

REQUEST	Text amendment to Section 9.305 of the Zoning Ordinance.
SUMMARY OF PETITION	<p>The proposed voluntary incentive based density bonus text amendment will add “mixed income housing development” as a permitted development type within the R-8MF and R-12MF multi-family zoning districts with various design and locational criteria. The amendment will incentivize developers to incorporate housing for individuals with incomes at or below 80 percent of the area median income within new developments by:</p> <ol style="list-style-type: none"> 1) allowing for a density bonus of up to two units per acre above the base density within the R-8MF district, 2) allowing for a density bonus of up to three units per acre above the base density within the R-12MF district, and 3) allowing an additional two units per acre above the base density if the site is located within a ¼ mile of transit (rapid transit, local bus service, or an express bus service park and ride lot).
PETITIONER AGENT/REPRESENTATIVE	Charlotte-Mecklenburg Planning Department Charlotte-Mecklenburg Planning Department
COMMUNITY MEETING	Meeting is not required.
STATEMENT OF CONSISTENCY	This petition is found to be consistent with the City Council approved action plan for incentive based inclusionary housing policies and to be reasonable and in the public interest by a unanimous vote of the Zoning Committee (motion by Commissioner Lathrop seconded by Commissioner Phipps).

ZONING COMMITTEE ACTION	The Zoning Committee voted unanimously to recommend APPROVAL of this petition.
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VOTE	<table border="0"> <tr> <td>Motion/Second:</td> <td>Lathrop/Allen</td> </tr> <tr> <td>Yeas:</td> <td>Allen, Eschert, Griffith, Johnson, Lathrop, and Phipps</td> </tr> <tr> <td>Nays:</td> <td>None</td> </tr> <tr> <td>Absent:</td> <td>Labovitz</td> </tr> <tr> <td>Recused:</td> <td>None</td> </tr> </table>	Motion/Second:	Lathrop/Allen	Yeas:	Allen, Eschert, Griffith, Johnson, Lathrop, and Phipps	Nays:	None	Absent:	Labovitz	Recused:	None
Motion/Second:	Lathrop/Allen										
Yeas:	Allen, Eschert, Griffith, Johnson, Lathrop, and Phipps										
Nays:	None										
Absent:	Labovitz										
Recused:	None										

ZONING COMMITTEE DISCUSSION	<p>Staff presented background information on the petition along with the proposed text modifications to the Zoning Ordinance regarding a voluntary incentive based bonus program for mixed income housing developments within the R-8MF and R-12MF zoning districts.</p> <p>A committee member began the discussion by questioning how the units targeted to individuals at or below 80% AMI would be designed and how they would be distributed throughout a proposed development. Staff indicated that the exterior of the affordable units and the buildings that house the affordable units must be constructed so that they have similar roof pitches, foundations, window types, and building materials as the market rate units. It was also stated that the affordable units would be required to be dispersed within the development. However, for developments that have more than 25 affordable units, those units would be allowed to be contained in a single structure.</p> <p>The committee member expressed their concern with having all the affordable units contained in one building and questioned the reasoning for the allowance. Staff indicated the density bonus program is only one tool for achieving affordable housing and developers may also need financial assistance to make a development work. In order to receive financing from the North Carolina Housing Tax Credit program, their guidelines require the affordable units to be placed in one building so certain services are provided to those clients.</p>
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Staff indicated that an R-12MF zoned development with a size of greater than 10 acres would be required to achieve the over 25 affordable unit threshold. In that scenario, if 26 affordable units are required to be provided, then approximately 150 units would be market rate. All buildings within the development would be required to be constructed so that no one would be able to distinguish the building housing the affordable units from the buildings housing the market rate units.

One committee member also questioned how the resale of affordable units would be monitored. Staff indicated the process would be similar to that of the single family density bonus program. The affordable units would have a deed restriction indicating a 15 year affordability period. If the owner chose to sale the affordable unit prior to the end of the 15 year affordability period, the City or a nonprofit would have the first right of refusal to purchase the unit at the fair market appraised value. If the City or nonprofit chose not to purchase the unit, the unit could then be offered for sale on the open market.

