

Neighborhood Equity and Stabilization Commission (NEST)

FEBRUARY 10, 2022





CHARLOTTE FUTURE 2040 COMPREHENSIVE PLAN ADOPTED JUNE 21, 2021!

WHAT'S NEXT?

COMMUNICATIONS

- How the plan will affect Neighbors, Developers, Small Business Owners and Elected Officials.
- What are the key next steps?
- How can the community stay engaged?

PROJECT COORDINATION

- Unified Development Ordinance
- Transportation Initiatives (Strategic Mobility Plan, Charlotte Streets Map)
- LYNX Silver Line Station Area Planning

IMPLEMENTATION

- Charlotte Future 2040 Policy Map
- Charlotte Future 2040 Implementation Dashboard
- **Commissioned Working Groups**
- Charlotte Future Annual Report (1st edition)

What is the Comprehensive Plan?

- Guides our growth over the next 20 years
- A “**living document**” that integrates community input and best practices for growth, development and capital investments
- Addresses equity, transportation, quality of life, economic development, jobs, upward mobility, affordable housing, health, safety, and sustainability



10 PLAN GOALS

01 10-MINUTE NEIGHBORHOODS

02 NEIGHBORHOOD DIVERSITY & INCLUSION

03 HOUSING ACCESS FOR ALL

04 TRANSIT- & TRAIL-ORIENTED DEVELOPMENT

05 SAFE & EQUITABLE MOBILITY

06 HEALTHY, SAFE, & ACTIVE COMMUNITIES

07 INTEGRATED NATURAL & BUILT ENVIRONMENTS

08 DIVERSE & RESILIENT ECONOMIC OPPORTUNITY

09 RETAIN OUR IDENTITY & CHARM

10 FISCALLY RESPONSIBLE



Goal 1 10-Minute Neighborhood

Improve access to essential amenities, goods, and services within a comfortable, tree-shaded 10-minute walk, bike, or transit trip by 2040.



Goal 2 Neighborhood Diversity & Inclusion

Provide opportunities for single-family attached and small-scale multi-family housing developments **near transit services and along arterials** in lower density, predominantly residential areas.



