



Affordable Housing Task Force Meeting
November 21, 2016
Town Hall, Room 109



Agenda

- I. **Approval of Meeting Report for 9/12/16 (9:00 – 9:05)**
 1. [Attachment 1: Meeting Report for 9/12/16](#)

- II. **Discussion of Potential Affordable Housing Repair Program (9:05 – 9:35)**
 - a. Staff has been looking into the possibility of creating a structured repair program that would proactively identify opportunities to provide critical repair assistance and leverage the Town's money in a substantial manner. Staff will present information on existing repair programs in Orange County and ask the Task Force for guidance on preferred strategies for moving forward.
 1. [Attachment 2: Existing Repair Programs in Orange County](#)

- III. **Presentation and Discussion of Affordable Housing Overlay Zones (9:35 – 10:05)**
 - a. Affordable Housing Overlay Zones provide a package of incentives to developers who include affordable homes in their development. At the last Task Force meeting, staff was directed to continue looking into overlay zones as a potential strategy for creating additional affordable housing. Staff will present information on overlay zones and the possibility of creating them in Carrboro.
 1. [Attachment 3A: Overlay Zone Fact Sheet and Description](#)
 2. [Attachment 3B: Overlay Zone Examples](#)

- IV. **Update and Discussion of Town-Owned Land on Pathway Drive (10:05 – 10:25)**
 - a. Staff has continued to analyze strategies for developing affordable housing on the Pathway Drive parcels. Staff will update the Task Force on these efforts and discuss options for moving forward.
 1. [Attachment 4: Map of Pathway Drive Parcels](#)

- V. **Update to the Rental/Utility Deposit Assistance Program (10:25 – 10:30)**
 - a. Staff will present a possible update to the program that would allow the Town Manager to approve rental/utility deposit requests and discuss reasons for suggesting the change. An application process section has also been added to improve clarity for applicants.
 1. [Attachment 5: Rental/Utility Deposit Assistance Program with Tracked Changes](#)

Meeting Report

Affordable Housing Task Force



Meeting Date/Time: September 12, 2016 9:00 a.m.

Members Present: Bethany Chaney (Chair), Sammy Slade, Heather Hunt, John Nicopoulos, Nate Broman-Fulks (staff)

Members Absent: Michelle Johnson, Trish McGuire (staff)

Public Present: John Aceti (UNC Reporting student)

Agenda Item	Topics	Discussion Points/Actions Taken	Further Action
I. Updates	1) Three funding applications so far for FY 16-17 2) AH Funding Update 3) Northside Initiative 4) Lloyd Farm Update	1a) Community Empowerment Fund - \$639 for rental deposit assistance 1b) Community Home Trust (two applications) - \$25,000 total for affordable housing acquisition 2) The Task Force reviewed the latest information on funding requests. The Town has received 7 requests this calendar year, totalling \$84,139. The previous highest for any year was 1 request for \$28,000. 3) Purchased their first house in Carrboro. Will be incorporating it into Community Home Trust's inventory. 4a) Adding in the grocery store didn't change the LIHTC eligible properties 4b) Have polled affordable housing developers regarding land to be donated	1a) None 1b) Staff will check to see if Orange County's policy is still in place and look into changing. Staff will also look into how many occurrences of this policy might be out there to see if we can reach out to owners and help provide necessary information. 2) None 3) None 4) Staff will continue to work to find affordable housing opportunities in the Lloyd Farm development and will update the Board of Aldermen

