

City of Charlotte

Neighborhood Equity & Stabilization Commission

Wednesday, October 11, 2023

5:30 p.m. – 7:00 p.m.

Charlotte-Mecklenburg Government Center

NEST Commission Members:

Angela Ambroise

Nadia Anderson

Melissa Gaston

Mitch Gibson

Kim Graham (Co-Chair)

Justin Harlow (Co-Chair)

Monique Humphries

Tonya Jameson

Roma Johnson

Vicki Jones

Eric Lemieux

Eric Lewis

Deon Smith

Marta Tataje

Kimberly Timmons-Hampton

City of Charlotte Staff Resources:

Rebecca Hefner, Housing & Neighborhood Services

Alysia Osborne, Planning, Design & Development

Jordan Paschal, Strategy & Budget

AGENDA

1.	Welcome / Member Introductions	Kim Graham Justin Harlow <hr style="width: 50%; margin: 0 auto;"/> (All)	10 mins	5:30 – 5:40
2.	Work Stream Report-outs	Angela Ambroise Kim Graham Justin Harlow	15 mins	5:40 – 5:55
3.	Anti-Displacement Funding The Commission will discuss local options and best practices for a sustainable funding source to meet anti-displacement goals.	Justin Harlow Rebecca Hefner Jordan Paschal	35 mins	5:55 – 6:30
4.	Council process of discussing NEST programmatic and funding recommendations	Rebecca Hefner	10 mins	6:30 - 6:40
5.	NEST look ahead and Next Steps <ul style="list-style-type: none"> a. October 23rd City Council Action Review @ 5:00 p.m. at the Government Center, Room 267; live-streamed on GOV Channel and city’s YouTube channel. b. November Work Stream Meetings (11/8 UDO and PPG; 11/16 LOL) c. December 13th NEST Commission meeting d. Proposed 2024 NEST Meeting Schedule 	Kim Graham Justin Harlow	10 mins	6:40 – 6:50
Adjourn				

Next Meeting. The next NEST Commission meeting will occur December 13, 2023 @ 5:30 p.m.

The Charlotte Neighborhood Equity and Stabilization Commission is established for a 3-year period beginning in 2022 and is charged with reviewing and recommending specific anti-displacement strategies and specific tools for protecting residents of moderate to high vulnerability of displacement.

NEST Commission: Dedicated Anti-Displacement Funding

October 11, 2023

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Anti-Displacement Funding

- ▶ Explore best practices to advance Objective 3.3 of the Anti-Displacement Strategy: **Dedicated funding to meet anti-displacement goals**
 - How much investment is needed annually to address anti-displacement?
 - Where might the money come from?
- ▶ Deliver recommendation to Housing, Safety, Community Committee in advance of the FY 2025 budget cycle (December/January)

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Peer Cities with Specific Anti-Displacement Funding

- ▶ **Austin, TX - \$300 million over 13 years for anti-displacement**
 - Funding source: Carve out from Project Connect
 - 8.75 cents of the City's property tax revenue for transit
 - Land Acquisition, Land Development, and Community-Initiated Solutions
 - *Similar to creating a carve-out from Charlotte's proposed transit sales tax*
- ▶ **Denver, CO – \$2.3 million Impact Investment Fund**
 - General Fund match of 1% for all bond investments of more than \$10 million
 - Related to city's investment in capital projects
 - Priorities that residents identify in neighborhood planning process
 - *Similar to Staying in Place/Corridors funding in Charlotte*
- ▶ **Atlanta, GA - \$4.6 million one-time for tax relief**
 - Funding source: Gulch Housing Trust Fund (developer commitments in exchange for tax incentives)
 - *Similar to one-time use of ARPA funds for Charlotte's tax relief program*

Current Housing Funding Sources

- ▶ **Housing Trust Fund - \$50 Million every 2 years**
 - General Obligation Bonds
- ▶ **Innovative Housing - \$3.55 Million**
 - PAYGO (note: anticipated to decrease to \$2.5 million in FY 2025)
- ▶ **Other PAYGO - \$4.5 million (one-time)**
 - Staying in Place / anti-displacement in Corridors of Opportunity
- ▶ **Federal Allocations ~ \$13 million**
 - CDBG, HOME, ESG, HOPWA
- ▶ **TOD Fee-in-lieu payments ~\$4.5 million**
 - And growing
- ▶ **Funding source matters!**
 - Each source allows different activities and expenditures

Anti-Displacement Funding Options

► Increase

- Property tax
- Sales tax
- Housing bonds
- Funding partnerships

► Re-allocate

- Prioritize within existing funding sources

► Replace

- Leverage new funding sources (e.g., tax increment subsidies) to free up existing funding

