

Worksession

Present: Mayor Charles R. Worley, Presiding; Vice-Mayor R. Carl Mumpower; Councilwoman Terry M. Bellamy; Councilman Jan B. Davis; Councilman Joseph C. Dunn; Councilwoman Diana Hollis Jones; Councilman Brownie W. Newman; Assistant City Manager Jeffrey B. Richardson; City Attorney Robert W. Oast Jr.; and City Clerk Magdalen Burleson

Absent: City Manager James L. Westbrook Jr.

CONSENT:

Broadway at Five Points Sanitary Sewer Rehabilitation Project Easement with the Metropolitan Sewerage District

Summary: The consideration of a resolution authorizing the Mayor to execute a permanent easement for Metropolitan Sewerage District (MSD) to make improvements on a sanitary sewer line and associated manholes within portions of the Reed Creek Greenway.

During the past year the Metropolitan Sewerage District has been working with the City of Asheville regarding a sanitary sewer project proposed within the Reed Creek Greenway corridor. City staff, along with the Metropolitan Sewerage District, would like to improve this important line that is in disrepair with minimum impact to municipal property. MSD staff has worked closely with City of Asheville staff regarding an appropriate design and implementation strategy that will enable project improvement while retaining the integrity of the proposed greenway and its natural resources.

The Parks and Recreation staff recommends the approval of the improvements as proposed by the Metropolitan District in the Broadway at Five Points Sanitary Sewer Rehabilitation Project along with the associated permanent easement for the new line of pipe.

Broadway Avenue Sanitary Sewer Rehabilitation Project Easement with the Metropolitan Sewerage District

Summary: The consideration of a resolution authorizing the Mayor to execute a permanent easement for Metropolitan Sewerage District (MSD) to make improvements on a sanitary sewer line and associated manholes within portions of the Reed Creek Greenway.

During the past year the Metropolitan Sewerage District has been working with the City of Asheville regarding a sanitary sewer project proposed within the Reed Creek Greenway corridor. City staff, along with the Metropolitan Sewerage District, would like to improve this important line that is in disrepair with minimum impact to municipal property. MSD staff has worked closely with City of Asheville staff regarding an appropriate design and implementation strategy that will enable project improvement while retaining the integrity of the proposed greenway and its natural resources.

The Parks and Recreation staff recommends the approval of the improvements as proposed by the Metropolitan District in the Broadway Avenue Sanitary Sewer Rehabilitation Project along with the associated permanent easement for the new line of pipe.

Merrimon Avenue Project Easement with the Metropolitan Sewerage District

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Summary: The consideration of a resolution authorizing the Mayor to execute a permanent easement for Metropolitan Sewerage District (MSD) to make improvements on a sanitary sewer line and associated manholes within Weaver Park.

During the past year the Metropolitan Sewerage District has been working with the City of Asheville regarding a sanitary sewer project proposed within Weaver Park. The Metropolitan Sewerage District would like to improve this line that presently is in need of repair. The current line is located within the center of the park and it will be moved to the northern edge of the property to minimize current and future impact on the park. MSD staff has worked closely with City of Asheville staff regarding a sensitive engineering solution that will include the replacement of a substantially deteriorated parking lot and basketball court at no cost to the Parks & Recreation Department.

The Parks and Recreation staff recommends the approval of the improvements as proposed by the Metropolitan District in Weaver Park along with the associated permanent easement for the new line of pipe.

Grant Application and Budget Amendment for Memorial Stadium Renovations

Summary: The consideration of a resolution authorizing the City Manager to apply for and enter into an agreement with the N.C. Dept. of Environment and Natural Resources, Division of Parks and Recreation in the N.C. Parks and Recreation Trust Fund, to assist with the renovations to Memorial Stadium, and an associated budget amendment, in the amount of \$550,000.

The renovation of Memorial Stadium has been identified as a high priority with the Parks and Recreation Department and the community. The Stadium was originally constructed in the late 1920's and dedicated in the early 1930's as a memorial for veterans who served and died in WWI. The Stadium was dedicated again to WWI and WWII veterans in the 1940's. However, a true memorial to the men and women who gave the ultimate sacrifice to our country was never properly constructed.

