

Affordable Housing + *Regulatory Barriers*

Issue:

Building, zoning and land development regulations determine the framework in which housing can be constructed, renovated or altered. In Charlotte, affordable housing, with few exceptions, is expected to adhere to the same building and development regulations as market-rate housing in order to build strong neighborhoods. However, federal, state and local regulations can either help promote housing development or serve as impediments to the production of housing.

There are two key questions for the community to consider. Are there things within our current regulatory framework that hinder the development or rehabilitation of affordable housing? What are some changes that should be made to our regulations, in order to promote housing, particularly affordable housing? These are two important questions that will direct the community toward actionable steps.

Charlotte's Response:

Charlotte has revised its local regulations and ordinances over the years to promote housing development. But some may argue that it has actually impeded housing development. Some of the changes made to local codes and processes that help the provision of affordable housing include:

- Created higher density multi-family, mixed use and transit oriented development zoning districts to promote higher density housing at key centers and along major transportation corridors.¹
- Adopted a rehabilitation building code, which modifies building code standards for older buildings.²
- Mecklenburg County has worked to streamline and expedite its building permit process through the use of the web-based and other information technologies.³
- The City of Charlotte adopted a housing location policy, which steers new affordable rental housing to areas of the community with lesser concentrations of affordable rental housing.⁴
- Added an accessory housing provision to the local zoning ordinance to permit an additional housing unit on a single family lot.⁵
- Allowed parking standards (number of required parking spaces) to be reduced for affordable housing in rental development.⁶

The Charlotte community has been engaged in policy discussions on other regulatory issues in the past. Issues like

¹ City of Charlotte Zoning Ordinance

² <http://www.ncrehabcode.com>

³ <http://ntposseweb.co.mecklenburg.nc.us/webpermit/>

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[http://www.charmeck.org/Departments/Neighborhood + Dev/Housing + Services/Housing + Locational + Policy .html](http://www.charmeck.org/Departments/Neighborhood+Dev/Housing+Services/Housing+Locational+Policy.html)

⁵ City of Charlotte Zoning Ordinance

⁶ Ibid

mandatory or voluntary inclusionary zoning for affordable housing and providing density bonuses for affordable housing have been discussed, but never adopted. Also, the City is currently reviewing its infill policy for residential development.

Other Community Responses:

Communities around the nation have adopted various regulatory remedies to address affordable housing. Often these remedies are not used alone, but in combination with other tools to obtain the desired policy impact. Some tools include:

Inclusionary Zoning (Mandatory or Voluntary) – This provision requires market rate developments over a certain threshold (i.e., 20 to 50 units) to provide a percentage of development (i.e., 10 to 15 percent) for affordable housing. Often inclusionary zoning is used along with density bonuses to promote affordable housing. Developers may be required to build units on site, off-site or provide payments in lieu of development to a local fund to develop affordable housing. Inclusionary Zoning has become a common tool in California, Massachusetts, New Jersey, Colorado and the District of Columbia Metropolitan Area. Specific communities employing this tool include Montgomery County, Maryland; Santa Fe, New Mexico and Burlington, Vermont.⁷

Zoning Density Bonuses – Communities employing this tool provide a density bonus (increase in the number of units over a base density) to developers setting aside a percentage of their units for affordable housing. Density bonuses may range from 10 percent to 25+ percent. They are used in a number of communities, such as New York City,

⁷ <http://www.policylink.org>

Chicago, Phoenix and King County, Washington.⁸

Reuse of Abandoned, Vacant or Tax Delinquent Properties – Baltimore, Maryland, is promoting rehabilitation with its Project 5000, a program that obtains abandoned housing and sells or donates it for rehabilitation or larger-scale redevelopment. This tool is used with inclusionary zoning and incentives to further promote housing development.⁹

Promoting Infill Development – Some local governments promote development on infill lots. Often these locations are blighted or otherwise underutilized parcels. A wide range of incentives are employed to address these parcels. Incentives may be infrastructure related (upgrading infrastructure and lowering development fees), zoning and land development related (expediting permitting, reducing setback, lot size and parking requirements), encouraging mixed use development, density allowances and reducing property taxes. Examples of companies promoting incentives for infill development include Phoenix, Arizona; Tacoma, Washington and Atlanta, Georgia.¹⁰

Expedited Permitting Processes – Reducing the time for obtaining building permit and land development approvals reduces the cost of development. Many communities have streamlined their permitting processes to make it easier and less costly to obtain permits. For example, Sacramento, California, expedites the permitting of inclusionary zoning projects to 90 days from the usual time frame of 9–12 months.¹¹

⁸ <http://www.policylink.org>

⁹ <http://www.rbc.gov>

¹⁰ <http://www.policylink.org>

¹¹ <http://www.rbc.gov>