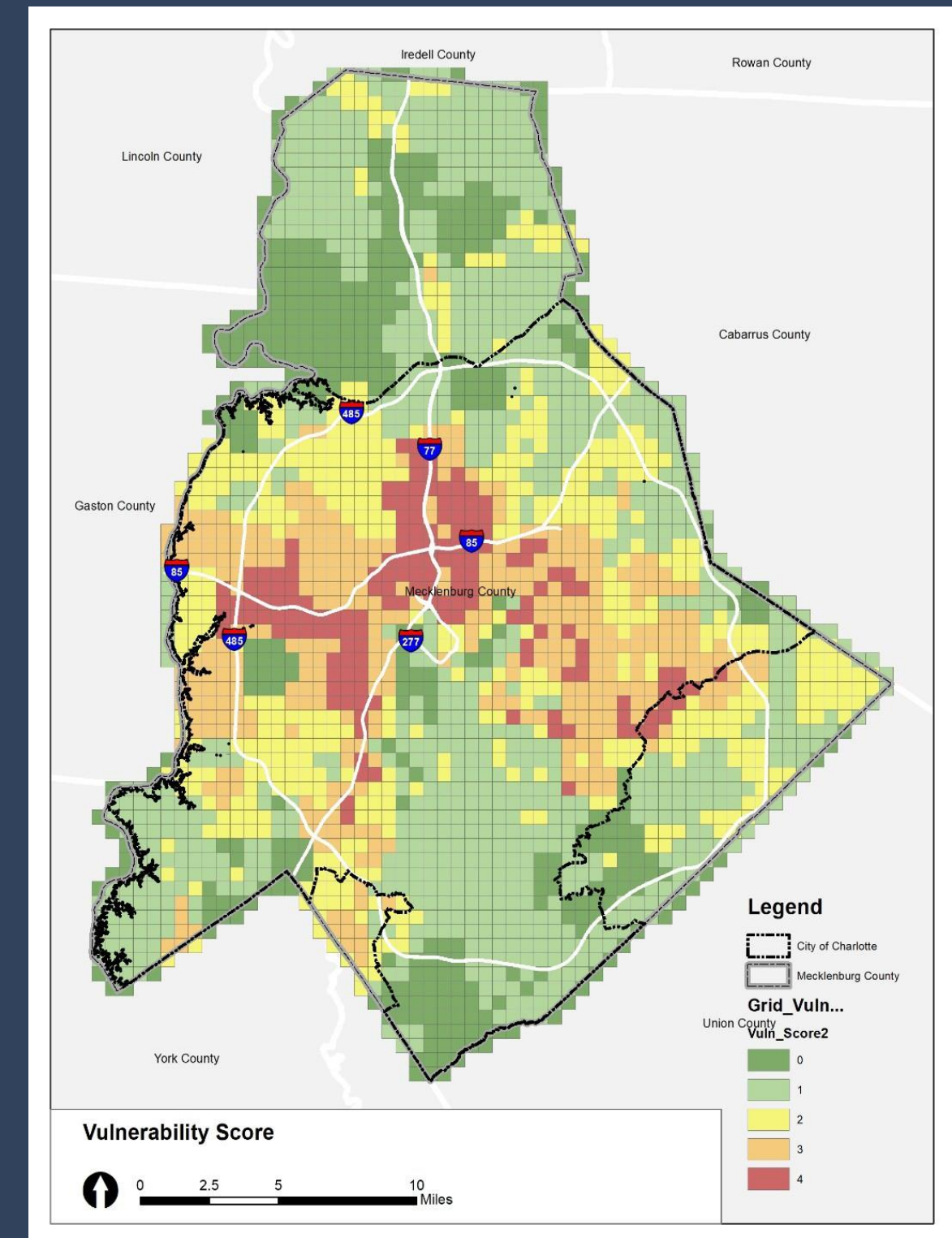
Goal 3 Housing Access For All

Charlotte will ensure opportunities for residents of all incomes to access affordable housing through the preservation of naturally occurring affordable and workforce housing and increasing the number of affordable and workforce housing units through new construction.

EQUITABLE GROWTH FRAMEWORK

What are Greatest Needs and Opportunity?

- **Vulnerability to Displacement Overlay**
- Access to Essential Amenities, Goods and Services
- Access to Housing Opportunity
- Access to Employment Opportunity
- Environmental Justice



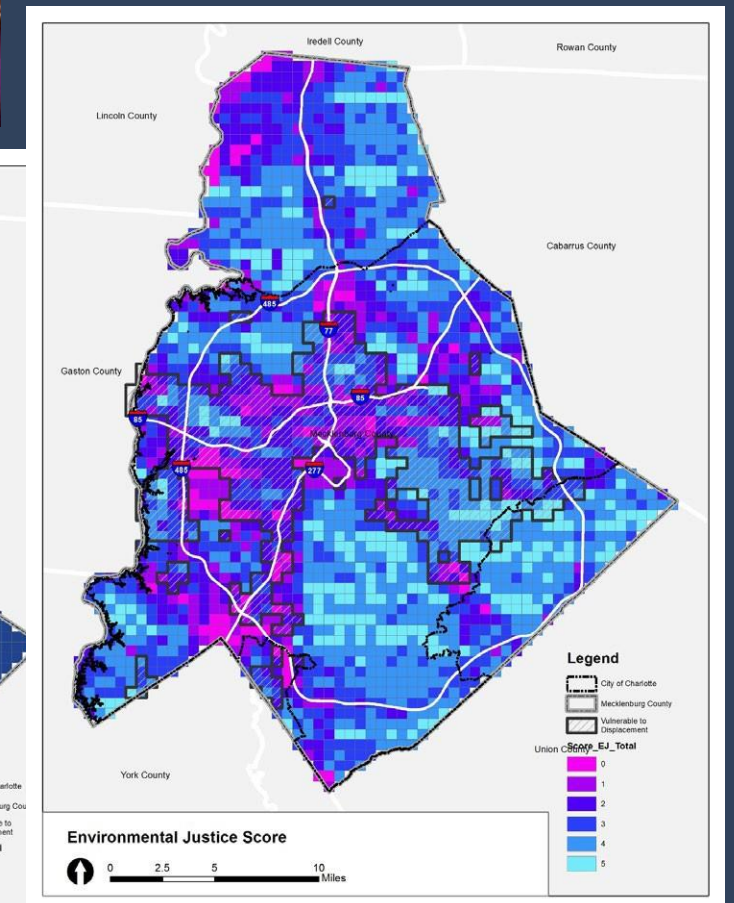
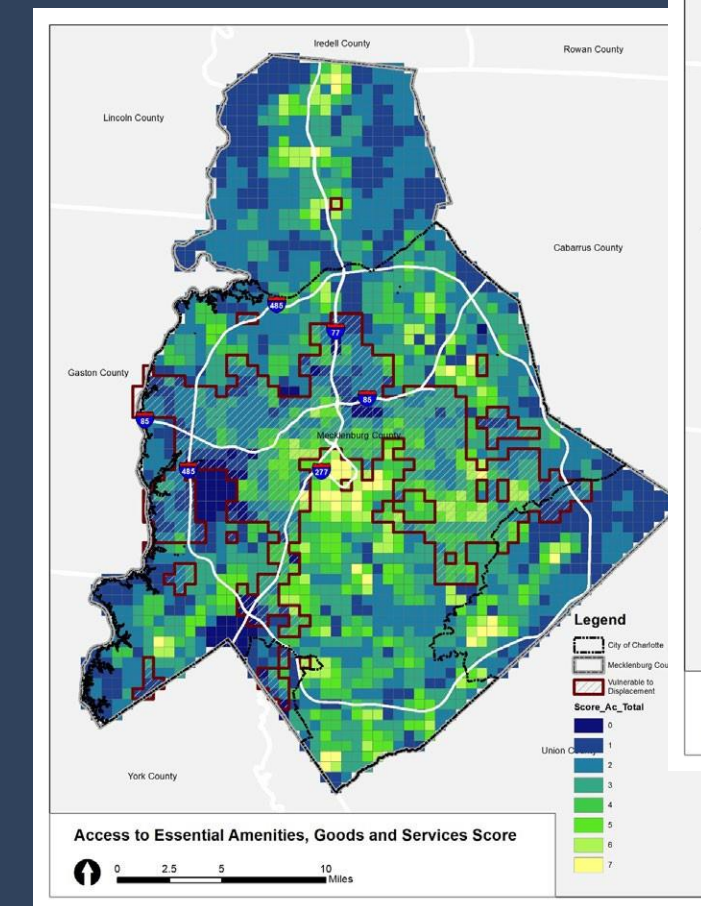
EQUITY IN ACTION

How and Where to Prioritize Limited Resources?