STAFF OPINION

Staff agrees with the recommendation of the Zoning Committee.

FINAL STAFF ANALYSIS
(Pre-Hearing Analysis online at www.rezoning.org)

PLANNING STAFF REVIEW**• Background**

- City Council approved an Action Plan in June, 2011 directing staff to pursue eleven regulatory and financial incentives to create affordable housing in Charlotte.
- A Citizen Advisory Group (CAG) was established in September 2011 to pursue the five regulatory incentives. Consensus was reached by the CAG regarding the regulatory incentives included in this subject text amendment for a voluntary incentive based density bonus program.
- The Housing and Neighborhood Development Committee (H&ND) voted unanimously in November 2012 to move the regulatory incentive recommendation forward via the text amendment process.

• Proposed Request Details

The text amendment contains the following provisions:

- Adds a new "mixed income housing development density bonus" program for planned multi-family developments located within the R-8MF and R-12MF zoning districts that are developed as a "mixed income housing development". A "mixed income housing development" is defined as a development "...that has a percentage of the dwelling units targeted to income levels at or below 80% of Area Median Income (AMI)...".
- Adds the following regulations for the "mixed income housing development density bonus" program:
 - Allows a density bonus as follows:
 - Up to two dwelling units per acre above the base density in the R-8MF multi-family residential district.
 - Up to three dwelling units per acre above the base density in the R-12MF multi-family residential district.
 - An additional two units per acre above the base density if the site is located within ¼ mile of transit (rapid transit, local bus service, or an express bus service park and ride lot).
 - Provides locational criteria that require the development to be located within a census block group in Charlotte's Sphere of Influence that is at or above the median home value for all Census block groups in Charlotte's Sphere of Influence. The median home value will be reassessed every five years by Planning staff.
 - Requires an affordability set-aside as follows:
 - A minimum of 50% of the additional units allowed by the density bonus must target income levels at or below 80% of the Area Median Income (AMI).
 - A minimum of 50% of those units indicated in the above bullet must target income levels at or below 60% Area Median Income (AMI).

- The number of units targeted to incomes at or below 80% of AMI shall not exceed 20% of the total number of dwelling units in the development.
 - The period of affordability shall be 15 years for rental properties and the City or a nonprofit shall have the first right of refusal in the case of for-sale properties.
 - Indicates a minimum development size of three acres.
 - Establishes design guidelines that require the following:
 - All building units within the development must externally blend in architecturally with other units to include materials and style (i.e. roof pitches, foundations, window types, and building materials).
 - Units targeted to income levels at or below 80% of AMI shall be dispersed within the development.
 - If there are more than 25 units targeted to income levels at or below 80% of AMI, then those units may be contained in a single structure.
 - **Public Plans and Policies**
 - The petition is consistent with the City Council approved action plan for incentive based inclusionary housing policies.
 - **Staff Recommendation (Updated)**
 - Staff agrees with the recommendation of the Zoning Committee.
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DEPARTMENT COMMENTS (see full department reports online)

- **Charlotte Area Transit System:** No comments received.
 - **Charlotte Department of Neighborhood & Business Services:** No issues.
 - **Transportation:** No comments received.
 - **Charlotte Fire Department:** No comments received.
 - **Charlotte-Mecklenburg Schools:** No comments received.
 - **Charlotte-Mecklenburg Storm Water Services:** No issues.
 - **Mecklenburg County Land Use and Environmental Services Agency:** No issues.
 - **Mecklenburg County Parks and Recreation Department:** No comments received.
 - **Urban Forestry:** No issues.
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ENVIRONMENTALLY SENSITIVE SITE DESIGN (see full department reports online)

- **Site Design:** The following explains how the petition addresses the environmentally sensitive site design guidance in the *General Development Policies-Environment*.
 - There is no site plan associated with this text amendment.
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OUTSTANDING ISSUES

- No issues.
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Attachments Online at www.rezoning.org

- Application
- Pre-Hearing Staff Analysis
- Charlotte Department of Neighborhood & Business Services Review
- Charlotte-Mecklenburg Storm Water Services Review
- Mecklenburg County Land Use and Environmental Services Agency
- Urban Forestry

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