# Town of Davidson's Inclusionary Zoning Program

Cindy Reid

Affordable Housing Coordinator

Town of Davidson, NC



## <u>History</u>

- 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:	<b>Attached</b>	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















Residential over retail

## **Case Studies**

#### Harbour Place Brownstones

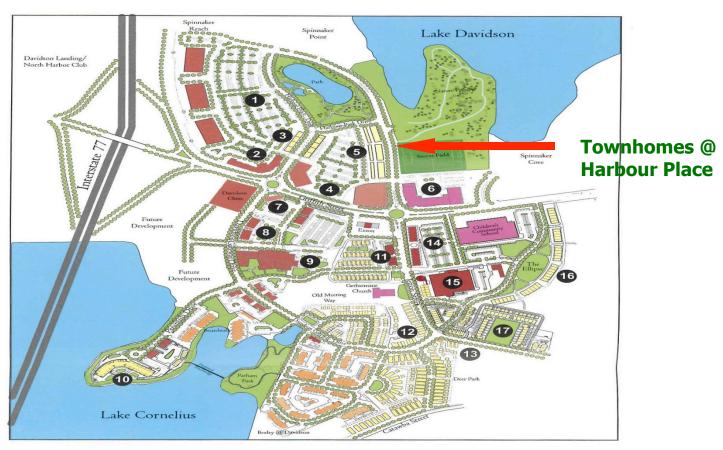
- Mixed-use development with 44 residential townhomes near public transportation, grocery, clinic, etc.
- HOA dues based on square footage
- 4 townhomes and Developer made PIL for 2:

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)

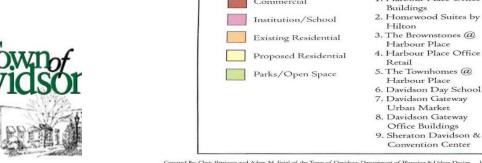




#### Exit 30 Master Plan

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

I. Harbour Place Office



Commercial

IO. The Pinnacle
II. Little Gate
Parcel B
I2. Little Gate

Parcel O 13. Little Gate Parcel N

I4. Davidson CommonsRetail/OfficeI5. Harris Teeter @

Davidson Commons
16. Townhomes at

Davidson Commons 17. Park at Davidson

16

# 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.