- Place and Amenity Priorities in the Plan
- Place Type Mapping
- Zoning District Mapping
- Community Area Planning

How to Ensure Costs and Benefits are Equitable?

- CIP
- Public-Private Partnerships
- Community Benefits Agreements
- Development Impact Fees
- Other Tools

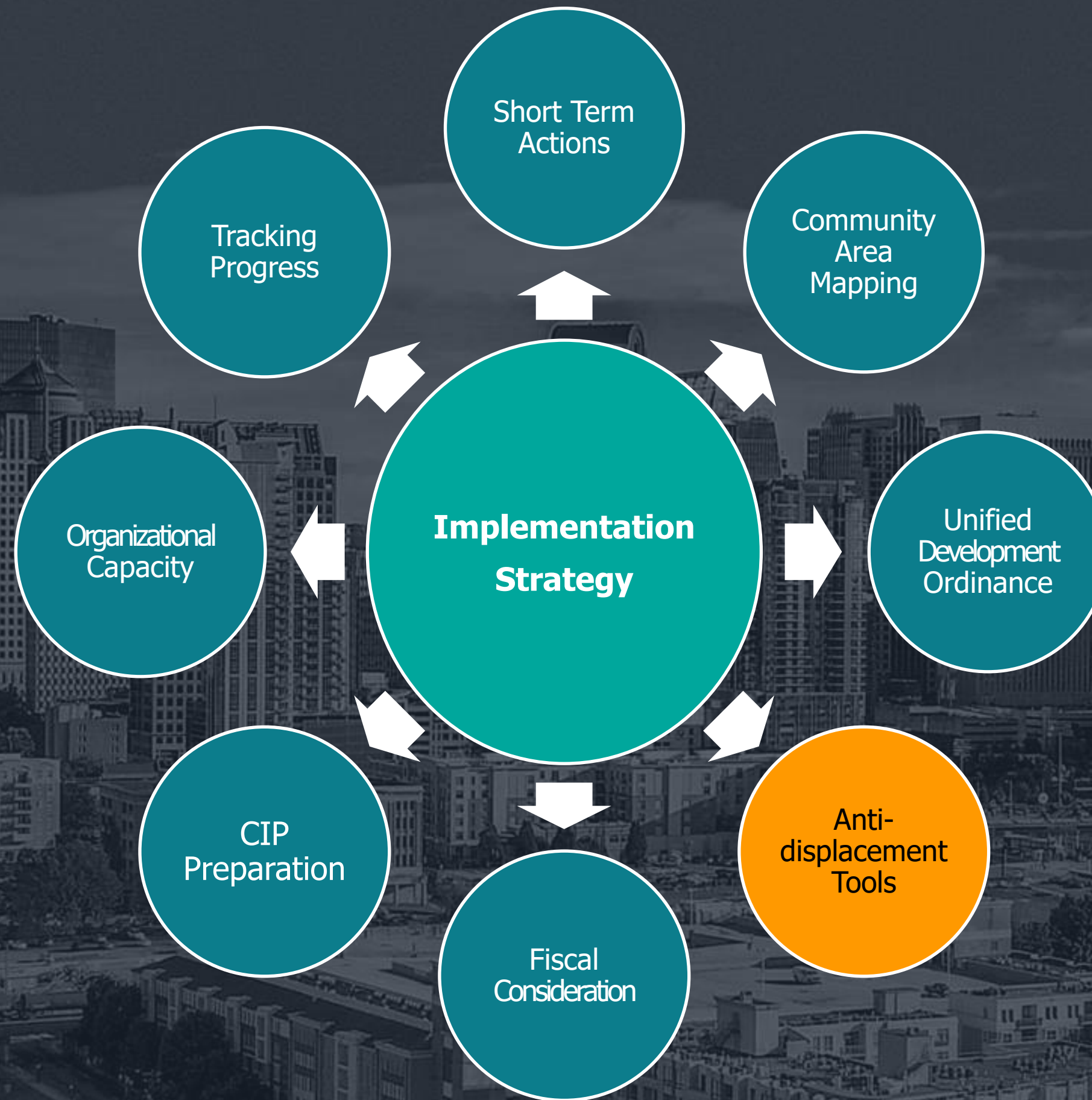


INCLUSIVE CHANGE MANAGEMENT

**How to
Ensure Costs
and Benefits
are Equitable**

- Promoting Inclusion and Diversity
- Facilitating Transitions Over Time
- Understanding Market Readiness and Pressure
- Addressing Adjacencies and Ensuring Access

What's in the Implementation Strategy?



