check etc.
Silent Reading

8:50-9:30 - - - Setting the tone - Review expectations
Social Behavior - Classroom
Behavior - Develop and implement the theme

9:35-10:10 - - Block A Reading (1st Rotation)
Block A Math

10:15-10:30 - - Block II (2nd Rotation)

10:30-11:00 - - Block III (3rd Rotation) - Computer Rm (E.C)

10:30-11:30 - - LUNCH/STUDY TIME

10:30-10:50 - - 1/3 of each Cluster Van/Bus Driver

10:50-11:10 - - 1/3 of each Cluster Tutor

11:10-11:30 - - 1/3 of each Cluster Assistant

12:20-12:30 - - Evaluation of day's activities

12:35-1:00 - - Dismissal/Planning*

1:00 - - Cluster Staff Sign-Out

*Planning is provided for Tutors and Assistants to prepare for the next day's activities. Tutors and assistants should plan for and provide clear directions for Van/Bus Drivers duties during the day.

GETHSEMANE ENRICHMENT PROGRAM (GEP)
Barringer Site
FALL/WINTER SESSION

2:30-5:30	EARLY GROUP (Barringer Students) Pre-Kindergarten through 2nd Graders
2:30-3:30	STUDENTS IN MULTIPURPOSE ROOM RECREATIONAL ACTIVITIES ORAL LANGUAGE AND MATH EXPERIENCES DEVELOPMENT OF SOCIAL SKILLS/STORYTIME
3:30-3:45	SNACK (CAFETERIA)
3:50-4:30	STUDENTS AND TUTORS IN CLUSTERS 1st ROTATION REINFORCEMENT OF READING AND MATH SKILLS TUTORING (Myers Park Presbyterian Church Volunteers)
4:35-5:05	2nd ROTATION REINFORCEMENT OF READING AND MATH SKILLS TUTORING (Myers Park Presbyterian Church Volunteers)
5:05-5:15	ATTENDANCE CHECK AND SHARING TIME
5:15-5:30	PREPARE FOR DISMISSAL and Load Vehicles
5:30	DISMISSAL

****

3:45-4:25	VEHICLES ARRIVE (REGULAR GROUP) Pre-kindergarten through 5th Graders SNACKS (as students arrive) In CAFETERIA
4:00-4:45	TUTORS AND STUDENTS IN CLUSTERS ATTENDANCE AND FOCUS FOR THE DAY/STORYTIME TUTORING (Myers Park Presbyterian Church Volunteers)
4:45-5:30	1st ROTATION REINFORCEMENT OF READING AND MATH SKILLS HOMEWORK TUTORING (Myers Park Presbyterian Church Volunteers)
5:35-6:15	2nd ROTATION REINFORCEMENT OF READING AND MATH SKILLS HOMEWORK TUTORING (MPPC Volunteers)
6:15-6:30	WRAP UP/DISMISSAL

EXHIBIT B

GETHSEMANE ENRICHMENT PROGRAM
CAROLYN FAULKNER - ON-SITE COORDINATOR
BILLINGSVILLE SITE

DAILY SCHEDULE

4 15 - 4 30	Students arrive (report to classroom)
4:15 - 4:45	Homework/Silent Reading
4.45 - 5:15	Reading (Monday-Wednesday) Math (Tuesday-Thursday)
5 10 - 5 20	Cluster B (Snack)
5 20 - 5.30	Clusters C & D (Snack)
5 30 - 5 45	Cultural Arts/Recreational Period
5:45 -	Dismissal

EXIHIBIT B

GETHSEMANE ENRICHMENT PROGRAM
SARA P. WILSON - ON-SITE COORDINATOR
LINCOLN HEIGHTS SITE

DAILY SCHEDULE

3·45 - 4.15 Arrival and receiving of students
4.15 - 4:45 Snacks for all clusters
4 45 - 5:45 Rotating Activities in Classroom
consisting of:
1. Reading Activities
2. Mathematics Activities
3. Art
4. Games for fun and reinforcement of skills
5·45 - 6:00 Loading and Dismissal of bus and vans

Homework supervised by van drivers and volunteers after snacks are completed in the cafeteria

Music cafeteria

Physical Education Inside/outside

Basketball competitive, play at West Charlotte Community Center

EXIHIBIT B

SAINT PAUL BAPTIST CHURCH

Child Development Center

DAILY SCHEDULE

FALL

3:15 - 3:45	Children Arrived / Group Time
3:45 - 4:00	Snack
4:00 - 5:15	Homework
5:15 - 5:45	Skills
5:45 - 6:15	Outside Play
6:15 - 6:30	Planning Time

PERFORMING ARTS CENTER

Issue Paper
FY94-FY95 Budget

Description: The purpose of this paper is to provide information on the City's obligation to the Performing Arts Center for operation and maintenance costs and to discuss the ownership of the facility. No decision is required.

Background: In 1980, the Central Area Plan suggested that additional entertainment and cultural facilities were needed in the Uptown area Since that time two outside studies were conducted which reaffirmed the need stated in the Central Area Plan On November 3, 1987, a bond referendum was approved by the citizens of Charlotte for $15,000,000 for a Performing Arts facility.

On December 12, 1988, Council took action to assume responsibility for some of the expenses incurred at the Performing Arts Center (PAC) As a result of the action taken, the City is responsible for.

- items associated with building ownership: maintenance/repair, replacement reserve, and insurance

- start-up financial assistance for the first 2 years capped at $150,000 per year, with future financial assistance subject to annual Council review.

In response to this action, staff worked with the PAC to determine the funding needs associated with the City's building ownership criteria; $213,994 was budgeted in FY93 and is again budgeted for FY94 in the Cultural Facilities Budget. As of this report, $48,232 had been requested by the PAC for expenditures associated with this criteria from July 1, 1992 through December 31, 1992 An additional

$150,000 has been included in the Arts and Science Council grant in FY93 and for FY94 as a pass through for the PAC. In accordance with the action, the PAC is presently assuming responsibility for all other operating expenses including utilities.

During the FY93 Budget Deliberations, as a result of the recommendation included in the Cultural Action Plan, Council considered and took action to institute a Cultural Facilities Plan. The purpose of this plan is to treat all cultural agencies housed in City-owned buildings equally in terms of facility maintenance. The option chosen by Council was one called the "Discovery Place Model" in which the City paid for all facility maintenance including janitorials, utilities, grounds maintenance, etc. Council decided to delay the time when the Performing Arts Center would be brought into the Discovery Place Model until FY95.

Budget Impact:

Included in the Cultural Facilities Budget for the Performing Arts Center is $563,994 for FY95 This appropriation consists of $213,994 budgeted for building ownership and $350,000 for anticipated costs of utilities and/or janitorials The FY95 request could increase because the PAC could not estimate a full year's cost for total maintenance at this time Staff will work with them on this figure and the Cultural Facilities Budget may have to be amended for FY95.

Ownership:

The City owns the land under the Performing Arts Center and will own the facility once there has been a final "walk-through" and the City has accepted the facility.

Prepared by Budget and Evaluation
May 26, 1993

FALL BOND REFERENDUM

Issue Paper
FY94-FY95 Budget

Description: The FY94-98 Capital Improvement Program financing plan includes $98 2 million in General Obligation "Bonds to be Authorized" as follows

BOND	AMOUNT
Environmental Protection	
• Statesville Landfill	$10 million
• York Road Landfill Gas	5 million
• Underground Storage Tanks	7 million
• Fire Pits Cleanup	5 million
Environmental Protection Sub-Total	$27 million
Water	58 5 million
Sewer	12 7 million
Total	**$98.2 million**

Issues:

1 The City is under legal mandates to cleanup three Environmental Protection projects (Attachment No 1 contains the specific legal/regulatory requirements)

2 Council has approved a three phase cleanup of Statesville Landfill, including· a parameter fence, surface debris removal, subsurface investigation and cleanup, if necessary

3 A one cent tax increase is recommended in FY95 to debt service the Environmental Protection Bonds

4 Issuance of General Obligation Bonds for water and sewer projects has resulted in lower user rates compared to Revenue Bonds

Decision: Council approval is required for the bond package (Attachment No 4 contains a timetable of Council Actions)

Background: The following information is attached·

Attachment No 1·	Status of the four Environmental Protection projects
Attachment No 2	Background on the four Environmental Protection projects
Attachment No 3	Project descriptions and funding schedules
Attachment No 4	A schedule of Council actions required for the Fall Bond Referendum

Attachment No. 2

ENVIRONMENTAL PROTECTION BACKGROUND INFORMATION

Statesville Avenue Landfill

The Statesville Avenue Landfill was operated from 1942 to December 31, 1970 as a municipal landfill for the city of Charlotte The site was closed in 1971 prior to the existence of any Federal or State environmental protection regulations The site was used by Street Maintenance as a storage yard for materials from the mid,1970's to 1991

