

- I. Background**
- II. Goals**
- III. Mixed Income Housing Development Program**
 - **SF Density Bonus**
 - **MF Density Bonus**
- IV. ADU Ordinance**
- V. Other Changes & Recommendations**
- VI. Conclusions**

Policy Goals



Charlotte's housing policies seek to:

- Preserve existing housing stock,
- Expand the supply of affordable housing, and
- Provide safe and decent housing with a priority for persons earning less than 60% (\$41,100) of Area Median Income (AMI)

Policy Pretext

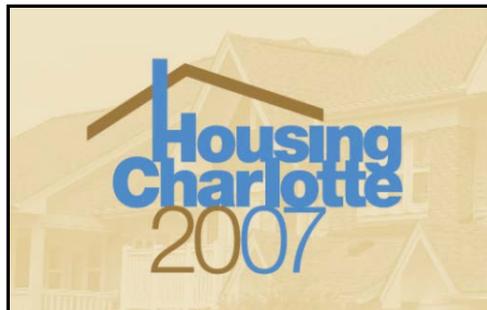
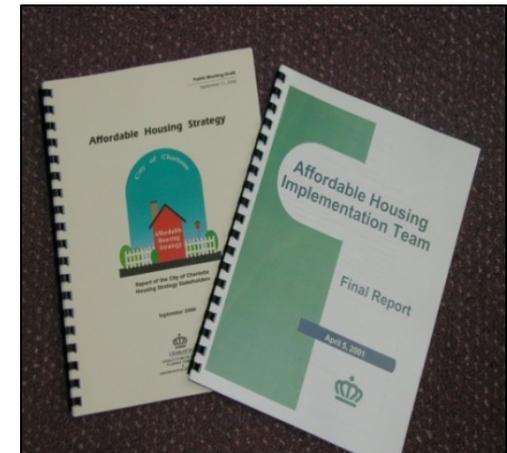
1999 - Affordable Housing Stakeholder Group

Recommended a variety of strategies addressing affordable housing

2000 - Affordable Housing Implementation Team

Developed recommendations for:

Housing Trust Fund	Density Bonus (single & multi-family)	Assisted Multi-family at Transit Stations
Housing Locational Policies	City-County Cooperation	Increase Homeownership
Information Clearinghouse	Mixed Income Development	Section 8 Rental Incentives



2007 - Housing Charlotte 2007

Community Forum on Affordable Housing recommending five solution areas, including incentive-based inclusionary housing policies

2008 - Housing Charlotte 2007 Implementation Committee

Incentive-based Inclusionary Housing Policies Subcommittee recommended:

Single Family Density Bonus	ADUs without Tennant Restrictions	Duplexes on Any Lot
-----------------------------	-----------------------------------	---------------------

Recent Initiative

Council Assignment

- On May 25, 2011, the Housing & Neighborhood Development (H&ND) Committee recommended to Council a list of **regulatory and financial incentives to create affordable housing**
- On June 27, 2011, Council approved a **proposed action plan** directing staff to pursue **11 regulatory and financial incentives** that could work for Charlotte
- **Of the 11 Action Plan** recommendations, the **6 financial initiatives** are ongoing and should be continued
- The remaining **5 regulatory initiatives** needed further action through text amendments, user fee adjustments, or additional Committee discussion
- Council also asked staff to work with a **citizen advisory group** throughout this process
- **Regulatory incentives** should be **voluntary** in nature

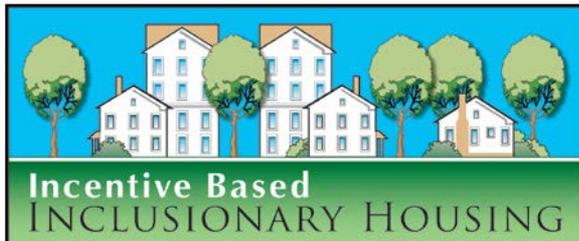


Affordable Housing Action Plan

June 2011 – Council adopted an Action Plan requesting staff to pursue five regulatory and six financial strategies to incent private sector development of affordable housing.