- **Commission an Anti-Displacement Stakeholder Group**
- **Launch an anti-displacement study and recommend tools and strategies for protecting residents of moderate to high vulnerability of displacement.**
- **Establish a Displacement Dashboard to Track and Update Equity Metrics**



MOVING FORWARD

ACTIVITY

2022

2023

2023+

2040 Policy Map And
Unified Development Ordinance Adoption

SPRING

2040 Comprehensive Plan Annual Report
(includes Commissioned Committee Activities)

SUMMER

Identify Opportunities for Strategy Application
(within other CIP, Planning Initiatives like
Community Area Plans, Strategic Plans
or Transit Station Area Plans)

FALL

NEST Commission

Commission Charge:

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 tools for protecting residents of moderate to high vulnerability of displacement.

Key Definitions

Direct displacement occurs when residents can no longer afford to remain in their homes due to rising housing costs. Residents may also be forced out by lease non-renewals, evictions, or physical conditions that render homes uninhabitable as investors await redevelopment opportunities.

Indirect displacement refers to changes in who is moving into a neighborhood. Indirect displacement occurs when units being vacated by low-income residents are no longer affordable to other low-income households because rents and sales prices have increased.

Cultural displacement occurs as the scale of residential change advances. Shops and services shift to focus on new residents, the character of the neighborhood is transformed, and the remaining residents may feel a sense of dislocation despite remaining in the neighborhood.

NEST Commission Initial Work Plan

February

Context Setting

- Commission Background
- Initial Work Plan
- Local Landscape Overview

March

“The Toolbox”

- Current programs and initiatives
- Staying in Place Pilot

April

Path Forward

- Review best practices and identify potential gaps
- Commission sets path forward

Local Landscape Overview

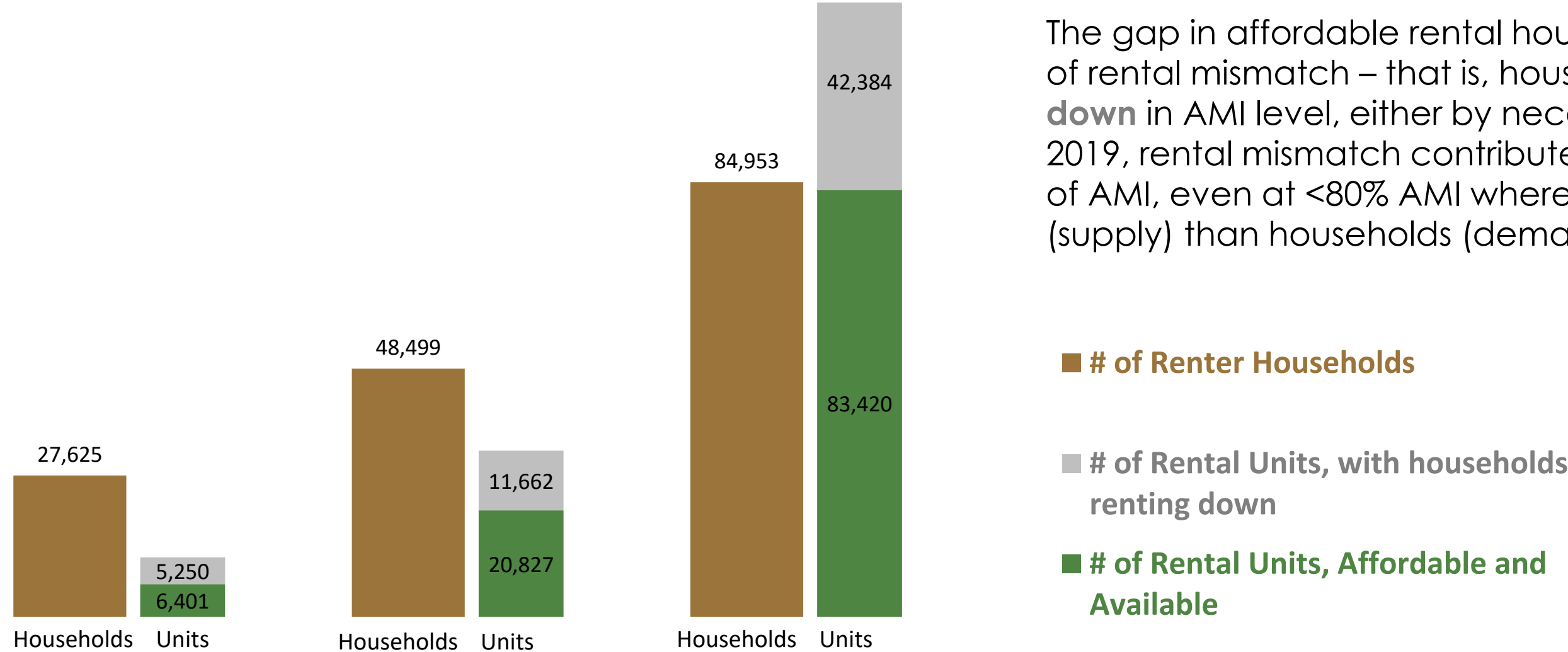
Affordable Housing Gap

As of 2019, there was a need for approximately **27,600** housing units affordable to households at <50% AMI.

30% AMI and Below		50% AMI and Below		80% AMI and Below	
Gap	21,224	Gap	27,672	Gap	1,533

The **housing gap** is calculated as the difference in the **number of households** and the **number of affordable and available rental units** at each level of AMI.

