

HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE MEETING
June 16, 2015
1st Floor Conference Room
DRAFT MINUTES

Committee Members Present: Gordon Smith, Chris Pelly, Cecil Bothwell

Staff Present: Jeff Staudinger, Shannon Capezzali, Tara Irby, Sandra Anderson, Jannice Ashley , Alan Glines, Christiana Glenn Tugman, Alan Glines

Minutes: The meeting minutes from the May meeting were approved.

Updates: Housing Trust Fund and Eagle Market Place updates were provided via staff reports.

Unfinished Business:

- Strategic Partnership Funds: Based upon Council feedback and a proposed budget increase of \$50,000, the HCD Committee reviewed requests for funding for organizations who received SPF last year. The Committee recommended the following additional SPF funding allocations for the 2015 year:

Strategic Partnership Fund 2015	
One Youth at a Time	\$ 5,000.00
Partners Unlimited	\$ 5,000.00
Greenworks	\$ 15,350.00
Green Opportunities	\$ 17,150.00
Project Lighten Up	\$ 3,500.00
Read to Succeed	\$ 4,000.00
TOTAL	\$ 50,000.00

A motion was made by Chris Pelly to recommend the allocations to Council. Seconded by Cecil Bothwell. The motion passed unanimously.

- Lee Walker Heights: Jeff Staudinger provided an update on the summer design workshops which will continue in June and August. The focus of the workshops is on resident involvement in the redevelopment process. Resident turnout and support has been positive. If the Matthews Ford property can be included in the development, it may allow a mixed-use development. Staff anticipates a first phase application for low income housing tax credits in January for a 9% credit.
 - o Cecil Bothwell stated that he has contacted Rowena Timms, Vice President of Mission Hospital, to request that the hospital explore opportunities to provide property for the substation.
- LUIG Revision: Jeff Staudinger provided an overview of the LUIG proposed revisions. Staff is seeking review by both AHAC and HCD to determine how best to align the policy more with the goal of affordable housing while making it an incentive that the development community will want to use. PED will review today. The key parts of the proposed revision were discussed:

- The word “discretion” was revised to provide more transparency and make clear the intentions of the policy.
 - Eligibility requirements no longer require 20% equity from the owner.
 - Energy star requirements removed as they are built into the existing building code. A separate energy star policy could be created.
 - Cathy Ball stated that the creation of a new energy efficiency policy could be part of the work plan for the new Sustainability Director.
 - Jannice Ashley suggested that energy star requirements could remain in the policy as a requirement which does not receive points.
 - A requirement has been added that 10% of units must be affordable.
 - Staff has considered the possibility for a stepped points system based on the percent of affordable units provided by the developer.
 - Alan Glines asked the Committee if they have considered requiring a percent to be affordable and a percent be workforce rather than a flat 10% rate for affordable only.
 - Cathy Ball suggested that the focus of this policy should be affordable housing, and that workforce housing can be addressed in a separate policy.
 - 15 year period of affordability on affordable units. 10 years was prior standard, some developers said that was difficult. But 10 years is not much time for affordability. Gordon Smith stated that points could be raised for 20 or 30 year periods of affordability.
 - Locational efficiency was redefined with a general definition, but also gives applicants the ability to make a case for their own locational efficiency if it differs from the standard definition.
 - The ability to raise the rent automatically each year has been removed, rents must remain affordable or the full term (15 yrs).
 - Cecil Bothwell requested that the definition of workforce be changed from 120% AMI to 100% AMI to better reflect the affordability of housing in the area.
 - Gordon Smith agreed with that recommendation.
 - Points could be eliminated for mixed use development.
 - Points eliminated for brownfield development as there are other significant state resources available for this.
 - Jannice Ashley stated that the statute allowing this type of incentive specifically allows revitalization as a goal. Gordon Smith stated that for the point of simplifying the policy, the focus should be on affordable housing. A separate policy for brownfield development could be created.
 - Points provided for superior location and long term affordability.
 - The payment of taxes is a requirement for participation in the program. This eliminates tax-exempt developments.
- Housing Summit: Jeff Staudinger provided a report on what will now be two summits: The first will have a consumer/community focus under the direction of AHAC. This summit will focus on consumer and community scale information such as renters’ rights, budget counseling and accessory apartments. The second summit will be focused on policy to engage elected officials, the financing community, and large scale developers. The focus will be on resources, policy, and collaboration to create a greater pool of dedicated decision makers working to increase affordable options. September 18 will be the policy summit, and September 19 will be the consumer summit.

- Robin Merrell requested that the HOME Consortium be included in the process.
- Oak Hill Commons: Jeff Staudinger provided an overview of the Biotat project which received a \$200,000 Housing Trust Fund loan. Ward Griffin has requested a change to the standard conditions to waive the requirement that the developer invest 19% in the project so long as the loan to value ratio is 80% or less based on appraisal. Staff believes that is sufficient risk management and they accept the request for waiver.
 - Chris Pelly made a motion to approve the waiver. Seconded by Cecil. The motion passed unanimously.
- Small Business Incentives Program – Sam Powers provided an overview for plans to create new jobs, housing, and capital investments for small businesses. Staff is currently 24 months into the process. The School of Government has stated that the City’s standard economic development policy has worked, however LUIG has not been successful. They have suggested new techniques such as innovation districts, which Council has approved. An Economic Development firm has been engaged to look at the needs of small businesses. They have identified service providers, conducted a survey, and worked with the business association. Crystal Morphis from the firm Creative Economic Development Consulting provided a presentation about their research and findings.
 - Cecil Bothwell asked whether Development Services is working towards a Business Concierge services. Cathy Ball stated that the existing concierge service is not geared towards businesses, but staff is working to create permitting guidebooks for specific types of business applications.
 - Gordon Smith expressed an interest in employment grants for small businesses, and discussed the possibility of façade and parking lot matching grant programs. The Committee should explore partnering with existing loan fund groups, as well as providing some focus on shared space for businesses such as technology companies.

Public Comment:

- Robin Merrell from Pisgah Legal Services stated that she has been coming to HCD for 15 years. It has been remarkable to watch the evolution of the committee. She appreciates the work that they have done, and feels encouraged by their decision to change the workforce definition from 120% to 100%. She has found the 120% workforce limit to be insulting to people who work hard and cannot afford housing at that level. Robin encouraged the Committee to continue to move in this direction. Past Committee members have appeared to uphold a standard of not wanting to impose on developers in the past, instead of figuring out ways to make them want to develop. Robin looks forward to being HCD’s partner in the future.
- Greg Borom from Communities in Schools stated that he is pleased with the decision to change workforce to 100%, and to lock rents for affordable units so that they do not rise with the person income. This allows some economic mobility. He asked whether additional points could be targeted for units for people making less than 60% AMI. Greg also questioned whether encouraging one-bedroom units was in the best interest of families with children who also need housing. A goal should be to make the city a good place to raise a family.
- Brian Alexander from Homeward Bound stated that he has been encouraged by HCD and Council’s conversations around these issues. The largest gap in housing is for people on fixed

incomes, especially SSI which is people making less than 30% AMI. There is very little income-based housing other than public housing which has a two-year waiting period to get in. Brian urged the Committee to remember the most vulnerable people, many of whom are disabled.

Next Meeting:

- Tuesday, August 18, 2015 at 9:00 AM in the 6th Floor Training Room of City Hall. The July meeting is canceled.