Housing Locational Policy

Housing & Neighborhood Development Committee

July 18, 2018

Briefing Objectives

- Housing Locational Policy Background
- Policy Goals
- Applicability & Exemptions
- Policy Options
- Next Steps

Housing Locational Policy Background

20 waivers have been issued since 2001

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 review began early November
- New Mayor/Council

- Committee discusses policy in February, March, April
- Housing Charlotte Framework

Background - Why are we updating the Policy?

The Housing Locational policy was last updated in 2011. As such, the current policy:

- Is outdated
- Is prohibitive
- Does not reflect the current environment

- **Revising the Locational Policy is a key strategy of the *Housing Charlotte* Framework**

Proposed Policy Goals

Based on Committee feedback, key goals of a locational policy that will provide guidance for investments that create and/or preserve affordable and workforce housing include areas:

- Near **employment centers**
- Near **commercial centers**
- Near existing and proposed **transit services**
- In **Center City**
- In **neighborhoods experiencing change**
- That support City's **revitalization efforts**
- That promote **diverse neighborhoods**

Applicability & Exemptions

Applicability

- This policy applies to new, 4% subsidized multi-family housing developments serving households earning 80% or below of AMI.

Exemptions

- Subsidized multi-family housing developments **serving elderly or disabled populations** are exempt from the requirements of this policy.

Option 1 – No Locational Policy

What: Eliminate the Locational Policy

Objective: Provide greatest amount of flexibility for creating new affordable housing units

Strengths	Weaknesses
• Recognizes the broad need for affordable housing in Charlotte • Helps eliminate the stigma of affordable housing • Enables development of affordable housing in areas experiencing neighborhood change • Investment decisions are based on merits of each individual development proposal • Council reviews and approves each project • Policy waivers are not needed	• Vulnerability of concentrating subsidized developments , particularly in areas with lower economic opportunities • Public's perception of affordable housing, particularly in areas with existing NOAH and/or subsidized developments

Option 2 – Update Permissible/ Non-Permissible Areas with Site Scoring

What:

- Evaluate and score each proposed project site based on selection criteria related to City Council's goals to:
  - Reduce Concentrations of Poverty
  - Address Gentrification
  - Encourage proximity to Transit Oriented Development
  - Encourage proximity to Job Centers
  - Encourage Income Targeting
- Site scoring will be introduced, in addition to additional project analysis

Objectives:

- To promote a mix of housing options within neighborhoods
- To promote geographic dispersion of affordable housing developments
- To encourage the development of affordable housing near existing and proposed transit services
- To increase the supply of affordable housing in areas of high opportunity

Option 2 – Update Permissible/Non-Permissible Areas with Site Scoring

Strengths	Weaknesses
• Definition is simple and clear; provides efficiency and transparency to Developers • Recognizes the broad need for affordable housing in Charlotte including in areas that are gentrifying • Seeks to encourage geographic dispersion of affordable housing • Takes into consideration unique attributes of each project • Provides a tool to better inform City's housing investments • Aligns with Council priorities (Housing Charlotte Framework) • Council reviews and approves each project	• Boundaries are static and require updating at designated intervals • Requires waiver for projects proposed in non-permissible areas

