



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.

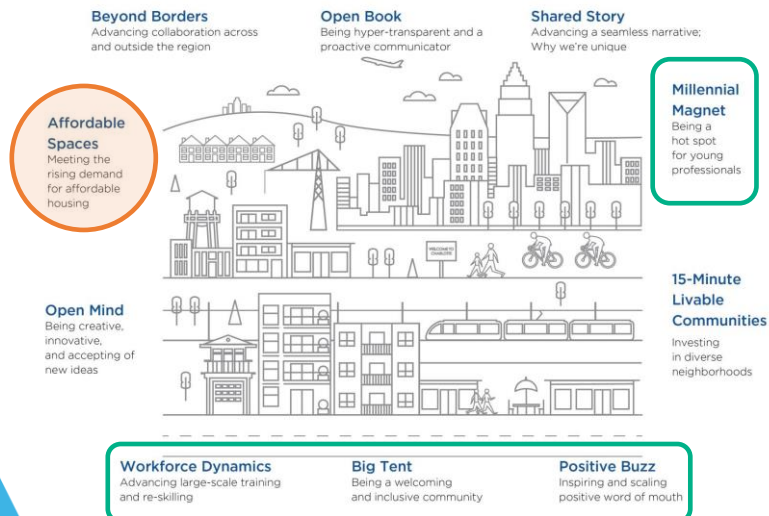
For City Council, that means four things in particular:

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



 Community Letter

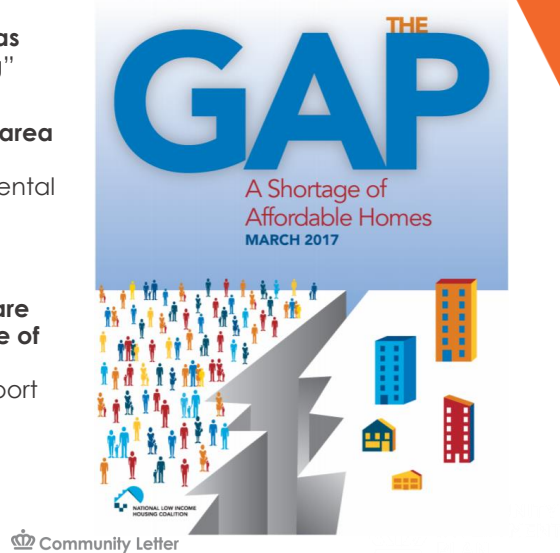
Winning City Traits



 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

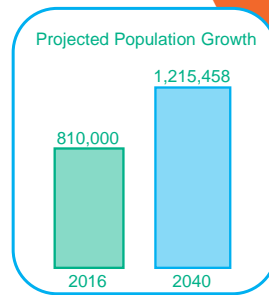
Median wages for forecasted high-growth occupations in Charlotte, 2010-2020.

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



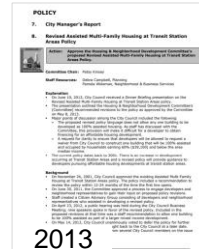
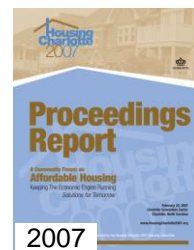
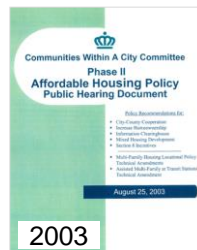
Affordable housing is intrinsically linked to:

