

Housing Action Plan for Mecklenburg County, NC



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In the fall of 2023, Mecklenburg County, North Carolina, and DuPage County, Illinois, joined Grounded Solutions Network as the second cohort of ForEveryoneHome, an 18-month technical assistance, peer learning, and community engagement program to help localities chart a path to inclusive housing production and preservation through lasting affordability. A team of municipal, nonprofit, and community leaders from each location are working together to develop sustainable growth policies for their communities.

The Mecklenburg County Team includes:

Dena R. Diorio

County Manager, Mecklenburg County

Anthony Trotman

Deputy County Manager, Mecklenburg County

Stacy M. Lowry

Director of Community Support Services, Mecklenburg County

Karen Pelletier

Director of Housing Innovation and Stabilization Services, Mecklenburg County

LaShonda Hart

Program Manager, Affordable Housing Initiatives, Mecklenburg County

Mary Jean Davidson

Executive Assistant to the County Manager, Mecklenburg County

Kathryn Firmin-Sellers

Interim President & CEO, United Way of Greater Charlotte

O'Shauna Hunter

Director of Housing Solutions, United Way of Greater Charlotte

La'Sharral Fields

Community Engagement Coordinator, United Way of Greater Charlotte

Warren Wooten

Assistant Director of Affordable Housing, City of Charlotte

Bobby Williams

Assistant Town Manager, Huntersville, NC

Melia James

Assistant Town Manager, Matthews, NC

Jay Camp

Planning Director, Matthews, NC

Wayne Herron

Assistant Town Manager, Cornelius, NC

Austin Nantz

Assistant Town Manager, Davidson, NC

Alexander Cahill

Affordable Housing & Equity Director, Davidson, NC

Mark Ethridge

Principal, Housing Impact Fund, Ascent Housing

Diane Means

Director of Impact and Engagement, Ada Jenkins Center

Sarah Fortner

Executive Director, Caterpillar Ministries

Elizabeth Cruz Rodriguez

Community Health Director, Caterpillar Ministries

Lisa Hawkins

Program and Operations Director, Caterpillar Ministries

ForEveryoneHome is guided and staffed by:

Doug Ryan

Vice President of Housing Policy, Grounded Solutions Network

Colby Sledge

Local Policy Principal, Grounded Solutions Network

The Up for Growth research and policy team includes:

Michael Wilkerson, PhD

Principal, ECONorthwest, Policy Fellow, Up for Growth

Leah MacArthur

Director of Communications, Up for Growth

Anjali Kolachalam

Research and Policy Manager, Up for Growth



House in Charlotte, NC, Public Domain

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Program Timeline

The ForEveryoneHome program has three phases and three deliverables: a housing underproduction analysis, a housing action plan, and a policy roadmap. This report builds on the findings from the housing underproduction assessment to inform policy recommendations that may be considered and selected for the forthcoming policy roadmap.

PHASE 1

Fall/Winter 2023

Cohort Kickoff; interviews and conversations with County representatives, local elected officials, real estate professionals, and community leaders

PHASE 2

Spring/Summer 2024

In-depth underproduction analysis and delivery of the Housing Underproduction Report; community conversations led by local engagement teams; delivery of the Housing Action Plan; policy selection

PHASE 3

Fall/Winter 2024

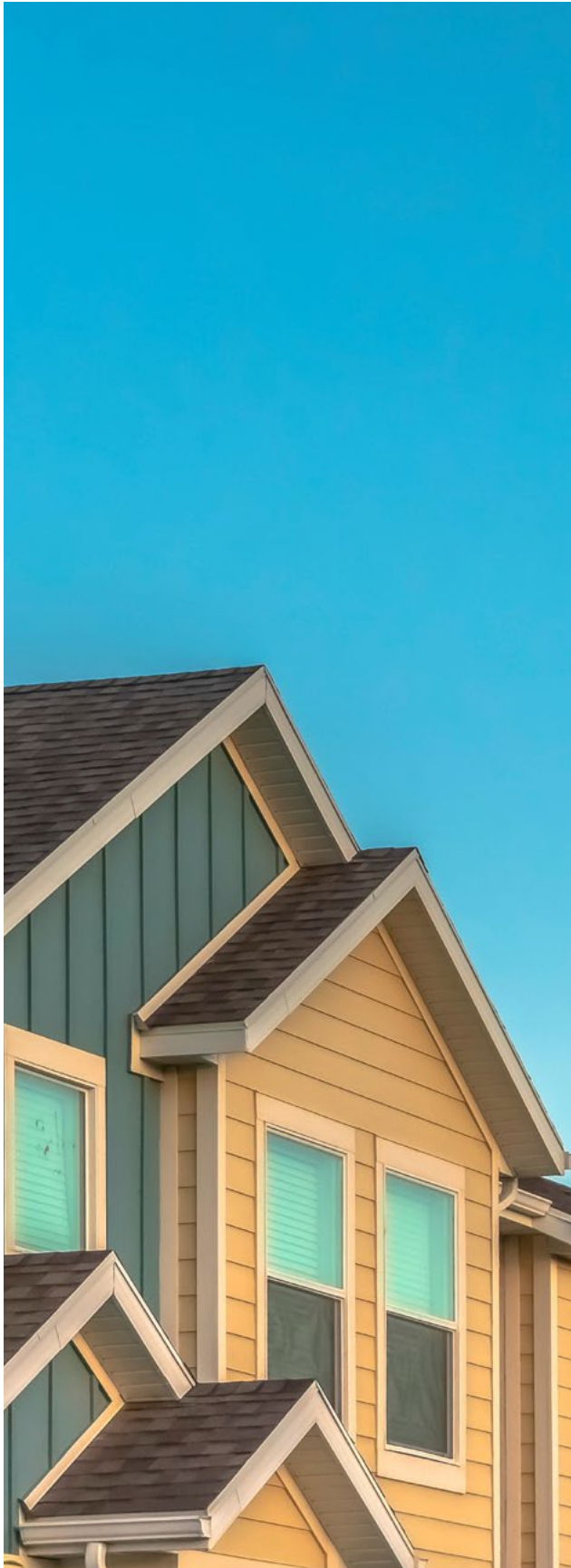
Full cohort meeting; delivery of Policy Roadmap