Option 2 – Site Scoring Component

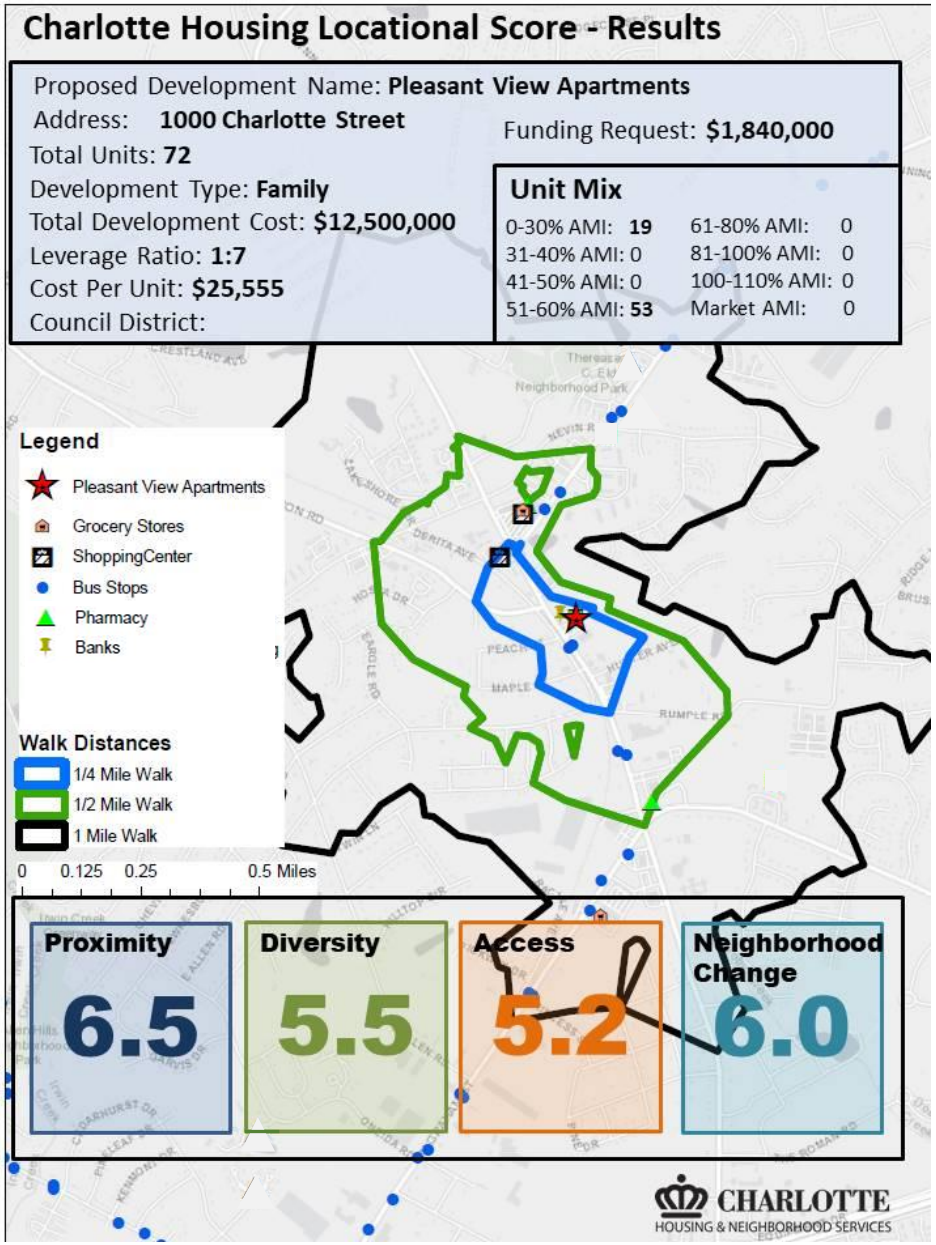
Example of Site Scoring

Map:

- ★ Proposed development
- Existing amenities

Scoring considerations:

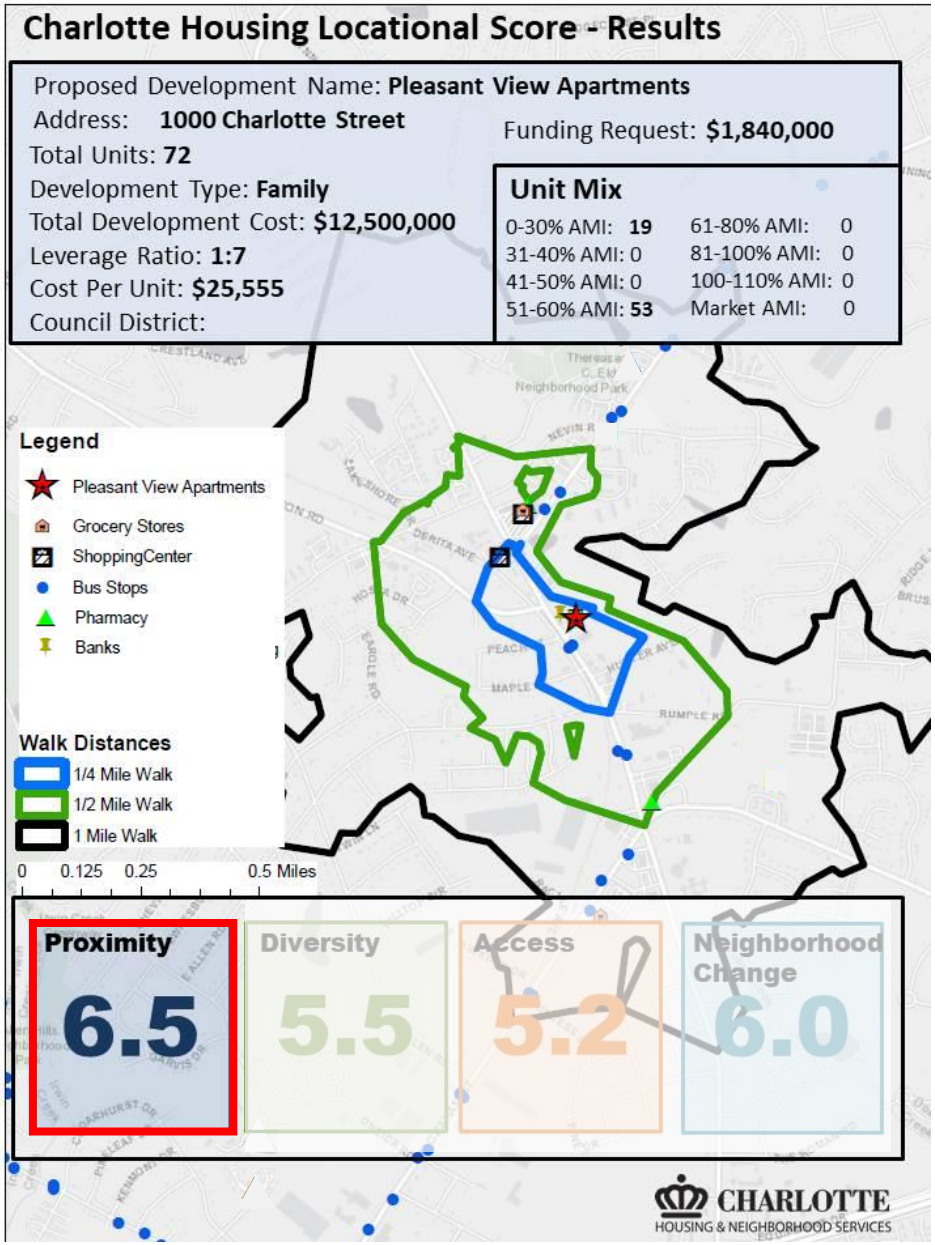
1. Concentration
2. Gentrification
3. Proximity to Transit Oriented Development
4. Job Centers
5. Income Targeting