In addition, Memorial Stadium was for years the home of both Lee Edwards/Asheville High Cougars and the Stephens-Lee Bears. Today, a number of youth sports groups including the Asheville Youth Sports, Asheville Grizzlies, WNC Bears, Asheville Assault, Asheville Splash, Asheville-Buncombe Youth Soccer Association, and a number of other groups currently call Memorial Stadium home.

The Stadium is in desperate need of repairs to a number of features including the lights, press box and Stadium seating. More importantly, a proper recognition to our war dead as originally planned still needs to be constructed at this site. A plan has been developed by the Parks and Recreation staff to incorporate these issues into a conceptual design for the Stadium. This plan will address a number of funding options that include local civic club contributions, veterans groups, grants and foundation funding, and sponsorships. It is anticipated that the cost for the renovations and upgrades will total \$2 million. This conceptual plan was approved by City Council in November, 2003. An Action Committee has been formed and is working with the Parks and Recreation Department to aggressively secure funding through grants, foundations and sponsorships, as well as the Capital Improvement Plan for the City of Asheville.

The Parks and Recreation Department is requesting \$250,000 in grant funds from the North Carolina Parks and Recreation Trust Fund, which requires a dollar-for-dollar cash match. The cash match is available through a partnership with the Eblen Children Charities and through grass root fundraising efforts with a number of individuals and groups. Funds from the grant will be used to renovate the playground, build new basketball courts, construct a new picnic shelter,

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add and renovate a new walking trail, and create a new public event plaza area recognizing those who served our country.

In addition, staff is requesting approval of a budget amendment totaling \$550,000 that incorporates the contribution of Eblen Children Charities and individual donations.

The Parks and Recreation Department recommends the City of Asheville to apply for and enter into an agreement for grant funds through the North Carolina Parks and Recreation Trust Fund to assist with the renovations to Memorial Stadium and to adopt the associated budget amendment in the amount of \$550,000.

Mr. Irby Brinson, Director of Parks & Recreation, responded to various questions from Council, some being, but are not limited to, detail of the site plan; how does it fit into the long-range Parks & Recreation goals; why was this an elevation in the Master Plan prioritization given the overall needs; why is the Eblen Children Charities going outside their mission on this project; what other projects did Parks & Recreation consider for the grant funds; where does the \$550,000 matching funds come from; is there room to add other conflicts to the Park; and how much was the conceptual plan..

Vice-Mayor Mumpower said that there are three driving forces for this Park: it is an area that needs attention, we need to honor the memorial, and we need to enhance the utility of that resource.

2004/2005 Budget Schedule

Summary: The consideration of a motion approving the Fiscal Year 2004/2005 budget schedule.

The proposed Fiscal Year 2004/2005 budget schedule identifies key dates for completion of all phases of the budget process leading to adoption. Key phases of the budget process include the City Council Annual Retreat, presentation of the proposed budget to City Council, a public hearing and formal adoption. This year's schedule includes five scheduled budget worksessions, allowing City Council sufficient time for effective budget deliberations. Adoption of the Fiscal Year 2004/2005 budget is scheduled for June 22, 2004.

City staff recommends City Council to adopt the Fiscal Year 2004/2005 budget schedule.

Budget Director Ben Durant answered various questions from Council, some being, but are not limited to, what are some changes from last year's schedule; will there be an opportunity at each worksession to make changes; what is the process for Council to add an item to the Capital Improvement Program; and when does Council get to discuss their initiatives with the budget needs.

Assistant City Manager Richardson said that prior to the retreat ending the facilitator will make it clear what the next steps will be.

Scheduling Public Hearing for February 10, 2004, to Consider an Economic Development Incentive Grant for Dave Steel Company

Summary: The consideration of a resolution setting a public hearing on February 10, 2004, for an economic development incentive grant for Dave Steel Company.

Dave Steel Company, a local fabricator of structural steel, is adding new production equipment valued at \$600,000. This equipment diversifies the company's capabilities allowing

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them to expand into new markets. This, in turn, will help stabilize employment for the current workforce and lead to the creation of 25 new jobs in 2004. The project qualifies for a Level 1 grant under the City Economic Development Incentive Policy.

