

2026 Affordable Housing Funding Policy - Recommendations

HOUSING COMMITTEE – AUGUST 3, 2026

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Affordable Housing Funding Policy

Council Priority Alignment

- ▶ Affordable Housing, Great Neighborhoods

Purpose

- ▶ Review recommendations for updates to the Affordable Housing Funding Policy

Key Takeaways

- ▶ Recommends updates to the Affordable Housing Funding Policy to reflect changing market conditions, community priorities, and the evolving housing needs of Charlotte residents
- ▶ Responds to feedback directing public investment toward housing stability, neighborhood affordability, economic mobility, and equitable access to opportunity
- ▶ Positions policy to direct bond funding to prevent displacement, expand homeownership and rental opportunities, support vulnerable residents, and strengthen local development capacity

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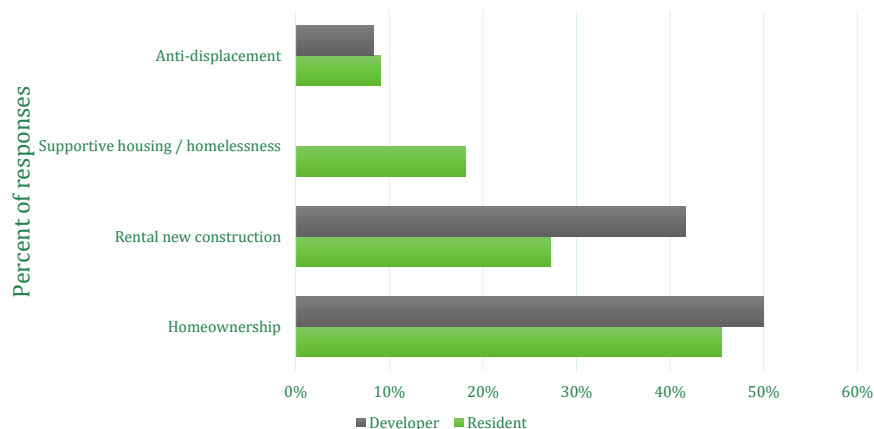
Community Feedback

- ▶ **Increase funding and make it more flexible so projects can reach households with greater needs**
- ▶ **Make affordable housing approvals faster, more predictable, and better coordinated**
- ▶ **Prioritize homeownership as a tool for affordability, stability, and economic mobility**
- ▶ **Connect affordable housing to opportunity and quality of life and provide the resources needed to achieve those goals**

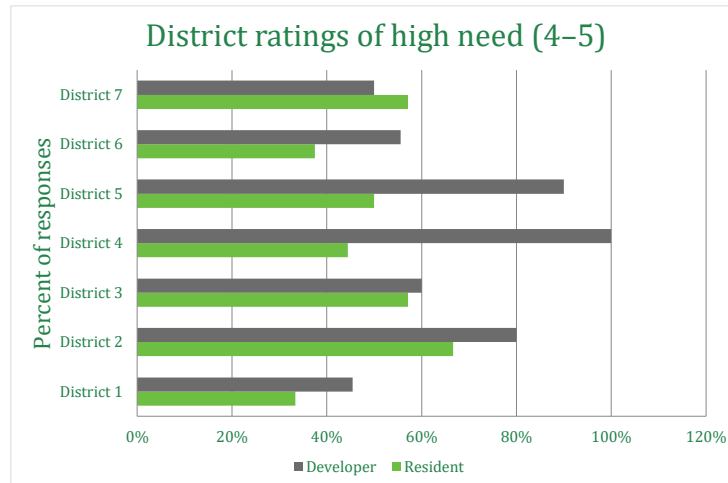
"Increase focus upon home ownership AND active neighborhood programs centered around the realities of both purchasing AND healthily and wisely MAINTAINING a home AND property - financially AND physically" – resident quote

Community Feedback

Funding priorities by group



Community Feedback



Policy Continuity

► Maintain core focus:

- **Economic Mobility**

- *Residents will have access to services that increase employment, income, and wealth and reduce barriers to housing stability*

- **Neighborhood Affordability**

- *Residents of all incomes will have access to diverse housing options in thriving neighborhoods*