Option 2 – Site Scoring Component

Proximity

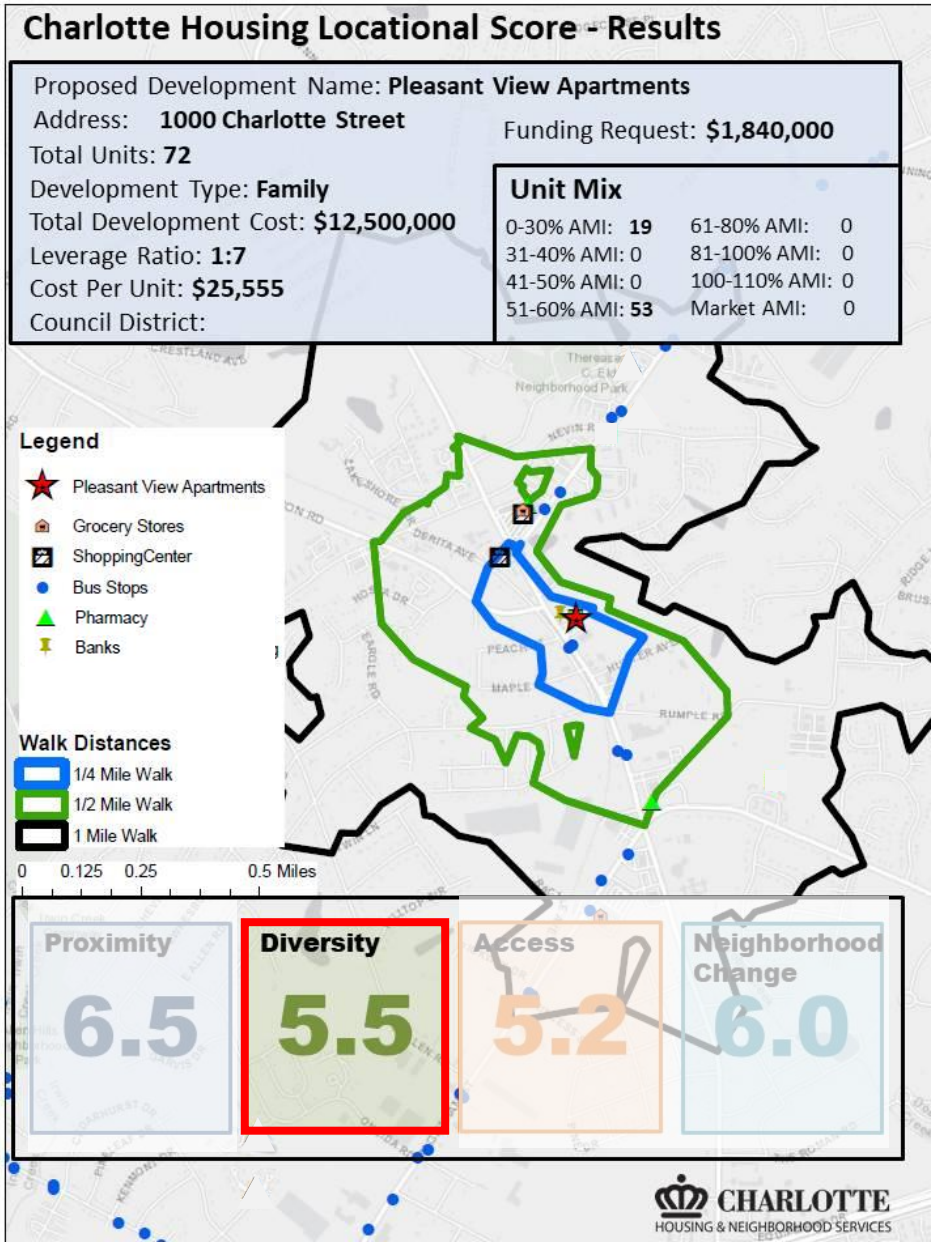
- Transit Oriented Development
  - Weights proximity to Transit Oriented Development (rail, street car)
- Amenities
  - Within ½ mile of the proposed development (grocery stores, public parks / rec centers, financial institutions, pharmacies)
- Score of 0-10



