

Worksession

Present: Mayor Charles R. Worley, Presiding; Vice-Mayor Terry M. Bellamy; Councilman Joseph C. Dunn; Councilman James E. Ellis; Councilwoman Diana Hollis Jones; Councilman R. Carl Mumpower; and Councilman Brian L. Peterson; City Attorney Robert W. Oast Jr.; City Manager James L. Westbrook Jr.; and City Clerk Magdalen Burleson

Absent: None

CONSENT:

Multi-Family Housing Revenue Bonds for Asheville Terrace Apartments by Housing Authority

Summary: The consideration of a resolution approving the issuance of revenue bonds by the Housing Authority for the Asheville Terrace Apartments project.

The Housing Authority of the City of Asheville proposes to issue revenue bonds in the amount up to \$7,500,000 to refund existing bonds at a lower interest rate, and to provide funds for interior renovations for the 248 unit apartment development known as Asheville Terrace Apartments, which is operated by Asheville Assisted Housing, Inc., a nonprofit corporation affiliated with the Authority, for rental to elderly, disabled and handicapped persons and families of low and very low income.

The Housing Authority will hold a public hearing on June 11, 2002, on the question of the issuance of the bonds. The bonds must now be considered and approved by the Asheville City Council.

The bonds being issued are "private activity bonds" under IRS regulations. Essentially, this is a form of financing that allows private entities (both for profit and not-for-profit) to engage in public purpose projects, with some of the advantages of tax exempt financing. There are many requirements and limitations in the use of the money derived from bond proceeds. One of the requirements is that the governmental unit having jurisdiction over the area in which the activity occurs must approve the issuance of the bonds, and this approval may only come after a public hearing. According to the Housing Authority's attorney, concurred in by bond counsel and the attorneys for Asheville Assisted Housing and issuer, this public hearing requirement will be satisfied by the public hearing to be held by the Housing Authority prior to the City taking action, and a separate hearing by the City is not necessary. Our bond counsel has confirmed this, and this is the position of the Local Government Commission.

If City Council wishes to approve issuance of the revenue bonds for the Asheville Terrace Apartments project, as required by Sec. 147(f) of the Internal Revenue Code, adoption of the resolution is recommended.

Minority Business Commission Appointment

Summary: The consideration of a resolution confirming the appointment of a member of the Minority Business Commission.

On May 26, 1998, City Council adopted Resolution No. 98-63 adopting a City-County Minority Business Plan.

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The Minority Business Commission consists of 13 members, 10 of whom are nominated by various groups and three of who are minority business owners nominated by the Minority Business Commission. All nominees are considered and appointed by both the City Council and County Commission.

Ms. Carmella D. Watkins has been named by the NAACP to represent them on the Minority Business Commission. Ms. Watkins has been nominated to fill the position left vacant by Ms. Grace Dorn who died unexpectedly in December 2001. Ms. Watkins' term will run through August 2002 and then she will serve a full two-year term, which will run through August 2004.

City staff recommends City Council adopt the resolution confirming the appointment of a member of the Minority Business Commission.

New Street Name of "Secluded Vista Drive"

Summary: The consideration of a resolution accepting the new proposed street name of "Secluded Vista Drive."

Leo and Kendell Wentzel, owners of lots off of Ballantree Drive, have petitioned the City of Asheville to accept the street name "Secluded Vista Drive." The new street will begin at Ballantree Drive and end at the cul-de-sac on Secluded Vista Drive.

City staff recommends adoption of the resolution.

Mayor Worley asked that the record show that City Council has received this information and instructs the City Manager to place these items on the next formal City Council agenda.

ECONOMIC DEVELOPMENT STRATEGIC PLAN TASK FORCE

Mr. Jack Cecil, Chair of the Economic Development Strategic Plan Task Force, reviewed with Council the Plan history and the economic development "influencers." He then updated Council on the Plan focus areas with strategic actions (which included the riverfront development, the development process, workforce education/training, and real estate).

