



Overview of Affordable Housing Progress and Strategies

City Council
Special Meeting on Affordable Housing
August 28, 2017

Key Messages

- The lack of affordable housing is not unique to Charlotte
- Housing Policies are Evolutionary
- Best Practices are Being Used
- Public/Private Partnerships and Resources are Essential

Community Letter Overview

On October 3, 2016, Charlotte City Council issued a letter to the community outlining goals for policing, housing and jobs to address issues and concerns expressed following the Charlotte demonstrations.

This Community Letter is about **everyone working together** – across all communities – to make Charlotte the best city for all.

For City Council, that means four things in particular:

1. Trust in community policing
2. **Quality, affordable housing**
3. Good jobs and the skills to get them
4. Other opportunities: the community letter is just the beginning



A Letter to the Community

Monday, Oct. 3, 2016

We, the 11 members of Charlotte City Council, hear the angst, frustration and heartbreak expressed both in the streets and in our Council Chamber. We have heard the concerns of our constituents, and we can and will take additional action. We commit to you that our approach will be inclusive, and we value all voices in this process. We are here to serve all of Charlotte, and we are here to work together to make our city the best it can be.

We recognize that there are some people who enjoy relative wealth, privacy and opportunity, while others struggle to find good paying jobs, affordable housing, and some may not trust law enforcement. Our challenges are no different than in other places in this country.

Our community is stronger when we work together. To move forward requires everyone to help, when our community comes together, great things happen. This is our spirit. This is our culture. This is our city. We will lead. We will act. We will do this together.

To that end, the City Council pledges its energy and focus on three key areas for further discussion and action at Monday's City Council meeting on Oct. 3:

- Safety, Trust & Accountability
- Access to safe, quality and affordable housing
- Good jobs and the skills to get them

For Safety, Trust & Accountability, we support our Police Chief and the next six members of the Charlotte-Mecklenburg Police Department, including our Chief's continued efforts to enhance trust and accountability across our community. We will work with our community partners to review and implement the recommendations from the President's Task Force on 21st Century Policing.

For Housing, we will to accelerate funding for housing, with the goal of creating 5,000 workforce and affordable housing units in three years as those who work in our City are live in our City.

For Good Jobs and the Skills to Get Them, we seek to invest \$1 billion in a new workforce development program that will increase job training and placement for individuals who are unemployed.

We will our federal, state and local partners across the public, private and non-profit sectors to join us. This is just a start with more to follow. Through it all, we ask that trust be accessible as we build a stronger and more diverse future for all.

Members of the Charlotte City Council

Office of the City Council 400 East Fourth Street Charlotte, NC 28202 2845 704/386-0941

Community Letter

Winning City Traits

Beyond Borders

Advancing collaboration across and outside the region

Open Book

Being hyper-transparent and a proactive communicator

Shared Story

Advancing a seamless narrative; Why we're unique

Affordable Spaces

Meeting the rising demand for affordable housing

Millennial Magnet

Being a hot spot for young professionals

Open Mind

Being creative, innovative, and accepting of new ideas

15-Minute Livable Communities

Investing in diverse neighborhoods

Workforce Dynamics

Advancing large-scale training and re-skilling

Big Tent

Being a welcoming and inclusive community

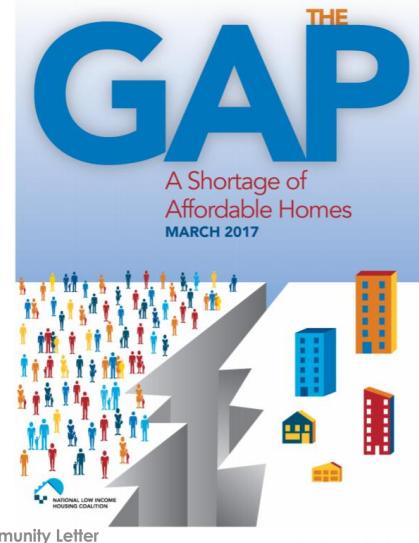
Positive Buzz

Inspiring and scaling positive word of mouth

Community Letter

Affordable Housing Crisis is Not Unique to Charlotte

- ▶ “Not a single U.S. county has enough affordable housing” (Fortune.com, 2015)
- ▶ “Every major metropolitan area in the US has a shortage of affordable and available rental homes...” (National Low Income Housing Coalition, 2017)
- ▶ Charlotte’s housing issues are substantially similar to those of many cities experiencing growth..” (ULI Terwilliger report 2017)



