

**Incentive Based Inclusionary Housing  
Citizen Advisory Group Meeting 2 - October 13, 2011  
Meeting Summary**

**Attendees:**

Maddy Baer	Bill Martin	Lucille Smith
Elizabeth Barnhardt	Aaron McKeithan	Ken Szymanski
Roger Coates	Lee McLaren	Janelle Travis
Sherill Hampton	Jeff Meadows	Jerome Walker
Karla Knotts	Joe Padilla	William Watkins
Diane Langevin	Nancy Pierce	Katie Zender
Terrence Llewellyn	Charles Rulick	Andy Zoutewelle
Mattie Marshall	Wil Russell	

**Staff:**

Lisa Arnold	Mary Gaertner	Jan Whitesell
Julie Burch	Shad Spencer	Pamela Wideman
Debra Campbell	Bryman Suttle	Pam Young

Meeting began: 6:08pm

Debra Campbell opened the meeting and welcomed attendees. She noted that there would be no breakout sessions this evening and in order to allow everyone to comment and requested everyone be succinct and direct with their comments. She outlined the goals for the evening was to hear comments and reactions to second draft staff recommendations for a single family density bonus. The second draft recommendations were based on the first draft recommendations and incorporated comments made by the CAG at the September 29<sup>th</sup> meeting.

Ms. Campbell explained that this initiative is under a broader initiative of looking at all the affordable housing policies. The question is, "How can we increase the number of affordable housing units?"

Ms. Campbell then reviewed the roles and responsibilities for the CAG and staff. There was discussion on who should be represented in this group. Comment was made regarding the need for a representative from Charlotte-Mecklenburg Schools. She stated that they have been invited to attend and there is hope that they will send a representative to future meetings.

There was discussion surrounding the work from the Committee in 2007 and the fact that there was a lot of work done then and the goal is not to start over, but to reevaluate the recommendations and present to the Housing & Neighborhood Development Committee and in late spring 2012 to City Council a refined set of recommendations.

Ms. Campbell reminded the group that these concepts are complicated and that we don't need a consensus. Staff understands that not everyone will agree, and when staff makes the final recommendations, also include opinions and concerns expressed from CAG during this process. The CAG will focus primarily on the five regulatory initiatives

## Presentation: Density Bonus Strategy

During the discussion of the IBHP Subcommittee recommendation and eligibility requirements, there was concern expressed on what change in zoning could occur on a residential piece of land without going through a zoning process. Ms. Campbell explained that under current zoning we already have the density bonus concept; we are now talking about one for affordable housing.

Ms. Campbell questioned the group on what we are trying to achieve? She then reiterated the goals for this Density Bonus:

- Increase number of affordable units
- Assurances affordable units are built
- Administration and tracking
- Architectural consistency
- Dispersal within development

Discussion ensued regarding what is considered affordable and if we have determined there is a need for affordable single family housing. The group acknowledged the most significant need is in multi-family rental. Debra explained that we are having this conversation because Council wants to ensure we are looking at future needs. It is possible there isn't a need right now to look at single family density bonus, but there may be a need for this bonus in the future. She also emphasized that we also need to look at implementation, administration and tracking.

## Presentation: IBHP Subcommittee Density Bonus Recommendation

Ms. Campbell emphasized that we are not starting from scratch and it would be irresponsible to ignore the previous recommendations. There was a range of bonuses based on the zoning classification you were in.

Shad Spencer then review Draft 1 Staff Recommendations and the revised recommendations.

## Presentation: Single Family Density Bonus Draft 1 Staff Recommendation

## Presentation: Draft 1 Density Bonus Scenario – Single Family Development Example

## Presentation: Draft 1 Staff Recommendation – Development Standards

## Presentation: Draft Density Bonus Scenario – Architectural Design Standards

## Presentation: Recap from Breakout Groups

Discussion ensued of the following general themes: Location of the affordable housing, need for density increase, program eligibility (80% vs. 60% AMI), development standards and incorporation of mixed housing types.

## Presentation: Draft 2 Staff Recommendation Location and Density

Discussion of changes that were made based on the feedback during the last CAG meeting. The change included:

Within geographies that have a median home value of (\$153,000\*) or greater:

- Allow two (2) units above the base density for applicable single family districts (80% AMI)
- Allow three (3) units above the base density for applicable single family districts (60% AMI)
- To qualify for 3 DUA increase, all affordable units must serve 60% AMI

The group discussed whether the median home value of \$153,000 would change because the number is census based. Conversation ensued questioning the DUA increase and whether we are looking at current housing stock.

Ms. Campbell responded that the question is “Where in this community should we apply density bonus? How do we distinguish more affordable housing in higher value areas? If we use medium home value, based on tax value, the issue is where from a location perspective should we add affordable housing? We hear areas are saturated, how do we exclude an area that is saturated?”

