



MULTI-FAMILY HOUSING ASSESSMENT

Charlotte City Council
District 4

Charlotte-Mecklenburg Planning Department

April 15, 2013

Table of Contents

Executive Summary	ii
--------------------------	-----------

PART 1: Multifamily Housing Assessment	1
---	----------

Purpose and Background	1
-------------------------------	----------

Methodology	3
--------------------	----------

Summary of Findings	6
----------------------------	----------

<i>Existing Supply</i>	6
------------------------	---

<i>Current Market Demand</i>	8
------------------------------	---

Preliminary Recommendations	9
------------------------------------	----------

MAPS

Map 1 District 4 Boundary Map	1
-------------------------------	---

Map 2 Existing Land Use Map	4
-----------------------------	---

Map 3 Multifamily Development Location Map	5
---	---

Map 4 Adopted Future Land Use	7
-------------------------------	---

Map 5 Adopted Plans	12
---------------------	----

Map 6 Existing Zoning	13
-----------------------	----

PART 2: Appendix	11
-------------------------	-----------

List of Supporting Information	11
---------------------------------------	-----------

GRAPHICS AND TABLES

Existing Multifamily in District 4	ii
------------------------------------	----

Graphic 1 - Existing Land Uses for District 4	1
--	---

Graphic 2 - Existing Land Uses or All Districts	2
--	---

Graphic 3 - Existing Residential Units by Type for All Districts	2
---	---

Graphic 4 - Existing Multifamily for District 4	3
--	---

Graphic 5 - Build Out Projections for Multifamily in District 4	6
--	---

Graphic 6 - Estimated Demand for Multifamily in District 4	8
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District 4 Multifamily Housing Assessment Executive Summary



Purpose and Background

This report summarizes the amount of existing, future projections and market demand for multi-family residential development in District 4. Information for the other six Council Districts is also provided to give comparative context for the District 4 information.

Methodology

The analysis included a four tier approach using information within Geographic Information System (GIS) to quantify the number of multi-family dwelling units within Council District 4. Staff also included data from a market demand analysis performed by Noell Consulting Group.

Summary of Findings

Existing Supply of Multifamily Residential

- Residential land uses is the major land use in District 4. Multifamily is the second largest residential type as shown in the table to the right.
- District 4 is ranked 5th amongst the seven Council Districts for existing multi-family development.
- There are 13,573 multi-family units approved via conditional rezonings that have not been constructed.
- Districts 1, 3, and 6 have the greatest estimated share of rental apartments, each having more than 15,000 rental apartment units.

Current Market Demand

- Between 2000-2010, District 4 was the second most active market for new multifamily development.
- Over the next 25 years, demand will remain strong in District 4, largely in the form of rental apartments and for-sale townhouses.

Existing Multifamily in District 4

Residential Type	Units	% of Total
Single Family Detached	27,836	60%
Multifamily	18,123	40%
Townhouse	3,021	7%
Duplex/Triplex	65	0%
Condominium	2,301	5%
Apartment	12,736	28%
Total	45,959	100%

- District 4 will continue to experience significant residential growth with LRT access as well as quick access to University Research Park, I-85, I-485, and I-77 employment cores (via I-485), and UNC-Charlotte. This area will account for 22.5% of all multi-family demand in the city.

Preliminary Recommendations

Most multi-family developments within District 4 are consistent with adopted land use policies for the area. However, as the area continues to experience growth and redevelopment, staff has developed several strategies to address the expected demand:

- *Align existing multi-family developments with current zoning and recommended land use policy.*
- *Consider Community Design Guidelines specifically for multi-family development.*
- *Continue to improve household income levels by locating major employment centers with moderate to high job salaries. Higher income values impact housing demand.*
- *Assess appropriate location and density of existing and proposed multi-family in future area planning initiative(s).*

