



Charlotte City Council
Housing, Safety & Community Committee
Meeting Summary for April 7, 2025

COMMITTEE AGENDA TOPICS

1. Affordable Housing Innovation

COMMITTEE INFORMATION

Committee Members Present:	Victoria Watlington (CMGC), LaWana Mayfield (CMGC), Dimple Ajmera (CMGC), Tiawana Brown (virtual), Reneé Johnson (CMGC)
Committee Members Absent:	n/a
Staff Resources:	Shawn Heath, City Manager's Office Warren Wooten, Housing & Neighborhood Services
Meeting Duration:	4:00 – 5:30 PM

DISCUSSION HIGHLIGHTS

City Council member Watlington called the meeting to order and asked everyone to introduce themselves.

Affordable Housing Innovation

Shawn Heath shared that staff will provide an overview of current approaches to innovation, preview upcoming opportunities, and seek Committee feedback to inform the \$5 million innovation pilot approved by Council as part of the Affordable Housing Funding Policy.

Warren Wooten reviewed the \$100 million housing bond implementation plan established in the city's Affordable Housing Funding Policy and explained that activities in each of the investment categories are underway. The policy includes goals for innovation - seeking to activate bold ideas that reflect innovative approaches to affordability and testing new ideas to address emerging and unique community needs with potential to scale. He shared that staff seeks to incorporate new and innovative solutions in all areas of the work, including working with partners, creating new programs, and piloting new opportunities. Mr. Wooten walked the Committee through current innovative initiatives that are being explored or are otherwise underway, including mixed-purpose development to achieve city goals; expanded land development strategies including city-owned land for proposals and directed development, and land acquisition and development; planning and zoning approaches including zoning for partner institutions, tree banking, and pattern books; measuring impact including a relationship with UNC Charlotte's Urban Institute; harnessing industry and academic expertise; implementing a housing policy simulator; and new financing tools including a small landlord retrofit pilot program, a bridge loan product with a current pilot opportunity at Albemarle Landing in east Charlotte, and leveraging HUD's Section 108 Loan Guarantee Program to create a new city loan fund.

Highlights of the Committee discussion:

- Interest in exploring tiny homes, repurposed shipping containers, and 3D-printed building technologies.
- Support for housing investments targeting 30% AMI and second-chance opportunities for individuals with criminal records or eviction history.
- In light of federal-level changes, consider how and where to invest limited resources for the greatest community impact—such as prioritizing workforce housing.
- Concern about using future CDBG funds for the Section 108 proposal due to federal funding uncertainty. Emphasis on thorough research and caution.
- Concern about tree banking; cited benefits of trees for air quality and health in affordable housing developments. Request for more information.
- Support for the small landlord retrofit pilot program.
- Request for more information on streamlining planning and zoning processes.
- Enthusiasm for creating a pattern book for residents.
- Support for implementing a policy simulator.
- Support for the bridge loan proposal to assist rent-ready developments.
- Mentioned Heal Charlotte's supportive housing and shelter services; desire to maintain programs like this.
- Interest in reviewing the recent state legislation focused on land use restrictions and by-right development.

Next Meeting

Meeting adjourned at approximately 5:30 pm. The next meeting will occur on May 5, 2025.

MEETING MATERIALS

All meeting materials are available online at the [Charlotte Legistar Site](#). City Council Committee meeting videos and transcripts can be viewed on the [City of Charlotte's YouTube channel](#) (April 7, 2025 meeting link: <https://youtu.be/WZEEqL6Aemw?t=21672>).

AFFORDABLE HOUSING INNOVATION : ACTIVATING BOLD IDEAS

APRIL 7, 2025 – HOUSING, SAFETY AND COMMUNITY COMMITTEE

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Affordable Housing Innovation

Council Priority Alignment

- ▶ Great Neighborhoods; Affordable Housing

Purpose

- ▶ To review and discuss opportunities to activate bold ideas and advance affordable housing innovation

Key Takeaways

- ▶ Review current approaches to innovation everyday
- ▶ Preview upcoming opportunities to pilot new approaches
- ▶ Provide guidance to staff in activating on Innovation Pilot Fund

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Affordable Housing Innovation

Previous Council Communication

- **September 2024: Council adopts Affordable Housing Funding Policy**

Future Council Action

- **Based on committee feedback, staff will bring Innovation Pilot Fund opportunities forward for review and consideration**
- **May 2025: Council will be asked to adopt the Housing and Community Development Consolidated Plan and Annual Action Plan, inclusive of ideas shared today**