In 1991, City council requested staff to investigate the impacts of the site on the environment and to report the findings Staff identified no evidence of any threat posed to the public health or environment in early 1992 However, staff identified a three phase cleanup of the site if City Council decided to take a proactive approach concerning the site The three phase cleanup consisted of securing the site by installing a fence around the perimeter, removal of the surface debris and the environmental characterization study and cleanup, if necessary To date, the installation of the fence is complete and the removal of the surface debris is about to begin The environmental characterization study and cleanup will be addressed following the completion of the surface debris removal and review by City Council

York Road Landfill Gas

Methane gas is a natural by-product of decomposing material found in a landfill The migration of methane gas first became an issue at the York Road Landfill in 1984 with an explosion in a Southern Bell manhole Following this occurrence, the city began work on a way to control the methane migration In 1987 Law Engineering, Inc submitted a report on available approaches for control of the methane migration

In 1987, the City of Charlotte issued a Request for Proposals for the design of a system to control the migration of methane along the NC49 boundary From the proposals received, the city selected GSF, Inc GSF designed a system of collection wells to be located on the landfill property The system became operational in December 1988, however, this first system was not completely effective in controlling gas migration GSF went out of business during project implementation Law Environmental was retained to provide design services for the modification of the collection system After the modifications, the system was put back into operation There is still, however, a limited area that exceeds regulatory standards

In addition to the compliance issues the City has also found that the current system requires significant operation and maintenance costs that were not anticipated at the time the system was designed and constructed The city expects these costs to continue to escalate over time

The City has successfully used a trench containment system at the northeast boundary of the landfill since 1990 This evidence of proven operation was not available when the City implemented the NC49 venting system in 1988. Although there is no guarantee that such a system will result in 100% compliance, the city's success with it elsewhere increases the likelihood of the beneficial result

Underground Storage Tank Program.

The Underground Storage Tank (UST) Program was initiated in 1988 following the approval of the federal UST regulations (40 CFR Part 280) by the Congress and EPA The State followed suit by the implementation of the State UST regulations (15A N C A C Chapter 2N) that incorporates by reference all of the federal UST regulations In addition, the State regulations have incorporated additional requirements so as to be more stringent in certain circumstances than the federal regulations

The City's UST Program was initially managed by the Fire Department In June 1991, the Fire Department transferred the UST Program to the Engineering Department Since 1991, the Engineering Department has been working with a consultant, Professional Service Industries, to bring the 210 City owned USTs into compliance and to take care of any required tank removals and cleanups

- The City's Underground Storage Tank program consists of the identification of leaks, contamination assessments and contamination cleanup of the 210 City owned underground storage tanks

- We are currently working on the clean up and tank removals at the following sites

  - Law Enforcement Center Parking Lot (highest priority)
  - Light Vehicle Facility on Siegle Avenue
  - Heavy Vehicle on Sweden Road
  - Water Distribution on Patton Avenue
  - Fire Logistics on Ott Street
  - Fire Station #3
  - Fire Station #11
  - Fire Station #12
  - Police Aviation Hangar
  - Ovens Auditorium
  - Airport Shop

- To date nine sites (23 USTs totalling $679,500) have been completed

  - Old Bus Garage on N Brevard Street (10 USTs totalling $340,000)
  - Grady Cole Center (2 USTs totalling $130,000)
  - City Hall Annex (2 USTs totalling $110,000)
  - Fire Station #24 (3 USTs totalling $70,000)
  - Spill Assessment on Northerly Road ($5,000)
  - Old Bell Hydraulic Equipment Service (2 USTs totalling $10,000)
  - Plato Price Warehouse (1 UST totalling $1,300)
  - Nature Museum (1 UST totalling $200)
  - Independence Arena (2 USTs totalling $13,000)

Fire Pits Cleanup.

The Charlotte Police and Fire Academy has been in operation since 1973 The existing fire pits are of various shapes and sizes and most are of similar construction Typically, 6" to 8" of gravel is resting on soil and is surrounded by a concrete berm approximately 1' thick Fuel lines and drain lines are beneath the gravel During training exercises, fuel was discharged through the piping network and set afire On some occasions, fuel would be poured from drums directly into the fire pits The facility received an unknown quantity of flammable liquid wastes from others these liquids were used as additional fuel for training exercises Water, foam and residue were routed through the drain system to an oil/water separator before being discharged to a tributary to Sugar Creek

The City has signed an Administrative Order on Consent with the North Carolina Department of Environmental Health and Natural Resources The order details the responsibilities of the city for site remediation We are currently working on a closure plan which will be submitted for State approval in October, 1993 The closure plan includes site specifications and preliminary design plans.

Attachment No. 1

ENVIRONMENTAL PROJECTS STATUS

STATESVILLE AVENUE LANDFILL

- Legal/Regulatory: None at this time
- Current Funding: No additional funding needed for FY94
  - Debris removal contract to be let in June
  - Characterization (subsurface analysis) to begin this fall, subject to Council approval
- Future Funding: Costs will depend on the scope and severity of problems identified, and the approach selected to deal with the problems

YORK ROAD LANDFILL GAS

- Legal/Regulatory: Ashley Park Lawsuit is on-going, Mecklenburg County Environmental is monitoring the project and has previously cited the City for Methane gas migration
- Current Funding: $790,000 is needed in FY94 for construction of a methane gas containment trench system along NC 49, legal expenses, system monitoring and staff costs

  Additional funds may be needed for the Ashley Park Lawsuit
- Future Funding: Monitoring, maintenance and testing is estimated at $70,500 annually for several years

  Groundwater testing will continue through FY94 If testing identifies contamination, remediation efforts could be costly

UNDERGROUND STORAGE TANKS

- **Legal/Regulatory** — State Law requires that all underground fuel tanks be upgraded or closed by December 22, 1998 The City has 210 tanks

- **Current Funding** — Projected general government funding needs for FY94 total $1 8 million

- **Future Funding·** — Five-year cost projections are based on experience to date with the percentage of tanks requiring remediation and the number of tanks to be tested

General Government	$ 7 3 million
CMUD	$ 2 4 million
Aviation	$ 5 6 million
Total	**$15.3 million**

Partial reimbursement from the State for tank remediation is uncertain and has not been programmed in the Capital Budget

FIRE PITS CLEANUP

- **Legal/Regulatory** — The City is seeking contributions from other parties for participation in site cleanup

  The City has entered into an Administrative Order on Consent with the State outlining the City's remediation responsibilities

- **Current Funding** — A project account balance of $150,000 will cover legal and staff expenses for FY94

  Cleanup (estimated at $6 5 million) may be initiated in FY94 and is funded in the budget from Bonds to be Authorized

- **Future Funding** — The project will require on-going monitoring, maintenance and testing which is estimated at $100,000 annually for several years

Attachment No. 4

COUNCIL ACTIONS NECESSARY FOR FALL, 1993 BOND REFERENDUM

Action	Date
1 Authorization to Proceed	June 28
2. Introduce Bond order, Call for Public Hearing and Present Sworn Statement of Debt	July 26
3. Conduct Public Hearing and Adopt Bond Order	August 23

Prepared by Budget and Evaluation
May 26, 1993

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Attachments

A. Merit Budgets - Charlotte Companies

B. Compensation Trend Data

C. Comparisons with Major North Carolina Cities and Mecklenburg County

D. Employment Practices - Charlotte Metropolitan Statistical Area

E. 1993 City of Charlotte Market Survey (A series of graphs E1 - E8)

F. Comparison of City Manager's Recommendations with the Recommendations of the Mayor's Compensation Task Force; Compensation Issues and Incentive Reward Issues

EXECUTIVE SUMMARY

The following highlights recommended changes in the City's pay and benefits programs for FY94.

Recommended Pay Philosophy

Allow good employees to achieve market rate for job and top performers to exceed market rate

Measure market competitiveness against median average actual in the recruitment area for job

Use incentives to reward employees for cost savings/increased value of services to taxpayers

Link pay decisions to performance management system; make pay decisions based on employee performance and market value of the employee's job

Objectives of the Recommended Pay Structure

Simplifies pay structures and job ranking system

Eliminates all automatic pay increases

Pays for performance and market value of job

Eliminates step structures (except for public safety jobs)

Decentralizes pay administration and holds managers accountable

Recommend Implementation of Broadbanding

Adopt broadband pay structure for implementation in August 1993

Establish a market target value (based on median) for all jobs

Revise the step plan for public safety employees

Recommended FY 94 Salary Increases

Recommended 4.5% merit budget based on analysis of proposed increases for Charlotte and other private and public employers

Needed to maintain City's current market position

Public safety employees with satisfactory or better performance will receive 4.5%

Longevity Pay Program

Alternatives for phasing out and/or eliminating the current longevity program are provided for Council's consideration

Incentives Program

Incentive plans will be developed and implementation begun by January 1, 1994

FY 94 Benefits Changes

Plan changes as approved by City Council on May 10, 1993 are shown on Page 13.

