

NEST Commission Members present Angela Ambroise, Nadia Anderson, Mitch Gibson, Kim Graham (Co-Chair), Justin Harlow (Co-Chair), Monique Humphries, Roma Johnson Vicki Jones, Eric Lemieux, Marta Tatje, Kimberly Timmons-Hampton

Members absent: Melissa Gaston

City Staff present: Housing & Neighborhood Services: Rebecca Hefner, Gail Whitcomb; Planning, Design & Development: Alyson Craig, Gretchen Flores, Kathy Cornett

Meeting Time: 5:30 - 7:00 p.m.

Meeting Materials [meeting materials are available online at <https://www.charlottenc.gov/City-Government/Leadership/City-Council/nest>]:

1. Meeting Agenda
 2. Presentation: UDO Residential Text Amendments
 3. Presentation: FY 2025 City Manager’s Proposed Budget – Housing & Anti-Displacement Highlights
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The meeting was held virtually as a last-minute decision for safety reasons due to violent storms moving through the area at the time of the meeting.

The meeting was called to order, and everyone introduced themselves.

UDO Residential Text Amendments Update

Alyson Craig shared proposed residential text amendments and the background and schedule for each, as well as a peer city analysis including an explanation that the State of North Carolina does not grant municipalities (Charlotte) the authority to govern design standards, and examples of what has been occurring since adoption of the UDO. She shared that increased density is occurring as intended, along with some unintended consequences that are being addressed in the text amendments. Three phases are proposed: 1. Updating conservation standards, 2. Compact development, and 3. Right-size Residential Supply. Ms. Craig also shared that the city has applied for a federal grant to create a team of people spanning multiple disciplines dedicated to processing affordable housing permits - the outcome of the grant application is still unknown and pending news from the federal government.

Rebecca Hefner shared that one of the challenges experienced in lower-income HOA communities occurs when significant repairs are needed to the private infrastructure (e.g., private streets, stormwater, etc.). Because those costs are prohibitive, it can potentially displace residents.

A summary of the Commission’s discussion included:

- It is helpful to know that the proposed text amendments may help with additional homeownership opportunities and particularly townhome development, which hasn’t been happening and is thought to be one of the unintended consequences of the UDO that staff is trying to address with the text amendments.
- Consider the impacts to staff capacity to move projects through the permitting/review process as demand rises.
- Consider Floor Area Ratio (FAR) in the city’s zoning regulations.

FY 2025 City Manager's Proposed Budget

Rebecca Hefner shared highlights of the city's proposed FY 2025 budget as it relates to NEST's recommendations, and housing, homelessness support and anti-displacement overall. She also provided an overview of the remaining budget adoption schedule.

Justin Harlow has signed up to speak in support of the NEST Commission's recommendations at the May 13 Budget Public Hearing, and he and Kim Graham are scheduled to provide a NEST update to the Housing, Safety and Community Committee at their June meeting.

A summary of the Commission's discussion included:

- Desire to still see \$25 million of the proposed \$100 million housing bond dedicated to anti-displacement initiatives.
- Desire to see a \$100 million housing bond going forward in subsequent biennial referendums, realizing that managing debt is also important.
- Advocacy for anti-displacement funding can continue beyond the term of the NEST Commission.

Work Stream Updates

Angela Ambrose shared a summary of the April Lay of the Land work stream site visit to Vantage Pointe Townhomes to see the House Charlotte program in action.

Justin Harlow shared that the Understanding the UDO and Program/Policy Gaps work streams held a joint meeting in April.

Next Meeting

The next meeting of the full NEST commission will occur on July 13, 2024, at 5:30 p.m. Additionally, there is an opportunity to join the Charlotte Equitable Development Commission at their July 18, 2024 meeting at noon.

The meeting adjourned at approximately 7:00 p.m.

City of Charlotte

Neighborhood Equity & Stabilization Commission

Wednesday, May 8, 2024

5:30 p.m. – 7:00 p.m.

