

NEST Commission Members present: Angela Ambroise, Nadia Anderson (virtual), 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

Members absent: Roma Johnson

Guests: n/a

City Staff present: Housing & Neighborhood Services: Shawn Heath, Miles Vaughn, Gail Whitcomb; Planning, Design & Development: Gretchen Flores

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. Presentation: NEST Initial Recommendations Discussion
-

Kim Graham opened the meeting and asked everyone to introduce themselves.

NEST Recommendations

Kim Graham reminded the commission that they have identified nine priority initial recommendations. The meeting is an opportunity to “kick the tires” one last time in advance of the upcoming presentation of the nine recommendations to the Housing, Safety and Community (HSC) City Council Committee.

Commission members shared:

- Potential to develop an impact evaluation system to identify immediate and long-term potential impacts of different types of programs
- When introducing the NEST recommendations to committee, define the purpose of the anti-displacement strategy (strategy) and explain that the goals enable the strategy
- HSC Committee has not yet adopted the strategy, and NEST would like HSC to accept/adopt the strategy as well as the NEST recommendations (the initial recommendations as well as any work going forward)
- Strengthen the language of the strategy goals to be more proactive (e.g., enable residents, empower communities, expand or create inclusivity)
- The fostering inclusivity goal seems to be about engagement, not funding; there seems to be a mismatch in trying to align a sustainable funding source for anti-displacement support with the goal of fostering inclusivity
- While displacement may seem to currently be concentrated in specific areas of the east and west sides, it's important to keep in mind that displacement in other areas has occurred in the past when assistance was not available
- Interest in understanding different dedicated city/county funding sources, why funds can readily be allocated to specific projects (e.g., recent tennis investments with millions in public support) while funding is not as readily available to support issues like anti-displacement efforts, and can the return from dedicated funding sources be allocated to support affordable housing / anti-displacement assistance
- Importance of innovation around financial solutions beyond government funding (e.g., private-sector funding sources)

Shawn Heath shared that he recommends presenting the eight recommendations as a suite of ideas aligned with the NEST Commission charge and noting that there is a pool of seed funding that can serve as a source across the suite of programs, without specific allocations to each recommendation.

Justin Harlow reminded everyone that the recommendations are an initial step, and the initial \$6 million of available ARPA funds represents a set-up for a larger anti-displacement fund. He also reminded commissioners that the NEST Commission has taken a deep dive into eight of the recommendations over the last few months. At the end of the day, NEST will ask the Council to identify where can another permanent, self-sustaining funding source for anti-displacement come from (the 9th recommendation).

The commission requested information about how other cities, comparable in size to Charlotte, fund their affordable housing programs (amounts and sources). This information will help the commission determine if a set-aside - or other changes - in the city's Housing Trust Fund should be recommended in the future.

Commission members expressed a consensus around putting forward all of the recommendations (not just a small subset), with eight of the recommendation considered a suite of programs to be seed-funded by the approximately \$6 million in available ARPA funds, and the ninth recommendation to identify a permanent funding source for anti-displacement efforts.

MOTION AND VOTE. Tonya Jameson made a motion to accept the initial recommendations so that they can be put forth to the City Council Housing, Safety & Community Committee. Justin Harlow seconded the motion. The vote was unanimous in favor of the motion.

Next Meeting

Justin Harlow shared that the meeting schedule is being adjusted. With two full meetings back-to-back in both June and July, the originally scheduled full commission meeting in August will be canceled in lieu of the August 7th HSC City Council Committee meeting. There was no opposition from the commission. The next meeting of the full NEST commission will occur on October 11, 2023, at 5:30 p.m.

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

City of Charlotte

Neighborhood Equity & Stabilization Commission

Wednesday, July 12, 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
Marta Tataje
Kimberly Timmons-Hampton

City of Charlotte Staff Resources:

Shawn Heath, Housing & Neighborhood Services
Miles Vaughn, Housing & Neighborhood Services
Gretchen Flores, Planning, Design & Development

AGENDA

1. Welcome / Member Introductions	Kim Graham Justin Harlow	5 mins	5:30 – 5:35
	(All)		
2. NEST Recommendations <i>Finalize NEST programmatic/investment recommendations in preparation for the August 7 Housing, Safety & Community committee meeting.</i>	All	80 mins	5:35 – 6:55
3. NEST look ahead and Next Steps			
<ul style="list-style-type: none"> a. August 7 @ 4:00 pm Housing, Safety & Community Committee b. August NEST full-commission meeting (<i>cancel</i>) c. September work stream meetings 	Kim Graham Justin Harlow	5 mins	6:55 – 7:00
Adjourn			

Next Meeting. The next NEST Commission meeting will occur October 11, 2023 @ 5:30 p.m.