Winter 2024/2025

Policy Implementation



Downtown Charlotte, NC



Townhome, Public Domain

Background

Mecklenburg County has been active in housing policy for the past several years. Still, the most recent county and municipal budget proposals highlighted the need for more housing, noting that a constrained housing market is resulting in millions of dollars of lost revenues.¹

In a recent preliminary budget survey, improved access to affordable housing ranked as the top priority for County investment.² In all, Mecklenburg County proposes to spend more than **\$18 million addressing housing insecurity in FY2025.**

A Home For All, led by United Way of Greater Charlotte,³ is a major initiative focusing on homelessness, rapid rehousing, and the need for permanently affordable housing.⁴ Proposed funding for this initiative is more than \$14 million in FY2025, including **\$7 million for a hotel conversion in partnership with the City of Charlotte.**⁵ The county and the city have been active in creating opportunities for new housing. According to new research from Opportunity Insights, Charlotte's upward mobility has improved significantly in recent years.⁶

The County has also played a critical role in providing gap financing for naturally occurring affordable housing acquired by the Housing Impact Fund, a social impact investment model that has preserved more than 1,000 affordable rental units and has drawn national attention for its effectiveness.⁷

Mecklenburg County and its municipalities have benefited from a number of needs assessments, studies, and plans that have addressed a wide range of causes and solutions to its housing crisis. These include:

- A Home For All Implementation Plan
- Charlotte Unified Development Ordinance
- Davidson Affordable Housing Needs Assessment Implementation Strategy
- North Mecklenburg Housing Needs Assessment

² Mecklenburg County. (2024, March)

³ United Way of Greater Charlotte is the ForEveryoneHome Community Engagement Lead for Mecklenburg County.

⁴ United Way of Greater Charlotte. (2023, June 8)

⁵ Mecklenburg County. (n.d.)

⁶ Sands, A. (2024, June 25)

⁷ Berg, N. (2023, September 26)

What to Expect in this Report

This report offers a selection of policies to help Mecklenburg County address three issues uncovered in Phases 1 and 2 of our work. Each selection has undergone a cursory evaluation for outcome, impact, political feasibility, legal and regulatory considerations, funding, and resources.

The outcome assessments highlighted the greatest needs:

The need for more affordable homeownership opportunities.

Recent data shows that housing became much more expensive for community members in Mecklenburg County from 2017 to 2022. In those five years, average home prices grew by a remarkable 72%. A home price-to-income ratio analysis shows that, on average, a new home in 2022 was 5 times the median household income (MHI), up from about 3.5 times in 2017.⁸

The need for more deeply affordable rental opportunities.

While a lack of affordable homeownership opportunities is a significant barrier, 45% of households in Mecklenburg County are renters.⁹ As household formation continues to increase, the number of first-time renters will also grow.

The need for more renter protections.

There are a significant number of short-term actions that could be taken to reduce barriers to existing housing. These interventions could create a more stable housing market that furthers the County's goal of making homelessness in Mecklenburg County "rare, brief, and non-recurring."¹⁰

This report is based on the findings of the Housing Underproduction Report, qualitative research conducted by stakeholders at United Way, and conversations with real estate and political experts and officials from Mecklenburg County and the cities and towns of Charlotte, Cornelius, Davidson, Huntersville, and Matthews. The following pages contain a selection of tactics that could be used to increase housing supply, incentivize below-market-rate housing, and identify and invest in public assets that could be used for housing creation and preservation.

The recommendations herein are meant to help the County prioritize the outcomes they find most urgent and to offer a path forward for driving feasible but meaningful change in the short, medium, and long term.

The policy imperatives align around four outcomes:

- 1 Actions that make it easier to build more homes
- 2 Actions that enable more types of homes, including homes with lasting affordability
- 3 Actions that enable homes in more places
- 4 Actions that reduce rental barriers



Neighborhood in North Carolina, Public Domain

⁸ Up for Growth, & Grounded Solutions Network. (2024)

⁹ United States Census Bureau. (n.d.)