RECOMMENDED PAY PHILOSOPHY

A new pay system is recommended. The system will be based on specific principles that should serve as a guide for all pay decisions. These principles should support the goals of City Council and be communicated to all levels in the organization.

The recommended principles are as follows:

- The purpose of compensation for the City of Charlotte is to attract and retain the most qualified and motivated talent; to motivate and reward behaviors which are critical to success; and to support the short and long term business objectives and core values.

- Compensation is a reward for performance and not guaranteed; compensation will be driven by individual, team, business unit and organizational objectives.

- Base salaries should be competitive with the market average practice. Good employees should be able to achieve the market rate for their job; very high performers should be allowed to exceed market rate, based on their level of contribution.

- The measure of market competitiveness is defined as a pay rate which is within 5% of the median of the actual salaries paid for similar jobs within the geographical area where recruitment is conducted.

- Market competitiveness is based on comparison with comparable employers, depending on the geographical area where recruitment is typically conducted:

  Major Charlotte companies and other local companies with employees performing similar jobs

  Major cities in North Carolina (Durham, Greensboro, Raleigh, and Winston-Salem)

  All Southeastern cities with populations of 100,000 or greater

  National cities with populations between 175,000 and 675,000

- Compensation structures should support the City's need for a flexible and adaptable workforce.

- Incentives should be used to reward employees for cost savings or increased value of service to taxpayers.

- The compensation system should be linked with the City's performance management system. The role of performance management will be to support employee development and to serve as a communications tool with employees.

- Performance ratings will not automatically drive pay increases; pay will also be driven by the market value of the job.

The proposed philosophy will be reviewed with the Personnel and Finance Committee prior to approval by the full City Council.

OBJECTIVES OF THE RECOMMENDED PAY STRUCTURE

The recommended pay system recognizes the City's need for a new approach to salary structure and pay administration to support a more streamlined, flexible and people-oriented organization.

The new pay system will accomplish the following objectives:

- Support organizational change messages:
  - rightsizing
  - flattening
  - broadening employee skills/competencies

- Simplify the current pay structures and classification system.

- Eliminate automatic increases for all employees.

- Provide pay increases based on performance and on comparison with the market value of specific jobs.

- Eliminate steps for most City positions (all positions except those in the Public Safety Pay Plan are recommended to be included in the new pay system).

- Encourage team-based work and job enlargement; reward employees for developmental job changes and acquisition of additional relevant skills.

- Decentralize pay administration and hold key managers accountable for pay decisions and salary costs.

- Enable Human Resources staff to have sufficient time to better evaluate market competitiveness and internal pay practices and increase their role as consultants to the key businesses.

RECOMMEND IMPLEMENTATION OF BROADBANDING

The City's Human Resources Department has explored a variety of job evaluation and pay delivery systems and approaches. Primary considerations in this search was to select an approach which met the major recommendations of the Mayor's Compensation Task Force. In addition, we sought an approach which supported our new organization and its culture, accommodated rightsizing and delayering, provided greater flexibility for developmental and lateral moves by employees, and facilitated development of a non-managerial career track.

From our research, we have determined that a broadbanding system will meet these objectives and will provide an enhanced flexibility to pay-the-person and match pay levels with performance and contribution. Such a plan facilitates responsiveness, communications and decision making and supports the development of broadly skilled, rather than narrowly specialized, employees. Implementation of the plan, if approved, is scheduled for August, 1993.

While broadbanding is a relatively new approach to pay delivery, it is increasingly being used in a number of top U.S. companies, including Duke Power, General Electric, Data General, Monsanto, Levi Strauss and Northern Telecom.

What is broadbanding? Broadbanding collapses current grade structures into a few (5-10) wide bands (typically 100+ %) which include broad groupings of jobs. Employees may perform several different jobs within the same band, enhancing skills development. Supervisors and their direct reports may be in the same band. (See Chart "What Are Broadbands" on Page 7.)

The Mayor's Compensation Task Force recommended that in addition to implementing a new pay system, we also implement a quantifiable job evaluation system. Because a broadbanding system groups many different jobs into only a few bands, a quantifiable ranking of each job is not necessary for initial implementation. Additionally, it would take a longer period of time to implement a quantifiable job evaluation system, which would delay our implementing the new pay system.

Once employees have been placed into bands, we will evaluate the need for a quantifiable ranking system for on-going analysis of job changes. Evaluation will be completed during FY 94.

The following are the components of the recommended pay system:

- Establish a broadbanding system; preliminary work indicates that a structure of six bands which are 100% wide is consistent with the broadbanding structures used by other organizations.

- Use the median as the measure for market competitiveness; the median is defined as the middle of a list of salary data placed in numerical order.

- Establish a market target value for all positions within the bands.

- Eliminate automatic increases; grant increases on anniversary dates.

- Eliminate step increases for positions in the bands; all except sworn public safety positions will be included in the broadbanding system.

- Public Safety positions will continue with a step pay plan; the Police and Fire Departments along with Human Resources will work together to develop a revised step plan that is more consistent with the pay practices for other City employees.

WHAT ARE BROADBANDS?

Component	Traditional	Broadbands
Job Evaluation	Formal Evaluation Systems–Internal Equity Focused	General Guidelines–More Externally Focused
Number of Grades	15 to 30	5 to 10
Range Spreads	40% to 50%	100% or More
Market Data	Used to Develop Ranges	Used to Make Pay Decisions

RECOMMENDED FY 94 SALARY INCREASES

The FY 94 pay recommendations are based on analysis of the annual survey conducted by the Human Resources Department and on the projections and trends of Charlotte employers, other private organizations and cities of similar size in the southeast region and in the nation.

An analysis of pay data shows that the City is generally paying its employees at the market median for most jobs. An analysis of compensation trends indicates that numerous organizations with whom we compete are granting merit increases this year. Therefore, the recommended average salary increase amount is approximately equal to that projected by our competitors and is needed for the City to attract and retain a qualified workforce.

Attachments are provided at the end of this report which support the pay recommendation. The attachments include the following:

Attachment A - "Merit Budgets of Charlotte Companies" an analysis of data from 16 local companies which indicate that they are planning an average 4.6% for merit budgets

Attachment B - "Compensation Trend Data" data from various compensation sources which indicate merit increase budgets of approximately 4.5%

Attachment C - "Comparison with Major North Carolina Cities and Mecklenburg County" providing an overview of increases from FY 92 to proposed FY 94

Attachment D - "Employment Practices for the Charlotte Metropolitan Statistical Area" showing employment practice trends for 1992 and 1993

Attachment E - A series of graphs which illustrate the results of the Human Resources Department annual survey; showing a comparison with the 1992 data prepared by the Mayor's Compensation Task Force and charts showing Charlotte's average actual salaries compared to the market median for blue collar, clerical/administrative, exempt, fire, police, management and senior management jobs

With implementation of broadbanding the following is recommended:

- Recommend establishing departmental merit increase budgets and holding key business executives accountable for making pay decisions that do not exceed their salary budgets.

- Recommend a 4.5% merit increase budget; increases will range from 0% to 5.5%. As a transitional process for the first year, pay decisions will be based on a matrix guide, based on performance and current salary in relation to market value. (See chart, "Merit Increase Guidelines" on Page 10.)

- Additionally, the Mayor's Compensation Task Force recommended that this year's pay-for-performance guidelines include the opportunity for a few of the very highest level contributors to be allowed to earn merit increases up to 8%, subject to approval of the City Manager.

- Public safety employees with satisfactory performance will receive merit increases of 4.5%.

MERIT INCREASE GUIDELINES

Performance/Market Matrix

FY 94

Rating Levels	Below Market	At Market	Above Market
Consistently Exceeds Requirements	5 5%	5.5%	4 5%
Good Performance Which Meets & Periodically Exceeds Requirements	4 5%	4.5%	3 5%
Meets Basic Requirements	3 5%	3.5%	2 5%
Does Not Meet Basic Requirements	0%	0%	0%

NOTE:

1 At Market is defined as between 5% below and 5% above the Market Reference Point

2 The range of merit increases available for FY94 has been restricted due to the need for a transition into the new system

3 The very highest level contributors to the success of the organization may be recommended for merit increases up to 8%, subject to approval of the City Manager

4 After initial implementation, more emphasis will be placed on performance than on the market in making pay decisions.

LONGEVITY PAY PROGRAM

The Mayor's Compensation Task Force stated that the current longevity program is not performance driven and consideration should be given to a payout option to discontinue the growth of these dollars in future years.