Agenda Item	Topics	Discussion Points/Actions Taken	Further Action
	5) Orange County Bond	4c) Have found a model for including affordable units in full-service senior housing 5) The OC affordable housing bond takes place in Nov.	5) None
II. Update on Town-Owned Parcels at Hill, Lloyd, and Crest Streets	1) Crest Street Property 2) Hill and Lloyd Street Properties	1) Staff has gauged interest from affordable housing developers on the property. Developers believe the property would work best if it is rezoned or if the parcel of land that cuts through it could be purchased and incorporated into the existing parcel. 2) Staff is looking into the capacity of the piped stream running through the properties to ensure flooding won't be an issue. Staff is also working with Self-Help on creative ideas for connecting the two properties to allow for additional development possibilities.	1) Alderman Slade has reached out to the owner of the cut through property to gauge their interest in selling. Staff will move forward based on feedback from owner. 2) Staff will report back to the Task Force on piped stream study and will continue to work with Self-Help to pursue opportunities.
III. RFP Report and Discussion on Town-Owned Land on Pathway Drive	RFP Report and Discussion	The Task Force reviewed the findings of the RFP report and discussed options for moving forward. The Task Force decided to see if using an NC State Design Course and UNC Site Planning Course were options. If so, staff will take this option to the Board of Aldermen for their review. The second option is to have a limited RFP process where the Town could provide some money for firms to submit interesting designs and/or doing charrettes in the neighborhood.	1) Staff will reach out to NC State and UNC to determine if using them are options. If so, staff will add item to a Board agenda. 2) If option 1 isn't possible, staff will look into conducting limited RFP process and/or conducting neighborhood charrettes.
IV. Presentation and Discussion of Affordable Housing Overlay Zones	Review of overlay zones, examples of them, and discuss options for moving forward.	The Task Force reviewed Affordable Housing Overlays and cases of their implementation. The Task Force discussed the merits of the zones, if and how they could be implemented in Carrboro and how that might look. The Task Force asked staff to look at where the zones could be implemented in Carrboro and the criteria for deciding that. The Task Force also discussed reaching out to developers to see what it	1) Staff will work to identify criteria for identifying potential zones 2) Staff will further research the zones 3) Staff will begin conversations with affordable housing developers and developers from the Developers Roundtable to discuss what it would take to make the zones useful to them.

Agenda Item	Topics	Discussion Points/Actions Taken	Further Action
		<p>would take to make the zones a real incentive for affordable housing development. The Task Force also gave suggestions on further research areas in New Jersey who have implemented the zones.</p>	
Next Meeting	Date and Agenda Items for Next Meeting	<p>Potential agenda items include:</p> <ol style="list-style-type: none"> 1) Updates 2) Continued Discussion of Town-Owned Land for Affordable Housing and strategies for pursuing 3) Continued Discussion on Affordable Housing Overlay 	Nate to send out Doodle poll to schedule next meeting.



Housing Repair Program: Existing Resources in Orange County

Entity	Program	Description	Eligibility
1. Orange County	1. Single Family Rehab	Moderate rehabilitation and energy efficiency upgrades.	<ul style="list-style-type: none"> i. 62+ years of age or disabled (or child under 6 w/ lead paint in home) ii. 80% AMI or lower iii. Projects must cost \$5,000 - \$45,000 iv. Home must meet State criteria
	2. Urgent Repair	Minor repairs or modifications to existing housing that pose an imminent threat to health or safety	<ul style="list-style-type: none"> i. 62+ or disabled ii. 50% AMI or lower iii. Max project cost of \$6,000
2. Rebuilding Together of the Triangle	Critical Repair	Variety of critical home repairs and renovations	<ul style="list-style-type: none"> i. 65% AMI or lower
3. Habitat for Humanity	Brush With Kindness	Exterior repair (landscaping, painting, decks, ramps, etc.)	<ul style="list-style-type: none"> i. Current on taxes and insurance premiums ii. Prioritize based on need and income
4. Self-Help/Jackson Center	Northside Promise of Home	Home repair assistance to elderly and disabled homeowners residing in Northside	<ul style="list-style-type: none"> i. Seniors residing in Northside ii. 80% AMI iii. Max project cost of \$50,000 iv. Value of property after rehab may not exceed 95% area median purchase price for that type of housing

Factsheet: Housing Overlay Zones

I. What is a Housing Overlay Zone?

Housing Overlay Zones (HOZs) provide a package of incentives to developers who include in their projects homes that people can afford. Based on carrots rather than sticks, HOZs encourage production of affordable homes rather than requiring it. They are called “overlay” zones because they layer on top of established base zoning regulations, leaving in place opportunities for property owners to develop within these existing rules. Rather than imposing restrictions, HOZs present developers with more choices by offering additional benefits to projects that increase the supply of homes that people can afford.

HOZ incentives may include increased density, relaxed height limits, reduced parking requirements, fast-tracked permitting, and exemptions from mixed-use requirements. HOZs may also permit residential construction in zones otherwise restricted to commercial uses. In order to qualify for these incentives, developments must include a certain percentage of homes for lower income households, generally between 25% and 100% of the units.

Ultimately, **the more valuable the developer incentives included in a Housing Overlay Zone, the more effective the HOZ will be in encouraging production of homes that people can afford.** Desirable incentives both motivate developers to take advantage of the HOZ, and reduce development costs to allow construction of more affordable homes. Because zoning decisions have financial value to developers but do not require direct city expenditure, HOZs can create value, which can be used to build more affordable homes without relying on either public or private dollars.