Regulatory Strategies

1. Single & Multi-family Density Bonus
2. Fee Waivers
3. Expedited Review
4. Duplexes on any lot
5. Accessory Dwelling Units to include non-relatives



Financial Incentives

6. Create local rent subsidy program
7. Increase Housing Trust Fund commitments for federal low income housing tax credits
8. Lobby NCHFA for changes to its Qualified Application process to allow urban projects to score higher
9. Develop a program to make available government owned land at a reduced cost in exchange for affordable housing
10. Establish aggressive acquisition program for existing apartments currently in financial difficulty or underutilized
11. Cash subsidies

Recent Initiative

Citizen Advisory Group

- 16 Meetings for over a year
- Worked extensively with Council's H&ND Committee



- ✓ Community Development Corporations
- ✓ Real Estate and Building Industry Coalition
- ✓ Charlotte-Mecklenburg Housing Partnership
- ✓ Greater Charlotte Apartment Association
- ✓ Mixed Income Housing Coalition
- ✓ Habitat for Humanity
- ✓ Neighborhood Organizations
- ✓ Charlotte Housing Authority
- ✓ Johnson C. Smith University
- ✓ 2008 Incentive Based Inclusionary Housing
- ✓ Policies Subcommittee Members
- ✓ Single Family & Multi-family Developers
- ✓ Housing Advocates
- ✓ Financial Institutions
- ✓ Charlotte Mecklenburg Schools
- ✓ South Charlotte Representation

Action Plan Regulatory Status



SF Density Bonus

- H&ND Committee approved November 2012
- Council approved December 2012

MF Density Bonus

- H&ND Committee approved November 2012
- Council approved January 2013

Fee Waivers

- Received H&ND Committee support May 2012
- Council update October 2012
- No Council Action Required

Expedited Review

- Received H&ND Committee support May 2012
- Council update October 2012
- No Council Action Required

Duplexes

- 1st Version deferred by Zoning Committee & Council
- H&ND Committee deferred strategy indefinitely May 2013

ADUs

- H&ND Committee approved March 2012
- Council approved July 2012

Incentive-Based Inclusionary Housing

1. Creates new tools to incentivize private sector development of affordable housing
2. Disperses affordable housing within the community
3. Encourages a range of housing types and income levels
4. Increases opportunities for people to age in place



Program Purpose & Definition

Program Purpose

The purpose of this strategy is to permit mixed income housing developments through a voluntary, incentive-based density bonus within the R-3, R-4, R-5, and R-6 single family zoning districts and the R-8MF and R-12MF multi-family zoning districts