- **Residential Stability**

- *Residents will have access to safe, quality, affordable housing and supports to help them maintain housing stability*

Policy Continuity

► Continue to support priority populations:

- Low- and moderate-income homebuyers, with a focus on 60-80% AMI
- Workers in lower-wage occupations with a focus on 40-60% AMI, public sector workers, and households at-risk for displacement
- Vulnerable populations, which may include elderly/older adults, veterans, disabled persons, households that have experienced a displacement event in Charlotte, students experiencing homelessness, youth aging out of foster care, re-entry, and survivors of intimate partner violence
- Provide 20% of units at 30% AMI within tax credit developments and large-scale NOAH preservation

Production Outcomes

► Housing Units Approved: 2,810

► Average Cost Per Unit:

- NOAH - \$25,479 (918 units)
- Single Family - \$45,744 (382)
- Multifamily - \$30,714 (1,400)

► Average Rents Achieved:

- Multifamily - \$1,515 (2BR, 60% AMI)
- NOAH - \$1,250 (2BR, 60% AMI)

► Average Monthly Savings: \$412 per household

Opportunities

- ▶ **Support investment in high opportunity areas where economic and policy barriers make development difficult**
- ▶ **Increase alignment with city cross-cutting strategic goals to leverage investment and drive broad outcomes**
- ▶ **Incentivize investments that prevent and mitigate displacement near current and future mobility infrastructure**
- ▶ **Encourage partnerships to ensure community ownership and develop local talent**

Recommendations

- ▶ **Set an investment goal for high opportunity locations with historically low affordable housing investments.**
 - Staff will identify eligibility criteria. Examples include high residential land values, transit corridors or areas that do not qualify for LIHTC basis boosts.
 - Development proposals that meet criteria will be considered separately from standard financial criteria
 - Staff will develop additional evaluation criteria to ensure acceptable return on investment
 - High opportunity investments will be tracked along with traditional investment types established in the 2024 plan

Recommendations

► **Set an investment goal for anti-displacement activities**

- Staff will identify eligibility criteria. Examples include planned transit areas, areas of high demolition or renovation activity, and current residential areas with higher than average land value increase
- Development proposals that meet criteria will be considered separately from standard financial criteria
- Staff will develop additional evaluation criteria to ensure acceptable return on investment
- The approved FY27 budget calls for no less than 25m in anti-displacement & mobility investments

Recommendations

► **Invest in energy efficiency improvements that meet SEAP goals and support community sustainability**

- Providing funding and technical assistance partnerships to identify and fund retrofits that lower residents cost and increase property stability
- Support residential energy improvement that reduce reliance on fossil fuels

Recommendations

► **Update locational scoring to reflect a changing community**

- Review city investments within one half mile of proposed development
- Update transit to reflect new and upcoming mobility investments
- Staff will develop additional evaluation criteria to ensure acceptable return on investment

Recommendations

► **Focus on partnership and services, incentivizing developers to collaborate with new talent and community-based organizations to strengthen our development ecosystem**

- Establish incentives reward developers for collaborating with emerging local partners and mission driven nonprofits
- Provide policy flexibility to support projects led by emerging development partners (project sizes, AMI ranges, unit types, etc.)

Funding Categories Review

Investment Goals		Activity Category	
 Anti-displacement Mitigation	 High Opportunity	Rental Housing Production	
		Homeownership	
		Rental Housing Preservation & Anti-displacement	
		Supportive Housing and Shelter Capacity	
		Housing Rehabilitation and Emergency Repair	
		Innovation Pilot Fund	
		Site Acquisition & Assemblage	
		Energy Efficient Retrofit NEW	
		Admin & Evaluation	

 Level Funding
  Increase Funding
  Funding Priority

Next Steps

- ▶ **8/3** Committee review and discuss main policy updates
- ▶ **8/11** Committee receive and review updated policy document and provide feedback
- ▶ **9/8** Committee vote on updated policy recommendation to full council
- ▶ **9/14** City Council receive Action Preview briefing on updated policy recommendations
- ▶ **9/28** City Council vote to adopt updated policy

Discussion