Charlotte-Mecklenburg Government Center

NEST Commission Members:

Angela Ambrose	Justin Harlow (Co-Chair)	Eric Lemieux
Nadia Anderson	Monique Humphries	Eric Lewis
Melissa Gaston	Roma Johnson	Deon Smith
Mitch Gibson	Vicki Jones	Marta Tataje
Kim Graham (Co-Chair)		Kimberly Timmons-Hampton

City of Charlotte Staff Resources: Rebecca Hefner, Housing & Neighborhood Services; Alyson Craig, Planning, Design & Development

AGENDA

1. Welcome	Kim Graham Justin Harlow	5 minutes	5:30 – 5:35
2. Unified Development Ordinance Planning, Design & Development staff will provide an overview of pertinent elements of the city’s UDO that intersect with the NEST Commission charge.	Alyson Craig	45 minutes	5:35 – 6:20
3. FY 2025 City Budget Update Staff will provide an update on the city's FY2025 budget adoption process, as it pertains to NEST’s recent recommendations to City Council.	Rebecca Hefner	10 minutes	6:20 – 6:30
3. Work Stream Updates	Angela Ambrose Kim Graham Justin Harlow	20 minutes	6:30 – 6:50
4. NEST Look Ahead a. June 2024 work stream meetings (virtual) ○ June 12 th – Understanding the UDO ○ June 12 th – Program Improvements/Policy Gaps ○ June 27 th – Lay of the Land b. July full NEST meeting (in-person)	Angela Ambrose Kim Graham Justin Harlow	10 minutes	6:50 – 7:00
Adjourn			

The Charlotte Neighborhood Equity and Stabilization Commission is established for a 3-year period beginning in 2022 and is charged with reviewing and recommending specific anti-displacement strategies and specific tools for protecting residents of moderate to high vulnerability of displacement.



▶ May 8, 2024

Residential Text Amendments

Schedule and Strategy Update on Text
Amendments
NEST Commission



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Why Now?

➤ Staff Evaluation:

- Checking in with the Comp Plan goals (10 min Neighborhoods, Integrated Natural & Built Environments, Retain Our Identity & Charm, Fiscally Responsible)
- High volume of low-quality subdivision submittals using a tool that was intended to be for environmentally sensitive areas
- Pedestrian and driveway conflicts
- Missing some housing opportunities

➤ Market Analysis:

- No apartment pipeline
- Numerous requests for townhome projects

➤ Site Testing

- Consultant and staff testing of new ideas and standards

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By the Numbers

- ~**11,300** acres of parcels 2+ acres in the City and ETJ zoned for Neighborhood 1 Uses is developable
 - 55% is within City of Charlotte
 - 45% is within the ETJ
- **143,048** total Neighborhood 1 Housing Units in Charlotte (**2% Plexes**)
- **8,844** Neighborhood 1 Units in Subdivision under the new UDO (very few single family)
 - 3,270 vested
 - 5,574 sketch plans (not yet vested)
- ~**181** Infill Missing Middle
 - ~150 duplexes, 30 triplexes, 1 quad and 85 ADUs

Peer City Analysis

Minneapolis, MN

- 57 square miles (430,000 population) with **no undeveloped land**
- Ordinance was adopted in 2020
 - Allows Single Family Detached, Duplex, and Triplexes in all residential zoning districts
- Standards for Duplexes and Triplexes
 - Maximum height 2.5 stories and .5 Floor Area Ratio for ALL Building Types
- Require a checklist for infill development that includes:
 - Design Standards: materials, orientation, etc.
 - Garage, front porch and window locations
 - Stormwater and Tree Controls

SITE PLAN REVIEW

RESIDENTIAL (1-3 UNITS) POINT SYSTEM

All new residential construction with 1-3 units must have at least 17 points. Designs must also comply with all other applicable standards in the Zoning Code.