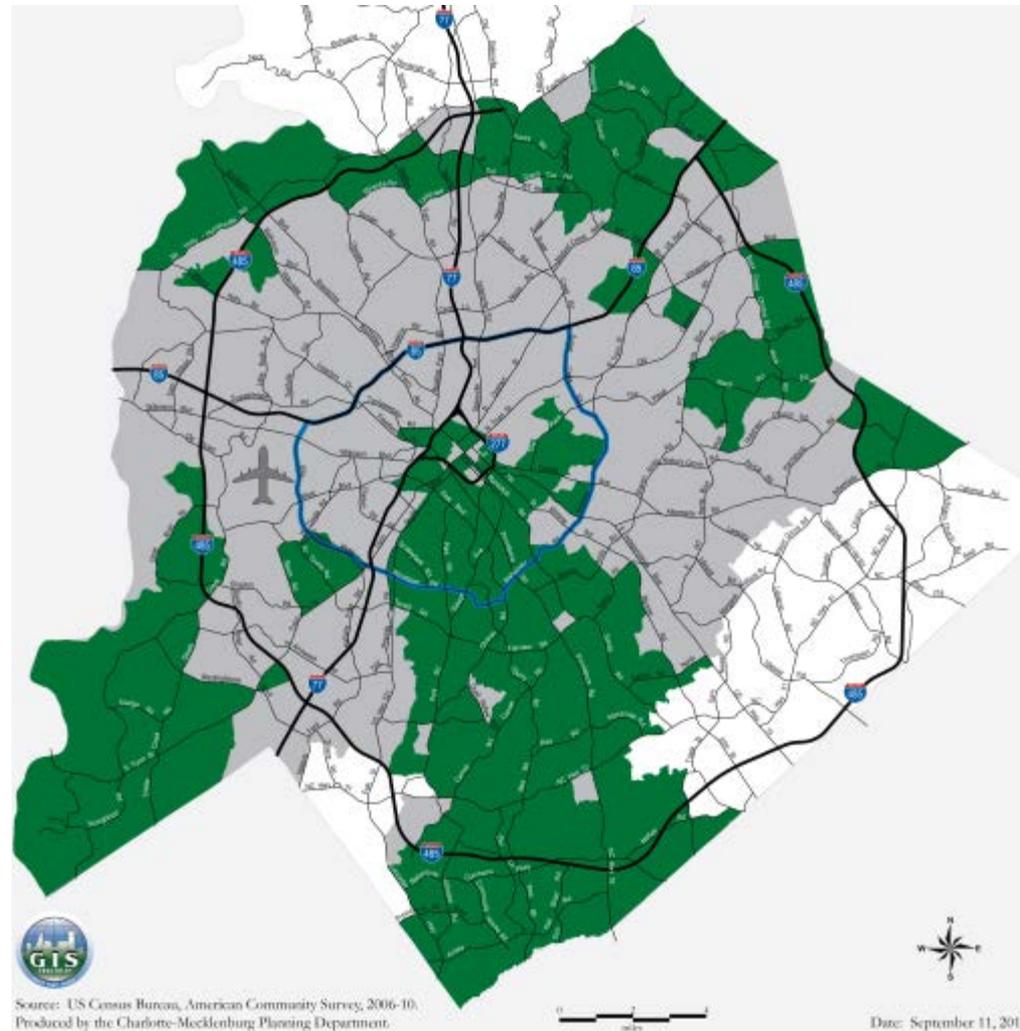
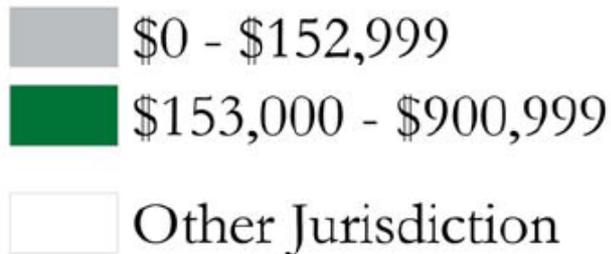
Program Definition

Mixed Income Housing Development is defined as a planned, single development that has a percentage of the dwelling units targeted to income levels at or below 80% of Area Median Income (AMI) and developed according to an approved preliminary site plan.

Program Locational Criteria

Within Census block groups at or above area median home value according to 5 year estimates from the *American Community Survey*, currently \$153,000

Median House Value



Single Family - Program Criteria

Participation – Voluntary, not required

Applicability – Census block groups that are at or above the median home value according to 5 year estimates from the American Community Survey (currently \$153,000)

Density Bonus – up to 3 DUA above base density in R-3, R-4, R-5 & R-6 zoning districts

Set-Aside – 50% of additional units affordable, not to exceed 25% of development

Income Target – at or below 80% AMI, currently \$54,800

Other Incentives – reduced lot sizes and mix of housing types up to a quadraplex

Period of Affordability – “Right of First Refusal” on resale for 15 years or defer to the respective program guidelines if public financing involved

Single Family - Program Criteria

Design Guidelines – must be dispersed and blend in architecturally with other units



- Building material
- Roof pitch
- Window type
- Foundation

Development Comparison



R-3 Subdivision

Total Units – 28

Overall Density – 3 DUA

Open Space – 10%



R-3 Density Bonus

Total Units – 50 (*56 allowed*)