The gap in affordable rental housing is partly a function of rental mismatch – that is, households that are **renting down** in AMI level, either by necessity or by choice. In 2019, rental mismatch contributed to a gap at all levels of AMI, even at <80% AMI where there were more units (supply) than households (demand).

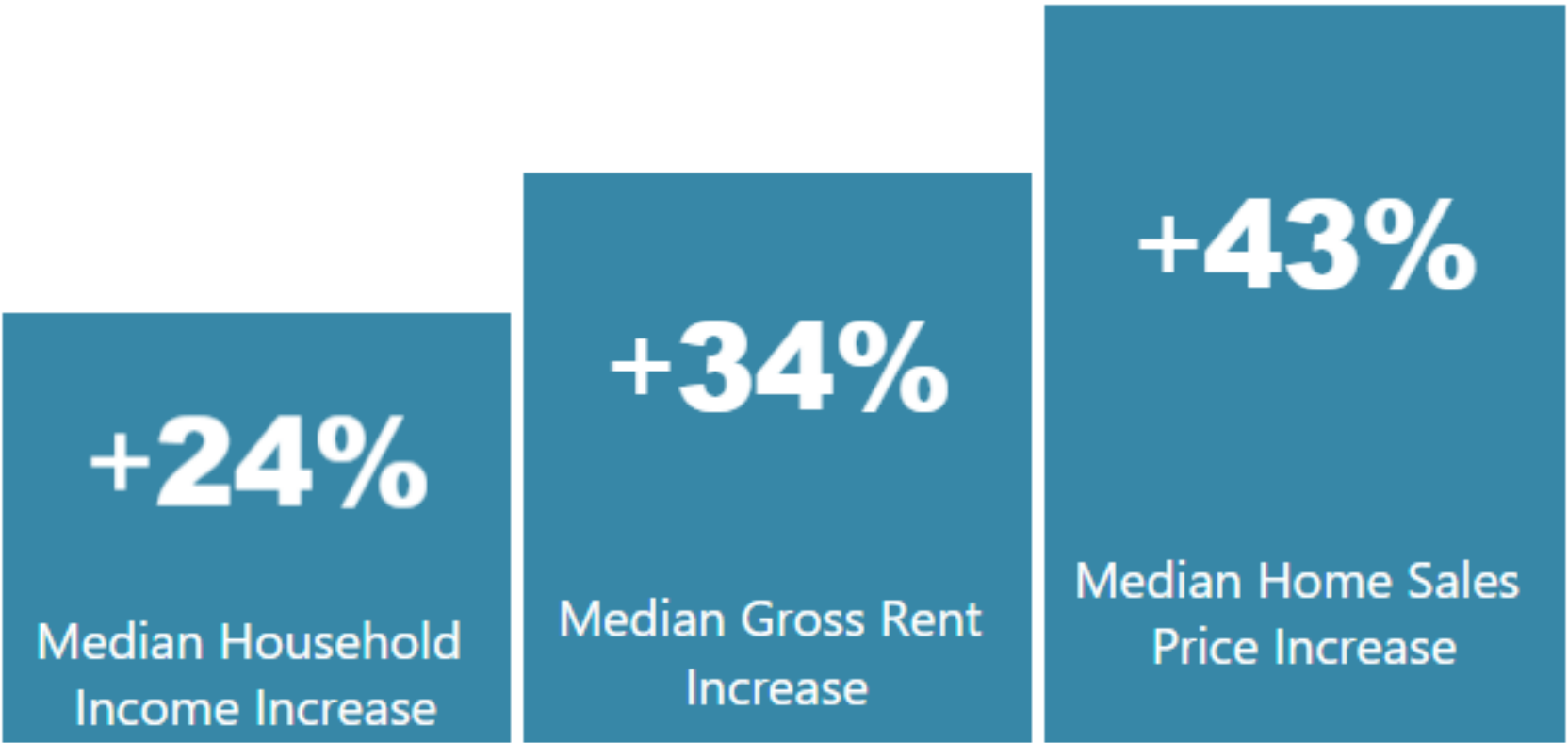


Source: U.S. Census, American Community Survey, Public Use Microdata Sample, 1-Year Estimates, 2019. Accessed from <https://www.census.gov/programs-surveys/acs/data/pums.html>