BACKGROUND

The Personnel Rules for longevity state that employees hired prior to July 6, 1983 are eligible for 1% additional pay after 10 years of service, 2% after 15 years, 3% after 20 years and 4% after 25 years. Longevity pay was eliminated for employees hired after July 6, 1983 in order to fund a performance driven incentive program.

This year approximately 1700 employees are eligible for a longevity payment. The following is a breakdown of this employee group by pay plan:

General Pay Plan - 43%
Public Safety Pay Plan - 40%
Exempt Pay Plan - 13%
Management Pay Plan - 3%
Senior Management Pay Plan - 1%

According to the ICMA 1993 Municipal Yearbook, over 60% of reporting cities provide longevity pay for police and fire. Also, 90% of North Carolina cities with populations exceeding 25,000 provide longevity pay, including Durham, Greensboro, Raleigh and Winston-Salem, as well as Mecklenburg County.

In order to assist Council in determining whether this benefit should be continued, the following alternatives are provided:

(1) Freeze longevity payments at current percentages or convert to flat rate payments at current dollar rates.

This option would yield savings as the current program is phased out and would be the most acceptable to current longevity recipients.

(2) Phase out longevity payments at current dollar levels over a five year period; payments this year would be full payment (100%), then payments at 80%, 60%, 40& and 20% the following years.

This option would result in a drop in program costs each year and would be perceived as more fair than an immediate discontinuation of the program.

(3) Eliminate longevity through allowing employees who currently earn longevity to have the option to cash-in a maximum of two days of earned vacation leave each calendar year.

This option provides a much lower cost incentive for recognizing current long term employees.

(4) Eliminate longevity payments through a buy-out provision which would provide longevity recipients with a lump sum amount equal to two year's longevity payments at current percentages; thereafter, use longevity dollars to fund incentives for all employees.

While providing some compromise for current longevity recipients, this option would also provide sufficient time to design and implement an incentive plan for all employees.

EMPLOYEE INCENTIVES PROGRAM

- Incentive plans will be developed which will have a strategic focus and be linked to City business plans.

- The recommended approach will be based on cost savings or increased value of service. It is anticipated that 50% of "hard dollar" savings will be reserved for funding incentives.

- The Human Resources Department will develop a proposed approach and timeline to be submitted to the City Manager.

BENEFITS CHANGES

On May 10, 1993, Council approved recommendations of the Mayor's Compensation Task Force regarding the Employee Insurance Plan as follows:

PLAN CHANGES

- A Point of Service Plan will be implemented, and Provident Insurance Company will be the network manager.
- The plan will provide an 80% reimbursement level for hospital charges for employees/retirees in the network, and a 60% reimbursement level for those who elect not to be in the network.
- The plan will include four levels of coverage--employee only, employee and child(ren), employee and spouse, employee and family.
- Plan participants will have two options regarding deductibles, i.e., $200 or $400.
- Employees/retirees who elect the $200 deductible will begin paying a portion of the individual employee rate; those who elect the $400 deductible will not pay a portion of the individual rate.
- The City will begin phasing in additional cost shifting for employees with dependent coverage so that when the phase-in is completed, employees with this type of coverage will pay for 50% of their combined coverage.
- A separate rate structure will be established for retirees, and will be phased-in over a three year period.
- A defined contribution plan to establish the City's funding level for retirees will be implemented for those persons retiring after January 1, 1994.
- Employees will begin paying $2 per month for individual dental coverage.
- The accidental death and dismemberment benefit will be continued.
- A long term disability benefit for those with less than five years of service will be implemented.

IMPLEMENTATION

- By July 1, 1993, provide City Council with a plan to implement the changes to the insurance program, as recommended by the Mayor's Task Force.

- The Point of Service Plan will be implemented by September 1st. Cost shifting to employees and retirees will begin at that time.

FUNDING/COST IMPLICATIONS

- $3.7 million annualized savings to the City for Point of Service Plan with 80%/60% reimbursement.

- An additional $1.3 million annualized savings to the City will occur from cost shifting once the Task Force recommendations are fully implemented.

ATTACHMENTS

ATTACHMENT A

MERIT BUDGETS
CHARLOTTE COMPANIES

CHARLOTTE COMPANIES	1992 MERIT BUDGET	1993 MERIT BUDGET	% CHANGE IN WORKFORCE
COMPANY A	4.5%	4.5%	0%
COMPANY B	4%	4%	Not Available
COMPANY C	5%	4%	+16.6%
COMPANY D	5%	4.75%	+ 02%
COMPANY E	4%*	4%*	+13 9%
COMPANY F	5%	4%	0%
COMPANY G	5 5%	5.5%	−2 0%
COMPANY H	5 5%	5.5%	−.08%
COMPANY I	4 5% 4% if incentives	4.5% 4% if incentives	Not Available
COMPANY J	5%	5%	−1 2%
COMPANY K	5%	5%	+21%
COMPANY L	4%	4%	0%
COMPANY M	4 5%	4.5%	−4 4%
COMPANY N	4%	4%	+2 7%
COMPANY O	5%	5%	+2 4%
COMPANY P	5 5%	5.5%	0%
TAL tal Increase Budget	4.75%	4.6%	

COMPENSATION TREND DATA

SURVEY SOURCE	SURVEY SCOPE	TYPE OF INCREASE	MARKET	PERIOD	COMMENTS
Hewitt Associates	2006 organizations in US	salary budgets	4.7% – 4.2%	1992	
Towers Perrin	Charlotte	merit budgets	4.4% – 4.2%	1992	39 responses
City of Charlotte	Local survey	merit budgets	average 4.5%	1992	20 responses
American Compensation Assoc	3000 companies in US and Canada	merit budgets	4.8% – 4.6%	1993	South in line with national avg
Hewitt Associates	2006 organizations in US	salary budgets	4.8% – 4.3%	1993	
William Mercer, Inc	3000 companies in US 11 5 million workers	avg 93 raises	5.0% – 4.7%	1993	same as 1992
Employers' Assoc.	Charlotte/Meck area	merit budgets	4.5% – 4.2%	1993	
Towers Perrin	National	merit budgets	4.7% – 4.4%	1993	2100 companies
City of Charlotte	Local Survey	merit budgets salary budgets	average 4.6% 4.0%	1993	14 responses 1 response
Bureau of Labor Statistics	Consumer Price Index	CPI	3.2%	1993	south

ATTACHMENT B

COMPARISON WITH MAJOR NC CITIES AND MECKLENBURG COUNTY

YEAR	CHARLOTTE	RALEIGH	GREENSBORO	DURHAM	WINSTON-SALEM	MECK CO
FY 92 1991-92	5% or 2 5% step or 2 5% (if at maximum) PLUS 2 5% lump sum ($1000 cap) PLUS longevity to 4%	5% or 2 5% step PLUS longevity to 5%	3% or 4% merit PLUS 3-5% if below market PLUS longevity up to 7 5%	3 5% + $240 to base PLUS 2 5%, 5% or 7,5% step PLUS longevity up to $1500	2% - 4% if above market; 3% - 5% if below market PLUS longevity up to 7 5%	2% - 7% merit PLUS longevity up to 4 weeks pay
FY 93 1992-93	5% or 2.5% step or 2.5% lump sum (less longevity pay)	3 75% ATB 5% or 2 5% step PLUS longevity up to 4 5%	4% average merit PLUS longevity up to 7.5%	base increase of $820 or 1% + $550 PLUS 2 5%, 5% or 7,5% step PLUS longevity up to $1500	2% - 4% (above market) or 3% - 5% (below market) PLUS longevity up to 7.5%	1% - 2 5% merit PLUS longevity up to 4 weeks pay
FY94 1993-94 Proposed	2 5% - 5 5% merit (Avg 4 5% increase) 4 5% merit for police/fire	2 25% Across-the-board PLUS 5% or 2 5% step PLUS longevity up to 4 5% (lower amounts if hired after 6/30/93)	3% or 4% merit PLUS 3-5% for below market PLUS longevity up to 7 5%	3% Across-the-board PLUS 5% or 2 5% step PLUS longevity up to $1500	2% - 4% (above market) or 3% - 5% (below market) PLUS longevity up to 7 5%	Recommended 2% ATB PLUS 1% - 2 5% perf increase PLUS longevity up to 4 weeks pay