Open Space – 10%

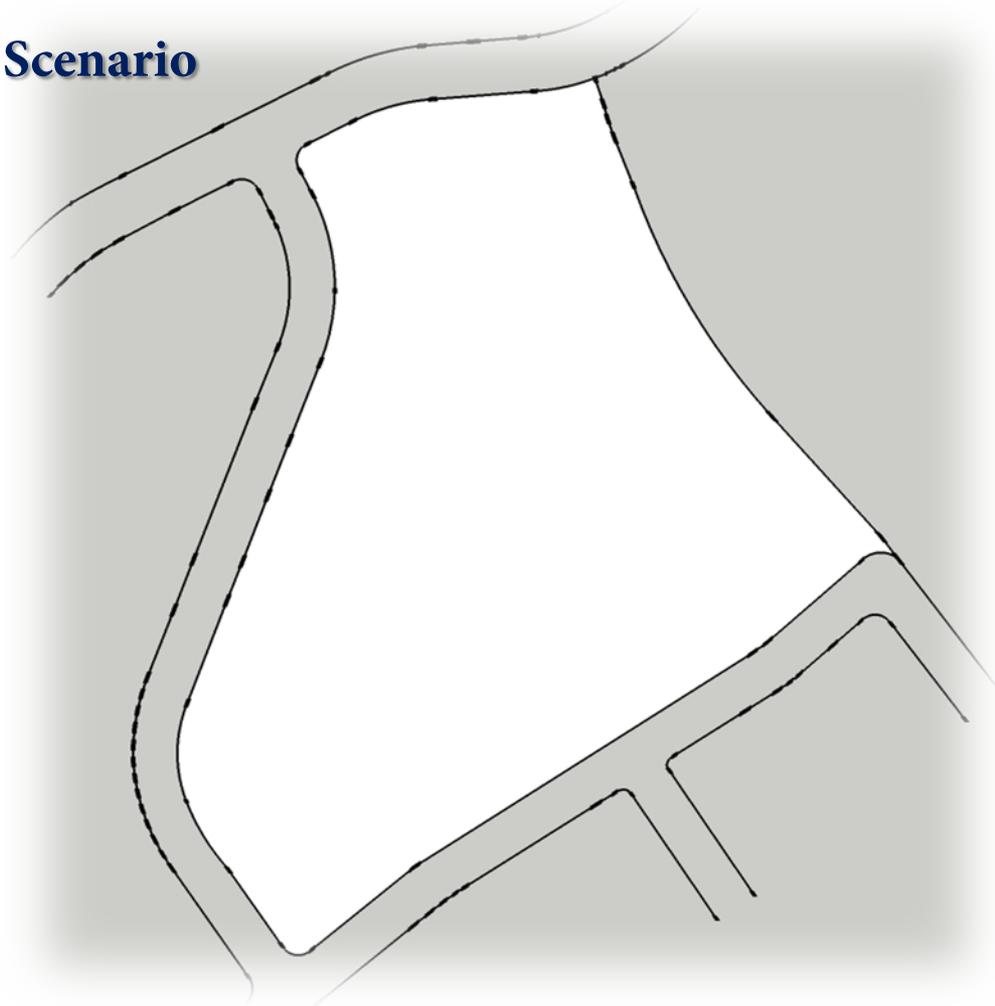
Overall Density Achieved – 5.3 DUA

Bonus Units – 11 SF & 11 Mixed

Affordable Units Required – 11