Who Needs Affordable Housing

Customer Service



\$15

Health Aides



\$10

Retail Sales



\$10

Food Prep



\$8

Laborers



\$11

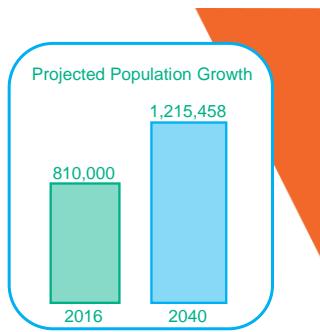
Median wages for forecasted high-growth occupations in Charlotte, 2010-2020.

Source: NC Department of Commerce, prepared for the Charlotte-Mecklenburg Workforce Board

Community Letter

The City is Growing

- ▶ 44 new residents per day
 - ▶ 1.2 million people by 2040
 - ▶ Senior population is expected to nearly double by 2030



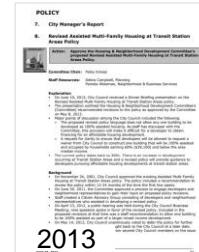
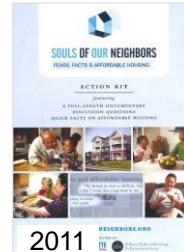
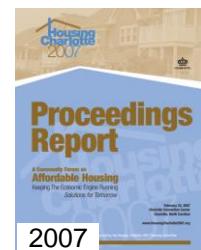
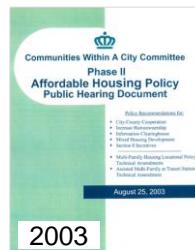
Affordable housing is intrinsically linked to:

- Good paying jobs
 - Safe neighborhoods and business districts
 - Quality education
 - Other City Services (i.e.: Transportation)



Population Growth: Dr Owen Foruseth; US Census; CRTPO; Charlotte Mecklenburg Planning Dept.

The work of affordable housing is evolutionary



Recommendations for increasing affordable and workforce and housing

Recommendations	Opportunity Task Force	Terwilliger
Support City's goals of creating or preserving housing units	X	X
Pursue new and/or dramatically expanded sources of public funding to support affordable housing development	X	X
Engage private, nonprofit and public developers in new conversations to create innovative strategies to address locational and financial barriers to affordable housing.	X	X
Encourage and support more place-based initiatives that include affordable housing as part of neighborhood revitalization efforts	X	X
Ensure mixed income housing is always considered when planning new residential or mixed used development	X	X
Act on the recommendations outlined in the Charlotte-Mecklenburg Strategies for Affordable Housing Development Report	X	X

Community Letter

Charlotte Currently Uses Best & Innovative Practices

FINANCIAL

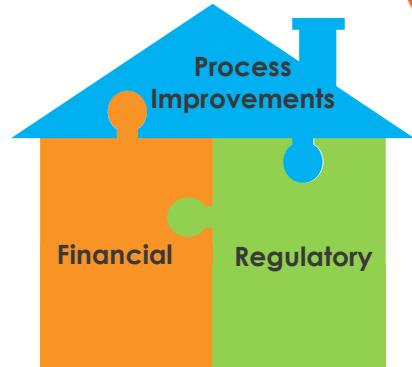
- Housing Trust Fund
- House Charlotte Down Payment Assistance
- Targeted Rehabilitation
- Tenant-Based Rental Assistance
- Partnerships