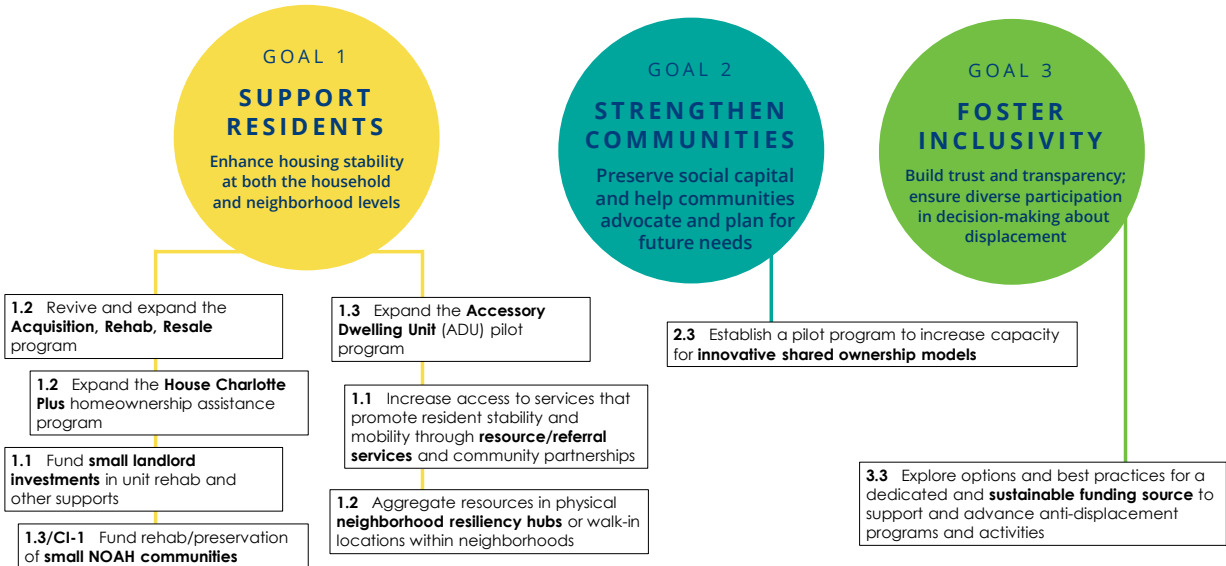
The Charlotte Neighborhood Equity and Stabilization Commission is established for a 3-year period beginning in 2022 and is charged with reviewing and recommending specific anti-displacement strategies and specific tools for protecting residents of moderate to high vulnerability of displacement.

NEST Recommendations Discussion

July 12, 2023

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Advancing the Strategy: NEST Recommendations



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NEST Member Ranking Results

Like golf, smallest number top-ranked

Recommendation	Member Ranking												Total
	2	4	1	1	3	2	4	3	4	4	1	2	
Acquisition, Rehab, Resale	2	4	1	1	3	2	4	3	4	4	1	2	31
House Charlotte Plus	3	1	2	7	1	1	3	8	5	1	1	4	37
Accessory Dwelling Units	6	2	4	2	2	4	6	2	7	2	4	1	42
Small NOAH Communities	5	5	7	4	3	5	5	4	2	3	1	5	49
Small Landlord Investments	7	3	5	3	2	3	8	6	1	7	4	3	52
Neighborhood Resiliency Hubs	4	7	6	6	1	7	2	1	6	5	7	7	59
Resource/Referral Services	8	8	3	8	1	8	1	5	3	6	6	8	65
Shared Ownership Pilot	1	6	8	5	3	6	7	7	8	8	2	6	67

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Programmatic Investment Unit Costs

Acquisition, Rehab, Resale (ARR) 15 units per \$1 million \$67,000 each	House Charlotte Plus 12 units per \$1 million \$80,000 each	Accessory Dwelling Units (ADUs) 10 ADUs/15 units per \$1 million \$70,000 each	Legend <div style="display: flex; align-items: center; margin-bottom: 5px;"> <div style="width: 15px; height: 15px; background-color: #006633; margin-right: 5px;"></div> Previous pilot initiative </div> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <div style="width: 15px; height: 15px; background-color: #008080; margin-right: 5px;"></div> Current pilot initiative - Staying in Place </div> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #90EE90; margin-right: 5px;"></div> New program/ initiative </div>
Rehab/preserve small NOAH Communities (10-50 units) 33 units per \$1 million \$30,000 each	Small Landlord Investments 20 units per \$1 million \$50,000 each	Resource/Referral Services \$80,000 each per year +	
Neighborhood Organizing and Resiliency Hubs \$100,000 each for 3 years	Innovative Shared Ownership Pilot \$250,000 in technical assistance	Anti-Displacement Funding Explore options	

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Acquisition, Rehabilitation & Re-sell

- ◀ Authorized by Council in 2021 with a \$1.5 million investment
- ◀ Funding is used to acquire the unit, complete rehab and subsidize cost to the buyer
- ◀ Creates available affordable stock for low- and moderate-income homeowners (investors may not purchase)
- ◀ Sales proceeds are recycled back into the program
- ◀ 20 units purchased with average subsidy at that time of \$30,000

2042 BENZIGER COURT

FOR SALE

> 2100+ SF
> 3 bedrooms
> 2.5 baths
> Attached Garage

\$239,000

This lovely Charlotte home was recently renovated by Red Cedar Construction under the guidance of The City of Charlotte's Department of Housing & Neighborhood Services.