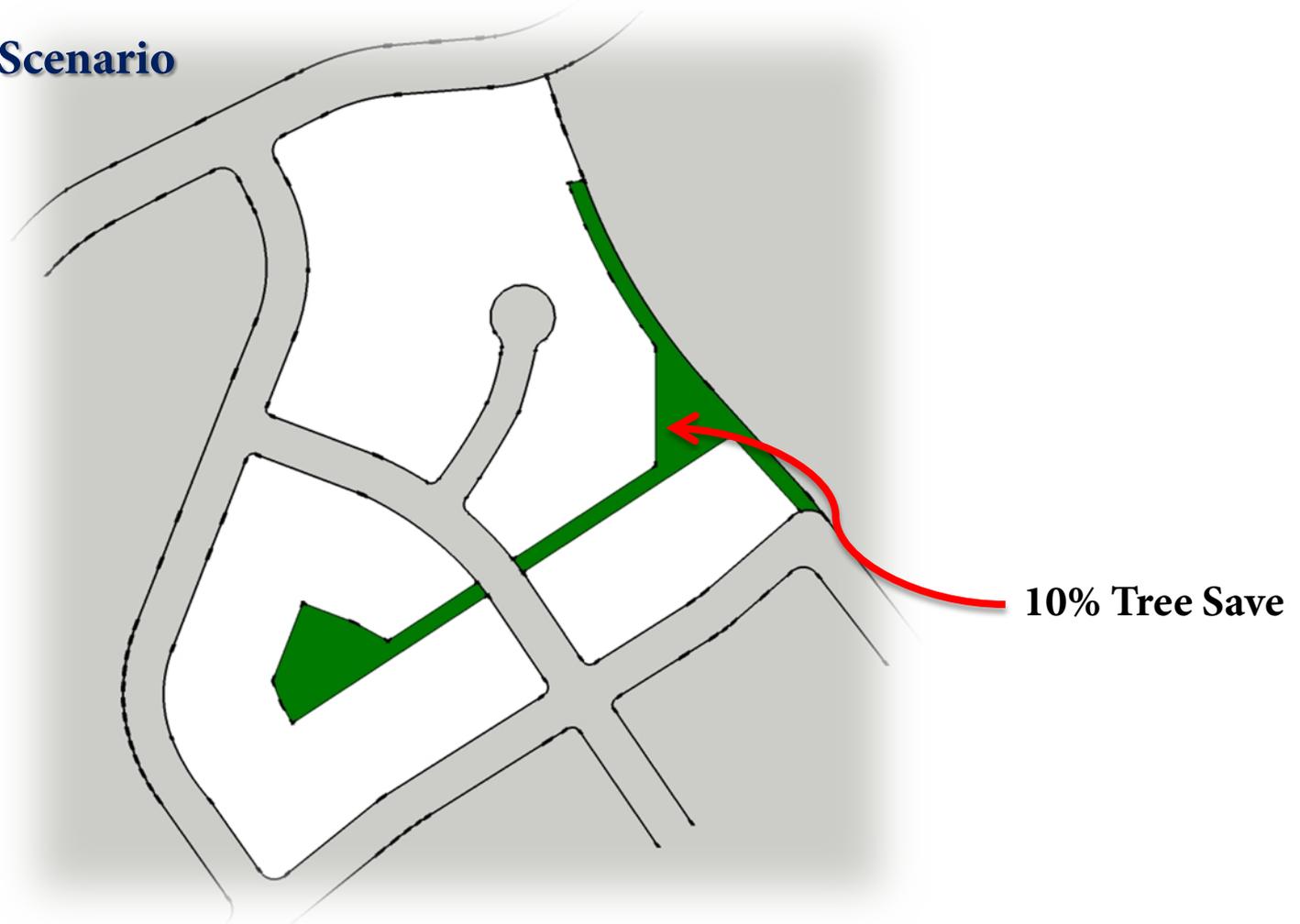
Vacant 9.4 acre parcel

R-3 Development Scenario



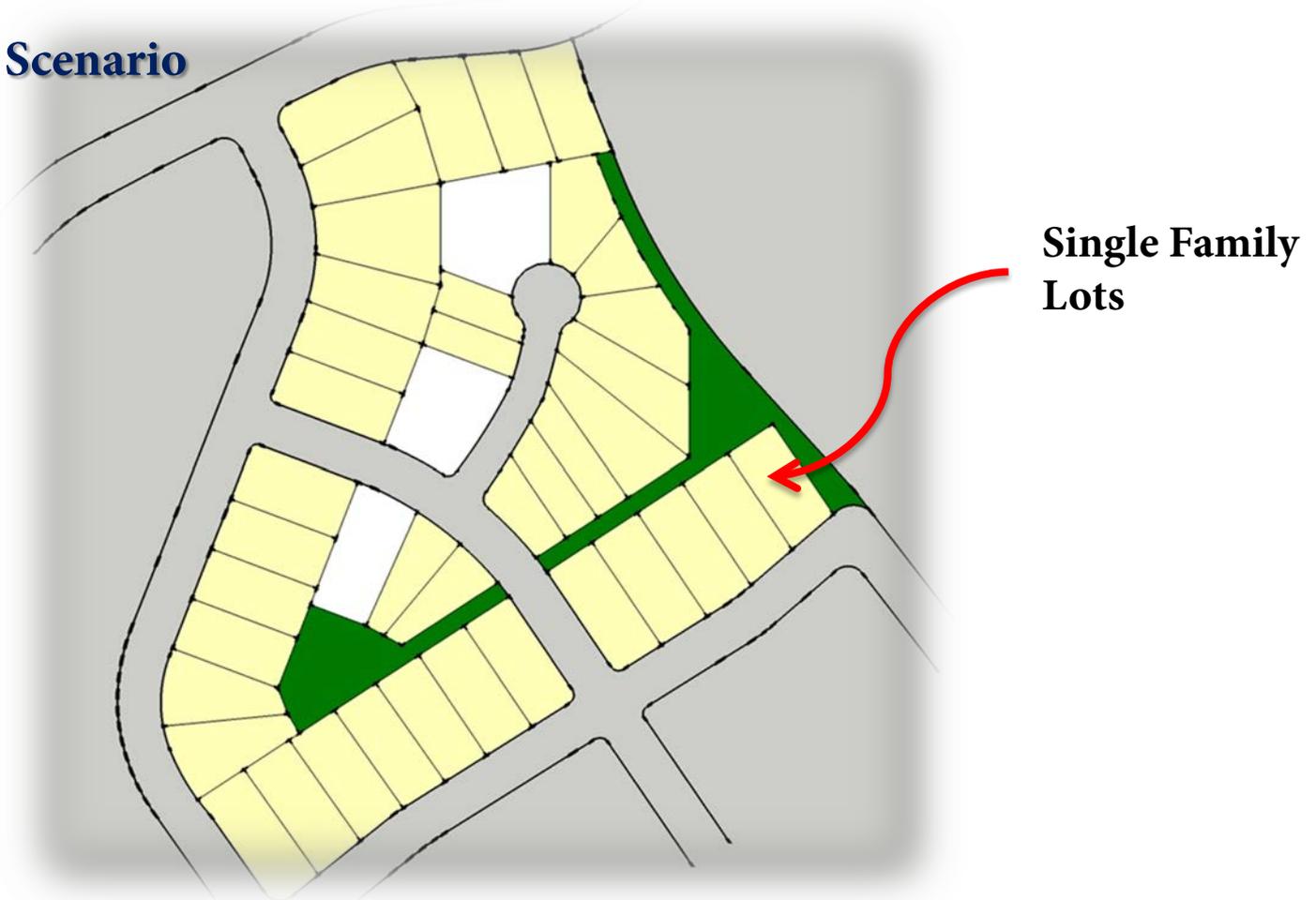
Must meet open space, PCCO, tree save and other requirements