City staff recommends Council approve the resolution setting a public hearing on February 10, 2004, for an economic development incentive grant for Dave Steel Company.

Budget Amendment for Reimbursement for Hazardous Materials Response

Summary: The consideration of a budget amendment, in the amount of \$31,836, for reimbursement from the North Carolina Department of Crime Control and Public Safety, Emergency Management Division, for hazardous materials response as a result of the Beacon Manufacturing fire.

The City of Asheville Fire and Rescue Department responded to the Beacon fire in two capacities. One was mutual aid for fire suppression. The other was a request by North Carolina Emergency Management due to a spill of hazardous materials as a result of the fire. An extreme amount of equipment and resources was required that exceeded the Fire and Rescue Department's inventory. Therefore, a private contractor was contacted to assist the Asheville Fire and Rescue Department. These funds will replace equipment supplied by the Fire and Rescue Department used at multiple locations to contain the spill and replace funds used to pay for the resources from the private contractor.

City staff recommends City Council approve the budget amendment to receive the reimbursement from the N. C. Department of Crime Control and Public Safety, Emergency Management Division.

Budget Amendment for Grant from U.S. Department of Homeland Security

Summary: The consideration of a budget amendment, in the amount of \$174,578, to receive grant money from the U.S. Department of Homeland Security (DHS), sub-granted through the Federal Emergency Management Agency's (FEMA) FY 03 Assistance to Firefighter's Grant Program, for procurement of replacement self contained breathing apparatus (air packs) and replacement portable radios (walkie-talkies).

The City of Asheville Fire and Rescue Department with endorsement of the Asheville City Council in March, 2003 requested \$122,205 from the U.S. Department of Homeland Security to replace 44 of the department's self contained breathing apparatus (air packs) and 24 of the department's VHF portable radios (walkie-talkies). The Federal grant was for 70% of the costs with the City to match 30%, or \$52,373 from our contingency account. Staff was successful in obtaining those Federal funds.

Air packs and walkie-talkies are daily use equipment by firefighters and are used on virtually every emergency that occurs within the city.

Fire and Rescue staff plans to request funds in the Fiscal Year 2004 Assistance to Firefighter's Grant Program to complete replacement of the department's self contained breathing apparatus (air packs).

City staff recommends City Council approve the budget amendment to receive grant money from the U.S. Department of Homeland Security.

Upon inquiry of Councilman Dunn, Fire Chief Greg Grayson said that these replacement radios are compatible with Buncombe County's system.

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West Annexation, Phase IV, Sanitary Sewer System Improvements Contract

Summary: The consideration of a resolution authorizing the City Manager to enter into a contract with Wheeler Construction Company Inc., for West Area Annexation - Phase IV- Sanitary Sewer System Improvements.

This project is the last Phase of the West Annexation Area. It is called the West Area Annexation - Phase IV- Sanitary Sewer System Improvements and consists of the installation of approximately 2,105 linear feet of eight inch (8") diameter sanitary sewer line and related appurtenances.

The Engineering Department received and publicly opened six (6) bids on Thursday, January 8, 2004, at 2:00 p.m. After a thorough review of the bid documents by the Engineering Department and the Office of Minority Affairs, Wheeler Construction Company, Inc., was found to be the lowest responsible bidder with a total bid of \$ 218,434.50.

Project will be financed with moneys generated by General Obligation Bonds Series 2000 of December, 2000.

Wheeler Construction Company, Inc., has performed several projects of this nature in the past in a satisfactory way.

The construction time for this project is identified as 120 calendar days in the contract documents. The contractor will be required to pay the sum of \$250.00 as liquidated damages for each and every calendar day that he shall be in default after the time stipulated in the contract.

Staff recommends that City Council adopt a resolution awarding the bid for West Area Annexation - Phase IV- Sanitary Sewer System Improvements to Wheeler Construction Company, Inc., the responsible low bidder.

Budget Amendment for 2003-04 Senior Center General Purpose Funding

Summary: The consideration of a budget amendment, in the amount of \$14,519, for the annual appropriation from the N.C. Dept. of Health and Human Services, Division on Aging, for the Harvest House and Senior Opportunity Center.