ATTACHMENT C

ATTACHMENT D

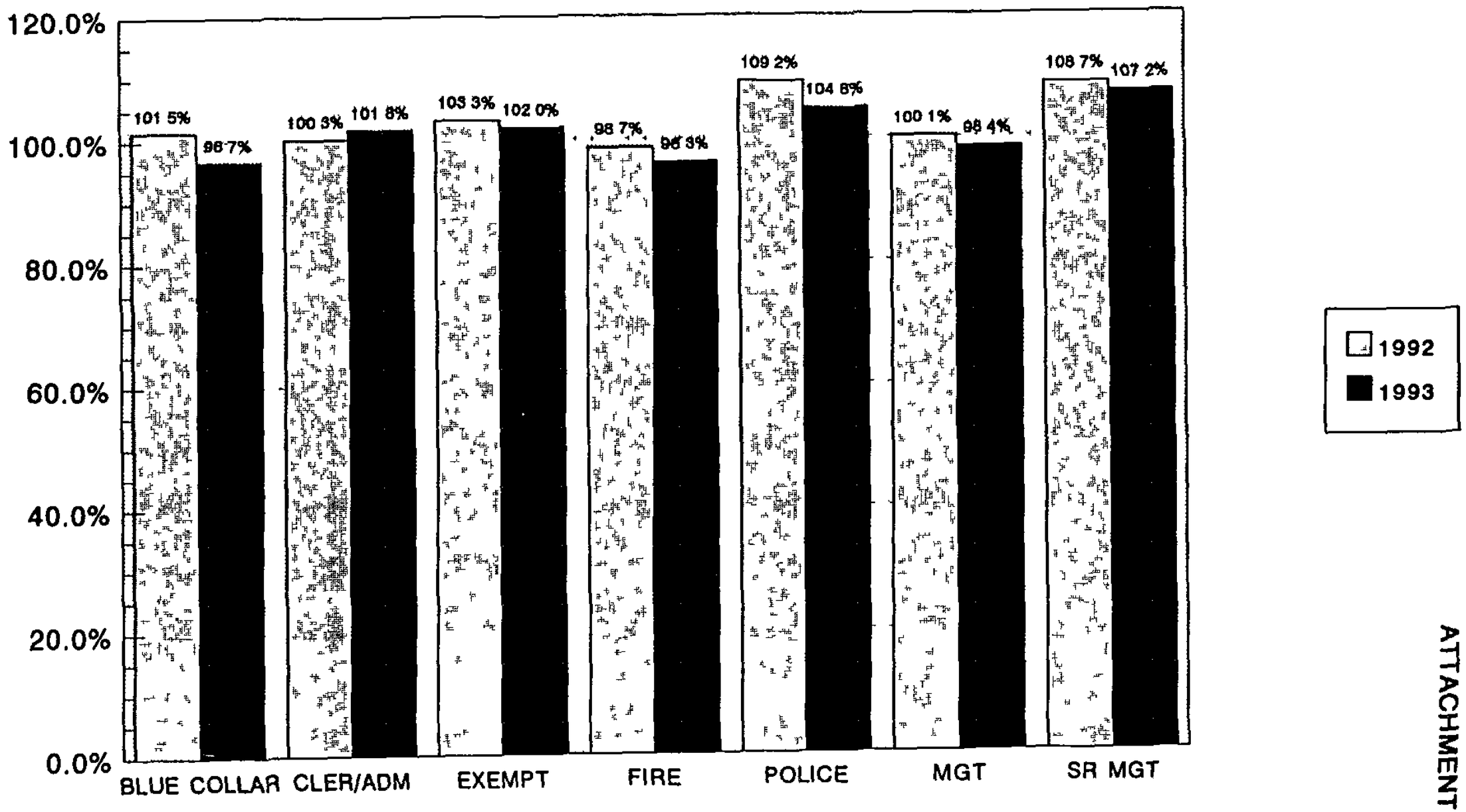
EMPLOYMENT PRACTICES
CHARLOTTE METROPOLITAN STATISTICAL AREA
1992 – 1993

UNEMPLOYMENT RATE *		
AREA	1992	1993
Mecklenburg County	5.2%	4.6%
Charlotte Metropolitan Area	5 8%	5.2%
North Carolina	6 4%	5 5%
United States	7 7%	7.3%

TOTAL EMPLOYMENT*		
	1992	1993
Total Employment (Nonagricultural Wage and Salary)	+ 2 4%	+ 1.5%
BY INDUSTRY		
Service Producing	+ 7,700	+ 12,300
Goods Producing	– 1,400	+ 1,100

* Data obtained from the Employment Security Commission of North Carolina, March 1992 and March 1993

1993 CITY OF CHARLOTTE MARKET SURVEY
Pay Competitiveness 1992 - 1993



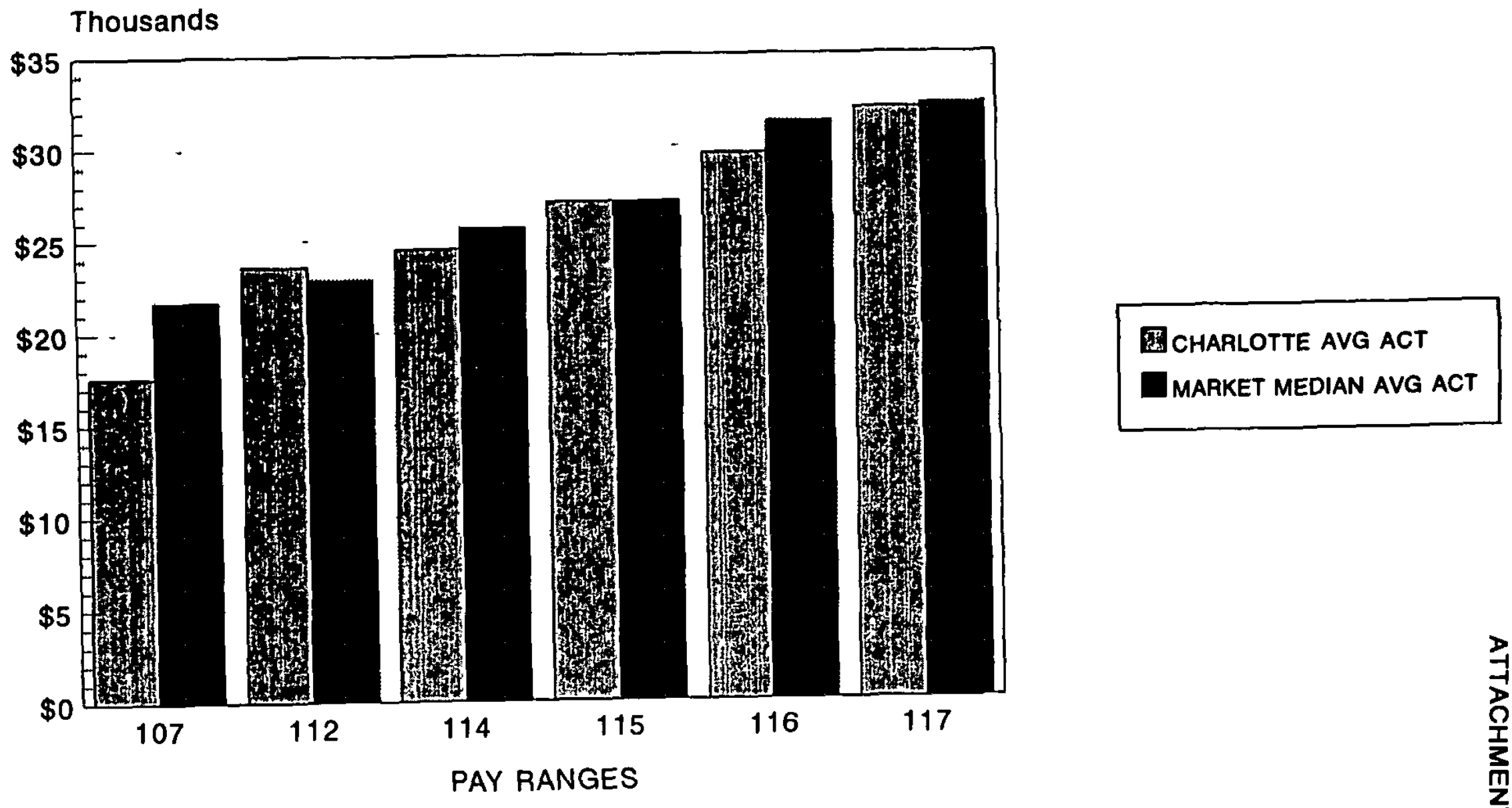
1992 data from analysis by Mayor's Compensation Task Force using Charlotte HRD data collected Jan 92
1993 survey conducted by City of Charlotte HRD Jan 93