R-3 Development Scenario



All perimeter lots must be single family

R-3 Development Scenario



The mixed housing types can only occur in the interior lots

R-3 Development Scenario

Mixed Housing
Duplex/Triplex/
Quadraplex



Development Comparison



R-3 Subdivision

Total Units – 28

Overall Density – 3 DUA

Open Space – 10%



R-3 Density Bonus

Total Units – 50 (*56 allowed*)

Open Space – 10%

Overall Density Achieved – 5.3 DUA

Bonus Units – 11 SF & 11 Mixed

Affordable Units Required – 11

Multi-family - Program Criteria

Participation – Voluntary, not required

Applicability

- Planned Multi-family Development - Two or more buildings or single building of more than 12 units constructed on the same lot
- Within Census block groups at or above area median home value according to 5 year estimates from the *American Community Survey*, currently \$153,000

Density Bonus

- Allow up to two additional DUA above the base density for R-8MF District (10DUA)
- Allow up to three additional DUA above the base density for R-12MF District (15DUA)

The Set-Aside

- 50% of additional units must be affordable at or below 80% AMI, currently \$54,800
- 50% of the affordable units must be affordable at or below 60% AMI, currently \$41,100
- Affordable units not to exceed 20% of total housing units

Other Incentives – Allow up to two additional DUA if located within ¼ mile of transit (rapid transit and local/express bus service)

Multi-family - Program Criteria

Design Guidelines

- Affordable units must be dispersed within the development
- If there are more than 25 affordable units, then those units may be contained in a single structure
- Buildings within the development must externally blend in architecturally with other units to include materials and style (such as roof pitches, foundations, window types, building materials)

Period of Affordability – “Right of First Refusal” on resale for 15 years or defer to the respective program guidelines if public financing involved

Program Administration – requires a higher level of staff review to ensure program goals

704-334-8884

Multi-family – Development Scenario

A 10 acre site zoned R-12MF within the qualifying area and near transit would:

- Allow an increase from 12 to 15 DUA for being located in qualifying area;
- Allow an increase from 15 to 17 DUA for being located near transit;
- Allow a total increase from 120 to 170 dwelling units; and
- Result in a net increase of 50 additional units, 25 of which must be affordable, totaling 14.7% of overall development.