¹⁰ Charlotte-Mecklenburg Continuum of Care. (2020, April 24)

Make it Easier to Build More Homes

Over 1,000 incentive-based housing programs in more than 30 states are estimated to have created more than 100,000 housing units.¹¹

“We see new units popping up all the time,” said a participant in a community forum. “Why can’t the county require developers to make some of these new units affordable?”

This sentiment came up time and again. Residents of Mecklenburg County sense that new construction isn’t for long-time residents or people earning average wages. Rather, they expressed, “It’s being created to accommodate wealthy newcomers.”

Develop voluntary, incentive-based housing policies to produce units at 80% area median income (AMI) and below

Policy Type: Legislative, Demand-side, Long-term

Incentive Based Policies and Affordability

When carefully calibrated, incentive-based policies help balance the housing market by using market-rate housing prices to subsidize a percentage of affordable housing units, typically between 10% and 30%.¹² Incentive-based programs benefit the developer through a tax abatement or a fee-in-lieu that allows them to make more affordable projects that make sense financially and benefit the community by creating more affordable units.

These types of policies have produced over 100,000 affordable units across the country, and over \$1 billion in fees have been collected to further affordable housing options and opportunities in communities. Additionally, these programs can help reduce concentrations of poverty by creating more affordable options in highly coveted areas. Neighborhoods with incentive-based policies have a poverty rate that is 16% lower than those in the same jurisdiction.¹³

According to research from Harvard’s Opportunity Insights, the neighborhoods where children grow up affect their overall career trajectories and livelihoods.¹⁴ Building affordable units in communities with high opportunity yields economic and cultural dividends, allowing greater upward mobility and financial security.

Incentive-based programs can be calibrated using six typical policy parameters:

- **Set-aside requirement:** Defines how many units (as a share of the total) must be rented at affordable, below-market prices.
- **Depth of affordability:** Defines the affordability level based on household income thresholds, typically 60% or 80% of the area’s median family income (MFI).
- **Length of affordability:** Defines the duration of affordability for the units with below-market rents.
- **Voluntary versus mandatory:** Voluntary policies rely on offsets to incentivize program participation. While mandatory policies are required, they must ensure offsets are financially feasible. The impacts of both policies vary by market conditions.
- **Application of policy:** Policies can require a minimum number of units, use specific policy geographies, or be differently applied to rental and ownership products. Others are more broadly applied.
- **On-site delivery or fee-in-lieu:** Some policies require the delivery of units on-site in mixed-income developments, while others allow for off-site development.

¹¹ Grounded Solutions Network. (n.d.) What impact does inclusionary housing have?

¹² Grounded Solutions Network. (n.d.) What is inclusionary housing?

¹³ Grounded Solutions Network. (n.d.) What impact does inclusionary housing have?

¹⁴ Chetty, R., & Hendren, N. (2017, December 3)

Key Takeaway

Mecklenburg County could use the available levers to craft incentive-based programs either to increase the overall affordability of rental units or to increase the number of affordable units for homeownership. It is important to note that any incentive-based housing policy or program must be rooted in current market housing economics. Failure to carefully calibrate these policies could ensure the program itself becomes an artificial barrier to housing.

In Mecklenburg County

Davidson is the only municipality in Mecklenburg County with an incentive-based policy, incentivizing new developments to include 12.5% of total units as affordable (0-120% AMI).¹⁵ Davidson officials estimate this requirement has produced more than 260 affordable units. Of those units, around 70 are listed as deed-restricted affordable homeownership units. As of May 2024, three were available for sale, and two were under construction.¹⁶

Davidson's policy also allows developers to pay a fee in lieu of providing a portion or all affordable units in Davidson. The current payment is \$50,625 per unit.¹⁷ These fees are set aside in an affordable housing fund. At around \$500,000 annually, the fund is fueled by a 1-cent ad valorem tax.

A Note on Legality: Legal questions surrounding incentive-based housing in North Carolina are always possible, and indeed, lawsuits on facets of housing policy in Davidson and Chapel Hill regularly occur.¹⁸ However, a voluntary incentive-based housing policy should pass legal muster since it imposes no requirement on a developer.

Alternatively, County and City leaders can advocate for enabling legislation at the state level similar to the recent repeal of Tennessee's ban on voluntary incentive-based housing.¹⁹

Create a strike fund and deploy it to enable more permanently affordable homeownership opportunities

Policy Type: Legislative, Demand-side, Long-term

From 2017 to 2022, rent in Mecklenburg County increased by 34%. In 2017, rent was lower than other U.S. urban counties. By 2022, urban county rents were above the U.S. average. In 2022, only one-third of units were affordable to those earning between 0-60% AMI.²⁰

Strike Funds and Affordability

Charlotte-Mecklenburg is already providing innovative support for the preservation of existing affordable housing, both single-detached and multifamily. One of the most effective tools for supporting preservation is a revolving loan fund, or strike fund, that provides funding in exchange for covenants that keep housing affordable. Using this fund to invest in shared equity models can create affordable homeownership opportunities for families with modest incomes. The model ensures that the homes remain affordable permanently to help family after family purchase the homes.