ATTACHMENT E 1

1993 CITY OF CHARLOTTE MARKET SURVEY

Nonexempt Pay Competitiveness vs. Local Marketplace

Blue Collar/Technical Jobs



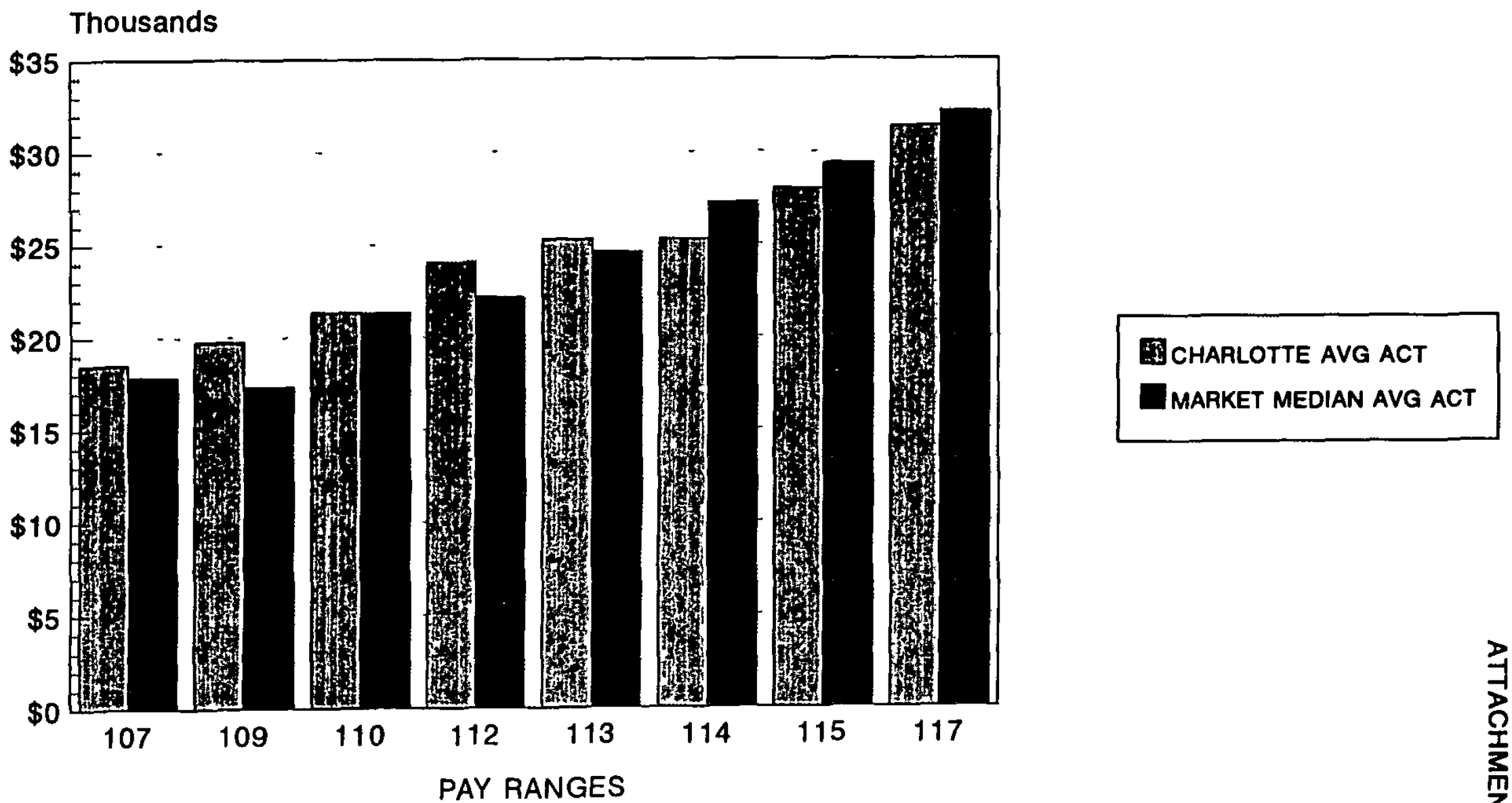
Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 2