Purpose and Background

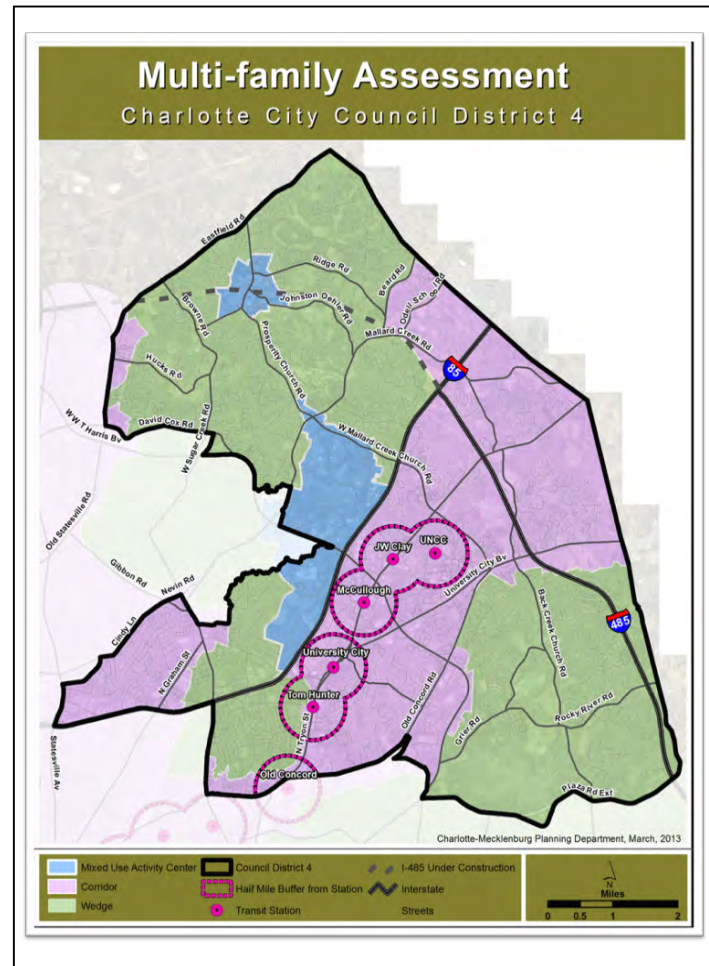
In June 2011, Council member Michael Barnes requested an assessment of multi-family development within Council District 4 in response to a recent increase in multi-family development activity in his district.

District 4 is approximately 35,000 acres located in the North-eastern portion of Mecklenburg County with 41% located in the Growth Corridor and 52% in the Wedge area according to Centers, Corridors, and Wedges Growth Framework. Similarly, as shown in Graphic 1 below, the major land use in the area is residential, but District 4 is also home to many of the City's major employment and educational centers such as the University of Carolina at Charlotte (UNCC), Central Piedmont Community College - Harris Campus and the University Research Park. With access to major transportation facilities such as I-85, I-485 and the proposed light rail project - the Blue Line Extension, this area will continue to be a desirable place to live, work and recreate.

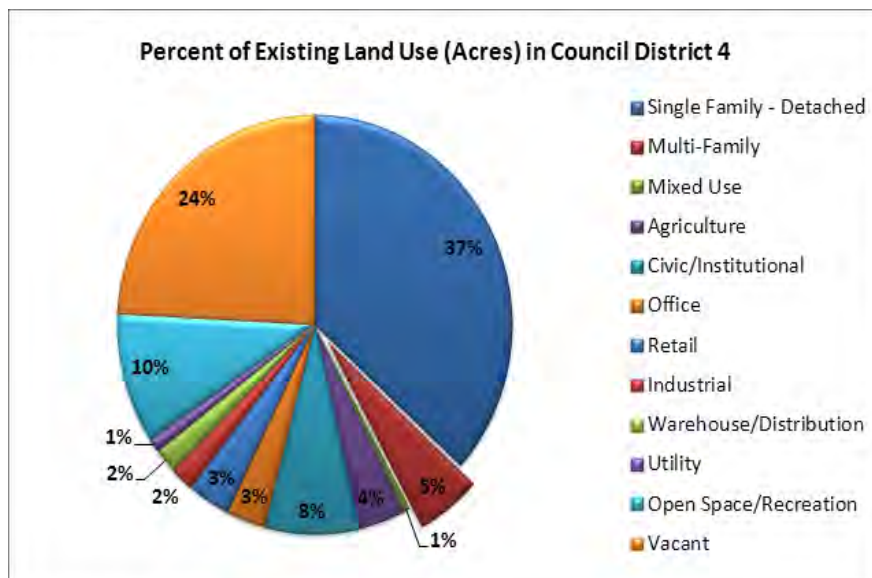
The purpose of the information in this report is to provide a quantitative assessment of the following:

1. Existing single-use multi-family development;
2. Projections for multi-family residential development based on existing land use policy; and
3. Demand for multi-family development through 2035.

In addition, the report summarizes the amount of existing multi-family units for the other six Council Districts to give comparative context for the District 4 information. All districts also include parcels within Charlotte's Extraterritorial Jurisdiction (ETJ).