In Mecklenburg County

In the Mecklenburg County FY2025 budget, \$150,000 is already included for the planning of a strike fund to preserve naturally occurring affordable housing (NOAH). The proposal builds upon a recommendation from United Way of Greater Charlotte's A Home For All Implementation Plan, citing examples from Durham and Washington, DC.

The Lake Norman region has seen growing affordability challenges in recent years and has been pushed out of reach for young professionals due to high housing costs. According to Lake Norman Economic Development,

“Younger professionals, including some of the young staff that work for Lake Norman, cannot afford to live in the neighborhood because of how expensive housing has gotten.”

¹⁵ Town of Davidson. Planning Ordinance, Section 5: Affordable housing (2017)

¹⁶ Town of Davidson. (n.d.) For current & future homeowners

¹⁷ Town of Davidson. (n.d.) Developer requirement

¹⁸ Carolina Journal Staff. (2024, May 1)

¹⁹ Tennessee General Assembly. (2024)

²⁰ Up for Growth, & Grounded Solutions. (2024)

Models from Around the Country

The Harvard Local Housing Collaborative²²

Harvard University works with three other nonprofits and community organizations to provide a \$20 million flexible, low-interest loan to finance affordable housing development. Over 7,000 units have been either created or preserved with this fund since its creation in 2000.

The State of Utah's revolving shared equity housing fund²³

This program uses a shared equity model to provide stable mortgage payments to first-time homebuyers through principle reduction and shared appreciation, allowing participants to build more equity in their mortgages. The funding is then recycled and used for another participant.

California Dream For All shared appreciation loan²⁴

A downpayment assistance program for first-time homebuyers, it offers up to 20% for down payment or closing costs, not to exceed \$150,000. The program is run through a lottery system, which selects applicants until it runs out of funding.

Key Takeaway

In cooperation with participating municipalities and private operators, a strike fund could be paired with a comprehensive land acquisition strategy (see section 3.a) to create more affordable homeownership opportunities.

The Housing Impact Fund represents a successful local effort to provide this type of funding through a partnership with Ascent Housing, the City of Charlotte, and several other donors.²¹ The success of this effort and other NOAH investments can be expanded and refined to scale the impacts of these types of innovative partnerships.

Resourcing the Strike Fund:

- Tax set-asides
- Attract private equity
- Solicit philanthropic contributions
- Issue a general obligation bond
- Direct fees-in-lieu to the strike fund (section 1.a)
- Divert a portion of parking revenues to the strike fund (section 4.c)



Townhome Construction, Public Domain

Recommendations for the deployment of the strike fund include:

- Partnering with local organizations already positioned to manage the disposition of funds, such as Local Initiatives Support Corporation (LISC) Charlotte.
- Focus on funding shared equity models, such as deed-restricting properties to ensure they will be sold affordably, co-op developments in multifamily structures, or community land trusts.
- Focus on neighborhoods with a high risk of displacement or access to opportunity.

²¹ United Way of Greater Charlotte. (2023, June 8)

²² Harvard in the Community. (n.d.)

²³ Appgar, B. (2023, February 11)

²⁴ California Housing Finance Agency. (n.d.)

Enable More Types of Homes, Including Homes with Lasting Affordability

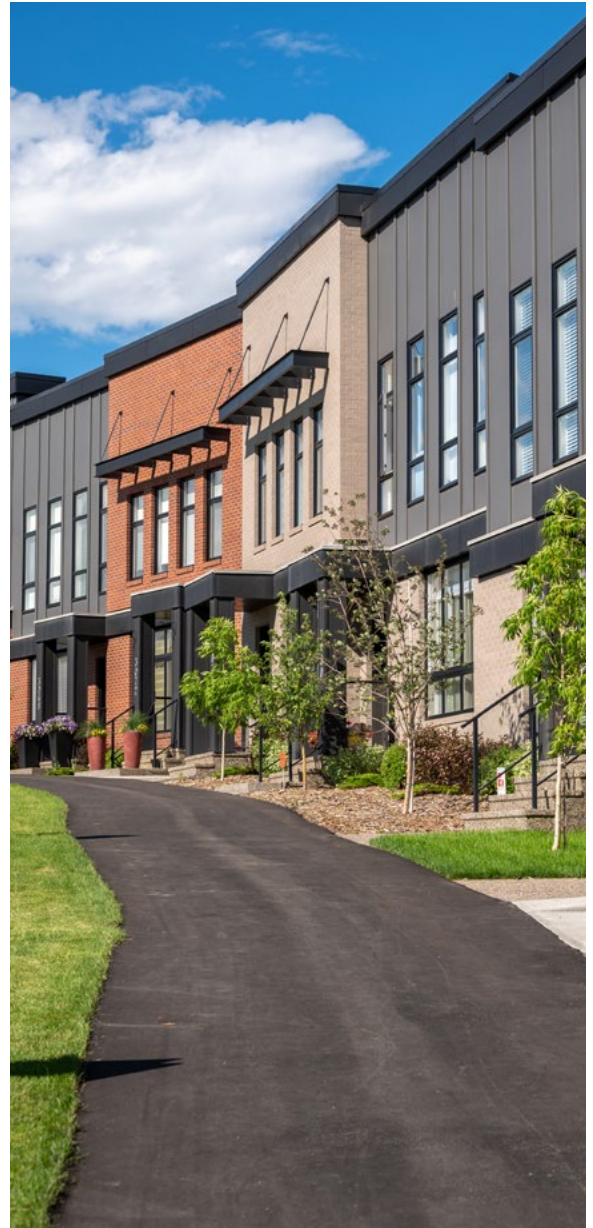
Demand for new types of housing is high. In 2023, the number of building permits for townhomes surpassed the number for single-detached homes for the first time in Mecklenburg County. Since 2020, the number of permits for townhomes has **nearly doubled**, while single-detached permits have **fallen by one-third**.²⁵