Discussion comments:

- There is no acreage minimum – discussion about what acreage you need to get in order to make the numbers work.
- Give more of a density bonus where you need where land cost is higher
- 60% AMI or below will be more of a rental unit
- There is a need to look at the financing and not just from a land use and regulatory perspective
- Ensure we are trying to do something feasible
- Try to target the opportunity where we don’t have a lot of affordable housing
- Can we put affordable housing in high priced areas and not have it “attached?”

Ms Campbell asked the group to look at two things philosophically:

1. Should we try to exclude locations and if we did exclude location, what should be the tool we use
2. Can we meet the 60% AMI and should we get an initial increase for trying to reach that

Discussion ensued and it was said that there are different challenges in different markets and that land cost is what drives whether the numbers will work so there is a need to allow for a mix of housing types to accomplish this in high value markets.

Ms. Campbell explains that the density bonus is just a tool. We already have a recommendation that allow duplexes on any lot in a single family district and units for non-relatives. This is adding to the mixture of housing types, but we don’t want to lose concept for density bonus, otherwise we will get a lot of opposition.

She asked a philosophical question as to whether we are in agreement that we need to make sure we are targeting areas with this density bonus increase. The group agreed we are now narrowing areas based on median home values that could qualify for the density bonus.

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There was a comment made that we are trying to diversify areas that would not normally have it. Discussion ensued regarding a concern that we are leaning towards excluding areas and we want to also spread more market rate housing to encourage diversity of housing throughout areas. Discussion was that this may be hard to do in certain areas, but would like to see it if there is an opportunity.

A question was raised asking if we have a goal in terms of quantity of single family affordable housing units? Pamela Wideman stated that we don't have a quantity goal, we have old studies, but most are looking at multi-family. We have not done any recent studies on the current actual need. The most recent was in 2010 when the Charlotte Housing Authority said there was need for 24,000. This was not new units, but people that needed to be placed in appropriate housing for their income.

Discussion then turned to the percentage of AMI and concern that we are looking at such a narrow number of people who would qualify. The issue then becomes how much of the bonus can you apply. The majority of the product would be for those at 80% of AMI. Pamela Wideman commented that there is concern that we are mixing the "ability to be financed" with the density bonus. We are trying to provide of a density bonus for the lower AMI.

Ms. Cambell commented that If we truly want to create a program, we definitely want people to be able to utilize this density bonus program to add to the supply of affordable housing. The group wants to concentrated density bonuses only to those areas where we don't have a concentration of affordable housing today. There was conversation that this might be too restrictive.

Debra posed the question to the group, "Do we need a density bonus to get affordable housing in those geographies?" The group discussed that unless you have a significant bonus, you won't get these built in the higher value markets.

Ms. Campbell discussed with the group that we are looking at this as the only way we can get a range of housing types is that you do it in one development. If you look at single-family density bonus and multi-family density bonus, we still achieve the same objective of having a range of housing types that are not a part of the same development initially. We might get multi-family near it.

There was discussion on the need to have different strategies for different areas. The issue is how much of a density bonus is needed. How do you make the density bonus workable? The group once again reviewed the map.

Ms. Campbell commented that we want to nail down how much of a density bonus is needed, would 3 be enough or is there not enough land to get to density bonus with tree save. Discussion continued on the possible need to tweak lot sizes in order to reach the needed bonus. The group expressed concern that the more generous with the bonus the more push back from citizens.

For mixed products, Ms. Campbell expressed concern that most all of our policies says we want communities with a mixture of product type and we are deviating from what a standard single family district allows. What is unique about the area other than the price of the house? There is no difference other than some design issues and the value of the homes to create the distinction between what happens in this area and what happens in other areas.

Presentation: Staff Draft 2 Recommendations – Program Eligibility

Staff noted that \$168,000 as the maximum home price a family of four can afford to pay at or below 80% (\$54,000) of Area Median Income. Most will not qualify at the 80%, but the group agreed they were fine with this.

Presentation: Draft 2 Staff Recommendation Design Guidelines

Staff added perimeter lots that abut or are across a local residential street from other single family zoned properties shall meet the underlying zoning cluster provisions. A minimum 20' wide tree save area within common open space may be utilized to eliminate this requirement for perimeter lots that abut other single family zoned properties.

Presentation: Draft 2 Density Bonus Development Standards

During this discussion it was decided that there needs to be a "work session" in order to work with the density bonus and see what changes need to be made to make it reasonable and bring back to the group at the November 3<sup>rd</sup> meeting. The volunteers for the work session will meet October 24<sup>th</sup> at 10:00 a.m..

Presentation: Draft 2 Staff Recommendation Development Standards

Design guidelines are the same.

Presentation: Draft 2 Staff Recommendation Mixed Housing Types

As part of this process, allowing duplexes on any lot and non-relatives to occupy Accessory Dwelling Units (ADU's) could provide a mixture of housing types.

Meeting adjourned: 8:03 p.m.