Existing Land Use - Graphic 1



Existing Land Use	Acres	% of Total
Single Family - Detached	11,269	37%
Multi-Family	1,637	5%
Mixed Use	151	0.5%
Agriculture	1,152	4%
Civic/Institutional	2,356	8%
Office	993	3%
Retail	1,064	3%
Industrial	577	2%
Warehouse/Distribution	598	2%
Transportation	85	0.3%
Utility	324	1%
Open Space/Recreation	3,111	10%
Vacant	7,405	24%
Total	30,722	100%

Existing Land Use Acreages for All Districts - Graphic 2

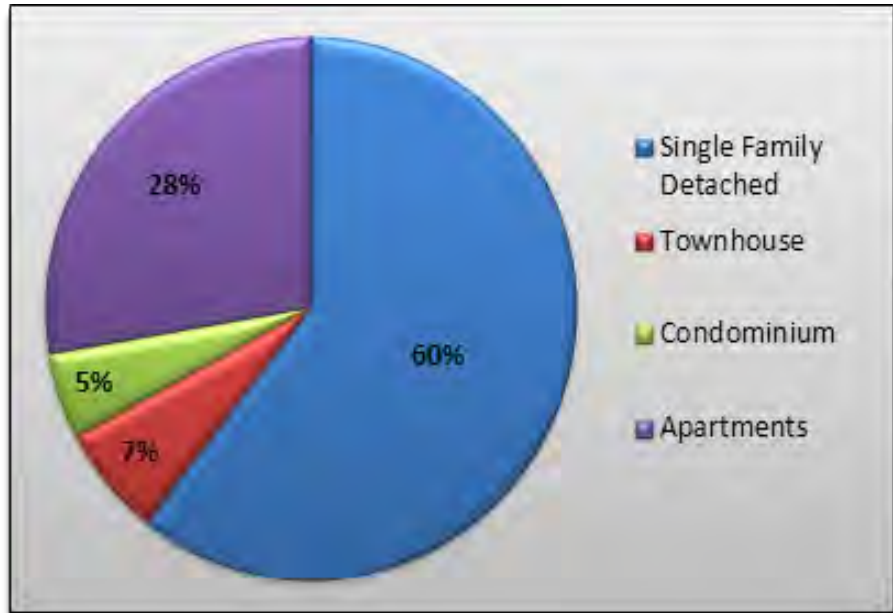
Existing Land Use	1	2	3	4	5	6	7	Charlotte Sphere
Single Family - Detached	6,648	14,578	15,388	11,269	11,357	11,885	12,945	84,070
Multi-Family	1,955	1,202	1,772	1,637	1,569	2,315	2,995	13,444
Mixed Use	335	350	353	151	59	152	48	1,449
Agriculture	2	366	995	1,152	27	21	316	3,079
Civic/Institutional	1,489	1,794	2,953	2,356	1,380	1,278	1,418	12,668
Office	582	411	1,663	993	208	499	418	4,774
Retail	855	866	1,874	1,064	948	819	613	7,039
Industrial	792	2,272	4,199	577	472	44	388	8,744
Warehouse/Distribution	871	1,828	4,130	598	90	113	15	7,645
Parking	65	112	48	3	2	13	4	248
Transportation	387	417	4,406	82	100	52		5,445
Utility	42	855	1,415	324	150	249	339	3,374
Open Space/Recreation	1,087	3,527	5,623	3,111	1,955	2,138	4,518	21,957
Vacant	1,071	6,068	18,010	7,405	4,037	855	1,951	39,397
Total	16,181	34,646	62,830	30,722	22,554	20,432	25,967	213,332

Existing Residential Units by Type for All Districts - Graphic 3

Residential Type	1	2	3	4	5	6	7	Charlotte Sphere
Single Family Detached	23,470	32,521	30,957	27,836	26,434	24,925	29,750	195,893
Multi-family	25,014	17,484	21,818	18,123	18,640	23,948	16,496	141,523
Townhouse	841	2,356	2,748	3,021	1,983	2,556	5,739	19,244
Duplex/ Triplex	2,563	955	943	65	653	515	193	5,887
Condominium	6,678	3,743	1,830	2,301	1,994	5,719	2,267	24,532
Apartment	14,932	10,430	16,297	12,736	14,010	15,158	8,297	91,860
Total	48,484	50,005	52,775	45,959	45,074	48,873	46,246	337,416

Existing Multifamily in District 4 - Graphic 4

Residential Type	Units	% of Total
Single Family Detached	27,836	60%
Multifamily	18,123	40%
Townhouse	3,021	7%
Duplex/Triplex	65	0%
Condominium	2,301	5%
Apartment	12,736	28%
Total	45,959	100%