Density Examples



Program Administration

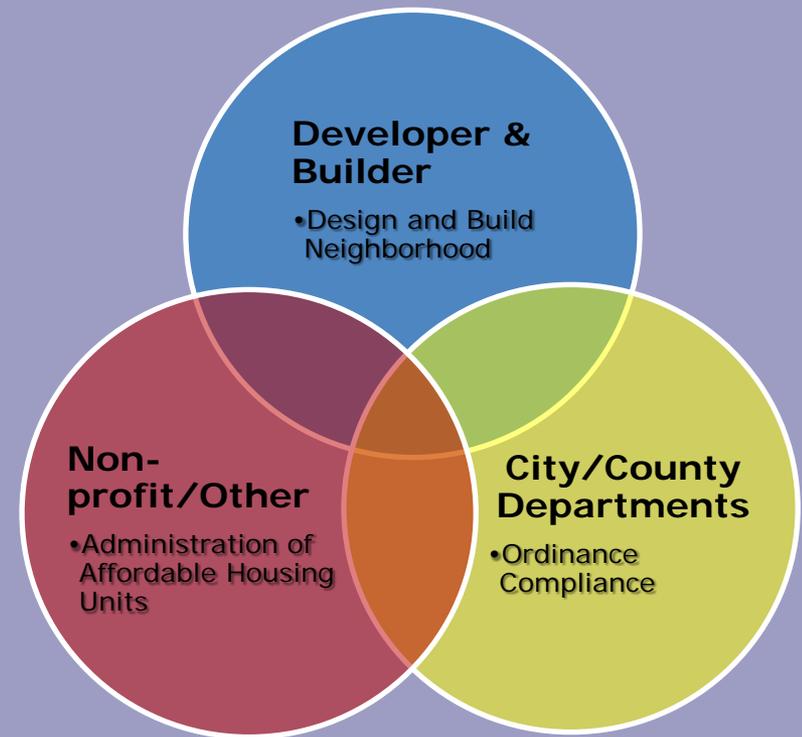
Will involve a higher level of staff review
but not limited to the following goals:

Development Review Goals

- Compliance with development standards
- Architectural consistency
- Dispersal of affordable housing units
- Mitigation of traffic impacts

Program Administration Goals

- Educate developer/builder
- Qualify renters and buyers
- Assure affordable units are built
- Track and monitor
- Enforce agreements



