



Town of Carrboro

Town Hall
301 W. Main St.
Carrboro, NC 27510

Agenda Item Abstract

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TITLE:

Follow Up Discussion of the Affordable Housing Taskforce Recommendations

PURPOSE: The purpose of this item is to provide the Board with an opportunity to more broadly discuss the Affordable Housing Taskforce recommendations and to consider potential steps.

DEPARTMENT: Planning

CONTACT INFORMATION: Patricia McGuire, 918-7327 - Christina Moon, 918-7325

INFORMATION: During 2012, the Board of Aldermen considered a series of text amendments to the Land Use Ordinance (LUO) relating to affordable housing. After the approval of the most recent amendment in June of 2012, the Board noted a recommendation from the Planning Board encouraging a more comprehensive review of the Town's affordable housing program. Board members voted to create an affordable housing taskforce and appointed Aldermen Slade, Johnson and Coleman to serve in that capacity. Taskforce members were charged with developing a recommendation to the full Board regarding affordable housing, which they presented on December 4, 2012.

The recommendation focused on potential amendments to the LUO in two distinct areas: the payment in-lieu option and the small house (size-limited) requirement. Key elements included:

- 1) Reducing the number of affordable units from 15 percent to 12 percent, while also reducing the cost of the unit from 80 percent AMI to 65 percent AMI (Area Median Income);
- 2) Adding more flexibility to the program by allowing developers to build some units and pay some payment in lieu fees for other units-but requiring a minimum of 5% built units;
- 3) Retaining the affordable housing density bonus, but only for those units actually constructed. (Units paid for using the in-lieu of option would not count toward the density bonus allotment); and
- 4) Considering modifications to the provisions that allow developers to build some affordable housing units in the 40 percent required open space area, so long as the open space is not less than 20 percent of the project site.

(The taskforce recommendations are provided as Attachment B. Agenda materials and meeting minutes may be found at

http://www.townofcarrboro.org/BoA/Agendas/2012/12_04_2012_D1.pdf> and
http://www.townofcarrboro.org/BoA/Minutes/2012/12_04_2012.pdf>).

At its February 19, 2013 meeting, the Board received a report from the Planning Board Chair presenting the findings from a series of dialogue sessions on affordable housing held in October of 2012. (Agenda materials from the meeting may be found at the following link: http://www.townofcarrboro.org/BoA/Agendas/2013/02_19_2013_E1.pdf>). A work session on the affordable housing taskforce recommendations and related affordable housing initiatives, summarized in the February 19th abstract, was scheduled for March 12th. This third meeting was designed to provide the Board with an opportunity to more broadly discuss the recently presented information regarding affordable housing and to consider potential next steps.

One additional topic identified for discussion was the possibility of the Town pursuing a more active role in purchasing and/or retaining property for affordable housing purposes, a concept also discussed as part of the concept planning for the Greene Tract owned jointly by the Town of Carrboro, the Town of Chapel Hill and Orange County. At the March 5th meeting, Board members reiterated their interest in retaining ownership of the Greene Tract and reaffirmed their original vision of developing a portion of the property for affordable housing units, for sale and/or for rent. The Board further expressed interest in exploring partnerships with non-profit organizations, such as the Raleigh based Downtown Housing Improvement Corporation (DHIC) (<http://www.dhic.org/index.shtml>>), in order to utilize the federal Low Income Housing Tax Credit (LIHTC) program. DHIC has a long and successful history in the Triangle area constructing and renovating affordable housing units for sale and for rent. One of the more substantial deterrents to using the LIHTC is the holding costs associated with owning land during the lengthy approval process, costs which could be reduced for a project constructed on publicly owned land such as the Greene Tract. (Information on the LIHTC may be found at http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/training/web/lihtc/basics>).

The Board's Affordable Housing Taskforce, (Aldermen Slade, Johnson and Lavelle replacing Coleman), is scheduled to reconvene on March 8th.

FISCAL & STAFF IMPACT: To be determined based on specific follow-up actions.

RECOMMENDATION: The staff recommends that the Board of Aldermen discuss the information received to date and specify desired next steps. A resolution (*Attachment A*) that may be used for this purpose has been prepared.