TREES

Total diameter of trees retained or planted equals 3 inches per 1,000 square feet of total lot area or fraction thereof. The diameter of each tree shall be at least 2.5 inches. Tree diameter shall be measured at 4.5 feet above grade

EXTERIOR BUILDING MATERIALS

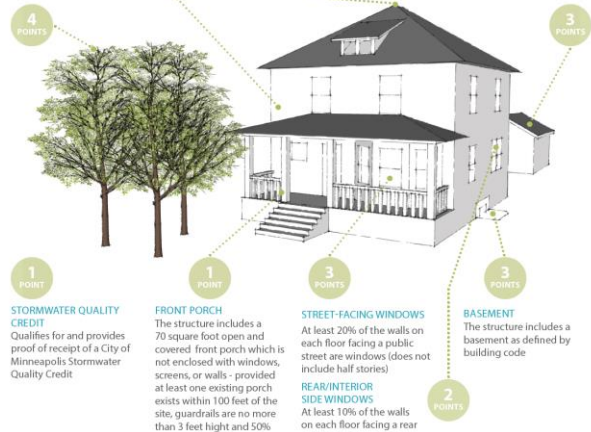
Exterior building materials are masonry, brick, stone, stucco, wood, cement-based siding, and/or glass

BUILDING HEIGHT

Height is within one-half story of the predominant height of residential buildings with in 100 feet of the site

DETACHED GARAGE

At least 1 off-street parking space per dwelling unit is provided in a detached structure located entirely in the rear 40 feet of 20% of the lot (whichever is greater) and is at least 20 feet from any habitable portion of the principal structure



STORMWATER QUALITY CREDIT

Qualifies for and provides proof of receipt of a City of Minneapolis Stormwater Quality Credit

FRONT PORCH

The structure includes a 70 square foot open and covered front porch which is not enclosed with windows, screens, or walls - provided at least one existing porch exists within 100 feet of the site, guardrails are no more than 3 feet high and 50%

STREET-FACING WINDOWS

At least 20% of the walls on each floor facing a public street are windows (does not include half stories)

REAR/INTERIOR SIDE WINDOWS

At least 10% of the walls on each floor facing a rear

BASEMENT

The structure includes a basement as defined by building code

Austin, TX

- 305 square miles (983,126 population)
- Adopted Phase 1 Standards in December 2023
 - Allows Single Family Detached, Duplex, and Triplexes in all residential zoning districts
- **2,600 acres** total of Neighborhood 1 undeveloped and buildable
 - Duplex/Triplex Requirements
 - Floor Area Ratio (Size) Maximum
 - Garage placement
 - Front Porch
 - One driveway cut

Charlotte, NC

- 312 square miles (940,872 population)
- UDO went into effect June 1, 2023
 - Allows Single Family Detached, Duplex, and Triplexes in all residential zoning districts
- **12,000 acres** total of Neighborhood 1 undeveloped and buildable
- Standards for Duplexes and Triplexes
 - Sidewall limitations
 - Driveway limitations

3 Phases Proposed

Right Sizing Development & Density

	Phase 1	Phase 2	Phase 3
What	Modify Conservation Development Standards	Create Compact Development Option	Right-size Residential Uses
Purpose	Better align development standards for sites with environmental features	Create a modern tool for increasing housing supply	Right-size housing diversity/location and add more housing tools
Why Needed?	Tool is being misused (92% subdivision submittals)	Building footprints/sites are smaller and more efficient	1 year audit resulted in recommended actions
Why Now?	Low quality/quantity open space with alleys instead of public streets (9,000 units submitted)	Align regulations with the market	Challenges with triplexes and seeing limited duplexes, ADUs, missing opportunities

Staff Recommended Schedule

➤ Conservation (Phase 1)

- *April 30:* Zoning Committee Recommendation (ZC recommended a deferral until the June 4 meeting)
- *May 6:* TPD Committee desire to maintain schedule
- *May 20:* Council Decision

➤ Compact (Phase 2)

- *May 9:* UDO Advisory Committee
- *Week of May 13:* Filing
- *June 17:* Public Hearing
- *Week of June 17:* Zoning Committee Recommendation
- *June 24:* City Council Decision

➤ Residential Supply (Phase 3)

- *Summer:* Research and Engagement
- *Fall:* Public Hearing and City Council Decision