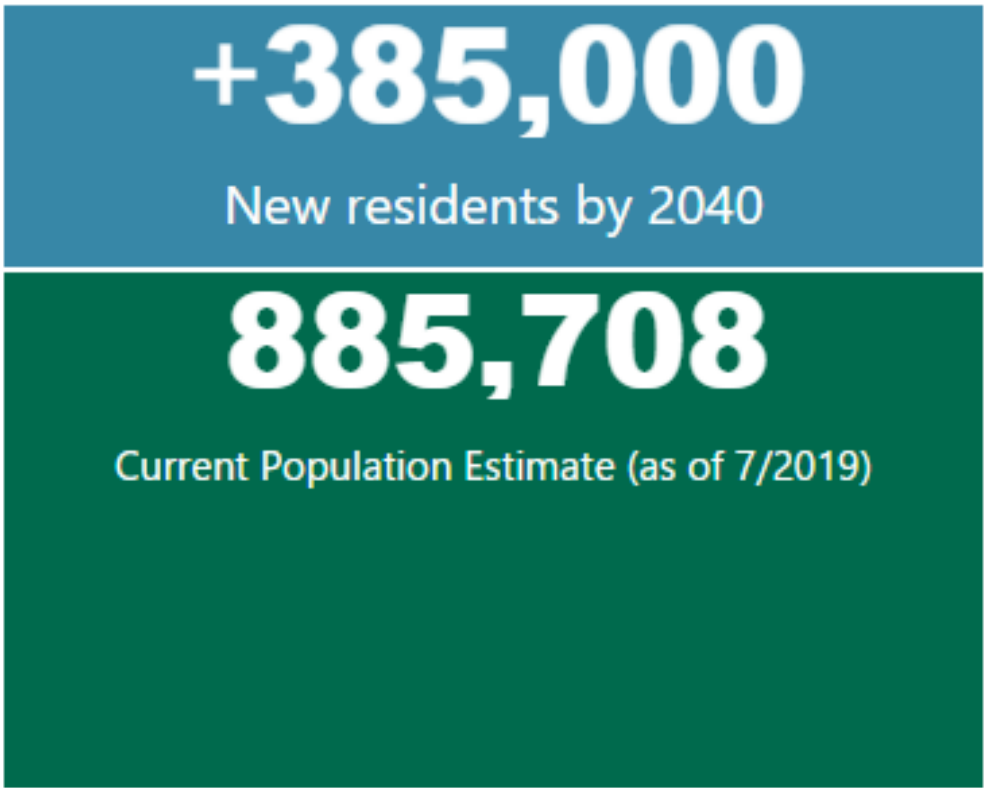
Growth and Rising Costs

Charlotte is a vibrant and desirable city, but rapid growth and changing development patterns have also led to a significant increase in housing costs, while growth in wages and incomes are not keeping pace. Rising costs can result in the displacement of vulnerable residents, including low-income renters, seniors, and persons of color, especially African-American and Latinx residents.

Over the past five years, both rent and home sales prices in Charlotte have outpaced growth in wages and income, making our city less accessible to low- and moderate-income residents.

