



## **Facts about affordable housing in Davidson**

- The Town of Davidson has experienced a significant rise in property values.
  - Newly constructed single family homes in Davidson, consisting of approx. 2400 sq.ft., regularly sell at or around \$350,000.
  - Existing homes have climbed to an average sales price of \$460,000, compared to \$227,000 average sales price in the Charlotte/ Mecklenburg region.
  - Maintaining an economically diverse citizenry and encouraging the production of affordable housing are priorities of the Davidson Town Board.
  - In 2001, the Board adopted an affordable housing ordinance requiring 12.5% of all developments with a few exceptions, to be affordable. In 2005, 2007, and 2008 the ordinance was amended to include affordable housing guidelines and standards.
  - Developments with seven or fewer units must either provide one affordable unit or make a payment-in-lieu to the Town of Davidson's affordable housing fund.
  - Developments with eight or more are required to set aside 12.5% of the units as affordable, e.g. in a 40 unit development, the builder would build five affordable units. Developers are required to distribute the affordable units among different income categories. In this example, using a development with five affordable units, two must be available to households with income less than 50% of the area median income. The other three must be priced for income between 50-80% of AMI, 80-120% of AMI, and 120-150% of %AMI.
  - The Town prefers that affordable units be constructed on-site, especially in locations close to transit, but the developer may opt out of the minimum required percentage by making a payment-in-lieu of \$69,400 per affordable unit to the affordable housing fund. This payment represents the sales price of a unit that is affordable to a household of four whose income is less than 50% of the area media income and whose payments will not exceed 23% of gross income.
  - The ordinance states that affordable housing will be designed to be complementary to the neighborhood.
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- Affordable units are also required to meet minimum size requirements based on the number of bedrooms and unit type (attached or detached).
  - The ordinance also requires that permanently affordable units be “functionally equivalent” to market rate units e.g. when features are included in market rate units, such as kitchen cabinets, countertops, dishwasher, etc., then equivalent features must be included in the affordable units.
  - Developers are required to submit an affordable housing plan for approval by the Town Board prior to the release of the development’s preliminary plat. The plan must illustrate how the project will meet the affordable housing program requirements.
  - The Town requires deed restrictions which impose resale and rental price limitations. These covenants are designed to preserve affordability for future qualified home-buyers or renters. Affordability must be continued for 99 years.
  - The ordinance is intended to assist income qualified households purchase or rent affordable homes. Income eligible households have been traditionally defined as those whose income is 80% or less of the area median income.
  - The Town of Davidson’s ordinance includes households with income up to 150% of the area median income. The median income, for a family of four, in Mecklenburg County is \$66,500.
  - There are 46 affordable housing units in Davidson, which exist per the requirements of the mandatory affordable housing ordinance. Sixty-eight affordable housing units are held in a land trust by the Davidson Housing Coalition, a non-profit 501(c) (3) organization, that has worked in conjunction with the Town to provide affordable housing.
  - The Town has collected or is owed approximately \$600,000 in payment-in-lieu fees. Under the 2001 ordinance provisions, developers were allowed to dedicate land in lieu of building affordable units.
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