Funds will be used at Harvest House to purchase equipment and supplies, improve landscaping and to assist with special needs transportation. Funds will be used at Senior Opportunity Center to purchase equipment and supplies, replace the heating and air conditioning unit and make improvements in the sewer lines.

The Parks and Recreation Department recommends City Council approve the budget amendment, in the amount of \$14,519, to establish a budget for the projects at Harvest House and Senior Opportunity Center.

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

WATER SYSTEM ASSET MANAGEMENT PROGRAM UPDATE

Interim Water Resources Director David Hanks said that the engineering firm of Brown & Caldwell, along with City staff, has taken a comprehensive look at all aspects of the water system operations, including water treatment plants, distribution system, leak detection, meter accuracy, financial, and administration.

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The Regional Water Authority of Asheville, Buncombe and Henderson contracted with Brown & Caldwell to study the water treatment requirements to meet current and future Environmental Protection Agency (EPA) standards for turbidity in the water. The

study also included looking at the asset management of the water system to help determine replacement and refurbishment cost, including distribution lines, pump stations, valves and meters. An asset management team was established consisting of Water Resources and Finance Department staff along with representatives of Brown and Caldwell. The team looked at how the water system is currently being managed, assets of the water system including age of the assets and original costs. A replacement model was created to determine annual funding requirements needed to make necessary improvements to the water infrastructure.

Mr. Richard Stahr, representing Brown and Caldwell, presented a comprehensive presentation on the water system including meeting current and future turbidity standards, asset management and replacement and refurbishment requirements of the water system and funding requirements to make needed improvements.

In summary, the implementation of the Asset Management Program is underway; the Business case analysis is being used for decision-making resulting in cost savings; replacement cost of infrastructure is ~\$0.75 billion; and increased funding for R&R will be necessary to sustain the infrastructure.

Mr. Stahr responded to various questions from Council regarding the program, noting that any information he was not able to respond to he would supply to Council.

COUNTY-CITY HOUSING TASK FORCE FINAL REPORT

Ms. Janet Moore, Chair of the County-City Housing Task Force said that the County-City Housing Task Force was created in November, 2002 to bring together individuals in the community who were concerned about housing in Asheville and Buncombe County.

According to the resolution adopted by the County and City, the purpose of the Task Force shall be to “provide the Buncombe County Commissioners and the Asheville City Council with information on current housing needs and programs, including the potential for a joint Housing Trust Fund, recommend changes to current housing policies, and help raise awareness and support throughout the community for housing issues.”

The Task Force was appointed by the Buncombe County Board of Commissioners and Asheville City Council. The Task Force is a diverse group—representing housing providers, private developers, housing advocates, and real estate, financial, & construction professionals.

After meeting for approximately eleven months, the Task Force has had the opportunity to discuss affordable housing challenges in the community in considerable detail. The Task Force believes that this was an important part of the mission with which they were charged, to bring together knowledgeable experts to discuss the issues and propose solutions to the challenges at hand.

Eight recommendations were discussed and voted on by the Task Force. In almost every case, the vote on these recommendations was unanimous.

The Task Force believes that bold actions by elected officials to relax cumbersome and costly regulations, reduce fees, and remove subjective decision-making would encourage more private investment in affordable housing. With regard to their specific recommendations, zoning is the most extensive topic.

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1) Housing Trust Fund - The Task Force recommends that Buncombe County create a County Housing Trust Fund which will be initially capitalized with the equivalent of one cent per \$100 of property tax value, or approximately \$1.7 million. The Task Force recommends that the Trust Fund be made effective in Buncombe County's next fiscal year budget, fiscal year 2004-05.

2) Fees and Permits - The Task Force recommends that the City and the County develop a plan to reduce fees and permits on homes that are 1500 square feet or less, with greater reductions for even smaller homes.

The recommendation for fee and permit reductions for smaller homes should also be implemented with the Metropolitan Sewerage District and the Asheville-Buncombe Water Authority, similar to the reduced fee plan currently in place for affordable housing. These incentives are not intended to replace or eliminate the current reduced fees for development of homes which are guaranteed to remain affordable by the developer.

3) Duplex, Triplex and Quadraplex Development - Duplex, Triplex, and quadraplex development in areas zoned single family should be permitted and should be a use by right. We request two changes to the Duplex, Triplex, & Quadraplex policy as

originally proposed by the City of Asheville and these are as follows: 1) design standards must be clearly defined and limited; and 2) there should be no parking requirements.

