

Town of Davidson's Inclusionary Zoning Program

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History

- 1994 Moratorium
 - Allowed review of land use rules and policies
- 1995 Task Force- Affordable Housing Committee
 - Diverse coalition of local stakeholders
 - Collect local housing data (needs assessment and a housing market study)
 - Very public process
- 2001 New Planning Code adopted
 - First mandatory program in NC



Philosophy/Core Value

- Davidson's historic mix of people in all income levels is fundamental to our community, so town government will encourage opportunities and services that allow people of all means to live and work here
 - Town Mission Statement



Significant Policy Points:

1. Percentage: 12.5%

2. Income Targeting/Distribution:
 - Very low income (less than 50% AMI): 30% – 100%
 - Low income (less than 80% AMI): 0% -70%
 - Moderate income (less than 120% AMI): 0% - 20%
 - 120 % - 150% did not work



3. Alternatives to on-site construction

- Fee-in-lieu
- Land dedication
- Off-site construction/purchase of foreclosed properties?
- Credit transfers

4. Developer Incentives

- Density bonus (high setbacks and parking can undermine)
- Form based zoning (no density caps)
- Design flexibility



5. Length of Affordability

- 10 – 99 years is national range
- Balance interests of homebuyer (short control) and interests of community (longer control)
- 99 year protects finite resource and has not prevented sales



What are the Challenges of Inclusionary Zoning?

- Short term administration
 - Complex rules and regulations
 - Explain, interpret and guide developers through process
 - Educate and qualify buyers (DHC-strong coordination)
 - Marketing
 - Must maintain good communication, be flexible and available
 - Be willing to tweak things (ex. Davidson Bay)



- Long Term Administration

- Re-sales and Renting

- Annual letter (send it certified) that explains the process required by the deed restrictions, , the % increase in AMI that can be added to the resale price, and renting is illegal
 - Sign and return letter as evidence of residency?
 - Include a copy of a notice of availability
 - Town assists seller with sale of home

- Monitoring

- Illegal resale, re-rental, refinancing, unapproved modifications, failure of closing attorneys and realtors to abide by deed restrictions
 - In-person periodic check?



Key components

Affordable Housing Plan = Certainty

- Description of development
- Number of bedrooms
- Square footage
- Location
- Pricing and income class served
- Phasing (later addition to ordinance)
- Description of marketing plan
- Total amount of PIL and estimated date payment will be made
- Landscaping & trash storage (lessons learned)



Design and Building Requirements

- Functionally equivalent
- Minimum unit size:

	Attached	Detached
1 bedroom	625 sq ft	900 sq ft
2 bedroom	950 sq ft	1000 sq ft
3 bedroom	1200 sq ft	1350 sq ft
4 bedroom	1350 sq ft	1450 sq ft
- Guidelines and Standards: address appliances, floor coverings, room sizes, storage, closets, laundry access, etc.
- Visually compatible
- Design must be well integrated for community support



Deed Restrictions

- Original sales price and rental rates for affordable units are restricted by ordinance and agreed upon in plan.
- Recorded deed restrictions keep units affordable when they pass to new occupants. Potential buyers must be made aware of advantages and disadvantages of resale restrictions.
- Foreclosure and Right to Purchase



Interior Examples



Design examples



Bungalows





The Town of Davidson



Residential over retail

Case Studies

Harbour Place Brownstones

- Mixed-use development with 44 residential townhomes near public transportation, grocery, clinic, etc.
- HOA dues based on square footage
- 4 townhomes and Developer made PIL for 2:

2 homes for families with incomes less than \$41,200. The sales price was \$96,500. (80%)

1 home for families with incomes less that \$61,800. The sales price was \$135,000. (120%)

1 home for families with incomes less than \$77,200. The sales price was \$145,000.(150% & did not work at this price point)





Townhomes @ Harbour Place

ILLUSTRATIVE PLAN Exit 30 Master Plan

Town of Davidson Department of
Planning & Urban Design
May 5th 2007

Commercial	1. Harbour Place Office Buildings	10. The Pinnacle
Institution/School	2. Homewood Suites by Hilton	11. Little Gate Parcel B
Existing Residential	3. The Brownstones @ Harbour Place	12. Little Gate Parcel O
Proposed Residential	4. Harbour Place Office Retail	13. Little Gate Parcel N
Parks/Open Space	5. The Townhomes @ Harbour Place	14. Davidson Commons Retail/Office
	6. Davidson Day School	15. Harris Teeter @ Davidson Commons
	7. Davidson Gateway Urban Market	16. Townhomes at Davidson Commons
	8. Davidson Gateway Office Buildings	17. Park at Davidson
	9. Sheraton Davidson & Convention Center	



Harbour Place: Urban Multi-Family



Summers Walk: Rural Single Family

30 homes affordable for households below 80% AMI or less than \$51,400 for a household of four. The price range is \$113,000-\$139,000 and HOA dues \$75 a year.