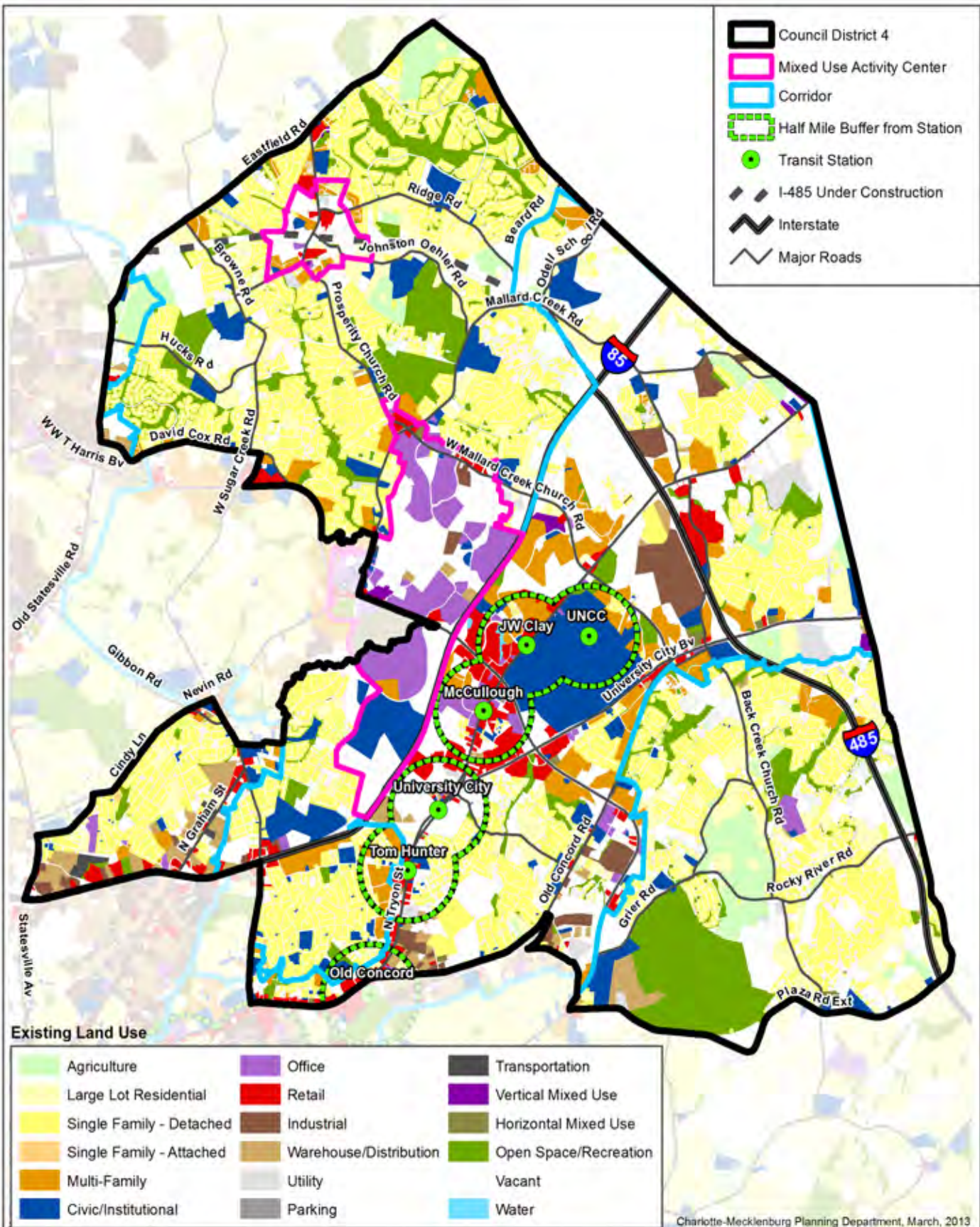


Methodology

For the purposes of this report, staff defined multi-family as attached residential dwelling units with a land use category or zoning classification with a density greater than or equal to eight (8) dwelling units to the acre. The analysis included a four tier approach using information within Geographic Information System (GIS) to quantify the number of multi-family dwelling units within Council District 4 and a market demand analysis performed by Noell Consulting Group.