4) Density Bonuses – Density bonuses should be permitted for affordable housing. The Task Force recommends that density bonuses be provided as a use by right, instead of a conditional use in the UDO.

5) Multi-Family Housing - The City of Asheville should increase the amount of land that allows multifamily housing development as a use by right. In 1997, the UDO rezoned approximately 50% of the existing multifamily land to single family zoning. Much of this multifamily land was zoned 16 multifamily units per acre and is now zoned single family and much less dense. The Task Force recommends that enough land currently zoned single family should be rezoned to multifamily so that the same percent of Asheville land is zoned multifamily as it was before the UDO was passed in 1997.

6) Lot Size – Lot size is a factor in that it influences the full development of parcels for maximum density, therefore maximum affordability. This recommendation has already been considered and approved by City Council. The Task Force recommended that the City of Asheville decrease minimum lot sizes so that additional acreage would be free to develop entry roads, provide set-backs, and allow for development standard flexibility.

7) Not In My Backyard (Nimbyism) – Nimbyism was cited by the Task Force as a huge factor in preventing affordable housing development. The Task Force recommends that City staff seek to reduce public hearing requirements considerably, and to significantly limit the types of developments that are subject to a vote of City Council and developments that are subject to petitions requiring a “super majority” vote of City Council.

8) Review Thresholds - More permitting decisions should be made by the Technical Review Committee and planning staff, rather than elected officials. Permit applications not denied within 90 days should be deemed approved.

The cost of housing in Asheville is a problem for all but the wealthiest homebuyers, and it is an embarrassment for our community. The Task Force focused on the cost component of this equation. Any long term solution to the problem of housing affordability, however, must address the wage factor. That jobs rests with the City of Asheville, Buncombe County, and other publicly funded economic development entities.

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The Task Force thanked the Buncombe County Board of Commissioners and Asheville City Council for taking the issue of affordable housing seriously.

The Task Force recognizes that many of these recommendations may not be politically popular. However, this Task Force was charged with advising local government about the facts as we see them regarding affordable housing in our community. Making the tough decisions about implementing these recommendations is a proper role of elected officials.

The Task Force sincerely hopes that these recommendations are incorporated by Buncombe County and the City of Asheville both in existing policies as well as future proposals that involve residential development in our community.

Mayor Worley said we need to keep on going on the direction we are moving because there is a collective consensus to help affordable housing and further along other economic development needs.

Ms. Moore and City Development Director Charlotte Caplan responded to various questions from Council regarding the Task Force’s recommendations.

Councilman Newman felt that a study should be compiled regarding how the City ranks with affordable housing in the rental market.

On behalf of City Council, Mayor Worley thanked the Task Force members for their hard work on this very difficult task.

CLEAN AIR COMMUNITY TRUST PROGRESS REPORT

Dr. Richard Maas, Chair of the Clean Air Community Trust (CACT) Board, updated City Council on the actions of the Clean Air Community Trust. He reviewed with Council the history of CACT and shared with Council their draft vision statement. He updated Council on current and future programs, along with potential programs. He then outlined their short-term goals.

Dr. Maas requested \$5,000 from the City of Asheville and \$5,000 from Buncombe County within which to buy 5,000

compact fluorescent light bulbs. They will make them available at cost to other community groups and at a reasonable price to individuals. Thus, they will create a self-perpetuating program that ties citizens actions to energy efficiency and air pollution reduction.

Vice-Mayor Mumpower, liaison to the CACT Board, spoke in favor of this effort because it is a partnership opportunity with Buncombe County. He felt we should refer this to our Outside Agency Committee for review. This is a positive real way to educate the public on clean air.

Councilwoman Jones spoke in support of the program noting it was one of Council's strategic goals to improve air quality. She suggested the CACT bring forward future programs to the Outside Agency Committee as well.

Dr. Maas and Ms. Margie Mears, Executive Director of the CACT, responded to various questions from Council regarding the light bulb program.

Councilman Davis was somewhat bothered about the City being in the light bulb business when we might be competing with people who are making a living selling light bulbs.