- 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

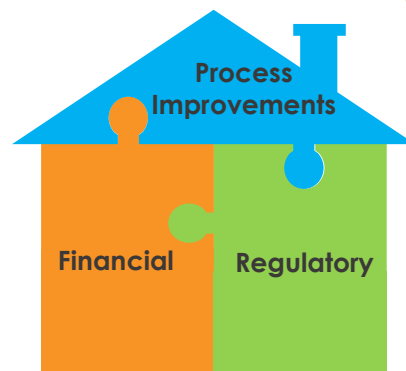
REGULATORY

- Density Bonus

PROCESS IMPROVEMENTS

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

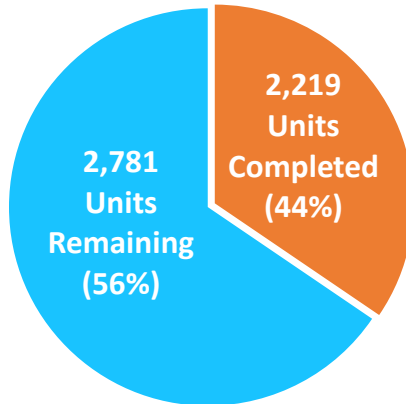
Community Letter



Charlotte-Mecklenburg
Strategies for Affordable
Housing Development
Report

Production Update

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



 Community Letter

COMMUNITY LETTER
CITY OF SEATTLE
OFFICE OF COMMUNITY DEVELOPMENT

Comprehensive Strategic Housing Plan

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

 Community Letter

COMMUNITY LETTER
CITY OF SEATTLE
OFFICE OF COMMUNITY DEVELOPMENT



 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

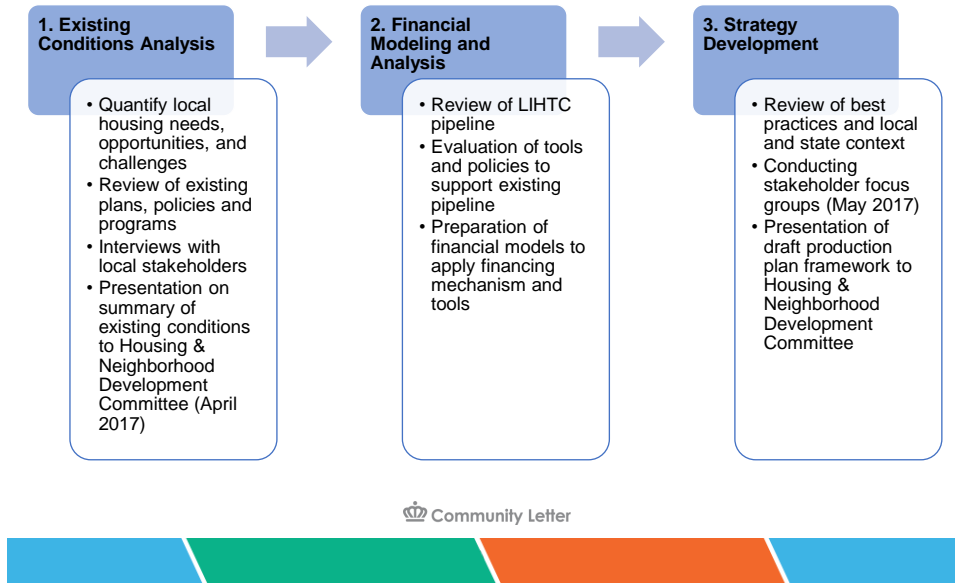
- federal funding has fluctuated significantly, decreasing from year to year
- Additional and varied local financing tools are needed