Option 2 – Site Scoring Component

Diversity

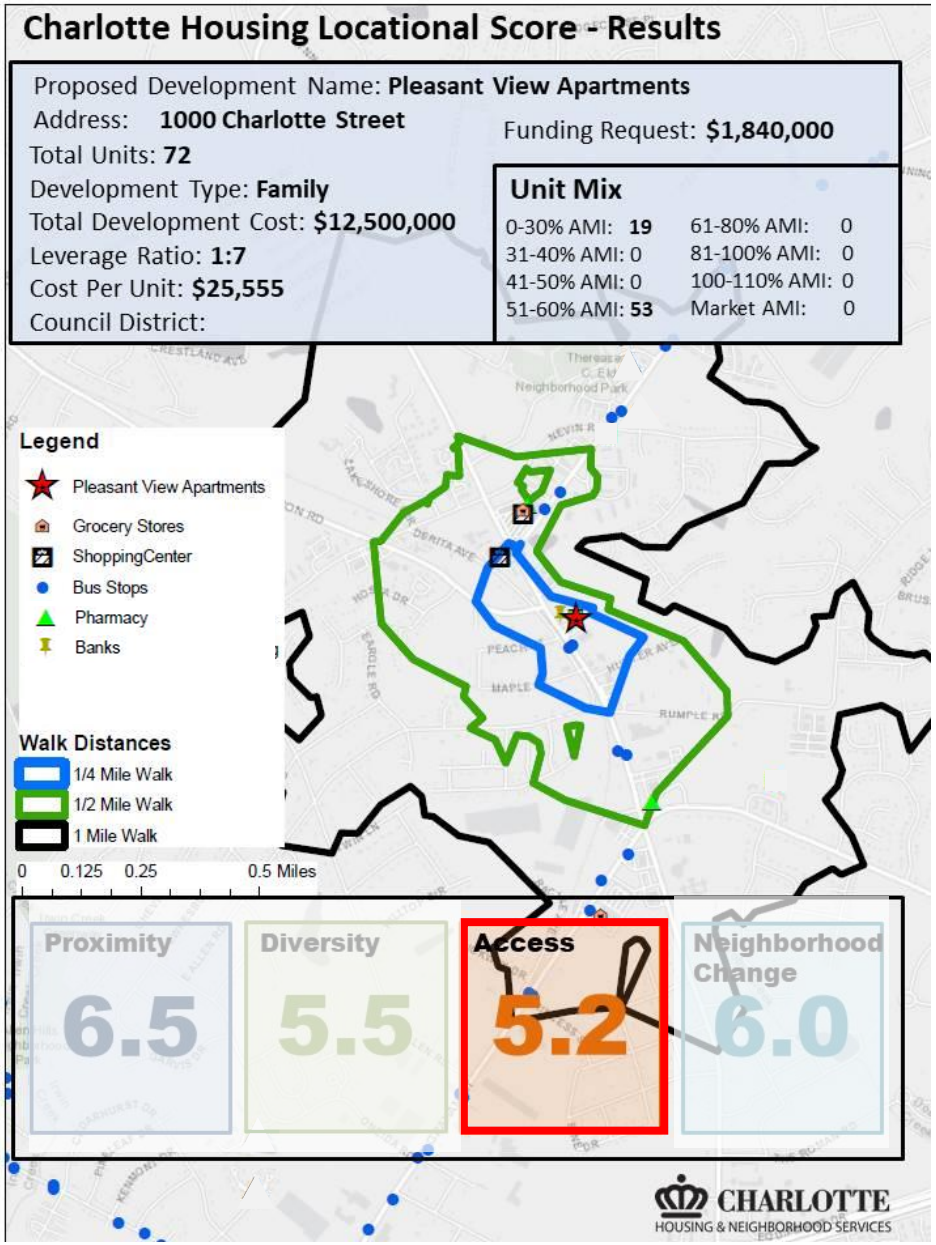
- Unit Mix:
  - Considers the unit mix in the proposed development
- Poverty Rating:
  - Developments in areas with poverty rating less than 10% receive higher score
- Score of 0-10