Councilman Dunn said our job is to maximize use of taxpayer dollars and he wasn't sure if this program is doing that. Vice-Mayor Mumpower pointed out that this agency was put together by the City and the County.

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On behalf of City Council, Mayor Worley thanked Dr. Maas the Board for their hard work.

Councilman Newman felt that perhaps at the City Council retreat City Council could discuss different things that Council can do to address air quality issues.

It was the consensus of Council to refer this program to the Outside Agency Committee for review.

At 5:25 p.m., Mayor Worley announced a short break.

FEDERAL LOBBYING UPDATE REPORT

Mr. Sean Dalton, representing Ball Janik, LLP, updated City Council on the federal lobbying efforts. He reviewed with Council the status of each of the City's appropriations and legislative agenda. Because so many of the annual appropriations bills have not yet been enacted, several items remain "on hold."

1. The Digital Platform Upgrades for Police and Fire Communications – They were unsuccessful in securing a Fiscal Year 2004-directed earmark for the City's police and fire digital platform upgrades. In drafting its initial bill, the House CJSJ Appropriations Subcommittee chose to provide no funding whatsoever for the communications or interoperability needs of first responders. Such funding, the subcommittee stated, would henceforth fall under the jurisdiction of the newly-created Homeland Security Appropriations Subcommittee. The Senate CJSJ Subcommittee disagreed, reserving jurisdiction over such interoperability program earmarks within its bill. The final CJSJ subcommittee conference report followed the Senate's lead, funding several communications and interoperability programs for first responders through individual earmarks. Unfortunately, the City of Asheville was not among those local governments chosen to receive such an earmark. Given the level of education that has already taken place among the WNC Congressional delegation offices about this need, however, the City may wish to include it as an item on its Fiscal Year 2005 appropriations agenda.

2. Traffic Signal System Upgrades – The pending omnibus appropriations bill contains an earmark of \$2 million for the City's Traffic Signal System Upgrade program. The House passed this legislation on December 8, 2003 by a vote of 242 to 176. The Senate has not yet voted upon it.

3. City Transit System Fleet Replacement – The pending omnibus appropriations bill contains an earmark of \$300,000 for the City's bus fleet replacement. This funding is in addition to an earmark of \$6,250,000 for statewide bus and bus facilities, from which the City might also receive funds for transit fleet replacement.

4. WNC Hazardous Response Coordination Center – The Fiscal Year 2004 Homeland Security Appropriations bill included no Congressionally-directed earmarks of any kind; thus, we were unsuccessful in securing an earmark for the Hazardous Response Coordination Center this year. According to the chairmen of the House and Senate subcommittees, it was the preference of Congress to allow the newly-created Department of Homeland Security to fully complete the organization of its

program and internal command structure. The absence of earmarked appropriations would provide the Department maximum flexibility in doing so. It is unclear whether the House and Senate will continue with its "no earmarks" policy in the Fiscal Year 2005 Homeland Security Appropriations bill. The City may wish to consider the inclusion of the Hazardous Response Coordination Center as an item on its Fiscal Year 2005 appropriations agenda.

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5. Azalea Road Park and Next Generation Project – While the Azalea Road Park proposal was not officially included as part of the City of Asheville's Fiscal Year 2004 appropriations agenda, the offices of each of WNC's Congressional delegation members expressed interest in lending support to this project. The pending omnibus appropriations bill contains a "soft" earmark for this project, meaning that no specific dollar amount has been designated for it. Rather, language in the CJSJ Appropriations section of the bill states: "Juvenile Justice Programs – State Formula Grants – The conference agreement includes \$84,000,000 for the Part B – State Formula grants. The conferees ask Governors and relevant State and local officials to review the following proposals and provide grants if warranted . . ." The City's Parks and Recreation Department has previously sought funding for the project through the N.C. Parks & Recreation Trust Fund. With this earmark, Congress has commended the project to the State of North Carolina for potential funding as a juvenile justice program, as well.