\$100 M Housing Bond Implementation

Investment Category	Goal	Implementation Plan
Rental Housing Production	\$35 M	<ul style="list-style-type: none"> Housing Trust Fund RFP – First round recommendations April 14, 2025
Homeownership	\$25 M	<ul style="list-style-type: none"> Housing Trust Fund RFP House Charlotte – New guidelines ARR Revolving Loan Fund
Rental Housing Preservation	\$14 M	<ul style="list-style-type: none"> Rolling NOAH RFP Small Landlord Retrofit Program
Supportive Housing & Shelter	\$9 M	<ul style="list-style-type: none"> Housing Trust Fund RFP
Housing Rehab and Emergency Repair	\$5 M	<ul style="list-style-type: none"> RFP for Partners CiviForm application for Emergency Repair
Innovation Pilot Fund	\$5 M	<ul style="list-style-type: none"> HSC Committee to provide guidance, staff will cultivate future opportunities and bring forward for consideration
Site Acquisition	\$5 M	<ul style="list-style-type: none"> TOD Land Acquisition RFP
Administration & Evaluation	\$2 M	<ul style="list-style-type: none"> Partner Contracts for Evaluation and Services
Total	\$100 M	

Policy Guidance: Innovation

Activate bold ideas with potential to scale

- ▶ Priority will be given to proposals that reflect innovative approaches to affordability or test new ideas to address emerging and unique community needs
- ▶ Focus on ideas that may be repeatable and scalable, and serve to advance other city priorities
- ▶ Example models may include innovative models of homeownership, new/underutilized housing typologies, development overlay options, new construction techniques, and building designs and strategies that lower costs of construction and/or maintenance costs for residents

Our Approach: Innovation Everyday

- ▶ Cultivating new approaches
- ▶ Working together with partners to solve problems and remove barriers
- ▶ Creating new programs and products that are responsive to emerging conditions
- ▶ Examples and pilot opportunities:
 - New Planning, Development & Land Use Strategies
 - Catalyzing Academic & Industry Partners
 - Expanded Financing Tools



Planning, Development & Land Use Strategies

Mixed Purpose Development

- ▶ **Developing processes & strategies to create mixed use projects that achieve multiple city goals**
- ▶ **Currently exploring collaboration opportunities including:**
 - Housing + Fire/Police Stations
 - Housing + Learning Communities
 - Housing + Mobility + Sustainability



Expanded Land Development Strategies

City-owned Land Request for Proposals

- The city releases pre-identified, city-owned parcels suitable for affordable housing under an open RFP process, allowing developers to propose projects.
- Works best for sites intended solely for affordable housing development.

City-owned Land Directed Development

- City pre-tests design concepts before releasing an RFP tailored to the preferred plan
- Works best for sites that can meet multiple city objectives, or a specific build type is requested

Land Acquisition and Development

- City supports land acquisition or directly purchases sites that meet strategic objectives
- Works best for sites where direct city investment will ensure development achieves a council requested outcome

Planning and Zoning Approaches

► Zoning for Partner Institutions

- Affordable Housing Rezoning Pilot Program for affordable housing developments participating in the Housing and Neighborhood Services Faith-in-Housing Initiative

► Tree Bank

- Program that would allow affordable housing projects to use an off-site tree mitigation bank in lieu of on-site tree save. Approach maintains tree canopy commitments while allowing up to 15% more of the site to be developed to make affordable housing projects more feasible

► Pattern Book

- A planning resource providing design guidance and examples, used to encourage development that activates on UDO flexibilities and promotes a community affirmed vision

Catalyzing Academic & Industry Partners

Measuring Impact

Policy Guidance: Measuring the impact of the city's housing investments and services is an integral component of the funding policy

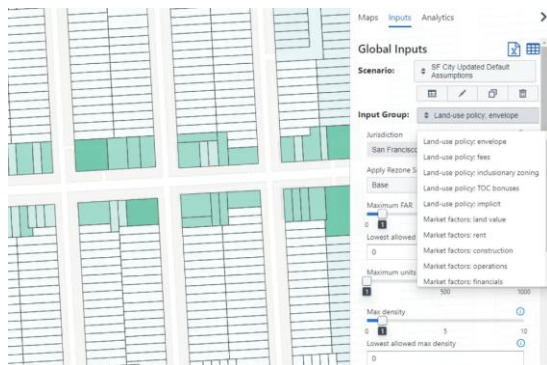
- ▶ Established relationship with UNC Charlotte Urban Institute to implement evaluation plan
- ▶ Research team is working to develop and track outcome measures for residents and households supported by city housing investments
- ▶ Researchers will assess how Housing Trust Fund investments have created measurable benefits for residents and recommend improvements to maximize the effectiveness of future funding investments

Harnessing Industry and Academic Expertise

- ▶ **Develop opportunities for business and academic partners to advance new solutions and demonstrate new products and technologies**
 - Building techniques
 - Construction materials
 - Funding solutions
- ▶ **Exploring conferences, hackathons and design challenges**

Implementing a Housing Policy Simulator

- ▶ **Interactive zoning & financial feasibility tool**
- ▶ **Allows for detailed data-driven decision making**
- ▶ **Adjusts key variables such as construction costs, rent levels, and subsidies to reflect local conditions**