Encourage municipalities to allow accessory dwelling unit construction

Policy Type: Legislative and Administrative; Supply-side; Short-term/Medium-term

According to local officials in Charlotte, legalizing ADUs has been a significant benefit to the community by diversifying the types and costs of homes available and providing opportunities to property owners to build equity. Warren Wooten, Assistant Director of Affordable Housing, City of Charlotte, says, “Having more types of housing available in Charlotte gives people more options and flexibility.”

“Allowing ADUs to be built has helped homeowners raise their property values and increased housing availability. Charlotte is proud to lead the region in ADU policy.”



Townhomes, Public Domain

²⁵ Mecia, T. (2024, June 14)

ADU Reform Nationwide

In California, ADU reform began when, in 1982, the state explicitly banned localities from preventing ADU development. In 2019, it went on to pass a series of bills to make it easier to build ADUs and more difficult for localities to create barriers to their development. The state saw an 88% increase in ADU permits between 2019 and 2022.³¹

In the late 1990s, Portland, Oregon, began making it easier to build ADUs by eliminating parking requirements and suspending system development fees. In 2021, additional reforms were enacted to allow two ADUs on one lot. Between 2009 and 2018, the number of ADU permits went up 1,800%, from 25 to 475.³²

In 2022, Maine joined them in reducing barriers to building more ADUs. They passed a bill to allow ADUs in all zoning districts to increase the number of affordable units in a community. While this legislation is relatively new, these reforms help support new housing development.³³

As more jurisdictions engage in reform, more resources,³⁴ including model legislation and guidebooks,³⁵ emerge for communities just beginning to expand access to ADUs.

ADUs and Affordability

Because accessory dwelling units (ADUs) are built on single-detached zoned property, they do not need to pay additional land costs, allowing the unit to be developed more cheaply and those savings passed along to the future resident. For example, basement apartments in Washington DC—the most common ADU typology in the city—rent for several hundred dollars less than comparable apartments, thanks to cost savings for the property owner.²⁶

By creating housing units on land that is less expensive to develop, current property owners can subsidize their mortgage costs, and future residents of the property benefit. ADUs also help support multigenerational families by providing on-site living space for adult children or aging family members.

In Mecklenburg County

Charlotte already allows ADUs in a wide variety of forms and zoning districts,²⁷ but other municipalities range in their rules and allowances. Davidson²⁸ and Huntersville²⁹ permit ADUs to varying degrees, while Matthews is currently considering legalizing ADUs. Statewide legislation requiring all municipalities to permit ADUs has passed one chamber but has not been taken up in the other.³⁰

Key Takeaway

Legalizing ADUs, sometimes called granny flats or casitas, is an increasingly popular way to begin to address local housing shortages. Evidence shows that enabling these typologies can quickly produce measurable improvement in supply-constrained markets.

Likewise, laws allowing the development of ADUs on private property have proved to be a politically feasible way to address supply issues. It is important to note, and even more important to communicate widely, that these reforms are insufficient to fully relieve pressure from a supply-constrained housing market when enacted alone.

Finally, if pursuing ADU legalization, it is essential to simultaneously reduce minimum lot sizes (see section 3.b) and enact parking reforms (section 3.c) to maximize effectiveness.

²⁶ Erdmann, K. (2024, February 27)

²⁷ Harper, Z. (2024, March 20)

²⁸ Town of Davidson. Planning Ordinance, Section 3: Affordable housing (2017)

²⁹ Town of Huntersville. Zoning Ordinance, Article 9 (2024)

³⁰ North Carolina General Assembly. (n.d.)

³¹ Marantz, N., Elmendorf, C., & Kim, Y. (2023)

³² Local Housing Solutions. (2021, April 15)

³³ Our Building Experts. (2024, May 13)

³⁴ Casita Coalition. (n.d.)

³⁵ California Department of Housing and Community Development. (2022)

Encourage municipalities to legalize single-room occupancy (SRO)

Policy type: Legislative and Administrative; Supply-side; Short-term/Medium-term

SROs and Affordability

Single-room occupancy (SRO) units reduce individual rent burden by utilizing common spaces, such as kitchens, bathrooms, workspaces, and lounge areas. The sharing of common spaces among unrelated individuals routinely occurs, with low-income community members often doubling-up to save on rent. However, the restriction of SROs leaves them without stability or legal recourse should their situations change.

SROs represent one of the most affordable housing options on the market, and the historic loss of many types of SROs in the 1960s all but eliminated any viable housing for the most vulnerable residents. SROs are often attractive to developers, too. The low cost of development and centralized utilities enable many of these projects to break even without government subsidy.