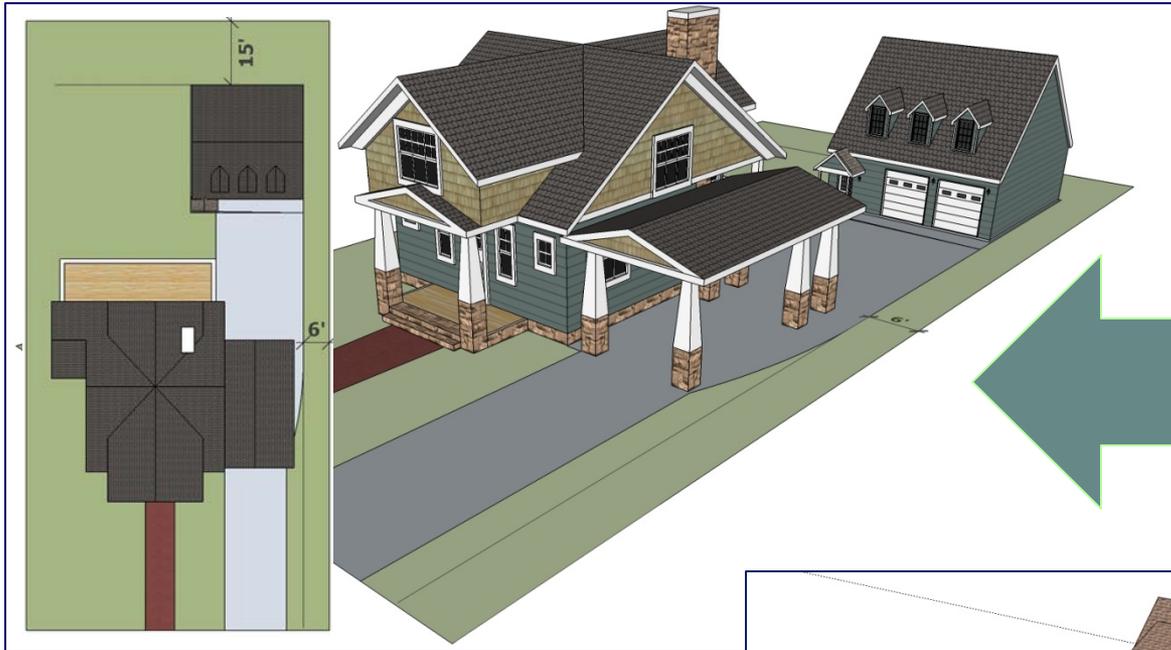
ADU Ordinance Changes

Previous Zoning Regulations

- Allowed for elderly and disabled housing, guest houses and employee quarters
- Must be (2) times the minimum lot size for the district
- Must be subordinate to the principal structure and have same ownership
- (1) ADU allowed on a lot and must share driveway
- Accessory structure cannot be taller than the principal structure

New Zoning Regulations

- Removes tenant restrictions
- Must meet only the minimum lot size requirements of the district
- Limited to 800 heated square feet
- Can be located within principal or accessory structure
- May have a separate driveway when accessory structure is located on a corner lot or alley
- Roof and exterior shall be similar to principal dwelling
- No program administration or registration requirements



- R-3
- 10,000 SF **front** loaded lot
- 800 SF ADU
- Building footprint at 30% of established rear yard (15' from rear and 6' from side property lines)

- R-6
- 4500 SF **alley** loaded lot
- 800 SF ADU
- Building footprint at 30% of established rear yard (5' from rear and side property lines)



Fee Waivers/Reductions



Fee Waivers Goal

Identify development fees that could potentially be waived or reduced to incent private sector development of affordable housing.

Staff Recommendation

No changes recommended due to:

- Complexity and scope of development fees
- Budget implications for fee based services

“Specialized” Review

Goal

Incent private sector development of affordable housing by enhancing the development review process.



Staff Recommendations

1. Continue to **provide initial consultations** associated with the City’s “Specialized Review” services as requested
2. Create a **Technical Review Committee (TRC)** to expeditiously review proposed affordable housing developments for compliance with local, state, and federal codes
3. Educate land development customers on recent **enhancements to the County’s permitting and inspection processes** which have streamlined services through the use of technology and team approaches

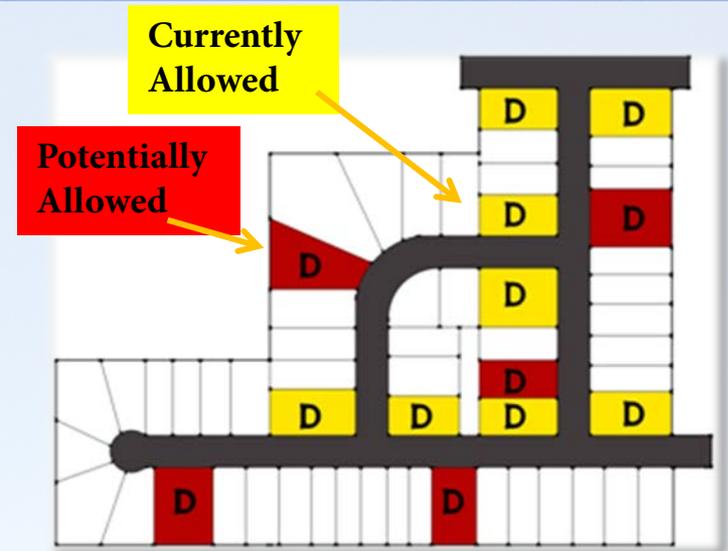
Current Zoning Regulations

- Duplex dwellings are allowed in R-3, R-4, R-5, and R-6 provided they are located on a corner lot and meet design criteria.
- Duplex dwellings are allowed on any lot within R-8.

Proposed Regulations (Deferred)

Allow duplex dwellings on all lots within the R-3, R-4, R-5, and R-6 single family zoning districts per prescribed conditions:

- Allow one additional duplex lot along one side of a city block between two adjacent intersections or between an intersection and a permanent street termination (i.e. cul-de-sac)
- Doors must front the street and shared driveway not required
- Must meet existing min. lot size requirement and max. building coverage
- Corner lot may have driveways on different streets and must meet minimum setback requirement for each street



Incentive-Based Inclusionary Housing

1. Creates new tools to incentivize private sector development of affordable housing
2. Disperses affordable housing within the community
3. Encourages a range of housing types and income levels
4. Increases opportunities for people to age in place