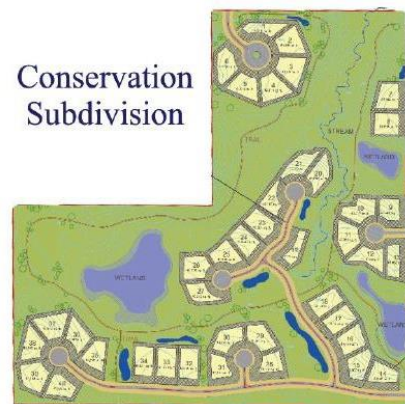
Phase 1: Update Conservation Standards



Phase #1

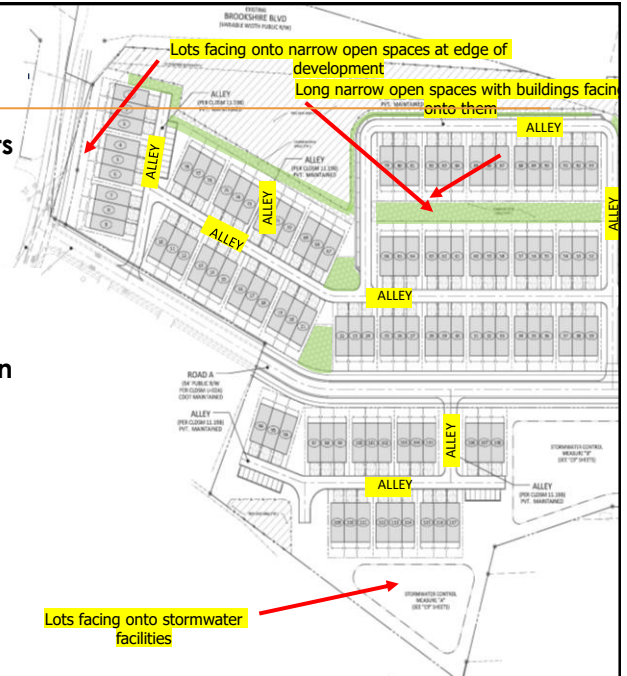
Increase Development Standards for Conservation Developments

- A Conservation Residential Development is a **development option** available in the UDO in certain Neighborhood 1 (N1) zoning districts.
- Conservation residential developments allow for a **50% reduction in lot size** in exchange for additional open space.



What are we seeing?

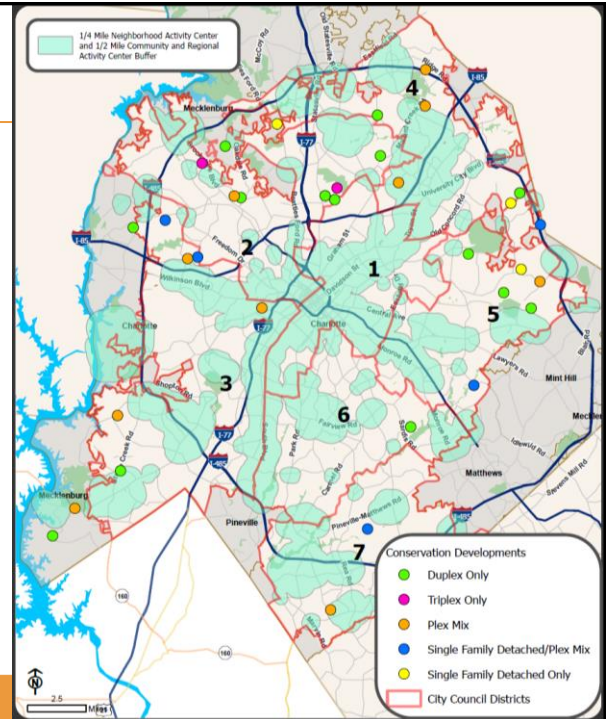
- **Primary access by alleys instead of public streets**
 - Does not meet CDOT standards and will forever be the responsibility of future owners
 - Lack of full sidewalk system and street trees
 - Residents will bear costs to maintain roads, water, sewer, and stormwater infrastructure
- **No commitment to quality usable common open space**
 - Lots facing onto stormwater facilities
 - Slivers of open spaces with buildings facing onto them
 - Open space inaccessible to residents
- **Inadequate or missing transition between conservation development and abutting properties**



Why Now?