Property Tax

- For a City of Charlotte resident, City property tax comprises approximately 1/3 of the overall property tax (36%) and Mecklenburg County 2/3 (64%)
- Property tax makes up the largest portion of the city's General Fund revenues (personnel and operating)
- Property tax rate set by City Council annually
- Property tax typically grows by ~3% annually due to construction and natural growth
- Currently, 1 cent on the property tax rate produces ~ \$21.5 million in revenue
- Mecklenburg County conducts property revaluation every four years
 - State law requires the city to publish a revenue-neutral property tax rate as part of the budget following the revaluation of real property

Sales Tax

- ▶ **Local sales taxes levied by the city and county comprise 2.5 percent of the total 7.25 percent sales tax paid on retail sales in North Carolina**
 - 4.75% State rate
 - 2% Mecklenburg County sales and use tax (allocated to Charlotte and Towns)
 - 0.5% special Transit tax Mecklenburg County (est. 1999)

- ▶ **Currently, 1 cent additional sales tax rate produces ~ \$290 million in revenue**

- ▶ **Process to change sales tax**
 - Any local sales tax referendum must be approved by NC General Assembly
 - Charlotte City Council would vote to put referendum on the ballot
 - Local referendum must receive 51% of voter approval (majority)

- ▶ **Charlotte City Council requested a sales tax increase referendum from the Mecklenburg delegation in the General Assembly for transit plan and light rail expansion (stalled)**

\$50M Housing Trust Fund (every two years) comprises 22% of General Obligation Bonds

5-Year Capital Plan

	2022 Bond FY 2023	2024 Bond FY 2025	2026 Bond FY 2027	2028 Bond FY 2029	Total
PROJECTS FUNDED WITH GENERAL OBLIGATION BONDS (Require Voter Approval)					
Great Neighborhoods (Affordable and Sustainable Neighborhoods)					
Create and Preserve Affordable Housing	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$200,000,000
Invest in Corridors of Opportunity	\$10,000,000	\$10,000,000	-	-	\$20,000,000
Safe Communities (Safe, Healthy, and Inclusive Communities)					
Enhance Transportation Safety (Vision Zero)	\$12,600,000	\$4,000,000	\$4,000,000	\$4,000,000	\$24,600,000
Enhance Transportation Safety (Vision Zero)- Street Lighting	\$4,500,000	-	-	-	\$4,500,000
Transportation, Planning, and Environment (Accessibility, Mobility, and Connectivity)					
Improve Sidewalks	\$50,000,000	\$20,000,000	\$17,000,000	\$20,000,000	\$107,000,000
Improve Eastway Drive/Shamrock Drive Intersection	\$12,700,000	\$10,500,000	-	-	\$23,200,000
Mitigate Congestion	\$10,000,000	\$10,000,000	\$5,000,000	\$5,000,000	\$30,000,000
Connect Bicycle Facilities	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$32,000,000
Resurface Streets	\$21,600,000	\$8,000,000	\$8,000,000	\$8,000,000	\$45,600,000
Connect Northeast Corridor Infrastructure	\$6,000,000	-	-	-	\$6,000,000
Improve Rea Road with Bonus Allocation Funding	\$7,300,000	-	-	-	\$7,300,000
Repair and Replace Bridges	\$5,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$23,000,000
Upgrade Traffic Control Devices	\$4,500,000	\$5,000,000	\$5,000,000	\$5,000,000	\$19,500,000
Maintain Intelligent Transportation Systems	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$16,000,000
Construct Bryant Farms Road Phase II	-	\$10,000,000	\$43,000,000	-	\$53,000,000
Construct Robinson Church Road	-	\$7,800,000	\$18,500,000	\$32,500,000	\$58,800,000
Construct Ashley Road/Tuckaseegee Road/Freedom Drive Intersection	-	-	\$5,200,000	\$9,800,000	\$15,000,000
Workforce and Business Development (Economy, Jobs, and Upward Mobility)					
Promote Public/Private Partnerships	\$3,000,000	\$12,500,000	\$13,000,000	\$26,000,000	\$54,500,000
Support Ballantyne Reimagined Infrastructure	\$8,800,000	\$8,700,000	-	-	\$17,500,000
Improve Infrastructure for Centene Development	\$3,000,000	\$3,500,000	-	-	\$6,500,000
Reimburse Innovation District Infrastructure (Atrium)	\$5,000,000	\$10,000,000	-	-	\$15,000,000
Additional Future Capacity	-	\$38,000,000	\$39,300,000	\$47,700,000	\$125,000,000
Total General Obligation Bonds	\$226,000,000	\$226,000,000	\$226,000,000	\$226,000,000	\$904,000,000

Questions & Feedback