1. Tier One included an assessment of existing multi-family units currently built as recorded in the current tax parcel database.
2. Tier Two included an assessment of vacant land that has been conditionally approved with a rezoning (CD plan) or is zoned (by-right) with a zoning classification that allows single-use multi-family development. This tier of analysis included an individual review of each approved conditional rezoning petition within District 4 to record the number of units approved within that CD plan.
3. Tier Three included an assessment of development potential for vacant land not zoned for multi-family but has been recommended for multi-family development by a Council adopted area plan policy. For the land use recommendations with no specific residential density, staff used the General Development Policies (GDP) software to determine a potential residential density for individual parcels. The GDP software uses a point system matrix to identify the appropriate location for multi-family residential and the appropriate density for a specific location.
4. Tier Four estimated demand for attached housing by Council District between 2010 and 2035. Noel group created a long-term growth model for the City of Charlotte that estimates demand by product type (townhouse and multifamily, both owner and rental) using household growth estimates, and consumer research data for housing preferences.

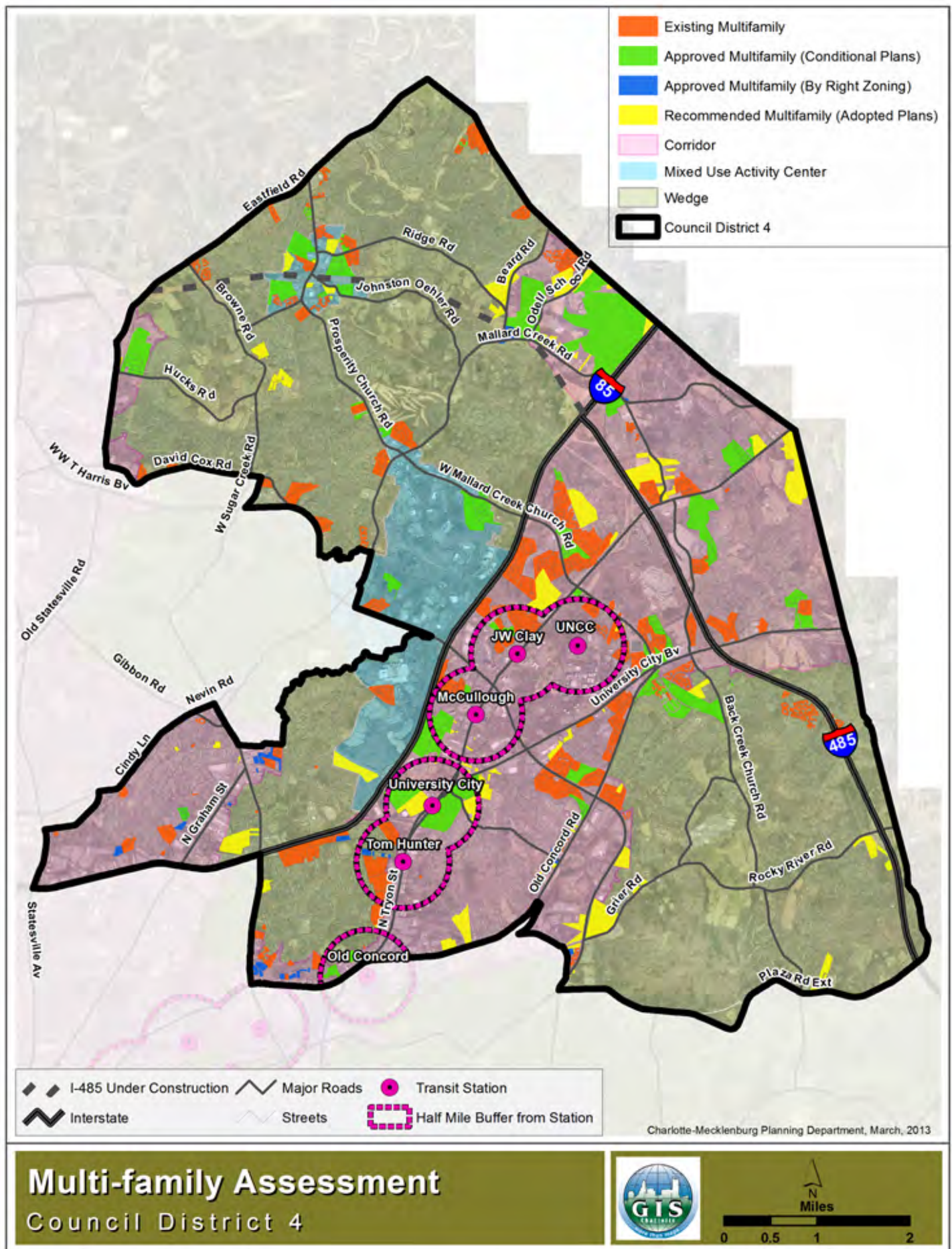
The concluding information for this analysis will illustrate the build-out projects for multi-family within District 4.