Data Overview:

- 3,500+ units under review
- Large majority are not near centers and large numbers are in the ETJ
- 5,500 units in sketch plan review
- 94% of units in the Arc; 6% in the Wedge

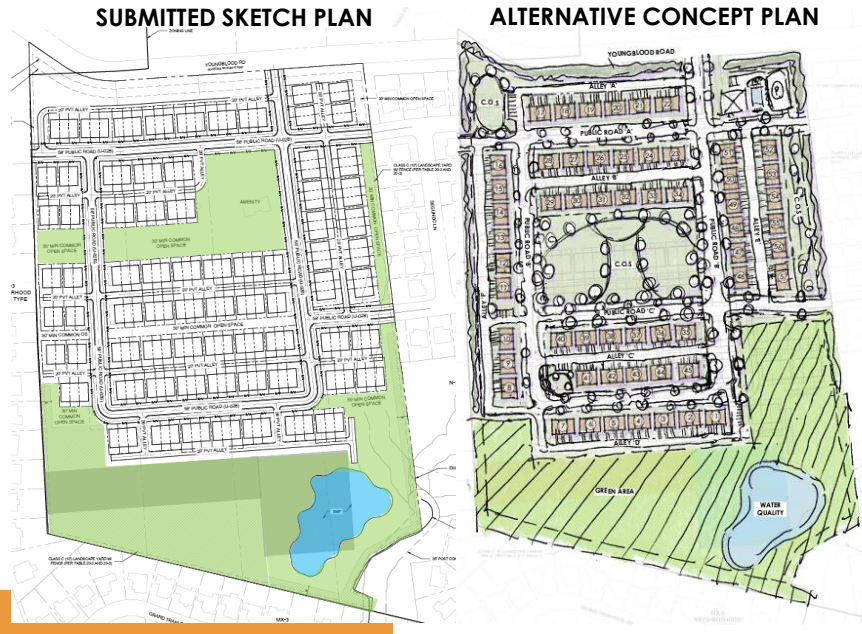


Conservation Development Proposed Changes

- **Increase the quality and quantity of open space requirements**
 - Require an additional 15% green area/tree save and common open space = 40% total
 - Open space cannot be on individual lots
 - Increased minimum dimensions and standards of open space
- **Require public streets and traditional alleys for limited access**
 - Require lots to front public streets, green areas, or open spaces (not private streets or alleys)
- **Add additional perimeter buffer (landscape yard) requirements**

Site Area: 38.6 acres Zoning: N1-A

Regulations	Approx. # units
Pre-UDO	115
Pre-UDO w/cluster	130
Current Conservation	220
Proposed Conservation	170



Incentivizing Mixed Income & Affordable Housing Development

NEW! Increase Voluntary Mixed Income Bonus if 50% affordable go up 2 districts in lot standards (e.g., N1-A sites can use N1-C lot standards)

- ▶ Modification to standards is recommended based on conversations with affordable housing development community
- ▶ Allows for smaller lot sizes without exchange for other community benefits given the nature of the project providing affordable housing
- ▶ All units are not required to be affordable and can be for rent or sale



Phase 2: Create Compact Development Tool

Phase 2: Compact Development

- Modern construction in new subdivisions need smaller lot sizes
- The lot standards in the UDO protects lotting patterns in existing neighborhoods
- A tool is needed to capture the current market where financing and the market are aligned with new subdivisions of attached products

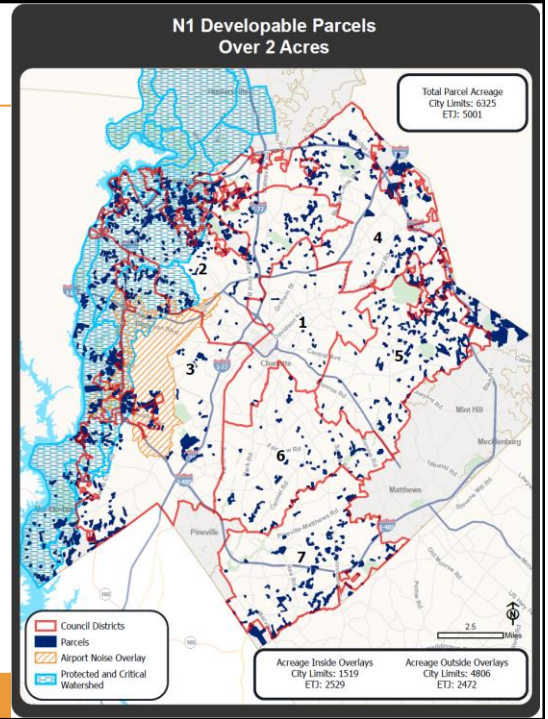


Compact Standards

- Create a new by-right development option allowing smaller lots sizes similar to Pre-UDO Cluster Development Standards
- Allow new subdivisions 2+ acres to reduce lots sizes with additional 5% open space