By reducing the individual rent burden and providing amenities like safe access to sanitation and a kitchen, SRO was a common option for extremely low-income communities before World War II. However, between 1970 and 1990,³⁶ the US lost over one million SROs due to zoning changes and other regulatory barriers. Many experts attribute the growth of homelessness to the loss of SROs in the 1960s.³⁷



In Mecklenburg County

SROs are allowed in some, but not all, residential zoning districts in Charlotte and carry additional requirements related to unit size and minimum/maximum number of units.³⁸ The Town of Matthews currently defines a “rooming house” that allows for multiple “rooming units;” it is unclear whether there are land use restrictions on rooming houses, or whether they fit the standard SRO definition. Huntersville has a similar definition of boarding or rooming houses, and does not appear to have a definition for SROs.

SRO Reform Nationwide

Philadelphia, PA: Early efforts to reform and allow SROs have begun taking root to help address homelessness in the city. While still in the early phases, the hope is that legalizing SROs will create more legal guardrails for vulnerable community members.³⁹

Portland, OR: After losing nearly half of its rental units affordable to minimum-wage workers, the Portland Housing Bureau has begun taking an interest in SROs. The City and County have spent over \$20 million on four SRO projects to house people at the lowest affordability levels. They are already housing several people who could not afford other typologies in the city.⁴⁰

Washington State: Governor Jay Inslee signed HB 1998 into law in March of 2024.^{41,42} The legislation legalizes co-living spaces, a rebranding of SRO housing, anywhere at least six multifamily housing units are permitted by January 2026. These are properties in which individuals have a private sleeping space and shared amenities like a kitchen.

Key Takeaway

Exploring and incentivizing SRO reforms to encourage municipal adoption could help protect vulnerable community members and relieve some of the pressure for more deeply affordable housing options. Incentives could take the form of technical assistance or cost-sharing by defraying other costs associated with these land-use reforms.

Townhomes in North Carolina, Public Domain

³⁶ Aberg-Riger, A. (2018, February 22)

³⁷ Blumgart, J. (2022, June 8)

³⁸ City of Charlotte, NC. Unified Development Ordinance, Article 15 (2024, June 24)

³⁹ Blumgart, J. (2022, June 8)

⁴⁰ Harbarger, M., & Njus, E. (2019, April 27)

⁴¹ Rendahl, L. (2024, March 24)

⁴² Washington State No. HB 1998 (2024)

Enable Homes in More Places

Join with municipalities to expand the existing land inventory with the aim of public purchase of land to construct affordable homes for ownership

Type of Policy: Administrative and Legislative; Supply/Demand Hybrid; Medium-term

Public Land and Affordability

The role of public land in affordable housing creation is on the rise nationally amid difficult financing environments. Public entities have several built-in advantages in this regard. They can issue low-interest debt, allowing them to become an appealing partner, and they can provide grant funding to subsidize otherwise difficult-to-build projects. Critically, they have an important and necessary resource: available land.

In Mecklenburg County

The City of Charlotte has an existing land inventory that designates vacant parcels for uses like affordable housing.⁴⁶ This model could be expanded in collaboration with municipalities to create a larger reservoir of buildable land. If interested in expanding existing land inventory, Mecklenburg County officials may want to contact local Housing and Urban Development (HUD) Section 4 program providers to explore grant funding and technical assistance available for these types of activities in their area. The three HUD Section 4 providers in Mecklenburg County are Enterprise Community Partners, Local Initiatives Support Corporation (LISC), and Habitat for Humanity International. These organizations can provide funding for capacity building.

Once a land inventory is complete, the County can work with municipalities to determine which parcels are suitable for redevelopment and consider various options to obtain and designate additional parcels for affordable housing. Partnering with an organization specializing in permanently affordable housing, such as West Side Community Land Trust in the West Charlotte community, can ensure these parcels are made available to multiple generations of buyers seeking an affordable homeownership opportunity.

⁴³ City of Chicago. (n.d.)

⁴⁴ City of Boston. (2022, June 13)

⁴⁵ City of Phoenix. (n.d.)

⁴⁶ City of Charlotte. (n.d.)

Models Nationwide

Chicago, IL: The city of Chicago owns approximately 10,000 parcels of land acquired through tax foreclosures, property condemnation, and direct purchase. The City focuses its inventory on surplus vacant land suitable for redevelopment. It then sells this land back to developers for affordable or market-rate housing and other community needs, including urban agriculture.⁴³

Boston, MA: Boston's land inventory is more comprehensive than Chicago's and includes all city-owned land, including vacant and underutilized properties. They use the properties to address critical needs like affordable housing and community development.⁴⁴

Phoenix, AZ: Phoenix's land inventory tracks land available for both commercial and residential properties and for market-rate and affordable housing. The inventory includes all city-owned land, including land currently in use for purposes like libraries and other community needs. This model is more flexible than the other two cities.⁴⁵

Key Takeaway

A land inventory is a useful way to track city- or county-owned properties and determine how and what that land should be used for going forward. Communities like Boston and Chicago focus their inventories on community needs, such as affordable housing units, permanently supportive housing, and urban agriculture. Maintaining a land inventory allows counties and cities to directly engage in helping needed housing typologies and community resources get built.