Policy

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

 Community Letter

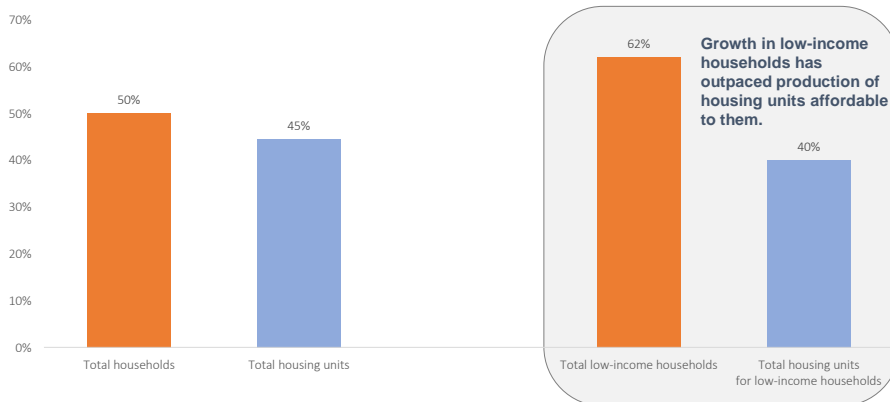
Project Approach & Key Milestones



Overall Housing Production

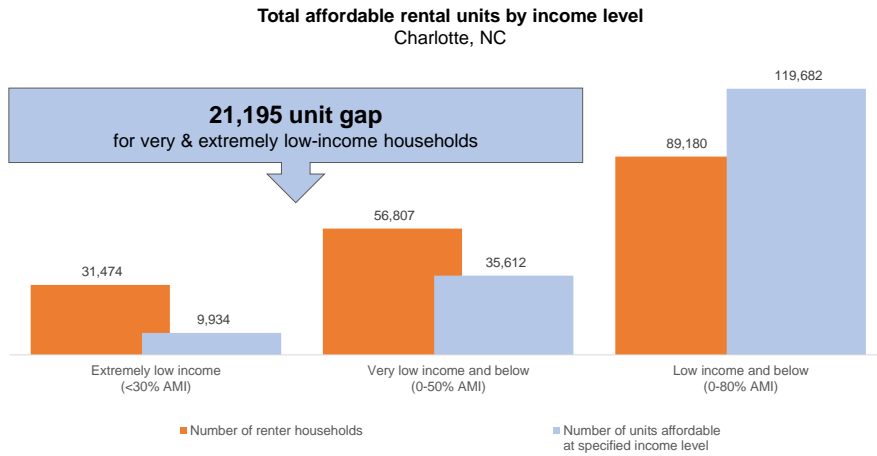


Change in households and housing units (share) (2000-2015)
Charlotte, NC



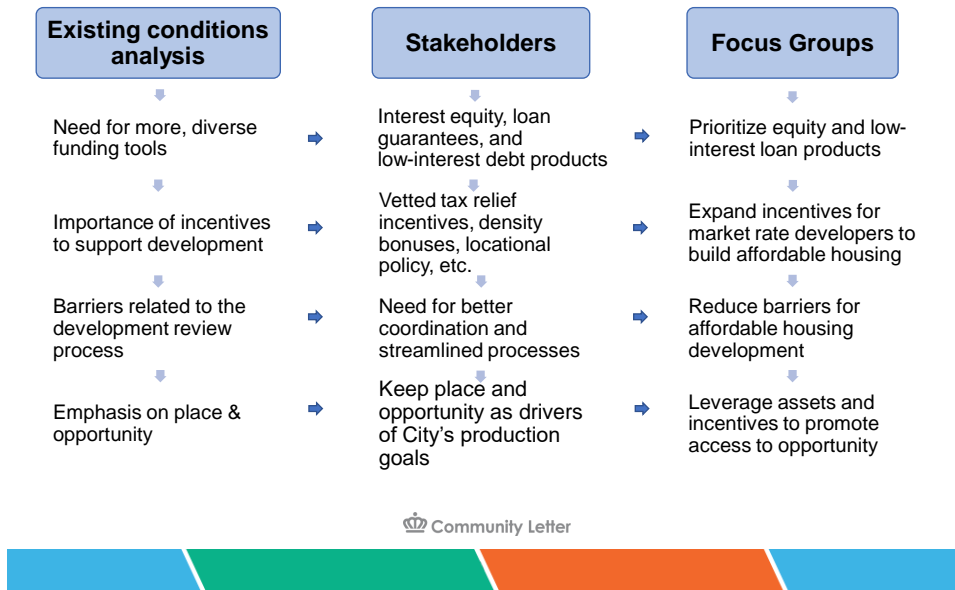
Community Letter

Current Need



Community Letter

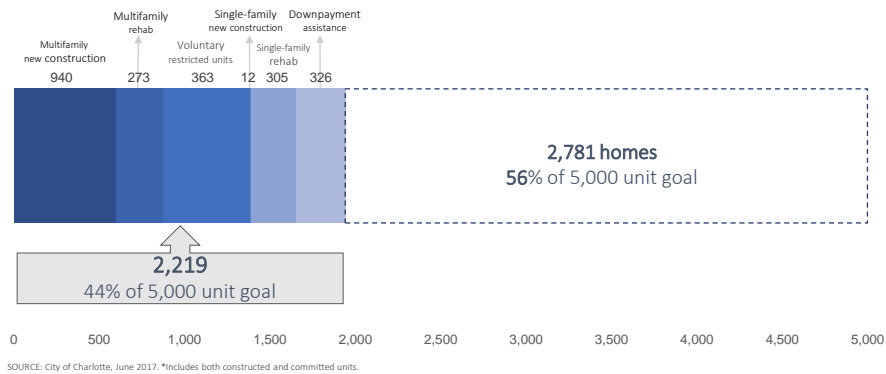
Key Findings



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.

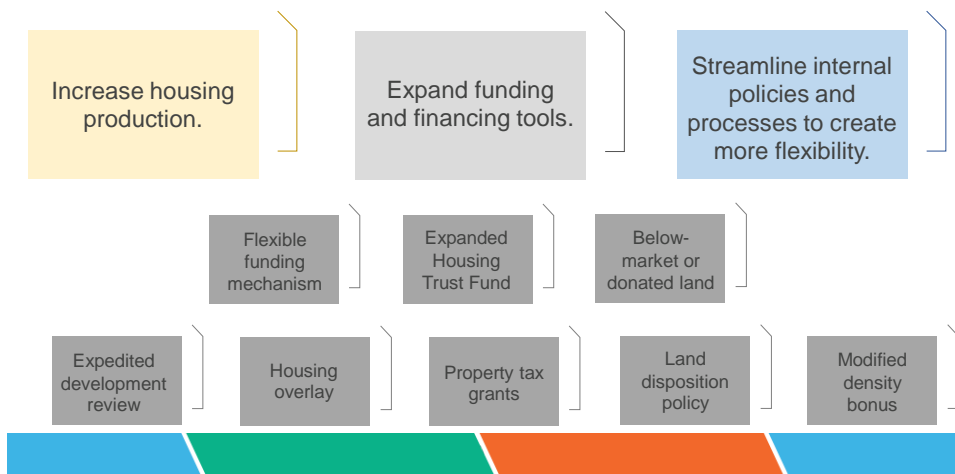
--- Charlotte City Council
in a letter to Charlotte residents, October 3, 2016



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 a 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.