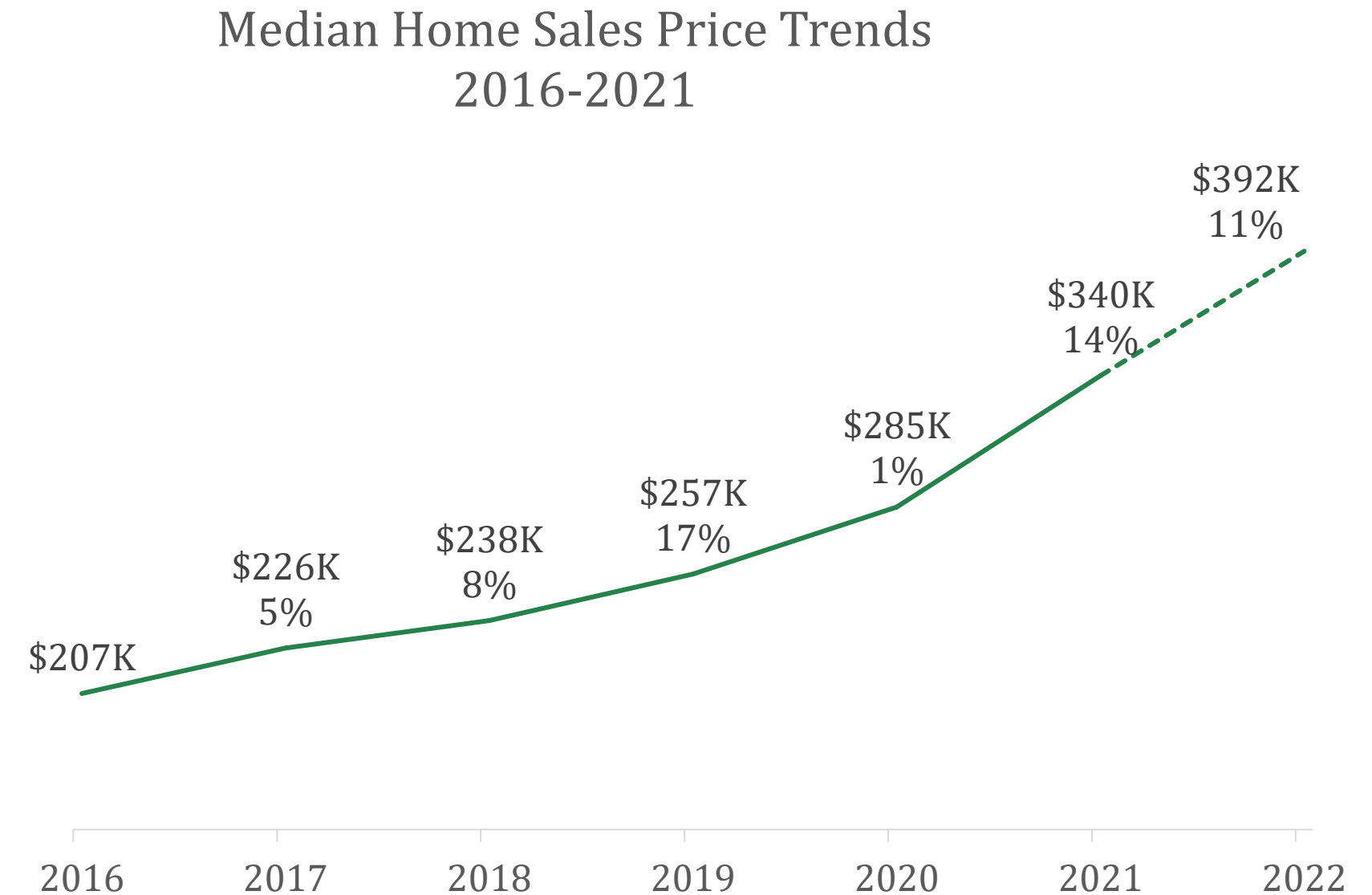


By 2040, Charlotte is expected to grow by another 385,000 persons, contributing to increased costs and growing displacement risk in the future.



Home Sales Price Trends

- ◀ **10% average annual increase in sales price over 5 years**
- ◀ **In 2021, average sales greater than list price (first time)**
- ◀ **0.5 months supply**
 - 810 homes for sale Dec 2021
 - Compared to average of 4,421 over prior Decembers



Large-Scale Apartment Cost Trends

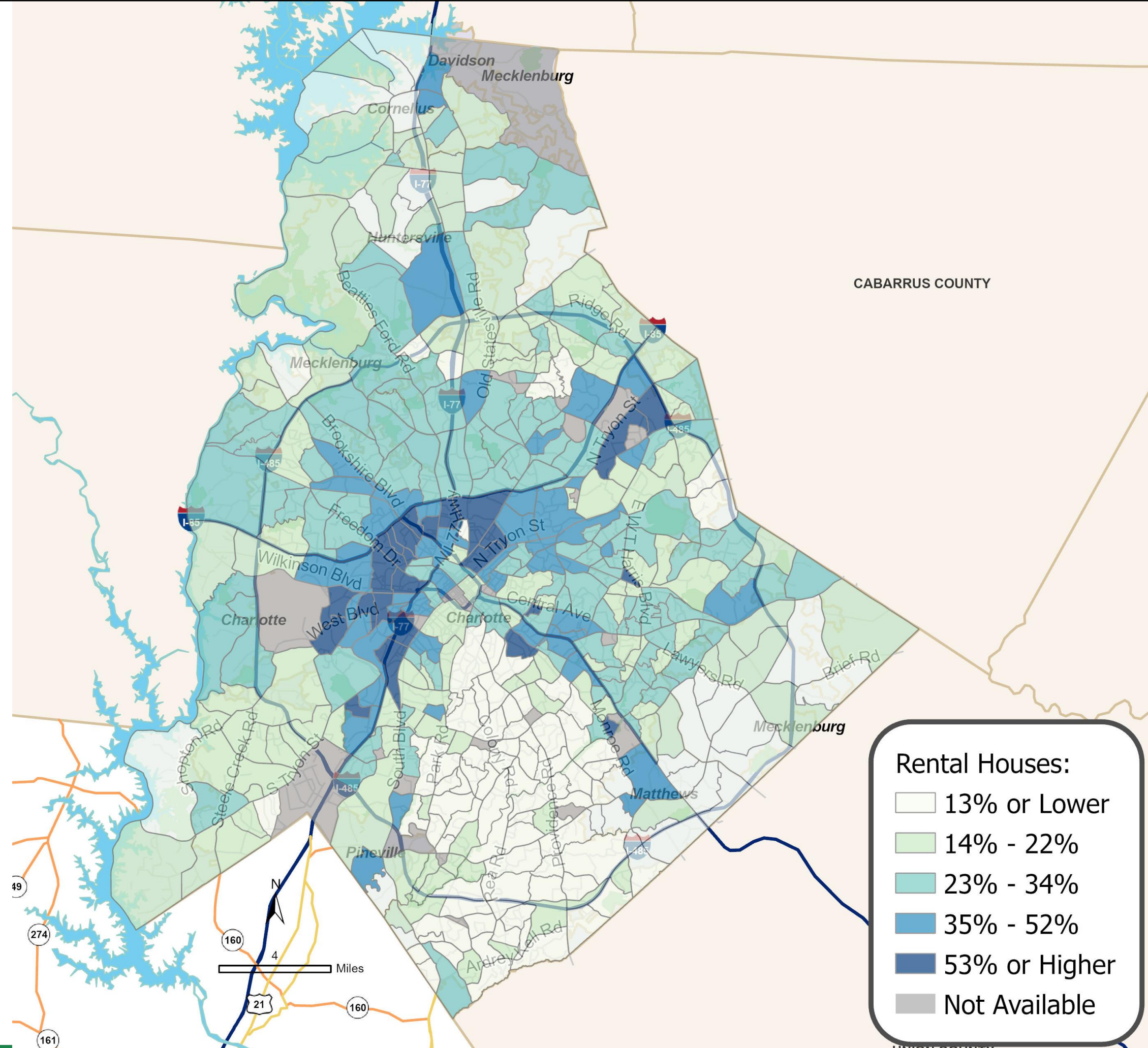
- ◀ **5% average annual increase in rent over 5 years**
- ◀ **Same unit annual rental growth (Aug '20-Aug '21) average 4.4%**
- ◀ **Vacancy rate is 5.2%**