6. Effect of Urbanized Area Census Designation on Transit Funding – A six-year reauthorization of TEA-21 – the massive federal law governing spending on highway and transit projects – was due in 2003, and provided the most logical legislative vehicle by which to address the "200,000 Population" issue. Due to policy debates centering upon transportation funding mechanisms, however, only a short-term, five-month extension bill was enacted prior to the end of last year's Congressional session. Through the efforts of Congressman Taylor and Senator Dole, this legislation included an additional "grace period" for newly-urbanized areas over 200,000 in population, allowing Asheville and other cities to use Section 5307 funds for operating expenses through February 29, 2004. While this additional five-month extension provides some breathing room to the Asheville Transit System, we continue to work with the WNC Congressional delegation to seek a longer-term solution to the transit funding flexibility problem. Representatives of the House Transportation and Infrastructure Committee have repeatedly voiced support for Asheville and other cities whose transit funding was adversely affected by the 2000 Census. Staff members of the Senate Banking Committee, however – under whose jurisdiction transit issues fall in that capacity – have continually resisted any additional extensions of the Senate 5307 flexibility. Senator Dole's office has been especially helpful in making Asheville's case to these Senate Banking staff members. In late November, the House unveiled its draft TEA-21 reauthorization bill, which would allow an extension of Section 5307 flexibility through Fiscal Years 2004 and 2005. In joining with a coalition of other municipalities likewise pushed into a "200,000 Population" urbanized area by the 2000 Census, we continue to advocate such an extension to the Senate Banking Committee staff, as well.

Mr. Dalton then gave an outlook for the Omnibus appropriations bill.

Mr. Dalton responded to various questions from Council noting that wherever there is an opportunity to seek funding, they are looking for it.

Upon inquiry of Mayor Worley, Mr. Dalton explained how this process has worked with our congressional delegation to help them be successful in bringing our requests forward.

Upon inquiry of Councilman Newman, Mr. Dalton said attending the U.S. Conference of Mayor's Conference in Washington, D.C., is an opportunity for City Council to become more actively involved in advancing not only Asheville's agenda, but all the cities agendas across the country. Another way for City Council to become more involved is local visits to Raleigh to build face-to-face relationships.

BANNER POLICY

- This item has been removed from Council consideration today.

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HOUSING TRUST FUND ALLOCATIONS

Community Development Director Charlotte Caplan said that this is the consideration of a resolution allocating \$730,000 in Housing Trust Fund loans for affordable housing development

This is the fourth annual allocation of funds from the City's Housing Trust Fund (HTF). The 2004 budget included an appropriation of \$600,000 for the HTF and \$130,000 has accrued in loan repayments, making a total of \$730,000 available for

lending in this round. The application process was opened on October 15, 2003, and eight applications were received by the December 8 deadline, requesting a total of \$1,275,000. All of the applications received this year were for rental projects.

The applications were evaluated by a panel of City staff and outside experts and then reviewed by the Housing and Community Development (HCD) Committee. The HCD Committee has recommended funding the following six projects:

Mountain Housing Opportunities - 50 units on Grove St.	\$140,000 (20 years at 2%)
Gateway Construction -100 units on Swannanoa River Rd.	\$125,000 (30 years at 0%)
Tim & Wendy Vorst - 2 units on Beaucatcher Rd	\$ 50,000 (30 years at 2%)
Spicewood Development - 42 units on Cedar Hill Rd	\$185,000 (30 years at 2%)
Thomas Yurchenko - 6 units on Campground Rd.	\$150,000 (30 years at 2%)
Paul Saylor - 2 units on West St.	<u>\$ 80,000</u> (2 years at 2%)
Total (202 units)	\$730,000

She summarized with Council all applications submitted and reported on the progress of prior years' projects.

Staff recommend approval of the HTF loans listed above.

Vice-Mayor Mumpower and Councilman Dunn voiced concern about the 0% interest loan for 30 years to Gateway Construction.

Mayor Worley felt the City should have some assurance that the rent will remain affordable for the term of the loan. He suggested a provision in the Note and Deed of Trust that makes the note callable if they don't meet some sort of formula.

Vice-Mayor Mumpower felt we should address the policy regarding future affordable rents in the next application process. Councilwoman Jones agreed and felt that the HCD Committee should look at this issue and report back to City Council in approximately six months.

