



Housing Locational Policy

December 3, 2018

Briefing Objectives

- ▶ Housing Locational Policy Background
- ▶ Current Policy
- ▶ Review Process
- ▶ Site Scoring
- ▶ Staff Recommendation
- ▶ Summary
- ▶ Next Steps



Background

- ▶ Housing Locational Policy was created in 2001
- ▶ Established as an evolution of the City's Scattered Site Housing Policy created in the 1980s to appropriately place new public housing
- ▶ **Policy was last updated in March 2011**
- ▶ Provides a guide for the location of new and rehabilitated subsidized multi-family housing developments serving households earning 80% or below the Area Median Income (\$59,300)

Current Policy

Applies to:

- ▶ Multi-family developments > 24 units that receive local, state or federal funding support

Exemptions:

- ▶ Developments serving senior and disabled populations

Permissible Areas:

- ▶ Permissible and non-permissible areas were created in 2011

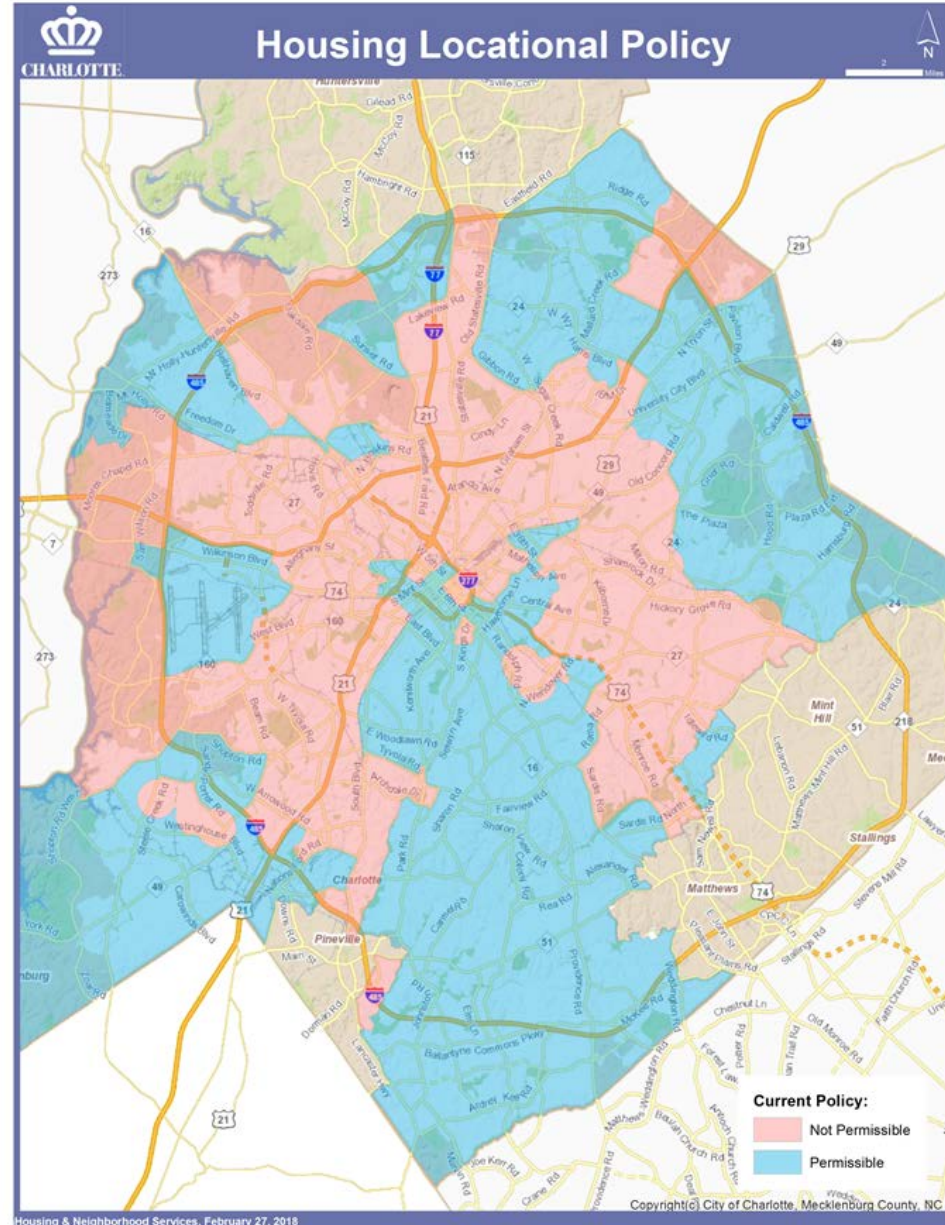
Policy Waivers:

- ▶ Council has authority to issue waivers to individual developments
- ▶ 20 waivers have been issued since 2001

Current Policy

Permissible / Non-permissible Areas

- ▶ In 2011, permissible and non-permissible areas were based upon NSA classifications (Stable, Transitioning, Challenged)
- ▶ Stable, Transitioning and Challenged labels were discontinued in 2012, at which time smaller NPAs were implemented
- ▶ **Geographic applicability has not been updated since 2011**



Review Process

2017:

- ▶ Referral to Housing & Neighborhood Development Committee

2018:

- ▶ February: Committee begins discussing policy
- ▶ August: City Council adopts Housing Charlotte Framework
- ▶ August – September: Public Meetings introduced **Site Scoring proposal**
- ▶ October: HAND Committee approves staff recommendations (4:1)



Review Process - Community Engagement

- ▶ Seven meetings in each quadrant of city, Ballantyne and uptown, plus online feedback form
- ▶ Meetings included evening and Saturday sessions at venues that allowed for convenience
- ▶ 258 citizens attended meetings, including developers



Review Process - Community Engagement

Feedback:

- ▶ Disperse affordable housing throughout Charlotte
- ▶ Address displacement and gentrification
- ▶ Promote income diversity
- ▶ Varying opinions on exemptions – some felt that there should be no exemptions, while others felt exemptions should include:
 - Seniors
 - Disabled
 - Veterans
- ▶ Eliminate permissible and non-permissible areas
- ▶ Site Scorecard is a good tool - keep it simple, flexible, and update regularly
- ▶ Affordable housing developers also expressed support of Site Scorecard



Site Scoring

- ▶ Developed by staff from Housing & Neighborhood Services and the Office of Data Analytics
- ▶ Uses data to determine how closely a proposed site meets location related goals
- ▶ **Location Goals:** Site Scoring will seek to provide clear guidance for investments that create and/or preserve affordable and workforce housing in areas:
 - ▶ Near **employment centers**
 - ▶ Near **commercial centers**
 - ▶ Near **existing and proposed transit services**
 - ▶ In **Center City**
 - ▶ In **neighborhoods experiencing change**
 - ▶ That support the City's **revitalization efforts**
 - ▶ That promote **diverse neighborhoods**

Site Scoring Applicability

The following development proposals will be scored:

- ▶ Multi-family rental developments with 24 units or more, and
- ▶ All 4% Low Income Housing Tax Credit projects (LIHTC), and
- ▶ Funded in whole or in part by local, state or federal funding sources