Mr. Cecil said that the Task Force recognizes the past, current and future contributions by the City to many of the projects and initiatives highlighted and for the need for continued commitment to those efforts. In making the following recommendations, they also recognize the extreme pressures on local governments resulting from the ripple effect of the state budget crisis to meet existing commitments, much less take on new ones. Therefore, several of the recommendations presented require little or no cost. Their recommendations include (1) build and enhance community quality of place; (2) pursue aggressive/pro-active urban redevelopment; and (3) continuous improvement of development process. Additional recommendations include: (1) advocate legislative agenda seeking new or expanded local fiscal and regulatory powers to enhance development "toolbox"; (2) support "new economy" skills training programs of UNC-A, NCSU Mechatronics Engineering/Multimedia/Computer Science; (3) continue support of Buncombe County ECD specifically for marketing Asheville to "knowledge-based" enterprises; and (4) foster small business and entrepreneur development, retention, expansion and recruitment.

On behalf of City Council, Mayor Worley thanked Mr. Cecil and the entire Task Force for their dedication to this task and will look forward to another update.

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AUTOMATED COLLECTION SYSTEM PROJECT

Mr. Richard Grant, Solid Waste Manager, said that an automated trash collection system for households was implemented April 3, 2000.

He explained that the automated trash collection system has many advantages over the traditional rear packer system. Savings are generated from utilizing one person with the automated system compared to three people for the rear packer system. This saves approximately \$40,000 per year per truck in labor costs. Injuries to personnel are reduced to almost zero. Street cleanliness is improved as all bagged trash is placed in a roll out container with a lid. The city-supplied containers also provide uniform containers for all residents.

In 2000 staff conducted a pilot program for 3,400 customers. After one year of program assessment, comments and a survey, citizens were overwhelmingly in favor of such a system. Based on the pilot program, City Council approved the full implementation of the program for all residents.

Beginning July 1, 2002, 8,000 customers will be added to the new system. Containers and literature are currently being distributed.

Councilman Dunn wanted to make sure that we are not sacrificing efficiency for service. City Manager Westbrook assured him that this is not the case.

Mr. Grant responded to Councilman Mumpower's question regarding recycling.

On behalf of Council, Mayor Worley thanked Mr. Grant for the briefing.

HOUSING CODE REVIEW TASK FORCE

Mr. Jeff Baker, Housing Code Coordinator, said that this is the consideration of a resolution supporting a Housing Code

Review Task Force.

At the City Council 2002 planning retreat, staff gave a presentation that reviewed the development and regulatory processes. City Council was presented with 10 issues that would need Council consideration for streamlining and improving the processes in the City. One of the issues was reviewing and updating the Housing Code. Since Council has approved no updates to the Code since May 1999, staff is recommending that a Citizen Task Force be established to review the Housing Code and its enforcement.

The Housing Code was amended in 1993, effective July 1, 1994, with rental units required to be in compliance with the Code effective July 1, 1999. In May 1999 City Council approved some updates to the Code and approved a 6-month extension for rental units to be in compliance by January 1, 2000. Other fees and penalties were approved to encourage landlords to be in compliance with the ordinance. The Code has been effective in bringing over 12,000 of the 30,000 residential units of the City up to a minimum standard. The Code was designed to be proactive in that it requires all rental units, and units being sold to show proof that the unit is up to the minimum requirements. Enforcement of the Code has allowed owners, landlords, and investors and staff an opportunity to assess the strength and weaknesses in the Housing Code. Staff has reviewed with the Council's Housing and Community Development Committee various areas of the Code that needed revisions. A review of the Code should involve the sectors of the population who have significant involvement with the Code. It is recommended that the Task Force be comprised of representatives from the Carolina Real Estate Investor Association, the Apartment Association, the Board of Realtors, Homebuilders Association, nonprofit organizations and other industry representatives. The review would be lead by staff that will forward suggested

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amendments and issues to the Council's Housing and Community Development Committee. The review will take place during the summer with presentation of an amended Code targeted for the fall.

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City staff recommends City Council approve the resolution to create a Housing Code Task Force to review and recommend changes to the Housing Code and its enforcement. A list of the potential membership has been provided to Council. If any City Council member would like an additional citizen(s) to participate, they should contact Terry Summey before June 30th in order for the Task Force to begin work in mid-July.