Reduce minimum lot sizes

Type of Policy: Legislative and Administrative; Supply-side; Short-term/Medium-term

Lot Size Reform and Affordability

Reducing mandatory lot sizes can significantly increase housing supply by allowing more housing units to be built within a given area. Smaller lot sizes mean more homes can be constructed on the same amount of land. This increases the overall housing density in an area, leading to more available units.

Smaller lots can also reduce the cost of land per unit, making it more affordable for developers to build and for buyers to purchase. Smaller lots make more efficient use of available land, especially in urban areas where space is limited.

Smaller lots can also facilitate the construction of a wider variety of housing types, such as townhomes, duplexes, and ADUs, catering to different market segments and needs. Often, it lowers the cost of infrastructure per unit (e.g., roads, utilities, and services) because the same infrastructure supports more housing units.

In North Carolina

Reforming land-use policies to allow for the construction of homes on smaller than “standard” lots spurred the most development activity of any reform under Durham’s Expanding Housing Choices plan.⁵⁰ These smaller builds also enabled a greater degree of affordability and development in areas that were typically of lower income.

In Durham, the median sales price for a single-detached house in the urban tier is **\$605,000**, while the median sales price of a small house is **\$348,000**. Small houses are providing a single-family housing alternative in the urban tier that is more affordable than the typical house. Almost **four times** as many small houses and small lots were created in lower-wealth areas than in higher-wealth areas.⁵¹ Allowing smaller lot sizes allows more affordable housing to be built.

Lot Size Reform Nationwide

Minneapolis, MN: The City passed a series of policy changes to relax land use barriers, including reducing minimum lot size. They updated their comprehensive plan in 2020 to expand land use for housing even further. In an attempt to build more densely, the City has also passed density requirements and height minimums to create more housing in popular areas.⁴⁷

Houston, TX: Houston has been on the cutting edge of relaxing regulatory barriers to housing. First passing legislation in 1998 to relax lot size requirements in the urban core, they expanded that to the entire city in 2013. Between 2007 and 2020, these regulatory changes allowed 34,000 townhomes to be developed.⁴⁸

California: In 2021, the California Assembly passed Senate Bill 9 that allows land currently zoned for single-detached housing to be split into two lots, and individuals can build two units on each lot, essentially allowing four units on land formerly zoned for one single-detached home. This bill has the opportunity to unlock significant development in the state and gives individuals more opportunities to build typologies of housing that suit neighborhood needs.⁴⁹

Key Takeaway

Reducing minimum lot sizes allows more affordable development in more types of communities. Often, minimum lot sizes drive up costs for development due to the high cost of land. When developers and homeowners are able to build on smaller properties, they keep their costs down and build the types of starter homes that were legal to build nationwide as recently as 40 years ago.

⁴⁷ Liang, L., Staveski, A., & Horowitz, A. (2024, January 4)

⁴⁸ Horowitz, A., & Roche, T. (2023, September 14)

⁴⁹ California YIMBY. (n.d.)

⁵⁰ Whiteman, S. (2023, December 6)

⁵¹ City of Durham Planning. (2023)

Parking Reform

Type of Policy: Legislative and Administrative; Supply-side; Short-term/Medium-term

Parking reform is the use of policies to discourage the building of too much parking supply and encourage more equitable, efficient, and sustainable management of existing parking. A single parking space takes up about 180 square feet, but when ramps, driveways, and access paths are taken into account, it's closer to 300 square feet per stall.⁵²

Many jurisdictions require more than one space per home, particularly for townhomes and single-detached homes. In new apartments, the space allotted for parking cars takes away from the space that could be housing people. In suburban communities, surface lots prevent walkable design and lead to sprawl.

The cost of providing a single parking space in a parking structure in Charlotte is roughly \$25,000, which can add up to a seven-figure cost in a multifamily development.⁵⁶

In North Carolina

A backlash against the costs associated with parking minimums is gaining momentum across the state, with Gastonia, Durham County, and Raleigh eliminating parking minimums throughout their localities. In the case of Gastonia and Raleigh, parking maximums have been instituted.⁵⁷

Parking Reform Nationwide

Gainesville City, FL: In 2022, Gainesville voted unanimously to eliminate all minimum off-street parking requirements, except disability requirements. Rather than setting a government requirement for the number of parking spots, the City now allows customers and developers to determine how many parking spaces are necessary.⁵³

Austin, TX: Austin is one of the largest cities in the country to eliminate parking mandates, which, since the 1950s, had required 1.5 parking spaces for every one-bedroom apartment. Eliminating parking minimums now allows for more development and more walkable communities.⁵⁴

Anchorage, AK: In 2022, Anchorage voted unanimously to eliminate mandatory parking requirements. The City Council argued that excessively large portions of the city were occupied by large parking structures without community benefit.⁵⁵

Key Takeaway

Parking spots are expensive to build and can add significantly to housing construction costs and, therefore, rent. By allowing the market to set the needed amount of parking for a structure or community, more land can be devoted to residential development, commercial development, or green space.