Site Scoring Exemptions

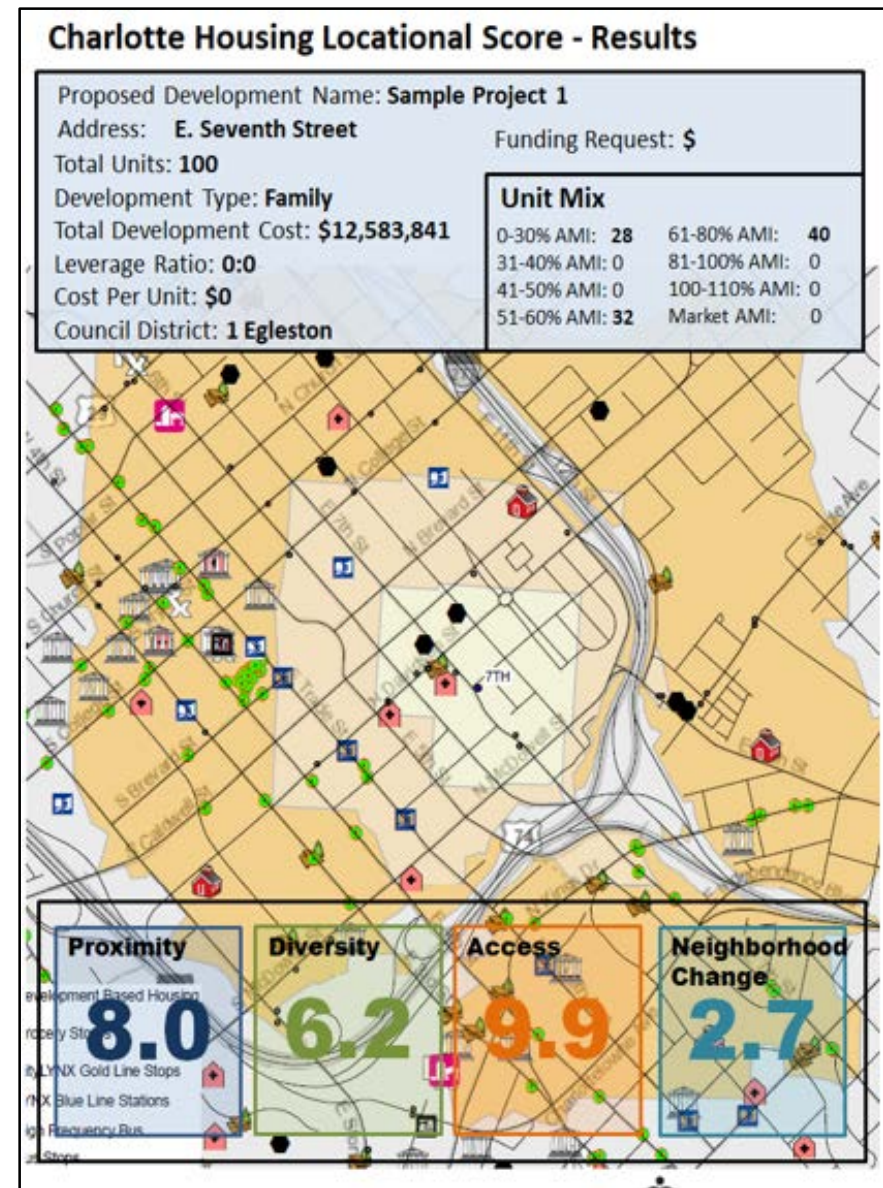
Proposed Site Scoring exemptions include:

- ▶ 9% LIHTC projects
- ▶ Senior Citizen developments
- ▶ Any multi-family rental development with less than 24 units
- ▶ Single-family development

Site Scoring Overview

Four scoring criteria:

1. **Proximity** – Proximity of the site to transit options and amenities
2. **Income Diversity** – To what extent does the development contribute to creating vibrant mixed-income communities
3. **Access** – A measure of jobs easily accessed from the development site
4. **Neighborhood Change** – The level of displacement risk indicted by real estate market activity in historically lower income neighborhoods



Site Scoring Component - Proximity

Measure	The travel distance of the proposed site to transit options and amenities
Site / NPA	<ul style="list-style-type: none">• Site Specific
Data Sources	<ul style="list-style-type: none">• CATS Transit Stops<ul style="list-style-type: none">• Rail, street car, high frequency bus stops• Can include proposed transit stations• Quality of Life Explorer<ul style="list-style-type: none">• Amenity locations <p><i>Data Notes:</i></p> <ul style="list-style-type: none">• The Quality of Life Explorer aggregates data from many sources, such as NC Board of Pharmacy, National Credit Union Administration, etc. Variables are updated annually.• Amenities are proposed to be consistent with the North Carolina Housing Finance Agency Qualified Allocation Plan
Score	<ul style="list-style-type: none">• Total of 0-10 points<ul style="list-style-type: none">• Up to 5 points based on proximity to transit options• Up to 5 points based on proximity to amenities