[illegible] OF CHARLOTTE MARKET SURVEY

Nonexempt Pay Competitiveness vs. Local Marketplace

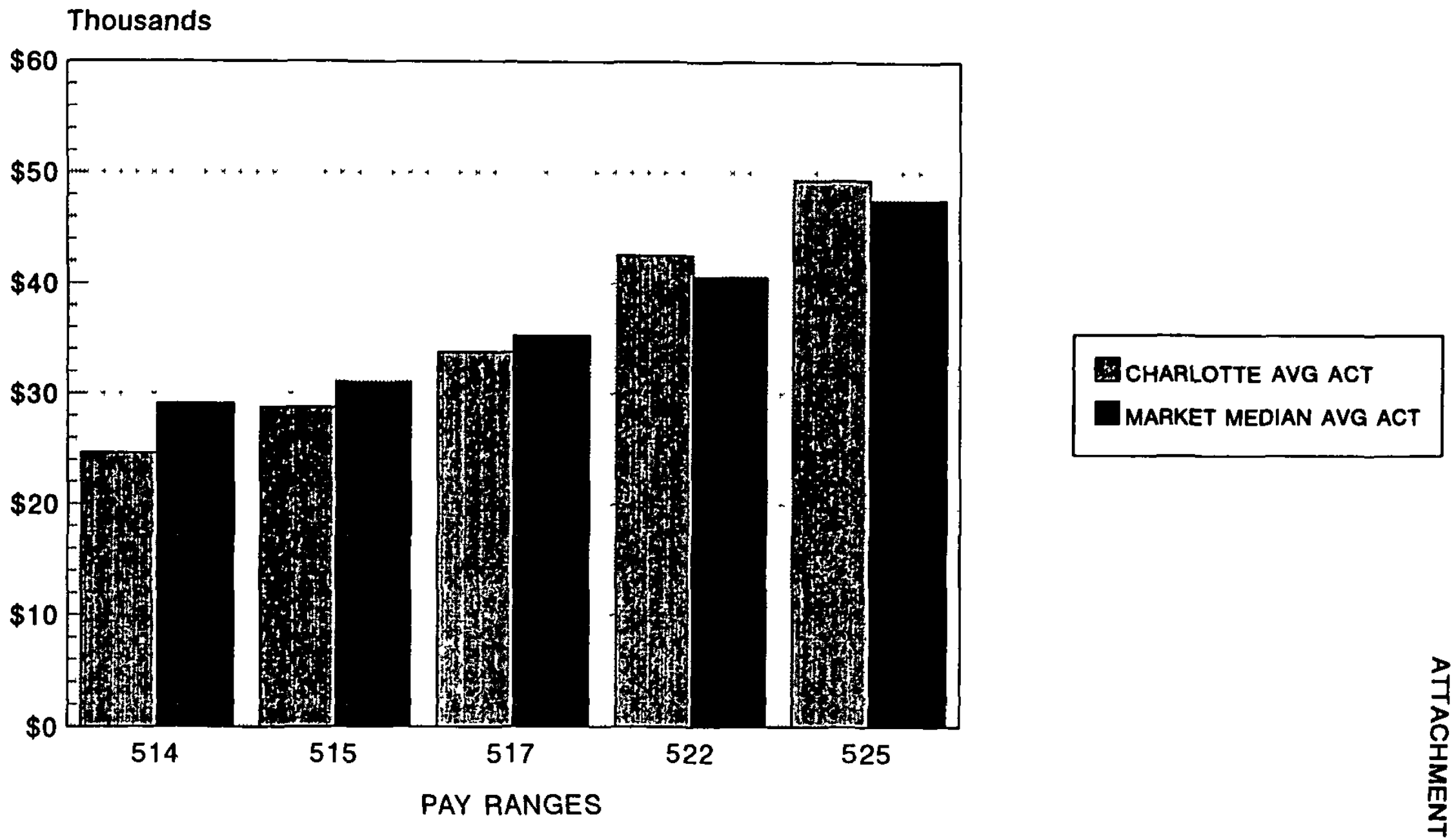
Clerical/Administrative Jobs



Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 3

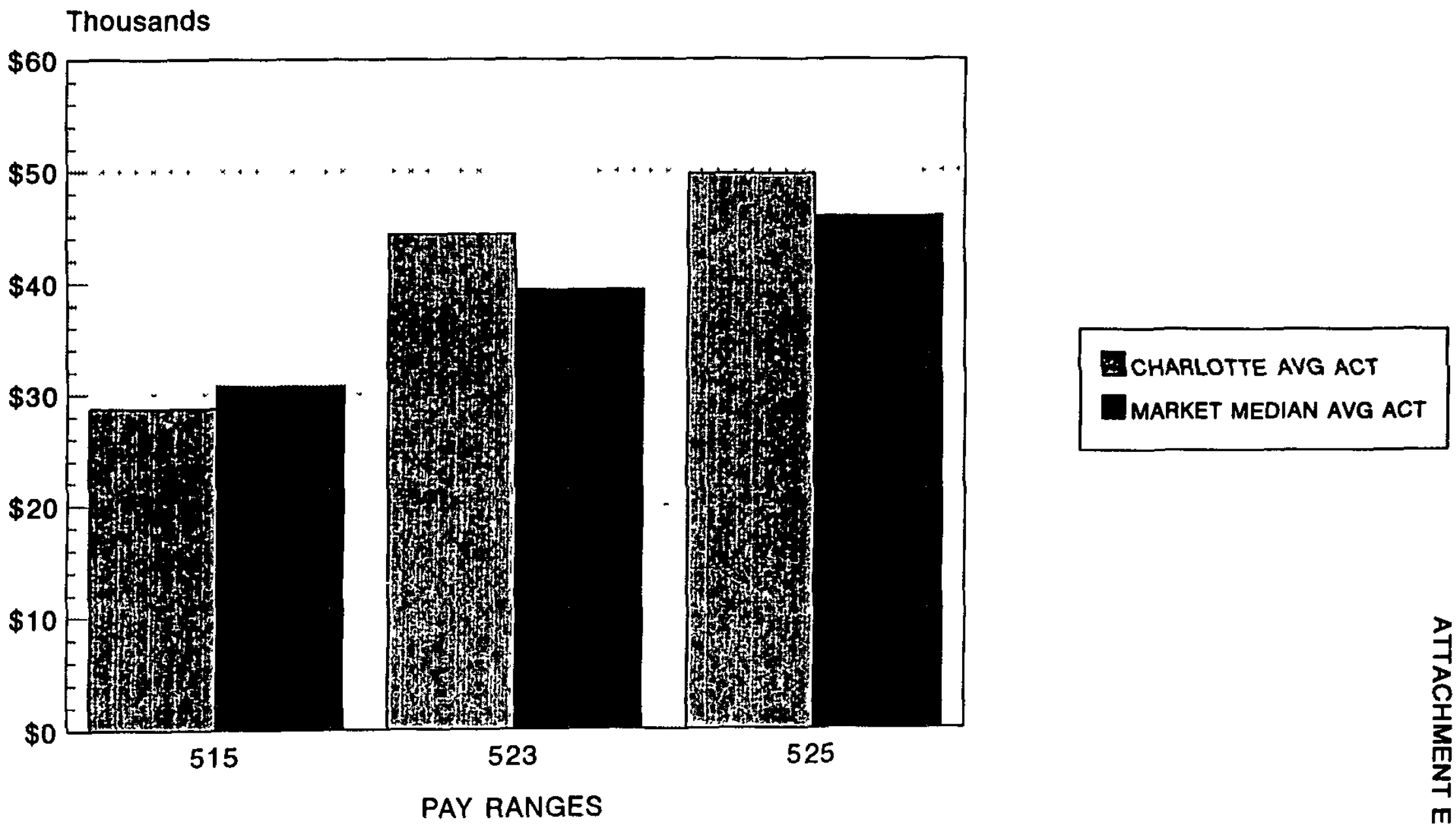
1993 CITY OF CHARLOTTE MARKET SURVEY
Fire Pay Competitiveness vs. National Marketplace



Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 4

1993 CITY OF CHARLOTTE MARKET SURVEY
Police Pay Competitiveness vs. National Marketplace



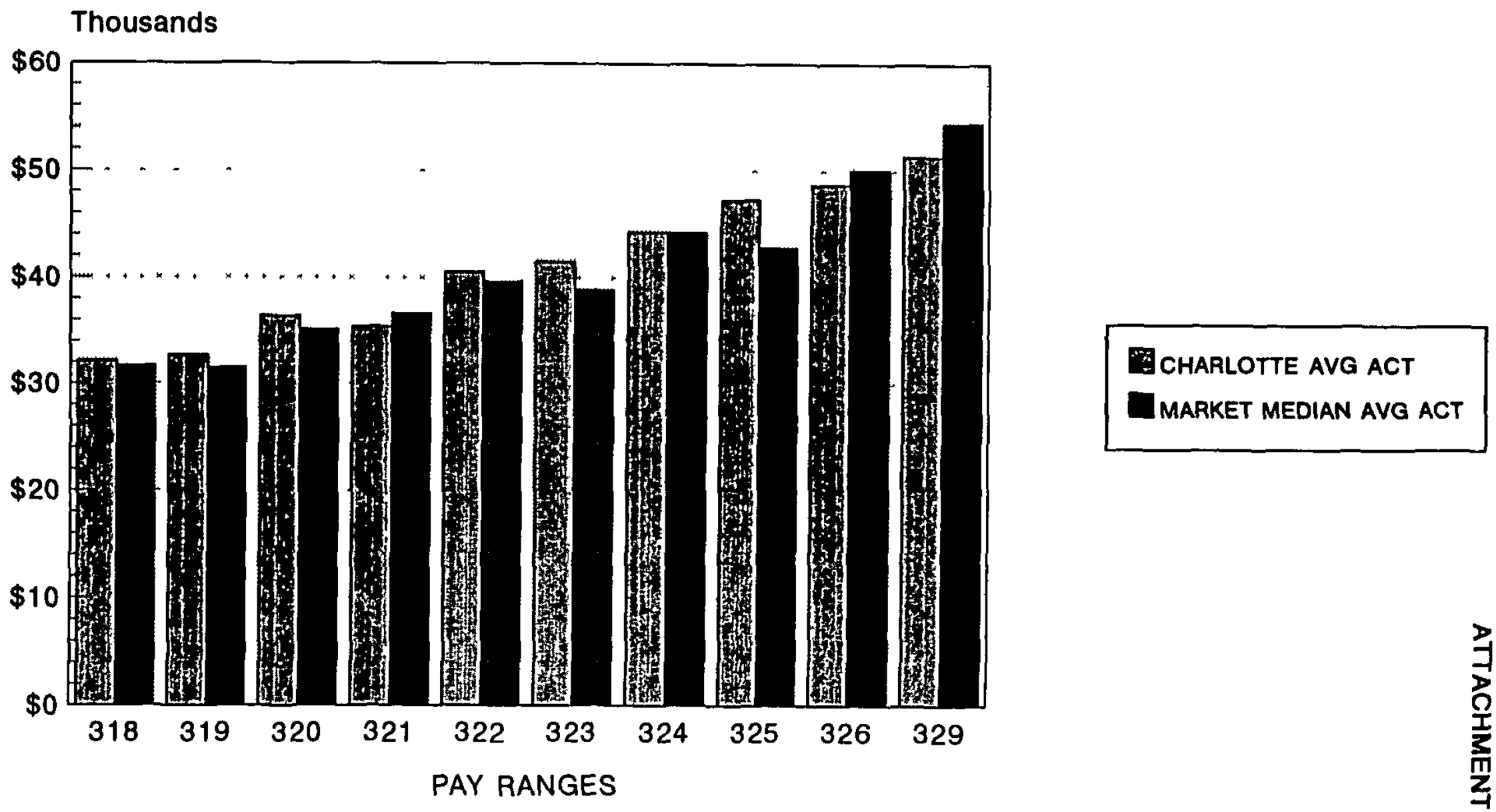
Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 5

1993 CITY OF CHARLOTTE MARKET SURVEY

Exempt Pay Competitiveness vs. Regional/National Marketplace

(300 Series)



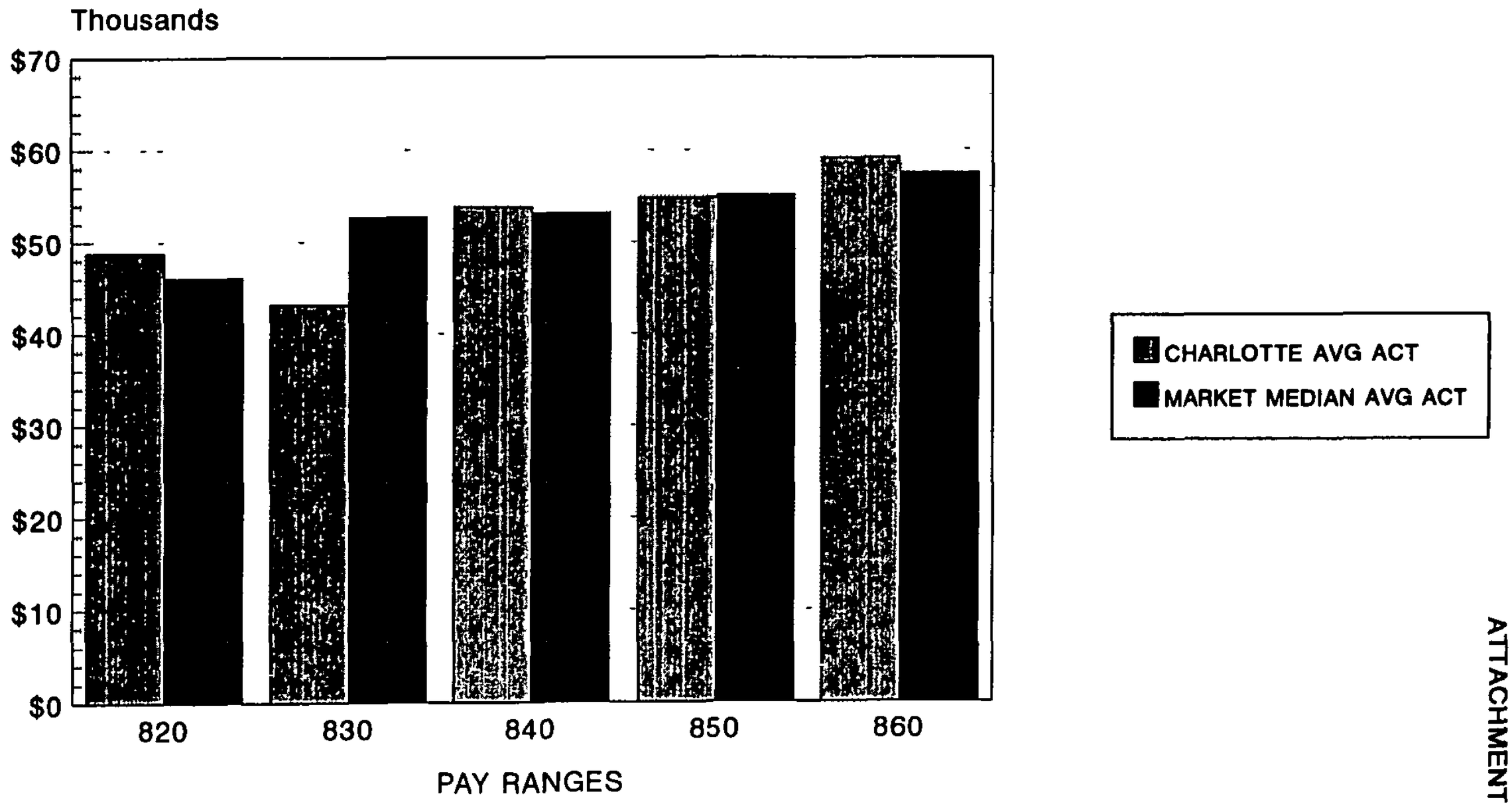
Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 6