REGULATORY

- Density Bonus

PROCESS IMPROVEMENTS

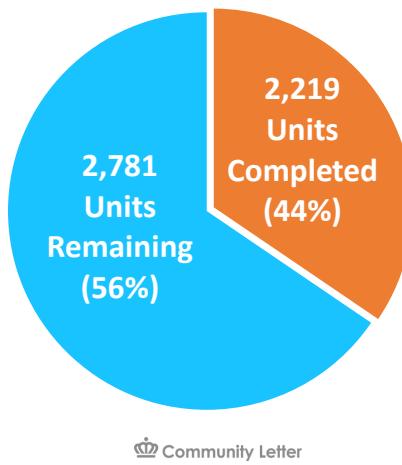
- Use of City Owned Property
- Greater collaboration across City departments



Community Letter

Production Update

- Goal: 5,000 units in three years
- Accomplishments: January 1, 2016 – August 15, 2017



Comprehensive Strategic Housing Plan

- Long-Term Plan
- Analysis of existing conditions
- Overall Production and Housing Needs
- Best Practices
- Next Steps



Community Letter

Summary of Key Messages



Market

- higher rents and an insufficient supply of rental units affordable to low income households
- potential loss of more than 1,000 subsidized units with expiring federal subsidies

Need

- at least **21,195** rental units for extremely and very low-income residents to meet the existing need

Production

- incentives could also support housing production without allocating additional funding
- unawarded tax credit projects represent an unfunded pipeline of affordable housing projects

Financing

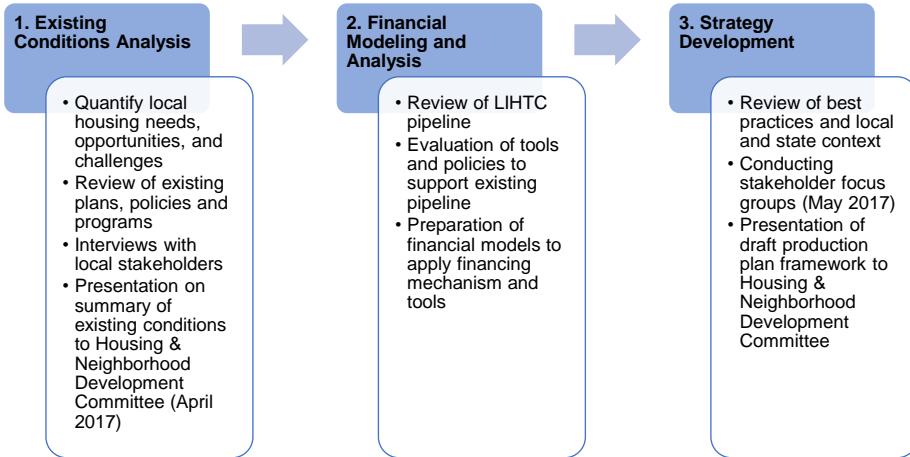
- federal funding has fluctuated significantly, decreasing from year to year
- Additional and varied local financing tools are needed

Policy

- several policy tools are in place, however additional tools are required to reduce cost or increase production of affordable housing