	Current Min Lot Size	Proposed Min Lot Size	Current Lot Width	Proposed Lot Width
N1-A	10,000	5,000	70	50
N1-B	8,000	3,500	60	40
N1-C	6,000	3,000	50	30
N1-D	3,500	3,000	40	30

- Allow everywhere **except Protected & Critical Watersheds, Airport Noise Overlay**
- **Add townhomes in Phase 3** when adjacent to Centers and transit corridors



Proposed Neighborhood 1 Development Types	Existing: Base Development (all sites) Infill Sites, Neighborhood Extensions, ETJ	Phase 1: Conservation (Sites 5+ acres) Environmental Features, Watershed Protection Areas, Steep Topography, ETJ	Phase 2: Compact Development (Sites 2+ acres) Majority of Larger Development Parcels
Goal/Estimated Percentages of Development by Type	~20%-30%	~5%-15%	~60%-75%
Development Pattern/Lot Platting			
Street View			
Yields	Pre-UDO + Duplexes/Triplexes +	Pre-UDO Cluster OR Base Development + 5%-20% ++	Base Development + 30-50%* *testing in progress (Greater than pre-UDO Cluster) +++

Phase 3: Right-size Residential Supply



Phase 3: Right-size housing diversity

- On infill lots and in new subdivisions:
 - Limit triplexes to corners and arterials only in N1A, N1B, N1C, and N1D
 - Allow stacked quads on corners and arterials in N1A, N1B, and N1C
 - Allow stacked quads in N1D, N1E, and N1F
 - Allow townhomes in N1E and N1F (4-5 units per building)
 - Review duplex lot standards to improve viability



Triplex as a Building Type

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UDO

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Why Now?

Internal and Peer City Review:

- The State of North Carolina prohibits municipalities from regulating any design elements
- Changes in the building code make stacked quads more viable
- We have under-allocated for townhomes in the UDO and in the Policy Map

UDO

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ZONING ORDINANCE PRE-UDO						
	Single Family Detached	Duplex	Triplex	Quadraplex (stacked)	Townhouse	Small Multifamily Building
R-3	Allowed	With Restrictions	Not Allowed	Not Allowed	Not Allowed	Not Allowed
R-4	Allowed	With Restrictions	Not Allowed	Not Allowed	Not Allowed	Not Allowed
R-5	Allowed	With Restrictions	Not Allowed	Not Allowed	Not Allowed	Not Allowed
R-6	Allowed	With Restrictions	Not Allowed	Not Allowed	Not Allowed	Not Allowed
R-8	Allowed	Allowed	Allowed	Allowed	Not Allowed	Not Allowed
N/A						

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CURRENT UDO						
	Single Family Detached	Duplex	Triplex	Quadraplex (stacked)	Townhouse	Small Multifamily Building
Neighborhood 1 A	Allowed	Allowed	Allowed	Arterials + Affordable Unit	Not Allowed	Not Allowed
Neighborhood 1 B	Allowed	Allowed	Allowed	Arterials + Affordable Unit	Not Allowed	Not Allowed
Neighborhood 1 C	Allowed	Allowed	Allowed	Arterials + Affordable Unit	Not Allowed	Not Allowed
Neighborhood 1 D	Allowed	Allowed	Allowed	Arterials + Affordable Unit	Not Allowed	Not Allowed
Neighborhood 1 E	Allowed	Allowed	Allowed	Arterials + Affordable Unit	Not Allowed	Not Allowed
Neighborhood 1 F	Allowed	Allowed	Allowed	Allowed	Up to 15 units in 2 buildings	Up to 15 units in 1 building