Existing Land Use

Council District 4





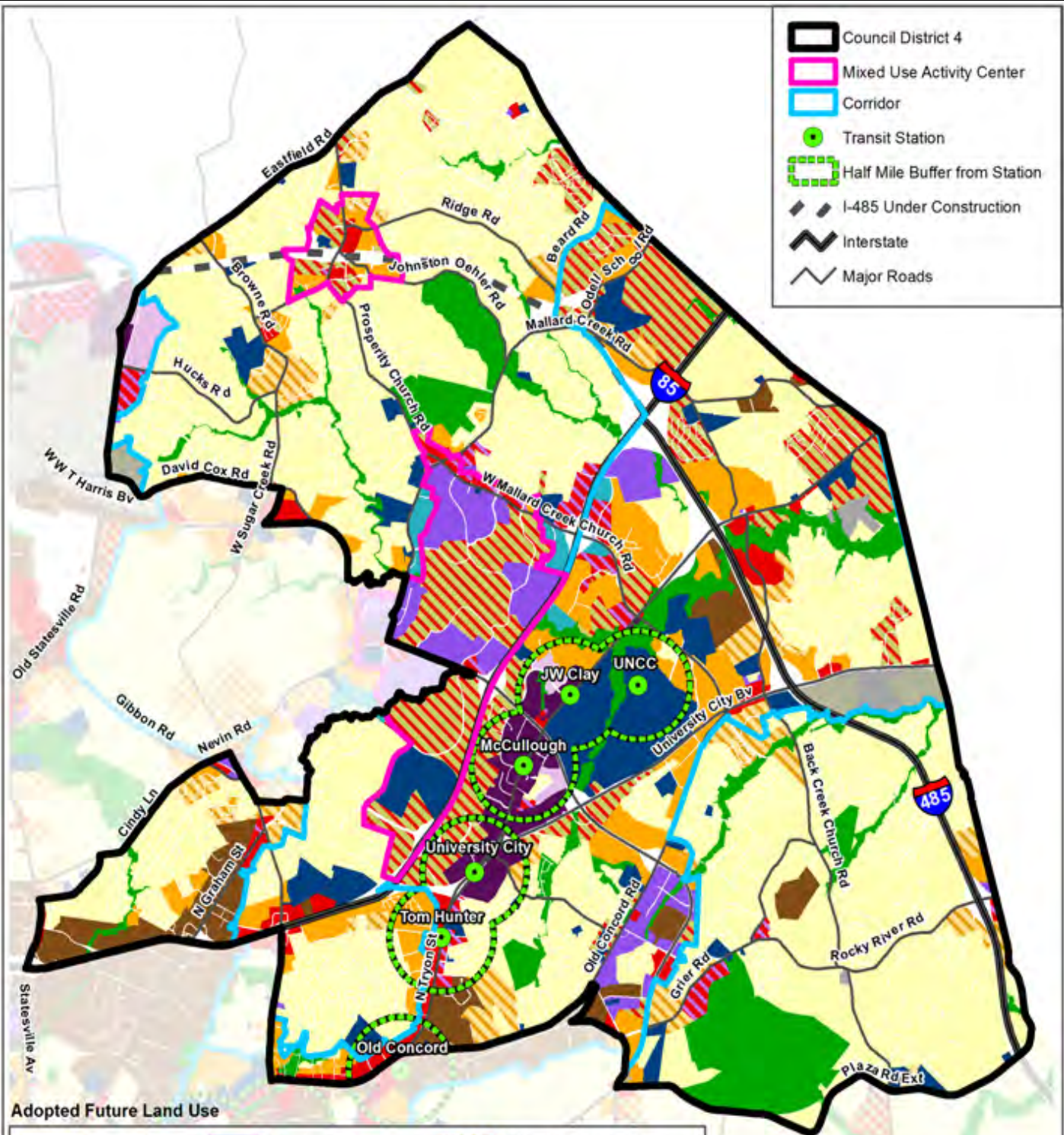
Build Out Projections for Multifamily in District 4 - Graphic 5

	Existing	Approved		Recommended	Build-out	
Land Use Type	Existing Multi-family	Vacant Land Zoned Multi-family (CD)	Vacant Land Zoned Multi-family (By Right)	Vacant Land not zoned MF but Recommended for MF per Adopted Future Land Use	Potential Multifamily Approved + Recommended	Total Multifamily Existing + Approved + Recommended
Residential <= 8 DUA	2,270	1,047	-	3,746	4,793	7,063
Residential <= 12 DUA	5,482	1,448	691	3,831	5,970	11,452
Residential <= 17 DUA	9,276	4,205	521	218	4,944	14,220
Residential > 17 DUA	1,095	6,873	-	3,167	10,040	11,135
Total MF Residential	18,123	13,573	1,212	10,962	25,747	43,870

