Affordable Housing Overview

Charlotte-Mecklenburg Planning Commission
November 7, 2016
1 in 3 households in Charlotte now pay more than 30% of income on housing costs.

34,000 affordable housing units needed in Charlotte, per recent HUD estimates.

Senior population will grow rapidly, about half expected to be <60% AMI and need affordable housing.
Sources: American Community Survey, 1-year estimates 2007-2015; Charlotte Regional Realtor Association 2015; Real Data Inc. 2015

Housing costs rising as income stagnates

Constant 2015 $

$888 $897 $978

$888 $56,120 $53,214 $53,919


Median Gross Rent

Median Household Income

Median Sales Price

$153,000 $160,000 $172,500 $181,078 $192,500

+ 4.6% + 7.6% + 5.0% + 6.3%
Employment is growing, but some jobs will grow more than others


Source: NC Department of Commerce, prepared for the Charlotte-Mecklenburg Workforce Board.
Costs Burden Renters

Overall:
- 31,421 (91%)
- 21,067 (79%)
- 8,010 (35%)
- 3,010 (11%)
- 467 (2%)

Source: U.S. Census, American Community Survey
Current Supply of Affordable Housing

Map 12

Naturally Affordable Housing

Affordable at 80% of AFMI Housing Code Cases ('15)
- 0% - 22%
- 23% - 48%
- 49% - 74%
- 75% - 100%

City of Charlotte, Mecklenburg County
Neighborhood and Business Services 06/12/2013
City Housing Programs

Invested in 4,211 units over last 5 years:

1,467 Housing Trust Fund
1,207 House Charlotte Loans
1,537 Rehabilitated Units
Concentration/Dispersion

- Top Areas Where Low-Wage Workers: Work

- Work

- Live

- Live
The Housing Trust Fund was established in 2001 and is designed to provide gap financing to developers of housing for households earning 60% ($40,200) and below the Area Median Income.

- The Housing Trust Fund is financed through voter approved housing bonds.

- Funds are made available through a competitive request for proposal process and is aligned to leverage funding from the North Carolina Housing Finance Agency.
Established in November 2001 to provide gap financing to affordable housing developers through a competitive Request for Proposal Process

- Financed 5,542 affordable housing units since 2002
- Completed 4,718 housing units
- Total Development - $544 million
- Funds Committed - $93 million
- Leverage Ratio of 1:6
Affordable Housing
Affordable Housing
Housing Trust Fund Developments

The Retreat at Renaissance
3240 New Renaissance Way
Completed: June 2013
Laurel Street Residential/
Charlotte Housing Authority
Housing Trust Fund Developments

Brightwalk

- Appraised tax value when purchased was less than $1M
- Anticipated tax value when complete is $60M
On October 10, 2016, City Council approved the following:

Action Items in Response to City Council Letter to the Community

B. Amend the City Council Strategic Policy Objectives to create 5,000 workforce and affordable housing units from five years to three years, and endorse hiring a consultant to develop a Strategic Housing Plan.
Affordable Housing Production
Housing Tools

Current Production Tools
- Housing Trust Fund
- Single Family Housing Rehabilitation
- Multifamily Housing Rehabilitation
- Downpayment Assistance

Other Housing Tools
- Rental Assistance
- Nonprofit Partnerships
Next Steps

• Terwilliger Study

• Strategic Housing Plan
  – Short Term
  – Long Term

• Affordable Housing Community Talks
Assignment:
- The ULI Terwilliger Center for Housing (the Center) will provide advice on how the City could effectively support more workforce and affordable housing development based on a review of current city programs and policies, interviews with key stakeholders, and research on proven approaches in similar communities.

Scope of work included:
- Review of existing policies/documents/information
- Conduct stakeholder interviews
- Review the current housing toolbox
- Articulate potential core principles and a comprehensive approach to affordable and workforce housing and discuss potential tradeoffs
- National scan of local and national best practices focusing on communities similar to Charlotte
• **Schedule:**

  – **October:** Preliminary research and review of key materials, preparation for site visit.

  – **November:** Visit by the project team to Charlotte for interviews and fact finding.

  – **December:** Transmission of report of preliminary findings based on initial research and the November visit.

  – **January:** Transmission of complete draft report for review by the City.

  – **February:** Transmission of final based on feedback from the City and key stakeholders and presentation by the project team of recommendations in Charlotte.
By January, the City will release a request for proposals to develop a Strategic Housing Plan. The Plan will:

- Identify current unmet needs
- Forecast future demand
- Recommend a comprehensive five-six year housing strategy
The City of Charlotte, Mecklenburg County and UNCC are jointly conducting community talks throughout the community.

Discussion is based on the “Charlotte-Mecklenburg Strategies for Affordable Housing Development” report prepared by the UNC Charlotte Urban Institute.

Forums allow for community input on current and potential strategies to increase housing diversity and affordability.
Affordable Housing Barriers

• Policy
  – Housing Locational Policy

• Perceptions
  – NIMBY

• Land Costs

• Funding
  – State and Local
Affordable Housing Opportunities

• Publicly Owned Land
  – City
  – County
  – Charlotte-Mecklenburg Schools
  – Charlotte Housing Authority

• Current Zoning Process
  – Re-Zoning Pre-Submittals

• Zoning Re-Write
  – Affordable Housing Overlay Districts