

NEST Commission Members present Angela Ambroise, Melissa Gaston, Mitch Gibson, Kim Graham (Co-Chair), Justin Harlow (Co-Chair), Monique Humphries, Tonya Jameson, Vicki Jones, Eric Lemieux, Marta Tatje, Kimberly Timmons-Hampton (virtual)

Members absent: Nadia Anderson, Roma Johnson

Guests: n/a

City Staff present: Housing & Neighborhood Services: Rebecca Hefner, Gail Whitcomb; Strategy & Budget: Joran Paschal

Meeting Time: 5:30 - 7:00 p.m.

Meeting Materials *[meeting materials are available online at [Neighborhood Equity and Stabilization \(NEST\) Commission \(charlottenc.gov\)](https://www.charlottenc.gov)]:*

1. Meeting Agenda
 2. Annual Report
 3. Presentation: Attendance Policy Update
 4. Presentation: Anti-Displacement Funding
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The meeting was called to order, and everyone introduced themselves.

Annual Report

Justin Harlow made a motion to approve the NEST Commission 2023 annual report as presented. Mitch Gibson seconded the motion. The Commission voted unanimously to approve the report.

Attendance Policy

Gail Whitcomb provided an overview of the new attendance policy that will go into effect January 1, 2024, and reminded the Commission that in early 2024 members will be asked by the city clerk to complete the required Statement of Economic Interest Form.

Work Stream Report Outs

Angela Ambroise briefly shared that the Lay of the Land work stream talked about land use at their last meeting. Justin Harlow shared a summary of the Program Improvements and Policy Gaps work stream meeting discussion with staff from the city of Austin; the meeting was combined with members from the Understanding the UDO work stream, and was also open to Lay of the Land work stream members.

Anti-Displacement Funding

Justin Harlow reminded the commission that the goal is to encourage City Council, through recommendations from NEST, to consider an anti-displacement fund both at their retreat in January as well as into the city's spring budget cycle. He shared his belief that one of the most viable ways of creating a funding source is through an increase to the biennial voter approved housing bonds.

Rebecca Hefner summarized the funding options for creating a sustainable anti-displacement funding source (increasing, reallocating, or replacing) that were reviewed by the Commission at the last meeting. The reallocating and replacing options have been found to not be particularly feasible, so increasing funding (e.g., bonds, property/sales tax increases) may provide the greatest opportunity to advance anti-displacement in a big way.

Jordan Paschal summarized the discussion from the last meeting about re-allocating bond capacity and reminded the Commission that there really is not a feasible option to reallocate bond capacity to a different use than that

which was originally authorized by voters. Additionally, bond usage must also adhere to state statute requirements regardless of what language is used on the bond ballot.

Options to create an anti-displacement fund considered by the Commission could include increasing the housing bond and/or the TOD density bonus program fee-in-lieu amount, attaching a revenue source to capital improvements, and increasing property or sales tax rates. Ms. Hefner shared the types of programming (e.g., homeownership, ADU program, shared ownership models, etc.) that, in staff's current interpretation, should be able to be funded with housing bond dollars.

Mr. Harlow shared that the city generally goes with a revenue-neutral budget, such that bond issuances do not raise taxes. He also reminded the Commission that the biennial bonds include not just housing bonds, but also transportation and neighborhood bonds as well.

The Commission discussed/requested the following:

- Summary of what housing bonds can be used for based on state statute authority.
- Recommending a specific allocation/earmark for anti-displacement in the housing bond language.
- Increasing the biennial housing bond amount (i.e., increase from \$50 million to \$100 million), and the increased bond amount being applicable in each future bond cycle.
- Are there any unintended consequences of recommending a higher bond amount in the scale being considered (\$100 million).
- Modeling to show what a funding earmark could provide.
- Caution to not make earmarking static in each bond cycle, to allow flexibility to meet displacement needs as they may change over time.
- Are there any other fee-in-lieu options that could be expanded, other than density, and reallocated for anti-displacement (e.g., other zoning requirements).

The Commission expressed support for increasing the biennial housing bond amount (i.e., to \$100 million), having a specific earmark for anti-displacement, and will seek to finalize recommendations at the January meeting.

Next Meeting

The next meeting of the full NEST commission will occur on January 10, 2024, at 5:30 p.m.

The meeting adjourned at approximately 7:00 p.m.