Housing Locational Policy

Housing & Neighborhood Development Committee
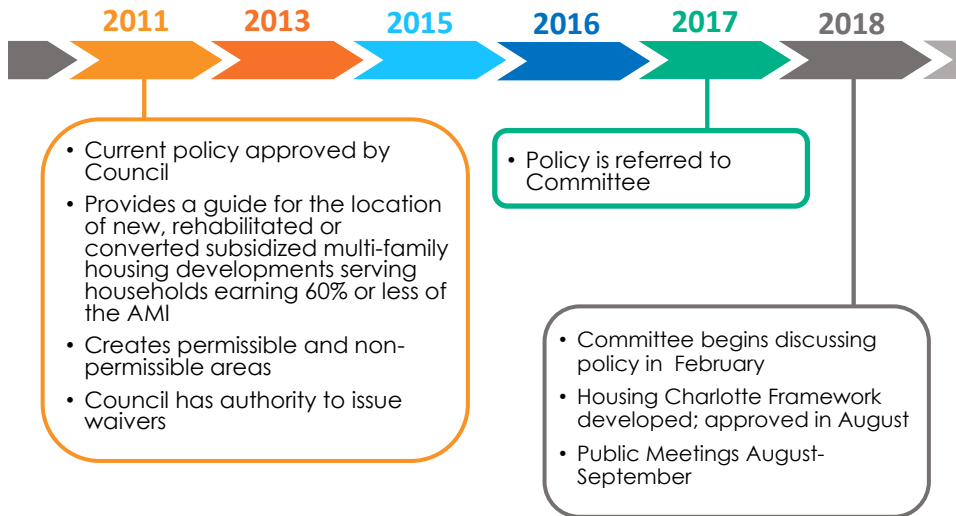
October 31, 2018

Briefing Objectives

- Background
- Committee Questions & Comments
- Revised Policy
- Next Steps

Background

2011   **2013**   **2015**   **2016**   **2017**   **2018**

- Current policy approved by Council
- Provides a guide for the location of new, rehabilitated or converted subsidized multi-family housing developments serving households earning 60% or less of the AMI
- Creates permissible and non-permissible areas
- Council has authority to issue waivers

- Policy is referred to Committee

- Committee begins discussing policy in February
- Housing Charlotte Framework developed; approved in August
- Public Meetings August-September

Background – Community Feedback

- ‣ Disperse affordable housing throughout Charlotte; areas need to have their "fair share"
- ‣ Address displacement and gentrification
- ‣ Promote income diversity
- ‣ Varying opinions on exemptions – some felt that there should be no exemptions, while others felt exemptions should include:
  - Seniors
  - Disabled
  - Veterans
- ‣ Scorecard is a good tool - keep it simple, flexible, and update regularly
- ‣ Eliminate permissible and non-permissible areas

Committee Questions

How are shopping centers defined?

Context: Some centers have significant vacancies and/or businesses that contribute little to community quality of life, such as skilled game arcades.

- **Shopping Center Definition**:
  - International Council of Shopping Centers (ICSC) defines a shopping center as a group of retail and other commercial establishments that is planned, developed, owned and managed as a single property, typically with on-site parking provided
- Data set does not identify vacancy or quality of the establishments
- Staff will continue to explore options, and particularly as new data may become available

When evaluating / scoring proximity to public schools, will school performance and school overcrowding be considered?

- ‣ Analysis is currently based solely on school location
- ‣ School overcrowding can be considered utilizing data on current capacity
- ‣ *Note:*
  - ‣ *School proximity receives, at most, 1 point*

When evaluating / scoring proximity to proposed transit, will transit project funding and timetable be considered?

- ‣ Currently, proposed transit stops are added to data set when CATS establishes location
- ‣ Council can direct staff to add proposed stops once CATS updates their 2030 plan and develops a more realistic plan to fund and extend service