Community Letter

Project Approach & Key Milestones



Community Letter



Overall Housing Production



Change in households and housing units (share) (2000-2015)
Charlotte, NC



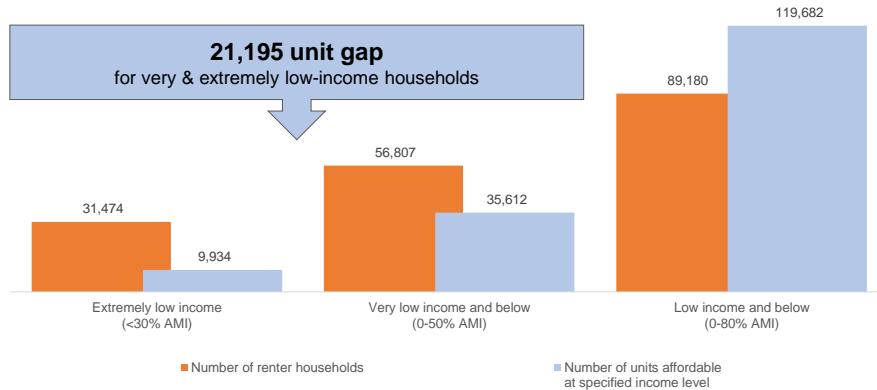
Community Letter



Current Need



Total affordable rental units by income level
Charlotte, NC



Community Letter

Key Findings



Existing conditions analysis

Need for more, diverse funding tools

Importance of incentives to support development

Barriers related to the development review process

Emphasis on place & opportunity

Stakeholders

Interest equity, loan guarantees, and low-interest debt products

Vetted tax relief incentives, density bonuses, locational policy, etc.

Need for better coordination and streamlined processes

Keep place and opportunity as drivers of City's production goals

Focus Groups

Prioritize equity and low-interest loan products

Expand incentives for market rate developers to build affordable housing

Reduce barriers for affordable housing development

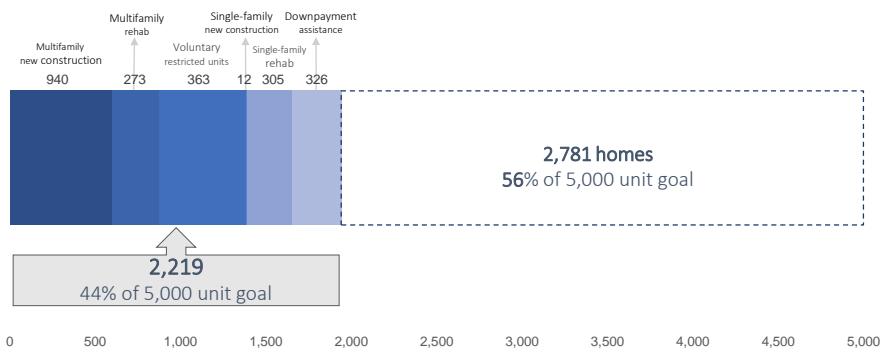
Leverage assets and incentives to promote access to opportunity

Community Letter

Current Progress

For Housing, we seek to accelerate funding for housing, with the goal of creating 5,000 workforce and affordable housing units in three years so those who work in our City can live in our City.

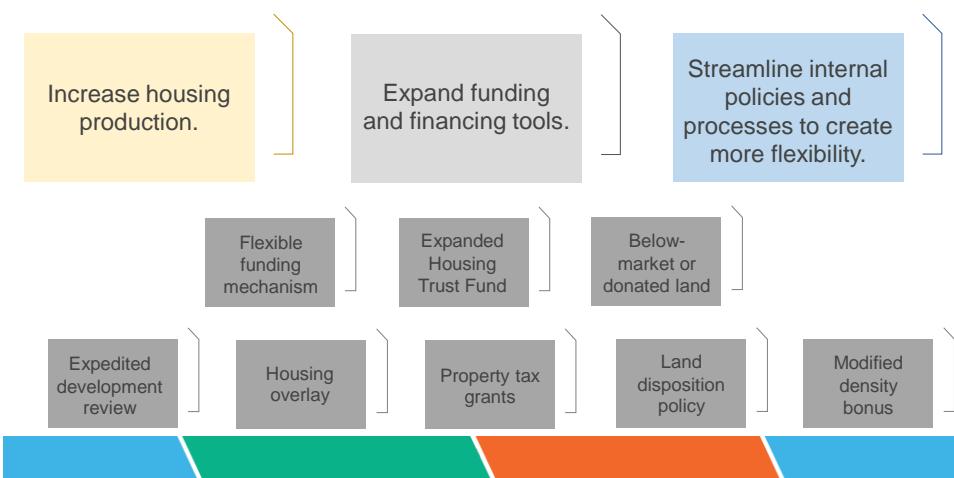
*--- Charlotte City Council
in a letter to Charlotte residents, October 3, 2016*



Path to 5,000



GOAL: Create 5,000 workforce and affordable housing units in three years.