1993 CITY OF CHARLOTTE MARKET SURVEY

Exempt Pay Competitiveness vs. National Marketplace

Management Jobs (800 Series)



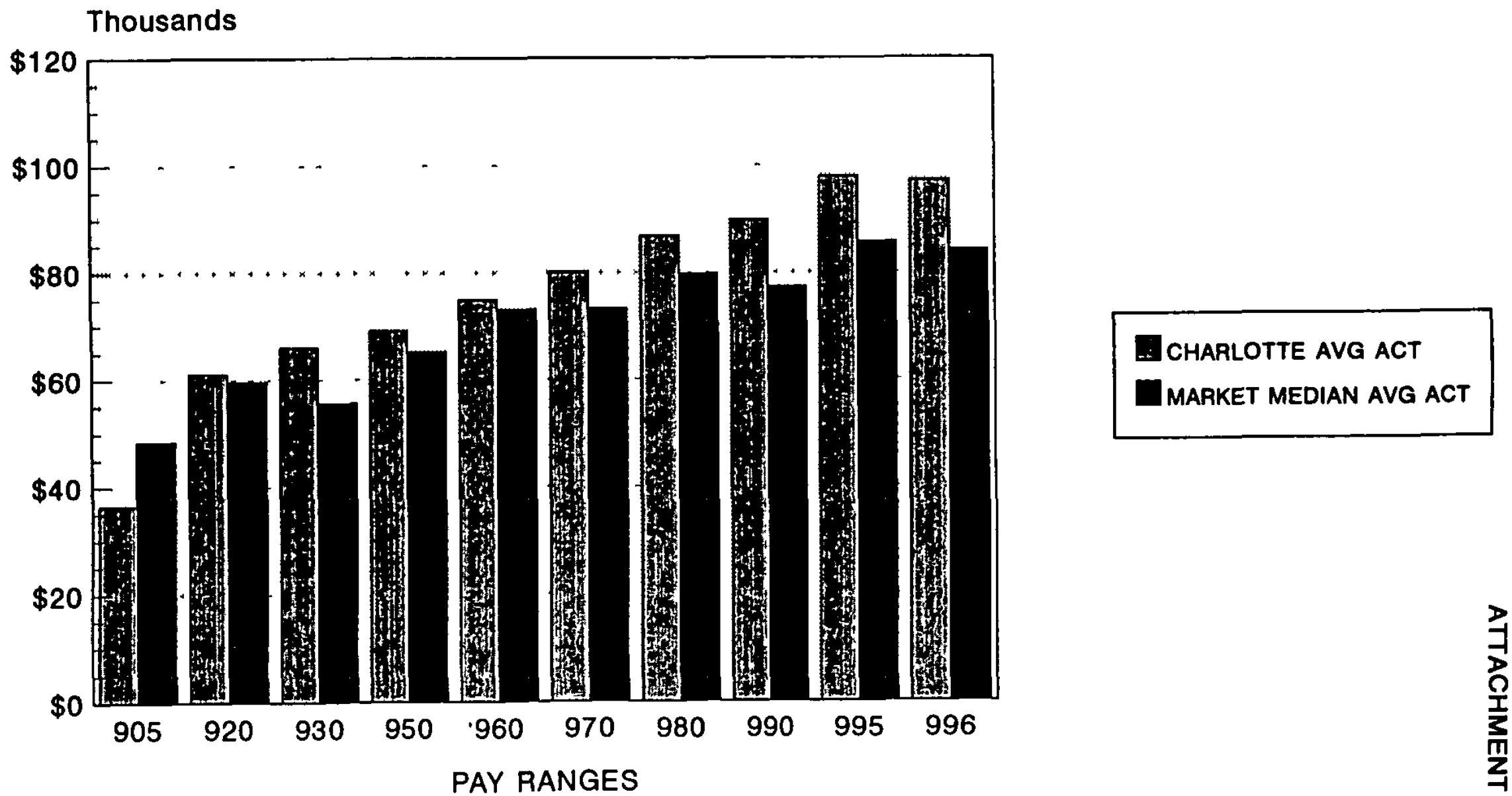
Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 7

1993 CITY OF CHARLOTTE MARKET SURVEY

Exempt Pay Competitiveness vs. National Marketplace

Senior Management Jobs (900 Series)



Survey conducted January 1993 by the City of Charlotte Human Resources Department

ATTACHMENT E 8

COMPENSATION ISSUES

MAYOR'S TASK FORCE RECOMMENDATIONS	CITY MANAGER RECOMMENDATIONS
1) Develop and communicate a compensation philosophy that guides decisions regarding pay	Agree that a compensation philosophy is needed, will develop a pay philosophy and have it approved by City Council The approved philosophy will be communicated to employees
2). Develop a job ranking methodology to replace current whole job slotting/evaluate all jobs Ranking system should be automated to more effectively use staff time.	Implement a Broadbanding pay structure An automated job ranking method may be needed after the initial banding structure has been implemented. Evaluation will be completed in FY 94.
3). Simplify salary grade and range structure. There are too many pay plans	Broadbanding will simplify the pay structure All positions execpt public safety will be included .
4). City Council should be given more information on competitiveness and market movement. Strenghten pay data for private sector positions	Broadbanding will reduce time spent on job classification. More time will be used to prepare graphic presentations for Council and to gather additional pay data
5) Set pay policy against Median of the market.	Agree that Median is the appropriate measure Currently most positions are at market median.
6) No automatic increases; base pay on performance; omit step ranges for all except labor positions and public safety.	Increases granted on anniversary dates; automatic increases eliminated Steps continued for Public Safety.
7). Revise performance appraisal forms to be consistent with City core values Provide more training to managers, supervisors and employees	Improvements to the performance management system are being made By August, nonexempt employees will be evaluated against performance standards
8) City Council and employees should understand that pay for performance may be in opposition to perceived pay equity	While pay for performance may raise questions of equity, the ability to motivate and reward employees outweighs these concerns
9) Consider a payout to discontinue longevity pay	Options for discontinuing longevity pay have been prepared

ATTACHMENT F

INCENTIVE REWARDS ISSUES

MAYOR'S TASK FORCE RECOMMENDATIONS	CITY MANAGER RECOMMENDATIONS
1). The City should move forward with design and implementation of employee incentive plans.	Agree that incentive plans would assist the City in accomplishing city objectives and business plans.
2) Incentive plans should have a strategic focus and be linked to city business plans	Agree that a strategic focus is necessary; Human Resources is developing an action plan and time line. This plan will *serve as as resource for departments in the development of* incentive plans. Implementation will begin by January 1, 1994.
3) Incentive plans should be self-funding; provide a reward for cost savings or increased value of service for taxpayers	The recommended approach will be based on cost savings or increased value, will be tailored to meet varying needs within the organization and may be team-based. It is anticipated that 50% of "hard dollar" savings will be reserved for funding incentives

ATTACHMENT F