Average Monthly Rent (Mecklenburg County)
August 2016 to August 2021

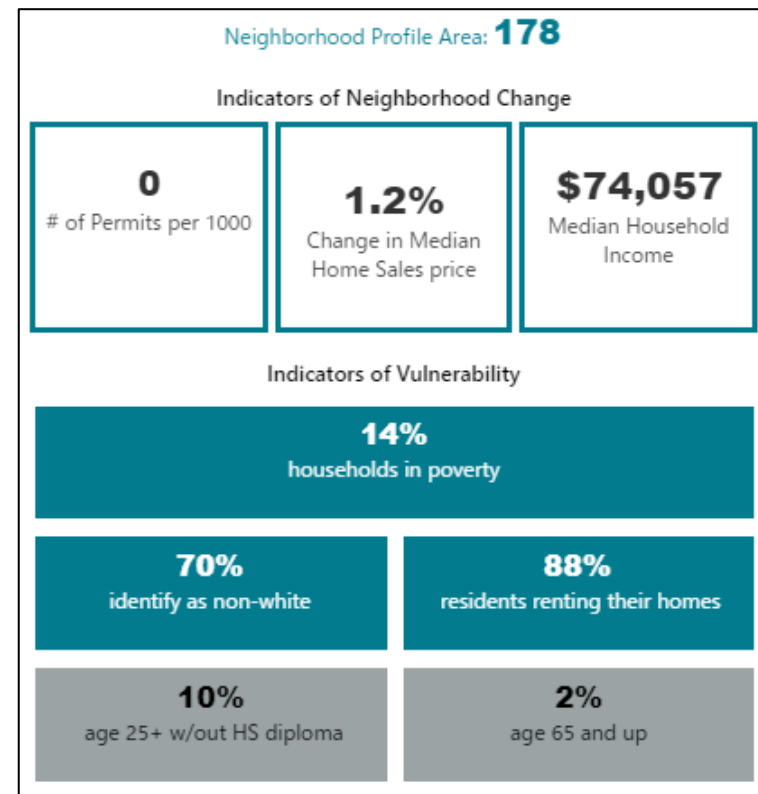
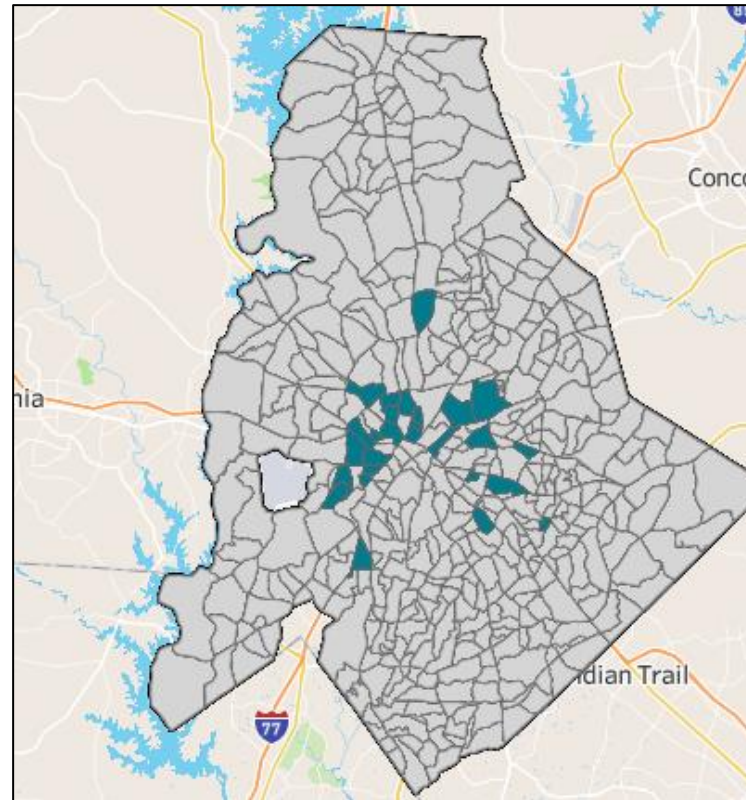


Rental Houses

- ◀ Approximately 36% of Charlotte rental housing is single-family (attached, detached or duplex)
- ◀ A recent Urban Institute analysis found that single-family institutional investor-owned holdings total over 11,000 houses, and growing



Displacement Risk Dashboard



- Developed collaboratively with cross-departmental staff and external stakeholders
- Visualizes three key questions:
 - Who is vulnerable to displacement?
 - Where is displacement risk high today?
 - What impacts displacement risk?
- Dashboard inputs and uses will evolve as tools and strategies develop
- As programs and strategies are implemented, dashboard can be used to track displacement risk, and monitor and evaluate our progress

<https://tableau.charlottenc.gov/t/Public/views/CommunityDisplacement/LandingPage?%3Aiid=1&%3AisGuestRedirectFromVizportal=y&%3Aembed=y>

Questions?