II. What can a Housing Overlay Zone Accomplish?

Housing Overlay Zones can benefit communities, local governments, land owners, and developers. They can:

- Facilitate the development of affordable homes without added financial costs to governments or developers;
- Be tailored for individual jurisdictions, to meet their local needs;
- Provide entry into competitive real estate markets for non-profit developers;
- Ensure clarity and predictability of development standards and processes for both the community and developers;
- Encourage use of scarce land resources to better meet community needs;
- Expand the amount of land available for homes people can afford.

To achieve these goals, HOZ policies are centered around four basic parameters that can be customized to best fit local needs: (1) the **geographic scope** of applicability; (2) baseline **affordability qualifications** for developments to access HOZ incentives; (3) **incentives** given to qualified developments; and (4) the extent of **exemptions from discretionary project-level**

approvals. Determining the most effective balance of these factors will depend on work by local communities; however, in general, more effective HOZs will have broad geographic applicability including in lower-density or commercial zones, meaningful affordability qualifications, valuable incentives, and reliable exemptions from discretionary approvals.

III. Housing Overlay Zone FAQs

Have HOZs been implemented before or are we going out on a limb?

At least seven jurisdictions in California have implemented HOZ policies. In Corte Madera, one of the earliest to adopt, the HOZ policy has already led to a high-quality family apartment complex near jobs and transportation.

Have HOZs been successful in producing affordable housing?

While HOZs are still gaining in popularity, they have already produced homes that people can afford. In Corte Madera, for example, EAH Housing relied on HOZ incentives for a 79-unit family development that opened in 2007.

Won't land owners object if their property is rezoned for affordable housing?

HOZs do not involve *re-zoning* of land. Rather, they create an additional set of development options that land owners can choose to exercise at their discretion. Because existing zoning is left untouched, HOZs do not change existing development opportunities.

Doesn't California's Density Bonus Law already provide incentives for the construction of affordable homes?

California's Density Bonus Law provides for minimum incentives to encourage production of homes that people can afford, but HOZs can provide far greater incentives, as to the number, type and scope of incentives offered. They can offer density bonuses exceeding those provided through the Density Bonus Law, include other incentives such as parking reductions or fast track permitting, and set forth policies such as by-right development. They also create more certainty for developers by providing a full set of incentives at the same time and establishing local commitments to encourage specific types of housing.

Didn't the California courts limit the ability of local governments to require developers to build affordable homes? How is an HOZ different from an Inclusionary Housing requirement?

Two 2009 Court of Appeal cases shed doubt on Inclusionary Housing and in lieu fees related to rental housing. HOZs avoid the pitfalls of these cases because they do not *require* the production of affordable rental homes or payment of fees, as Inclusionary Housing policies do. Instead, HOZs offer incentives that developers can earn in exchange for producing this needed housing. Of course there is no need to choose one or another: HOZ compliment Inclusionary Housing and other housing policies.

What does it take to make a HOZ successful?

Organizing, technical assistance, and political will are all necessary to ensure that a local HOZ becomes an effective tool for generating much needed homes that people from the local community can afford. Political buy-in and community support are also needed to make sure that the HOZ policy has incentives strong enough to lead to real results.

Housing Overlay Zone (HOZ)

Summary and Benefits:

Using a “carrot,” rather than a “stick,” approach to encourage the creation of additional affordable housing, Housing Overlay Zones (HOZ) provide a flexible tool that sits on top of conventional zoning designations. These areas offer developers incentives to provide the community with specific amenities and community benefits in exchange for specific concessions by the city. On sites where land is not zoned for residential use but a city would like to see affordable housing built, a housing overlay district may eliminate the time consuming process of amending a general plan to construct such housing.

Public Advocates, a Bay Area law firm specializing in social justice issues, points out:

To achieve these goals, HOZ policies are centered around four basic parameters that can be customized to best fit local needs:

1. Geographic scope of applicability;
2. Baseline affordability qualifications for developments to access HOZ incentives;
3. Incentives given to qualified developments; and
4. The extent of exemptions from discretionary project-level approvals.

Determining the most effective balance of these factors will depend on work by local communities; however, in general, more effective HOZs will have broad geographic applicability including in lower-density or commercial zones, meaningful affordability qualifications, valuable incentives, and reliable exemptions from discretionary approvals.