Ms. Caplan responded to various questions from Council regarding the results of the panel scoring. Mayor Worley expressed concern with loaning money where the company rates a zero regarding affordability on the panel scoring. Councilwoman Bellamy suggested the HCD Committee place more emphasis on the affordability and long-term affordability aspects of the loans.

Councilwoman Bellamy noted that not only do non-profit organizations benefit from the Housing Trust Fund, but for-profit organizations are benefiting as well. She noted that five of the six projects recommended for funding are going to for-profit groups.

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Mayor Worley asked for additional information from the applications that rated a zero on affordability from the panel scoring schedule.

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

INTERLOCAL AGREEMENT WITH BUNCOMBE COUNTY ON THE JOINT PLANNING AREA

- City Attorney Bob Oast said that this is the consideration of interlocal agreement with Buncombe County for establishment and administration of Joint Planning Area.

At the request of the Buncombe County Commissioners and Asheville City Council, City and County planning and development staff have been meeting frequently to determine the area to be covered by the Joint Planning Area (JPA), and to develop the regulations to be applicable within the JPA.

When this idea first surfaced, it was thought that a joint planning arrangement would require special legislative authorization, but City and County legal staff have determined that joint planning area administration is possible under current law, and under a local act adopted in 1931 authorizing joint performance by the City and County of administrative functions.

The JPA regulations will consist of three main parts:

- the boundaries of the JPA
- regulations to be applicable within the JPA
- classification of land within the JPA

The details of these main features have been under fairly intense consideration by County and City staff for several months, and to a lesser extent by the planning commissions. The governing bodies have been kept updated on the JPA concept as it has evolved.

The interlocal agreement neither adopts the JPA nor any of the regulations to be applicable within it, but rather establishes a framework and administrative structure pursuant to which those actions may occur.

In essence, the interlocal agreement will provide for:

- the method of establishing the initial JPA, adopting initial regulations, and adopting initial land classifications
- the method for changing any of the regulations
- establishment of the joint planning agency
- definition of the role of County / City staff
- method of financing and allocation of expenses
- amendment, extension, termination of agreement

He reviews with Council an outline of the interlocal agreement to establish and implement the JPA. He explained that this outline will serve as the vehicle for discussion of certain details of administration of the JPA, and a vehicle for Council input. That information can then be incorporated in the interlocal agreement as appropriate, for final consideration as to adoption.

He asked for Council direction as to additional matters to be addressed in the agreement, or matters to be addressed differently or in more detail. He said that Council's comments and direction will be incorporated into an agreement to be presented for adoption.

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Upon inquiry of Councilman Davis, Planning & Development

Director explained who will do the mapping.

CITY COUNCIL LIAISON ASSIGNMENTS

City Council members were assigned various liaison and member positions on it's various boards and commissions.

At 7:55 p.m., Mayor Worley announced a recess.

BOARDS AND COMMISSIONS

It was the consensus of City Council to readvertise for vacancies on the Board of Adjustment.

It was the consensus of City Council to have the City Clerk prepare the proper paperwork to reappoint Clara Jeter to the Asheville-Buncombe Community Relations Council.

It was the consensus of City Council to have the City Clerk arrange interviews for the Downtown Commission and prepare the proper paperwork to reappoint Andy Archie and Peter Alberice.

It was the consensus of City Council to have the City Clerk prepare the proper paperwork to appoint David McConville to the Sustainable Economic Development Task Force.

It was the consensus of City Council to have the City Clerk prepare the proper paperwork to reappoint Bill Schaefer to the Firemen's Relief Fund.

It was the consensus of City Council to have the City Clerk arrange interviews for the Greenway Commission and prepare the proper paperwork to reappoint Jack Saye and Phyllis Stiles.

It was the consensus of City Council to appoint Councilwoman Terry Bellamy to the Metropolitan Sewerage District Board.

It was the consensus of City Council to have the City Clerk arrange interviews for the Public Art Board and prepare the proper paperwork to reappoint Barbara Cary and Tina McGuire.

It was the consensus of City Council to have the City Clerk arrange interviews for the Transit Commission.

It was the consensus of City Council to reappoint Monty Wooten and Robert Halliday to the Tree Commission.

ADJOURNMENT:

Mayor Worley adjourned the meeting at 9:12 p.m.

CITY CLERK

MAYOR