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PROPOSED CHANGES						
	Single Family Detached	Duplex	Triplex	Quadraplex (stacked)	Townhouse	Small Multifamily Building
Neighborhood 1 A	Allowed	Allowed	Corners Only	Corners + Arterials	Not Allowed	Not Allowed
Neighborhood 1 B	Allowed	Allowed	Corners Only	Corners + Arterials	Not Allowed	Not Allowed
Neighborhood 1 C	Allowed	Allowed	Corners Only	Corners + Arterials <i>Allow everywhere?</i>	Not Allowed	Not Allowed
Neighborhood 1 D	Allowed	Allowed	Corners Only	Allowed	Not Allowed	Not Allowed
Neighborhood 1 E	Allowed	Allowed	Allowed	Allowed	Increase Allowances	Increase Allowances
Neighborhood 1 F	Allowed	Allowed	Allowed	Allowed	Increase Allowances	Increase Allowances

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Questions and Discussion

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FY 2025 City Manager's Proposed Budget *Housing & Anti-Displacement Highlights*

NEST Commission Update
May 8, 2024

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Proposed Budget

- ▶ Watch the budget presentation and read the budget book here: <https://www.charlottenc.gov/City-Government/Departments/Strategy-Budget>

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NEST Highlights

▶ \$100 Million Housing Bond (pp 26-27)

- City Council is working to develop recommendations for creating investment goals across affordable housing categories to help direct this historic housing investment
- Affordable Housing Funding Policy Referral to Housing, Safety & Community Committee

▶ Enhancements to House Charlotte Plus (p 27)

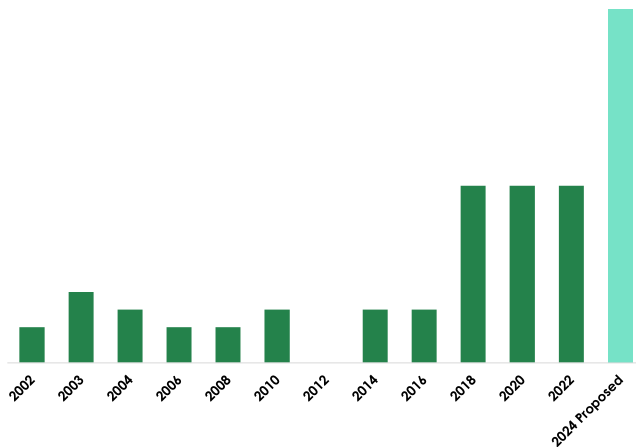
- In FY 2025 the city is enhancing House Charlotte Plus based on recommendations that City Council accepted from the NEST Commission to promote housing opportunities within the Corridors of Opportunity

▶ TOD Fee-in-Lieu (p 480)

- In alignment with a recommendation from the city’s NEST Commission, the payment-in-lieu-of-rate related to the Affordable Housing Bonus program is increased from \$4.75 per square foot to \$6.00 per square foot in Transit-Oriented Development zoning districts

Generational Housing Investment

\$100m Housing Bond Proposed in 2024



- Homeownership
- New Multi-Family
- NOAHs
- Rehab and Repair
- Shelter and Supportive Housing
- Collaboration



Funding for Charlotte's Future

FY 2025 Proposed 1.5c Property Tax Increase

- 0.9¢ – General Fund (Public Safety)
- 0.3¢ – Capital Investment Plan (CIP)
- 0.3¢ – Arts and Culture

1.5¢ - Total Increase

\$53.79/year, \$4.48/month increase for typical homeowner



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Other Highlights

► Faith and Housing Initiative

- \$1.5 million of ARPA funds that will be returned to the city based on projected utilization in FY 2025 for the HOMES property tax relief program

► Public-Private Partnerships to End and Prevent Homelessness

- \$1 million in PAYGO
- General alignment with A Home for All

► Financial Partners

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Next Steps

- ▶ **May 13 – Budget Public Hearing**
 - Justin is signed up to speak
- ▶ **May 20 – Budget Adjustments**
- ▶ **May 30 – Straw Votes**
- ▶ **June 10 – FY 2025 Budget Adoption**
- ▶ **June → September – HSC Committee**
 - Affordable Housing Funding Policy Referral
- ▶ **November – Bond Referendum**