Summary of Findings

Existing Supply

- As described in Graphic 1, out of 14 land uses within District 4, 42% is residential development, 37% single-family and 5% multi-family.
- With only 5% of multi-family land use and 40% of all residential being multi-family, District 4 is ranked 5th amongst the seven Council Districts with existing multi-family development. *(See Graphic 3 , page2)*
- Apartments are the second highest housing type within District 4 (28%). The predominate housing type is Single Family Detached at 60%. Other housing types include Townhomes (7%) and Condominiums (5%). *(See Graphic 4, Page 3)*
- Most vacant land zoned for multi-family has a conditional site plan associated with the zoning.
- There are 13,573 multi-family units approved via conditional rezonings that have not been constructed. The approved conditional plans include densities less than or equal to 22 DUA. *(See Graphic 5)*
- An additional 10,962 multi-family units are recommended in Council adopted land use policy.
- Build-out projections for the district include 43,870 multi-family units within District 4.
- Districts 1, 3, and 6 have the greatest estimated share of rental apartments, each having more than 15,000 rental apartment units.
- District 7, at the far southern end of the city, has the fewest number of rental apartments, with an estimated inventory of 8,200 units. Given the higher costs of housing and strong employment in this area, demand potential for new rental product should be significant. Given the affluence of this area it also has the greatest share of townhouses in the county.
- District 4 has averaged lower vacancy rate (8.5%) than the area overall; averaging more than 1% less than the average for the county (averaging 9.6%) since 2004.



Charlotte-Mecklenburg Planning Department, March, 2013

Adopted Future Land Use

Council District 4



Estimated Demand for Multifamily in District 4 from 2010 - 2035 - Graphic 6

Area	Single Family Owner & Rental		Multi-family* Owner & Rental		Multi-family Owner		Multi-family Rental		Townhouse Owner		Townhouse Rental	
District 4	20,300	23.3%	18,886	18.6%	966	5.4%	12,514	22.5%	4,770	20.2%	635	14.4%
Charlotte Sphere	87,228	100%	101,612	100%	17,897	100%	55,688	100%	23,615	100%	4,412	100%

Summary of Findings

Current Market Demand

- Between 2000-2010, District 4 was the second most active market for new multifamily development, averaging 850 units annually during the period, well above the 587 unit average for all Districts.
- Over the next 25 years, demand will remain strong in District 4, largely in the form of rental apartments and for-sale townhouses, with demand for condos being minimal.
- Relatively moderate home prices and a lack of urban cores will temper demand in District 4 over time. Significant investments along the Blue Line Extension—particularly those closest to UNC-Charlotte—could spur increased demand for new for-sale condominium units.
- District 4, which will also enjoy LRT access as well as quick access to University Research Park, I-85 and I-77 employment cores (via I-485), and UNC-Charlotte growth, will remain a highly active area for new rental multifamily development as well, with demand existing for more than 12,500 rental multifamily units in the coming 2.5 decades; equating to 22.5% of all demand in the city.
- Districts 3 and 4 will capture 18.6% and 20.2% of demand for new owner townhomes in the coming 25 years. These areas feature relatively abundant greenfield development opportunities and solid access to growing employment cores.
- The greatest market depth will be for single-family homes in more moderately-priced areas with green field development opportunities, including Northeast Charlotte (District 4), Northwest Charlotte (District 2) and Southwest Charlotte (District 3). These areas will continue to capture the greatest share of demand in the coming years, with overall demand for single-family homes gradually decreasing as a result of demographic shifts and dwindling land supply.
- Fairly significant greenfield development, strong freeway access, extension of the Blue Line LRT into the area, and proximity to growing employment cores will combine to drive demand in District 4; the strongest single-family growth market in the city. Over the next 25 years, it is estimated District 4 will capture around 20,300 units (23.3% of all new single-family units in the city). This accounts for more than half of all of the growth occurring in District 4 in the coming 25 years (39,186 households). District 3, benefiting from these same factors, will account for the second greatest capture of demand, capturing nearly 18,619 units between 2010 and 2035.
- Limited land supply will temper demand for new for-sale single-family product in the coming 25 years, with the greatest market-rate opportunities occurring in highly affluent neighborhoods. Land costs in these neighborhoods require high home prices, limiting demand to more affluent demographics.