How do we avoid concentrating poverty in NPAs where the overall NPA average median income is already less then 100%?
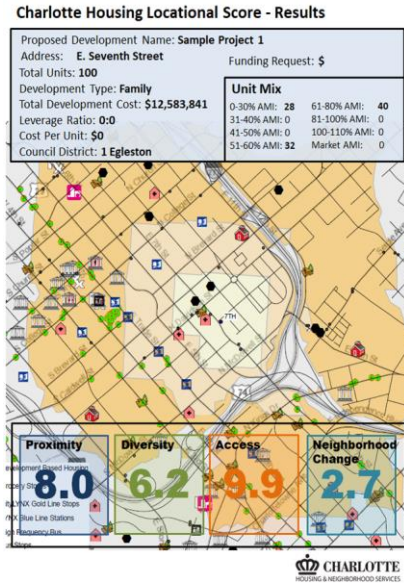
- ‣ Site scoring will provide:
  - ‣ The percent poverty
  - ‣ NPA median income, and
  - ‣ Development unit mix
- ‣ A low Income Diversity score will indicate that development may contribute to concentrated poverty
- ‣ Currently poverty is defined as NPAs with 10% or more households with incomes below the federal poverty line
- ‣ Poverty is defined by income of less than $25,100 for a household of four

What does the development community think of the proposed policy revisions?

- ‣ Voiced unanimous support for site scoring
- ‣ Specific recommendation to call the system something other than a policy (process, guidelines, etc.)
- ‣ Developers start site selection process well in advance of funding support request; acknowledged scoring system will help
- ‣ Data must be as current as possible
- ‣ Exempt senior developments

Will the scoring tool be available to the development community?

‣ Developers **will have access** to the site scoring tool platform

Charlotte Housing Locational Score - Results

Proposed Development Name: **Sample Project 1**
Address: **E. Seventh Street**   Funding Request: **$**
Total Units: **100**
Development Type: **Family**
Total Development Cost: **$12,583,841**
Leverage Ratio: **0:0**
Cost Per Unit: **$0**
Council District: **1 Egleston**

Unit Mix
0-30% AMI: **28**	61-80% AMI: **40**
31-40% AMI: **0**	81-100% AMI: **0**
41-50% AMI: **0**	100-110% AMI: **0**
51-60% AMI: **32**	Market AMI: **0**

Proximity	Diversity	Access	Neighborhood Change
8.0	6.2	9.9	2.7

Can we create an overall target score for location (a combination of all 4 of the scoring factors)?

‣ While staff can weight the scores for Council's review, we do not recommend establishing a minimum threshold score

   ‣ Considering the four scoring criteria separately (proximity, access to jobs, income diversity, neighborhood change) allows these unique attributes to be evaluated independently for each location

   ‣ A minimum threshold score could be a deterrent for developers as they consider potential sites

Policy Revisions

Convert Policy to a Site Scoring Process

Staff Recommendations:

1. **Replace policy with Site Scoring Process**:
   ‣ Eliminates need for waivers
   ‣ Removes real and perceived barriers; provides transparency
   ‣ Normalizes data; data is updated regularly

2. **Treat site evaluation comparable to a rezoning recommendation**
   ‣ Staff evaluates development proposals including new site scoring, development team experience and financial feasibility
   ‣ Recommendation made to Council along with site scoring matrix and location map
   ‣ Council votes on each funding request

3. **Eliminate Permissible and Non-permissible areas**

Site Scoring Goals

Based on Committee/Community feedback, key goals are:

1. Site scoring will seek to provide clear guidance for investments that create and/or preserve affordable and workforce housing in areas:
    - Near **employment centers**
    - Near **commercial centers**
    - Near **existing and proposed transit services**
    - In **Center City**
    - In **neighborhoods experiencing change**

2. That support the City's **revitalization efforts**

3. That promote **diverse neighborhoods**

Site Scoring Applicability

The following development proposals will be scored:

- Multi-family rental developments with 24 units or more, and

- All 4% Low Income Housing Tax Credit projects (LIHTC), and

- Funded in whole or in part by local, state or federal funding sources

Site Scoring Exemptions

Staff recommends that the following be exempt from site scoring:

- ‣ 9% LIHTC projects
- ‣ Senior Citizen developments
- ‣ Any multi-family rental development with less than 24 units
- ‣ Single-Family

Summary

Site Scoring:

- ‣ Simplifies process for developers and Council
- ‣ Provides transparency
- ‣ Removes real and perceived barriers
- ‣ Regularizes data; data is updated real-time as it becomes available
- ‣ Helps Council make informed decisions, while eliminating the need for waivers
- ‣ Scores projects based on Council and community goals

Next Steps

- **October 31** - Committee Action: Approve the revised Housing Locational Evaluation Process and recommend the revised process to City Council for approval

- **November Strategy Session** - Staff presents revised Housing Locational Evaluation Process to City Council at dinner strategy session meeting

- **December Business Meeting** – City Council approval