Option 2 – Site Scoring Component

Access

- Jobs
  - Measures access to job centers
- Score 0-10

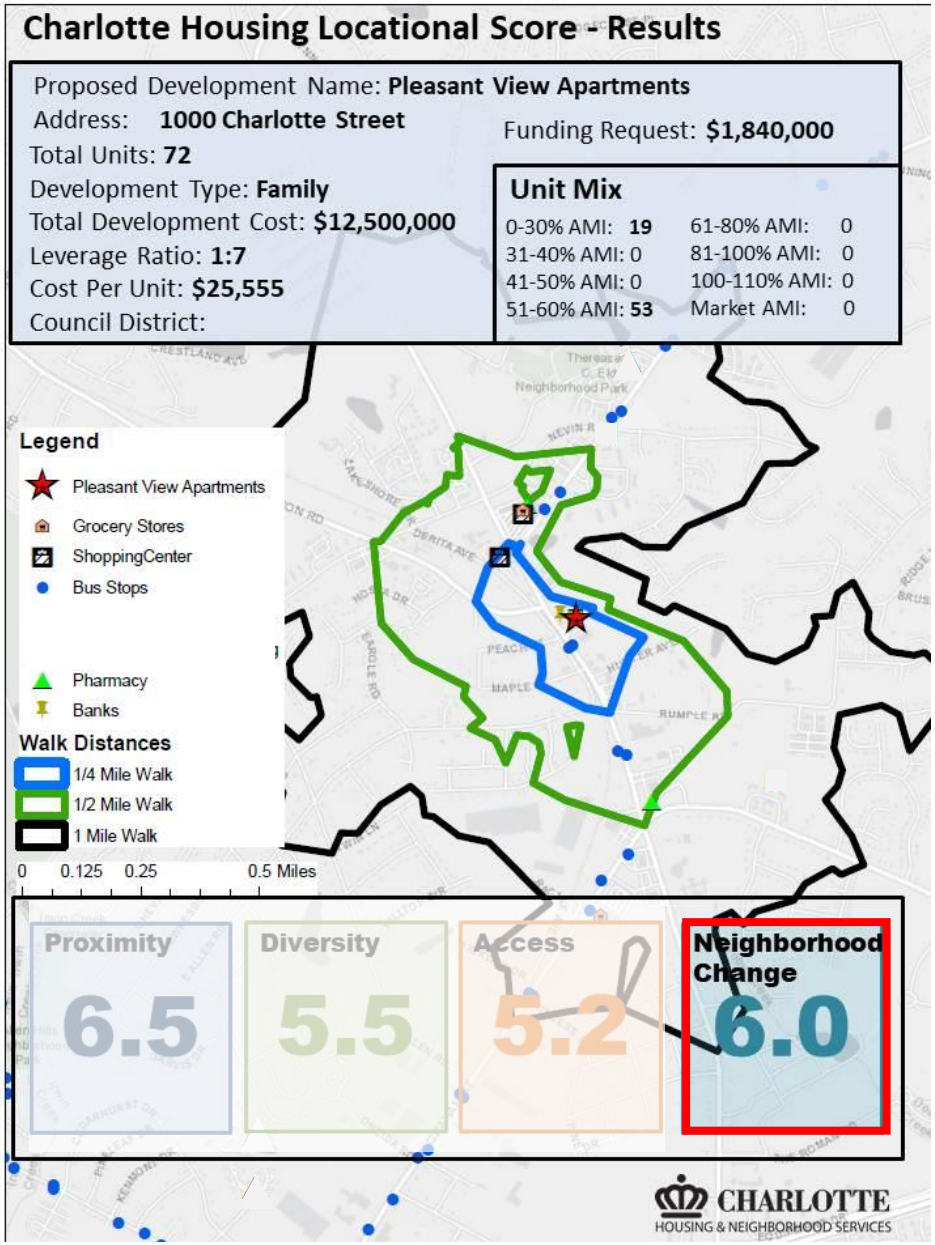


Option 2 – Site Scoring Component

Neighborhood Change

- Neighborhood Change
  - Considers neighborhoods that are currently experiencing change, or those that are in danger of doing so

- Score of 0-10



Next Steps

- August: Community Engagement
- September: Staff will bring back proposed revised policy at September 12 Committee meeting
- September/October: Council review and approval