Site Scoring Component - Income Diversity

Measure	<p>The extent to which the development contributes to creating vibrant mixed-income communities</p> <ul style="list-style-type: none">• <i>AMI mix served by development, and overall poverty of NPA</i>
Site / NPA	<ul style="list-style-type: none">• Site specific:<ul style="list-style-type: none">• AMI diversity of the specific development• NPA:<ul style="list-style-type: none">• Poverty at the NPA level
Data Sources	<ul style="list-style-type: none">• Income<ul style="list-style-type: none">• American Community Survey, 5-Year Estimates• HUD Income Limits• Quality of Life Explorer - Median Household Income• Food & Nutrition Services (FNS)<ul style="list-style-type: none">• Mecklenburg County / Quality of Life Explorer
	<p><i>Data Notes:</i></p> <ul style="list-style-type: none">• Data sources update annually; lag 1-2 years
Score	<ul style="list-style-type: none">• Total of 0 – 10 points<ul style="list-style-type: none">• Up to 5 points based on proposed unit mix of development• Up to 5 points based on current poverty level of overall community

Site Scoring Component - Access

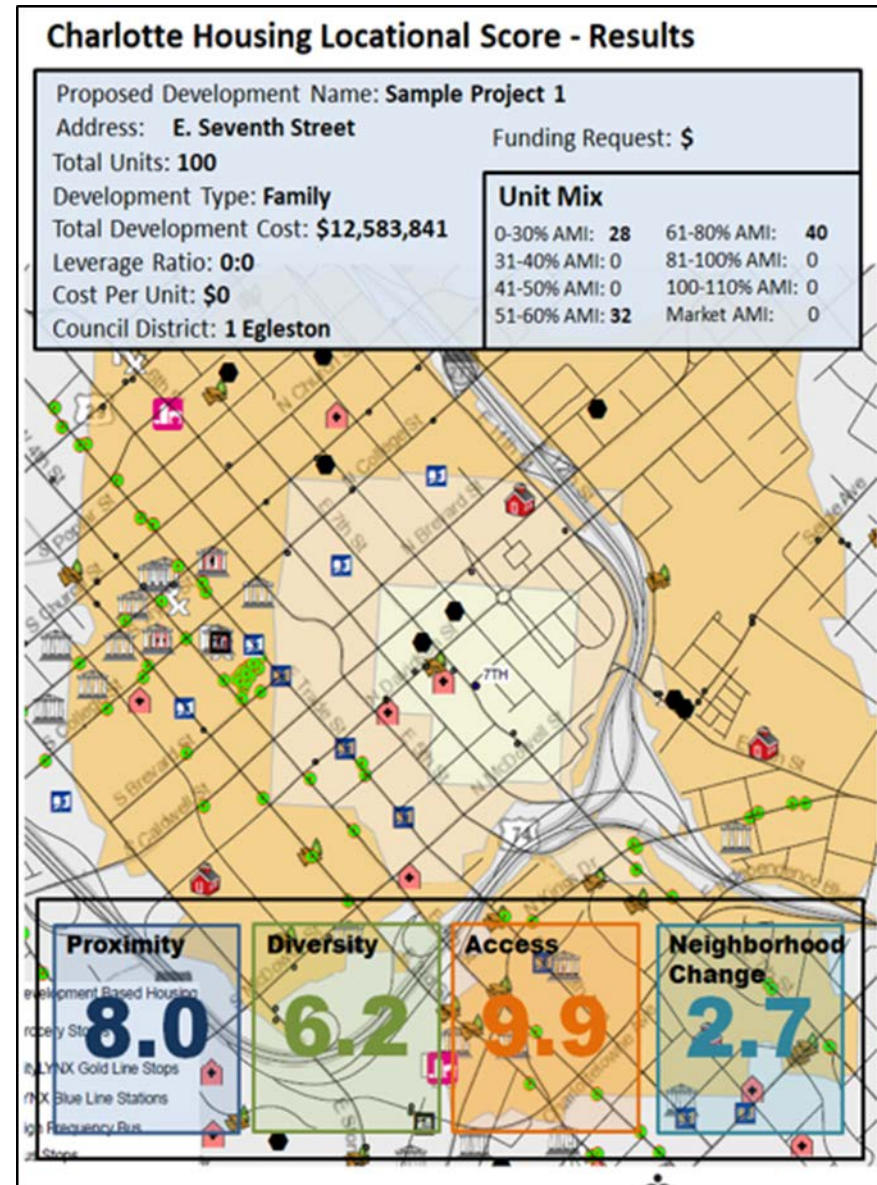
Measure	<ul style="list-style-type: none">• Identifies access to jobs<ul style="list-style-type: none">• Jobs are defined as wage earning vocations (a relationship between a worker and a firm)
Site / NPA	<ul style="list-style-type: none">• Measured at NPA level by:<ul style="list-style-type: none">• Jobs within 60-minute commute by transit• Jobs within 45-minute commute by car
Data Sources	<ul style="list-style-type: none">• CATS• CDOT Travel Demand Model
	<p><i>Data Notes:</i></p> <ul style="list-style-type: none">• Updated model will calculate by current and proposed transit routes
Score	<ul style="list-style-type: none">• Total of 0 – 10 points<ul style="list-style-type: none">• Weighted score based on commute times (transit and auto)