PROPERTY FEATURES

- Cul de sac lot in a vibrant neighborhood
- Large deck walks out to good sized yard
- Fresh neutral paint throughout
- New wood laminate and carpet
- Granite counterops (kitchen/bath)
- Large 2nd floor overlook loft area
- New stainless appliance package
- HOME UNDER WARRANTY

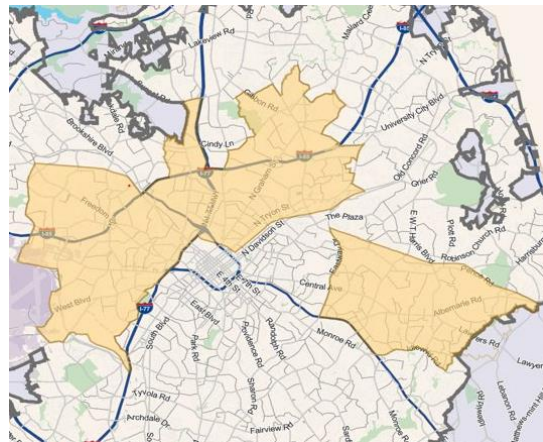
LIKE NEW!

CITY OF CHARLOTTE

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House Charlotte Plus – Pilot Launched

- ◀ Up to \$80,000 in down payment assistance available in Corridors of Opportunity
- ◀ May be combined with other down payment programs
- ◀ Funding is provided in the form of a deferred forgivable loan for buyers below 80% of AMI and meet other qualifications
- ◀ Pilot program funding of \$1,560,000 dollars supported homeownership for 27 households and was fully committed within 3 months



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Accessory Dwelling Units (ADUs)

Homeowner Model

- Eligibility: Homeowners up to 80% AMI (*up to 110% AMI?*)
- Fund 100% construction cost for homeowners
- Owner receives income stream
- 15-year affordability restriction at various AMI levels for the ADU
- Property management included for homeowner model, includes taxes, insurance, and maintenance reserves
- Program recovers 50% of cost over time, recycles back into program

Investor-Owner Model

- Fund 40% of construction cost for local investors/developers
- 15-year affordability restriction at various AMI levels for both primary and accessory unit

Making it Easy

- ADU Program Guide
- Streamlined Application/Permit Process
- Pre-Approved/Buildable Plans – Mix of Sizes, Styles and Construction Types
- Map-based User Tool (potential for ADU on a site)
- Outreach and Promotion



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Small Landlord Investments and Rehab/Preserve Small NOAH Communities

- ◁ **Investor-owned properties currently eligible for city rehab programs with 15-year affordability restriction**
- ◁ **Small landlords and developers want to be able to compete for city investment**
 - Through Housing Trust Fund Tune-up, NOAH eligibility has been expanded to include communities 10-49 units, but priority will still be given to larger communities (currently no separate funding source)
- ◁ **Gap in training/education, capital and capacity for community-focused real estate development**
 - E.g., [Jumpstart Germantown](#) – provides training, mentoring, networking and loans to local, aspiring developers

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Resource / Referral Services



Neighborhood Organizing and Resiliency Hubs

- ◀ **Through Staying in Place, partnership under development with Knight Foundation, LISC, Community Building Initiative and For the Struggle**
- ◀ **Community Organizing Training**
 - Train city staff, neighborhood leaders, residents and other community stakeholders on community organizing basics – together
 - Final session includes canvassing the Staying in Place neighborhoods to share anti-displacement resources
- ◀ **Neighborhood Info Networks**
 - Community-led approach to distributing information and creating two-way communication with city and county
 - Neighborhoods will create a plan to activate/mobilize quickly in threats/emergencies (e.g., displacement events)
- ◀ **Resiliency Hubs**
 - Neighborhood-based spaces that bring together resources that help residents achieve stability and support

Innovative Shared Ownership Pilot

◀ Design a pilot to increase community capacity to advance innovative shared ownership models

- Identify groups interested in establishing models such as residential cooperatives, community investment trusts, and community land trusts
- Dedicate \$250,000 in technical assistance to community and nonprofit partners interested in exploring shared ownership models
- Support acquisition of residential property by providing funding, identifying publicly-owned land, or helping to connect partners with property owners interested in selling property

Anti-Displacement Funding

◀ Explore best practices to advance **Objective 3.3: Dedicated funding to meet anti-displacement goals**

- Recommend an annual operating budget for anti-displacement programming and evaluate potential local funding sources that can meet funding needs
- Allocate a portion of existing affordable housing funding towards mitigating displacement – particularly towards preserving existing affordable housing stock

◀ Deliver recommendation to Housing, Safety, Community Committee in advance of the FY 2025 budget cycle