Preliminary Recommendations



As shown on the *Multi-Family Assessment Map* on page 5, most multi-family developments within District 4 are located within the Northeast Growth Corridor or Mixed Use Activity Center, consistent with the adopted land use policies shown on the *Adopted Land Use Map*, page 7. However, as the area continues to experience growth and redevelopment, staff has developed several strategies to address the potential for multi-family developments. The following strategies were developed:

1. *Align existing multi-family developments with current zoning and recommended land use policy. Staff-initiated rezonings or corrective rezoning are most often recommended as an implementation strategy in an area plan process to:*
 - Align zoning with existing land use to make future land uses compatible with existing development;
 - Align zoning with the currently adopted land use plan; and/or
 - Protect environmentally sensitive areas.

Existing multi-family developments that have not been built to the current zoning rights were assessed for potential corrective rezonings. Based on their current dwelling units per acre (dua), type of multi-family and the age of the development, the following parcel was identified as a suitable candidate for a corrective rezoning:

Parcel = 08902220 (Apartments Garden Style)

Acres = 1.26

Number of Units = 13 at 10.05 DUA

Year Built = 1970

Existing Zoning = R-17MF, surrounding parcels are zoned R-4

Location: Edge of corridor and wedge, nearest intersection is Wellington St and Springview Rd

2. *Consider corrective rezonings for undeveloped multi-family developments with conditional plans approved before 2005 which was prior to the community design guidance provided in the City's General Development Policies.* Most community concerns with multi-family development are centered around poor site design, lack of connectivity to surrounding uses, and on-site amenities. Listed below are seven conditional site plans that include approved multi-family development component that also meets the aforementioned criteria.

Petition	Zoning	Acres	Potential MF Units
1989-041(C)	B-2(CD)	109.51	2,409
1998-100	B-1(CD)	3.32	73
2001-006	R-17MF(CD)	9.88	128
2001-070	CC	51.00	494
2003-076	CC	138.00	1,770
1998-117	B-2(CD)	16.83	110
1999-033(C)	CC	28.21	422
Total		356.75	5,406

Preliminary Recommendations - *continued*

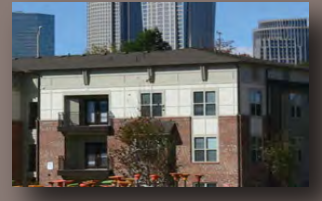
3. *Consider Community Design Guidelines specifically for multi-family development.* Newer multi-family developments with more architectural features, well-connected, walkable streets and on-site amenities have illustrated that good design features help to create and improve value in residential developments. Planning staff have developed draft multi-family design guidelines that could become Council adopted policy.
4. *Continue to improve household income levels by locating major employment centers with moderate to high job salaries.* Demographic projections show that 37% of the residential market income distribution will be between \$45,000 and \$99,000. 27% of the residential market income distribution is expected to exceed \$100,000. With higher income levels and more jobs locating in the area, the demand for quality and higher home values is likely to increase.
5. *Assess appropriate location and density of existing and proposed multi-family in future area planning initiative(s).* Staff found some areas where district plans have recommended multi-family land uses in areas surrounded by much lower density developments. These areas will be reassessed for an appropriate use during area plan processes (Prosperity Hucks Plan currently underway) and are shown in the table below. Additional properties will be assessed during a future planning initiative for the Sugar Creek/I-485 area.

Land Use Recommendations from Prosperity Hucks Area Plan

Currently Adopted Future Land Use	Acres	Potential MF Units	Recommended Land Use Change	Recommended Units
Multi-family	18.25	78	Residential <=4 du	73
Residential <= 8 du	174	1,392	Residential <=4 du	696
Residential <=12 du	29	348	Residential <=4 du	116
Residential <= 8 du	45	360	Residential <=4 du	180
Total	266	2,178		1,065

Appendix

Supporting Information



April 2013

Resources

Geographic Information Systems compiled data using the following:

Existing Land Use

Existing Zoning

Approved and Pending Rezoning Petitions

Approved Conditional Plans

Subdivision Multi-family (including Urban Plans) and Mixed Use Plans

General Development Policies (2003)

Adopted Future Land Use Policy:

I-485 Interchange Analysis (1999)

Prosperity Church Villages (1999)

Northeast Area Plan (2000)

Newell Small Area Plan (2002)

Rocky River Area Plan (2006)

University City Area Plan (2007)

University Research Park Area Plan (2010)

Charlotte Multifamily Demand by District by Noel Consulting Group (2013)