Best Practices



Strategy Framework



ACCELERATE

Strategies that can be accomplished through internal changes or through key partnerships within a short period of time. These strategies are intended to remove existing barriers to affordable housing development or support short-term approaches to ongoing local work.

SUSTAIN

Strategies that institutionalize short-term changes intended to accelerate housing production within Charlotte, so that the City creates a robust environment to support a consistent housing pipeline over time.

ADVANCE

Strategies that connect the City's housing-related work to other sectors and levels of governance to ensure housing acts as a platform to advance economic opportunity.

Strategy Framework: ACCELERATE



ACCELERATE

Strategies that can be accomplished through internal changes or through key partnerships within a short period of a time. These strategies are intended to remove existing barriers to affordable housing development or support short-term approaches to increase production.

Policy & processes

- Establish development incentives and related zoning overlays.
- Align development incentives with the City's Assisted Multifamily Housing at Transit Station Areas and Mixed Housing Development housing policies.
- **Revise Housing Locational Policy as a barrier and related waiver requests.**
- Strengthen program criteria and selection process for Housing Trust Fund dollars

Funding & financing

- Establish a separate fund or financing mechanism to target unfunded 9% and 4% tax credit transactions.
- Align capital improvement funds to support projects financed with HTF dollars.
- Continue to use Section 108 funding to finance mixed-income and mixed-use developments.

Production

- Create program to solicit projects under new funding mechanisms
- Work with local anchor institutions and large employers to fund affordable housing
- **Pilot a tax relief program to encourage market developers to partner with nonprofit developers**
- Support additional affordable housing opportunities through accessory dwelling units and surplus land inventory.

Strategy Framework: SUSTAIN



SUSTAIN

Strategies that institutionalize short-term changes intended to accelerate housing production within Charlotte, so that the City creates a robust environment to support a consistent housing pipeline over time.

Policy & processes

- Develop a unified affordable housing policy that creates consistent goals for housing opportunities.
- Integrate housing goals and tools into Unified Development Ordinance update.
- **Expand the Housing Diversity Program to include an opportunity framework.**
- Use code enforcement to target existing rehabilitation programs to substandard properties.

Funding & financing

- Establish an acquisition fund to strategically acquire projects for new construction and preservation
- Create dedicated preservation resource with partner agencies.
- Pursue Residential Property Assessed Clean Energy (PACE) legislation and program.
- **Develop an NRSA to use federal funding in more flexible ways and target resources more effectively.**

Production

- Support a Community Land Trust to acquire property in stronger markets.
- Build small contractor capacity to support rehabilitation and single-family new construction.

Strategy Framework: ADVANCE



ADVANCE

Strategies that connect the City's housing-related work to other sectors and levels of governance to ensure housing acts as a platform to advance economic opportunity.

Policy &
processes

- Develop a common set of criteria to evaluate projects in relation to opportunity.
- Educate the general public about the benefits of affordable and workforce housing.
- Develop and adopt a preservation ordinance to require right-of-first-refusal.

Funding &
financing

- Broaden affordable housing bond referendum to cover a longer-term commitment.
- Grow or expand separate fund mechanism to prioritize projects that promote access to opportunity.

Production

- Evaluate preservation, acquisition and equity fund mechanisms to ensure they are aligned and make adjustments as necessary.
- Create process to transfer publicly controlled properties to an intermediary.

Charlotte's evolving housing strategy



Path to 5,000

Sets the foundation to accelerate, sustain, and advance Charlotte's housing production.



Comprehensive Housing Plan

Establishes long-term housing strategy and policy objectives.



Communities of Opportunity

Charlotte residents have access to affordable housing in communities that provide access to opportunity.

Community Letter