Site Scoring Component - Neighborhood Change

Measure	<ul style="list-style-type: none">• Identifies neighborhoods with potential displacement risk due to increased real estate market activity<ul style="list-style-type: none">• Measure is weighted toward lower income communities
Site / NPA	<ul style="list-style-type: none">• Measured at NPA level by:<ul style="list-style-type: none">• Home sales prices• Construction activity (new, rehab, demolition)• NPA median income level
Data Sources	<ul style="list-style-type: none">• Sales Prices:<ul style="list-style-type: none">• Mecklenburg County real estate sales data• Construction Activity:<ul style="list-style-type: none">• Mecklenburg County Permit Data (new, rehab, demolition)• Income:<ul style="list-style-type: none">• American Community Survey, 5-year estimates• Quality of Life Explorer – Median Household Income
Score	<ul style="list-style-type: none">• Total of 0 – 10 points<ul style="list-style-type: none">• Neighborhood Profile Area (NPA) ranking based on permit activity and sales prices

Project Evaluation Example

- ▶ Developer seeks gap financing from City
- ▶ Staff conducts review of each proposal:
 - ▶ Development team experience
 - ▶ Financing structure
 - ▶ Term of affordability
 - ▶ Number of affordable units
 - ▶ Other project features
- ▶ Each project will be placed in the site scoring system and ranked by its site score
- ▶ Staff will consider the **site score** and other proposal characteristics
- ▶ Committee/Council presentation - Request for Council Action



Staff Recommendation

1. **Implement Site Scoring to replace existing Housing Locational Policy:**
 - ▶ Eliminates need for waivers
 - ▶ Removes real and perceived barriers; provides transparency
 - ▶ Normalizes data; data is updated regularly
2. **Treat site evaluation comparable to a rezoning recommendation**
 - ▶ Staff evaluates development proposals including new site scoring, development team experience and financial feasibility
 - ▶ Recommendation made to Council along with site scoring matrix and location map
 - ▶ Council votes on each funding request
3. **Eliminate Permissible and Non-permissible areas**

Summary

Site Scoring:

- ▶ Simplifies process for developers and Council
- ▶ Provides transparency
- ▶ Removes real and perceived barriers
- ▶ Regularizes data; data is updated real-time as it becomes available
- ▶ Scores projects based on Council and community goals
- ▶ Helps Council make informed decisions, while eliminating the need for waivers
- ▶ System will be nimble; adjustments can easily be made as the process is refined post-launch

Next Steps

- ▶ Request City Council approve staff recommendation to replace existing policy with Site Scoring
- ▶ With Council approval, Site Scoring will be implemented immediately