Parking reform policies can discourage excess supply by eliminating minimum parking requirements, creating maximum parking entitlements, using impact fees for new parking stalls, restricting new surface lots and impermeable surfaces, and allowing (or mandating) shared parking. There are also parking reform policies that can be used to encourage better use of existing parking supply. All of the possible opportunities for parking reform should be explored in close collaboration with municipalities countywide. Finally, if choosing to pursue ADU legalization (see section 2.a), it is essential to simultaneously address parking reform to enable maximum effectiveness of that policy.

⁵² Schmitt, A. (2016, July 5)

⁵³ Boisseau, C. (2023, July 17)

⁵⁴ McGlinchy, A. (2023, November 2)

⁵⁵ Municipality of Anchorage. (2022, November 23)

⁵⁶ WGI. (2022)

⁵⁷ Parking Reform Network. (n.d.)

Reduce Rent Barriers

Types of Policies: Administrative; Demand-side; Short-term

As part of the community engagement work conducted in collaboration with United Way of Greater Charlotte, researchers identified a series of short-term wins. These are policy interventions that can be implemented quickly to address short-term causes of housing insecurity. Reducing these immediate barriers to existing housing while simultaneously addressing long-term solutions can create a more stable housing market that can help make homelessness in Mecklenburg County “rare, brief and non-reoccurring.”⁵⁸

Application Fees

Renter application fees are a key barrier to affordability.⁵⁹ As in most states, North Carolina has no law capping renter application fees, which are shown to disproportionately affect renters of color.^{60 61}

Access to Record Expungement

Background checks for rental applications frequently return results that should have been legally expunged years ago. The County could notify residents of their expungement rights, which do not generally include evictions but do include a host of other low-level offenses. It can also work with public utilities to ensure residents know how to obtain clean records of payment.

Eviction Protections

The County may wish to make Legal Aid information regarding evictions more readily available in person and digitally across its websites.⁶² Currently, this information only exists on the County’s Affordable Housing Initiatives website.⁶³ The County may also want to consider partnering with Legal Aid of North Carolina on an eviction diversion program similar to the one in Durham, which helped more than 1,000 families maintain housing security over an 18-month period.^{64 65}

Renter Education

Community members consistently express frustration with the wide variation in rental application requirements and non-standardized upfront fees. A partnership with a local advocacy or education organization to provide renters knowledge of what to look for, as well as information about rights, could help lower residents’ anxieties and costs.



Apartment Buildings in Charlotte, NC, Public Domain

⁵⁸ Charlotte-Mecklenburg Continuum of Care. (2020)

⁵⁹ Ludden, J. (2023, January 13)

⁶⁰ Law District Team. (2024, April 10)

⁶¹ Garcia, M. (2022, April 6)

⁶² Legal Aid of North Carolina. (n.d.) Eviction Appeals

⁶³ Mecklenburg County Manager’s Office. (n.d.)

⁶⁴ Legal Aid of North Carolina. (n.d.) Durham Eviction Diversion Program

⁶⁵ Durham Mapping Evictions Project. (2021, September 11)

Next Steps

This Housing Action Plan for Mecklenburg County outlines a comprehensive approach to addressing the County's housing challenges through various policy initiatives and community engagement strategies. Key elements of the plan include:

- **Increasing Housing Supply.** By reducing mandatory lot sizes, promoting ADUs, and legalizing SRO units, the plan aims to increase the availability and variety of housing options to meet the diverse needs of the community.
- **Promoting Affordability.** Incentive-based housing policies and the creation of a strike fund are proposed to support the development of permanently affordable housing units and preserve naturally occurring affordable housing. These measures are designed to make homeownership more accessible and rental options more affordable for low- to moderate-income families.
- **Utilizing Public Land.** Expanding the existing land inventory for public purchase and constructing affordable homes on public land are highlighted as effective strategies to boost housing supply and affordability. These efforts can be paired with a community land trust that ensures the homes built remain affordable in perpetuity.
- **Enhancing Renter Protections.** The plan suggests short-term interventions, such as capping application fees, improving access to record expungement, and increasing legal aid for eviction protection, to create a more stable rental market and reduce housing insecurity.

The plan emphasizes the importance of collaborative efforts between municipal leaders, community organizations, and residents to implement these policies effectively and sustainably.

To move swiftly and with community support, decision-makers should consider selecting one to two policies that increase housing stock, particularly housing with permanent affordability, while responding to community concerns through a short-term intervention.

In the next phase of planning, the County should develop clear, compelling messages that explain the benefits of the policies to the public and stakeholders and share success stories from other regions or similar contexts to demonstrate their potential benefits. They should also define clear, measurable objectives for each policy and establish a system for monitoring progress and evaluating effectiveness.

By design, the ForEveryoneHome program prioritizes inclusivity, hosting numerous listening sessions with community groups and ensuring these voices are represented in this Housing Action Plan. In Phase 3, it is essential that the selected policies be examined to ensure they will promote equitable outcomes and will not disproportionately disadvantage any particular group.



Neighborhood in North Carolina, Public Domain



Apartments in Charlotte, NC, Public Domain

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