Upon inquiry of Vice-Mayor Bellamy, Mr. Baker said that a list of approximately 30 items has already been compiled that need specific attention and he would be happy to furnish Council with a copy of that list. In addition, at the request of Vice-Mayor Bellamy, Mr. Baker said that he would try to obtain statistics regarding the number of deaths associated with fire resulting from substandard housing.

Vice-Mayor Bellamy wanted to make sure that the Housing Code remains top-notch and that we continue to have a product for safe, decent and affordable housing.

At the request of Councilman Jones and Councilman Peterson, it was the consensus to expand the Task Force membership to include three tenants, a representative from the local architectural association, and two or three representatives from neighborhood groups that have substantial rental housing.

Councilman Mumpower felt that the existing Housing Code lays a heavy regulatory hand on our City and is expensive, thus ultimately affecting affordable housing in our community. He was pleased that both positive and negative impacts of the Code would be reviewed.

Mayor Worley asked that the record show that City Council has received this information and instructs the City Manager to place this item on the next formal City Council agenda.

CITY-COUNTY HOUSING TASK FORCE

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Community Development Director Charlotte Caplan said that this is the consideration of a resolution endorsing the creation of a joint County-City Task Force to provide information on current housing issues, and recommend policy changes.

The Affordable Housing Coalition has approached Buncombe County and City of Asheville officials with a view to setting up a joint task force to look at housing needs and policies County-wide. The problems created by a high-priced housing market in a relatively low-wage economy are common to both the County and the City, and are serious enough to warrant exploration of new policies. While there is at present no clear consensus on what approaches to adopt, there is widespread agreement that any solution will require a coordinated approach in which both County and City governments take action together.

The Coalition's proposal is to explore options through an advisory task force, with members appointed jointly by the Mayor and the County Commission Chairman. The purpose of the task force would be to provide the Buncombe County Commissioners and the Asheville City Council with information on current housing needs and programs, recommend changes to current housing policies, including the potential for a joint Housing Trust Fund, and help raise awareness and support throughout the community for housing issues.

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The task force would have an inclusive membership representing all local stakeholders with an interest in housing, including for-profits, non-profits, and neighborhood residents. The County, the City, and the Coalition would jointly provide staff support.

The task force's first job would be to review its purpose and membership and create a work program. Its first report back to the County Commission and City Council would be to present this program and recommend any changes needed to its purpose and membership.

No budget changes are required to implement this proposal.

City staff recommends City Council approve a resolution to create a County-City Housing Task Force.

Councilwoman Jones felt there needed to be a balance from the public and private sector on the Task Force. As a result, it was the consensus of Council to ask the Affordable Housing Coalition to provide two additional recommendations from the public sector.

Ms. Caplan responded to Councilman Peterson about the scope of the work from the Homes for Asheville-Buncombe Task Force created by the Chamber of Commerce.

Mayor Worley asked that the record show that City Council has received this information and instructs the City Manager to place this item on the next formal City Council agenda.

At 4:30 p.m., Mayor Worley announced a short break.

BUDGET WORKSESSION

Discussion was held regarding the Fiscal Year 2002-03 budget.

CLOSED SESSION

At 8:00 p.m., Councilman Mumpower moved to go into closed session to (1) establish or to instruct the City's staff or negotiating agents concerning the position to be taken by or on behalf of the City in negotiating the terms of a contract for the acquisition of real property by purchase, option, exchange or lease - G.S. 143-318.11(a)(5); and (2) consult with an attorney employed by the City about matters with respect to which the attorney-client privilege between the City and its attorney must be preserved, including lawsuits involving the following parties: Betty Donoho, County of Buncombe, Western North Carolina Air Pollution Control Agency, Nocalula M. Moon and City of Asheville. - G.S. 143-318.11(a)(3). This motion was seconded by Councilman Ellis and carried unanimously.

At 9:10 p.m., Vice-Mayor Bellamy moved to come out of closed session. This motion was seconded by Councilwoman Jones and carried unanimously.

ADJOURNMENT:

Mayor Worley adjourned the meeting at 9:10 p.m.

CITY CLERK

MAYOR