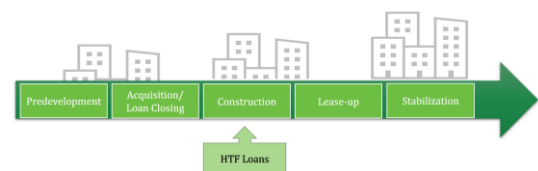
Expanded Financing Tools

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Expanded Financing Tools

- ▶ Charlotte currently offers long-term deferred loans to secure extended affordability periods
- ▶ Loans are gap funding and act as a “but for” funding tool that allow developments to “pencil out”
- ▶ Developments require multiple funding sources and loan types to complete a development
- ▶ Current tools target projects of larger scale

Development Finance Process

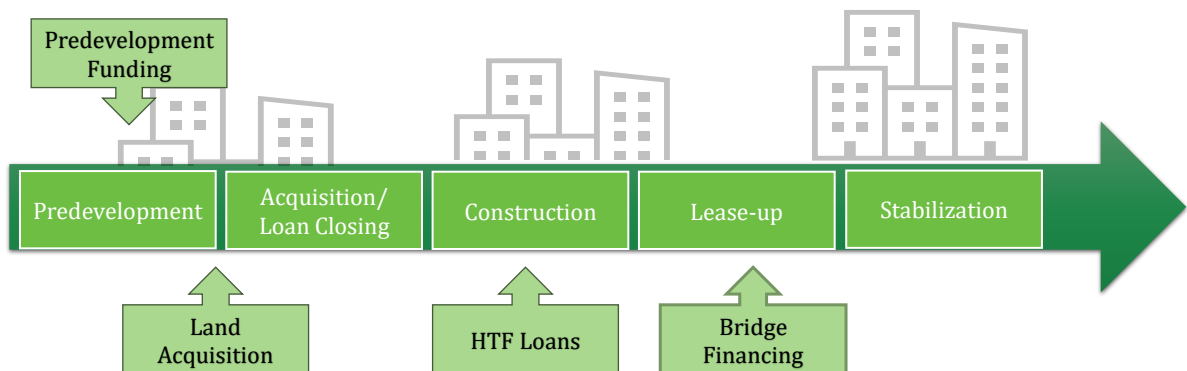


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Expanded Financing Tools

- ▶ Exploring new financial products and financing tools that support other development cycle needs and smaller-scale projects
- ▶ Blending funding sources to create sustainability and flexibility
- ▶ Leveraging other funding sources in new ways to further extend the city's investment

Piloting New Finance Tools



Small Landlord Retrofit Loan Program

- ▶ Pilot program will support affordability preservation in partnership with existing landlords
- ▶ The loan product will allow for property repairs that support tenant safety, affordability and health. Types of improvements: code violation mitigation, heating and cooling, accessibility and mobility upgrades
- ▶ Eligibility will include long-term ownership, smaller properties (under 50 units) and affordability commitments
- ▶ Pilot will run for one year and report back outcomes and recommendations

Bridge Loan Product

- ▶ Short term (5-7 year) loan product leveraging federal HOME funds
- ▶ Interest bearing & amortizing
- ▶ Payments returned to funding source for future Council allocation
- ▶ Advantages:
 - Allows developers to unlock additional loan sources
 - Stabilizes projects for long term outcomes
 - Allows for recycling of funds

Pilot Opportunity: Albemarle Landing

- ▶ **5800 Albemarle Road (District 5)**
- ▶ **128 Unit Development**
 - 30 @ 50% AMI
 - 68 @ 60% AMI
 - 30 @ 70% AMI
- ▶ **The developer has expressed interest in a \$1m HOME bridge loan**
- ▶ **Extending affordability from 30 to 40 years**
- ▶ **7-year repayment at 3% Interest**



Community Impact Revolving Loan Fund (Section 108)

- ▶ **The Section 108 Loan Guarantee Program (Section 108) provides Community Development Block Grant (CDBG) recipients with the ability to leverage their annual CDBG grant allocation to access low-cost, flexible financing**
- ▶ **The City of Charlotte seeks to secure a \$25 Million loan guarantee from HUD to establish the Community Impact Revolving Loan Fund**
- ▶ **The Fund will finance projects including property acquisition, rehabilitation, infrastructure improvements, and innovative homeownership models to expand affordable housing and economic opportunities**
- ▶ **Activities will be incorporated into the city's Consolidated Plan and Annual Action Plan (Public Hearing on April 14, 2025, and Council Action in May)**
- ▶ **Council will be requested to accept the funding at a future council meeting**

Innovation Pilot Fund

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Innovation Pilot Fund

► **\$5 Million reserved within the housing bond for an Innovation Pilot Fund**

► **For Committee Discussion:**

- What does affordable housing innovation look like to you?
- What ideas have you seen or heard that you would like staff to explore for feasibility in Charlotte?
- What are your priorities for the Innovation Pilot Fund?

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