Potential Policies:

- Consider the implementation of a Housing Overlay Zone over locally designated Priority Development Areas (PDAs), and transit-accessible areas, to incentivize affordable housing inclusion in areas close to amenities and transit alternatives.
- Among the potential incentives it could include:
 - Enhanced density bonuses - possibly to encourage [parcel assembly](#) as well
 - Reduced parking ratios
 - Expedited permit processing
 - Increased allowable heights
 - By-right zoning or administrative approval of projects
 - In-lieu fees
 - Impact fee waivers

Model Ordinances/Useful Sources:

- **City of Menlo Park**, link: [http://www.menlopark.org/departments/pln/he/amendments/993 HE Affordable Housing Overlay.pdf](http://www.menlopark.org/departments/pln/he/amendments/993_HE_Affordable_Housing_Overlay.pdf), <http://www.codepublishing.com/CA/menlopark/?MenloPark16/MenloPark1698.html>
- **City of Alameda**, link: http://alameda.granicus.com/Viewer.php?meta_id=37217&view=&showpdf=1
- **King County, Washington**, link: <http://www.kingcounty.gov/socialservices/Housing/ServicesAndPrograms/Programs/HousingDe>

- [velopment/Incentives.aspx](#)
- **Orange County**, Affordable housing incentive withing commercially zoned properties, Link: http://library.municode.com/HTML/11378/level3/TIT7LAUSBURE_DIV9PL_ART2THCOZO_CO.html#TIT7LAUSBURE_DIV9PL_ART2THCOZOCO_S7-9-148.1PUIN
- **Public Advocates**, *Factsheet: Housing Overlay Zones*, http://www.publicadvocates.org/sites/default/files/library/affordable_housing_overlay_zone_fact_sheet_7-27-10.pdf



Overlay Zone Examples

I. Capitola, CA

The City has adopted an Affordable Housing Overlay Ordinance (AHO) which allows additional densities up to 20 units per acre in all R-M (Multi-Residential) Districts. This increased density is allowed in on designated Opportunity Sites in the RM zoned districts with the provision of at least 50 percent affordability. The AHO is designed to encourage rehabilitation and in-fill development. The overlay is currently applied to only two sites in the City.

1. **Established:** 2010
2. **Geographic Area:** Residential Multi-Family zoning districts, at least one acre in size. 2 sites have been identified to date and could be applied to more in the future.
3. **Length of Affordability:** Not less than 55 years
4. **Density Bonus:** 20 units per acre
 - a. Compared to underlying zone:
 - i. RM-LM (low-medium density): 12.5 additional units
 - ii. RM-M (medium density): 7.5 additional units
 - iii. RM-H (high density)= 2.5 additional units
5. **Results:** If developed, the sites would provide for a combined total of 94 new affordable units.

II. King County, WA

The King County Housing and Community Development Program administers a number of affordable housing incentive programs that are provided in the King County Code, and coordinates with other King County departments on a number of programs in order to facilitate the creation of housing at a range of affordable levels. If a development provides affordable housing in the designated zones, they are eligible for certain incentive programs, depending on the type, length, and amount of affordable housing being provided.

1. **Established:** 2008
2. **Geographic Area:**
 - a. In R-4 through R-48 zones (Residential four dwelling units per acre through 48 units per acre); and
 - b. In Neighborhood Business, Community Business, Regional Business and Office zones when part of a mixed use development. (Ord. 10870 § 561, 1993)
3. **Length of Affordability:** N/A
4. **Density Bonus** (compared to underlying zone):
 - a. Rental Housing: The amount of the bonus allowed depends upon whether the benefit units serve seniors or non-seniors. The bonus sizes range from 1 to 1.5 bonus units per benefit unit.
 - b. Ownership Housing: The amount of the bonus depends upon the length of resale restriction, if any, that is put on the property. The ownership bonus ranges from .75 to 1.5 bonus units per benefit unit. However, projects in which 100% of the units are affordable are allowed a density of 200% of the base density of the underlying zone.
5. **Results:** Unable to find

III. Menlo Park, CA

The purpose of the AHO zone is to encourage the development of affordable housing for low, very low and extremely low income households. The zone is targeted for emergency shelters, supportive housing, and housing that provides reasonable accommodation for persons with disabilities. The AHO serves to



implement the housing element goal of providing new housing that addresses affordable housing needs in the city of Menlo Park by establishing development regulations for designated housing opportunity sites.

1. **Established:** 2013
2. **Geographic Area:**
 - a. Menlo Park El Camino Real and Downtown specific plan area
 - b. Properties zoned high density residential
3. **Length of Affordability:** 55 years
4. **Density Bonus** (compared to underlying zone): 35-60%, depending on amount of units and targeted income level.
5. Results:

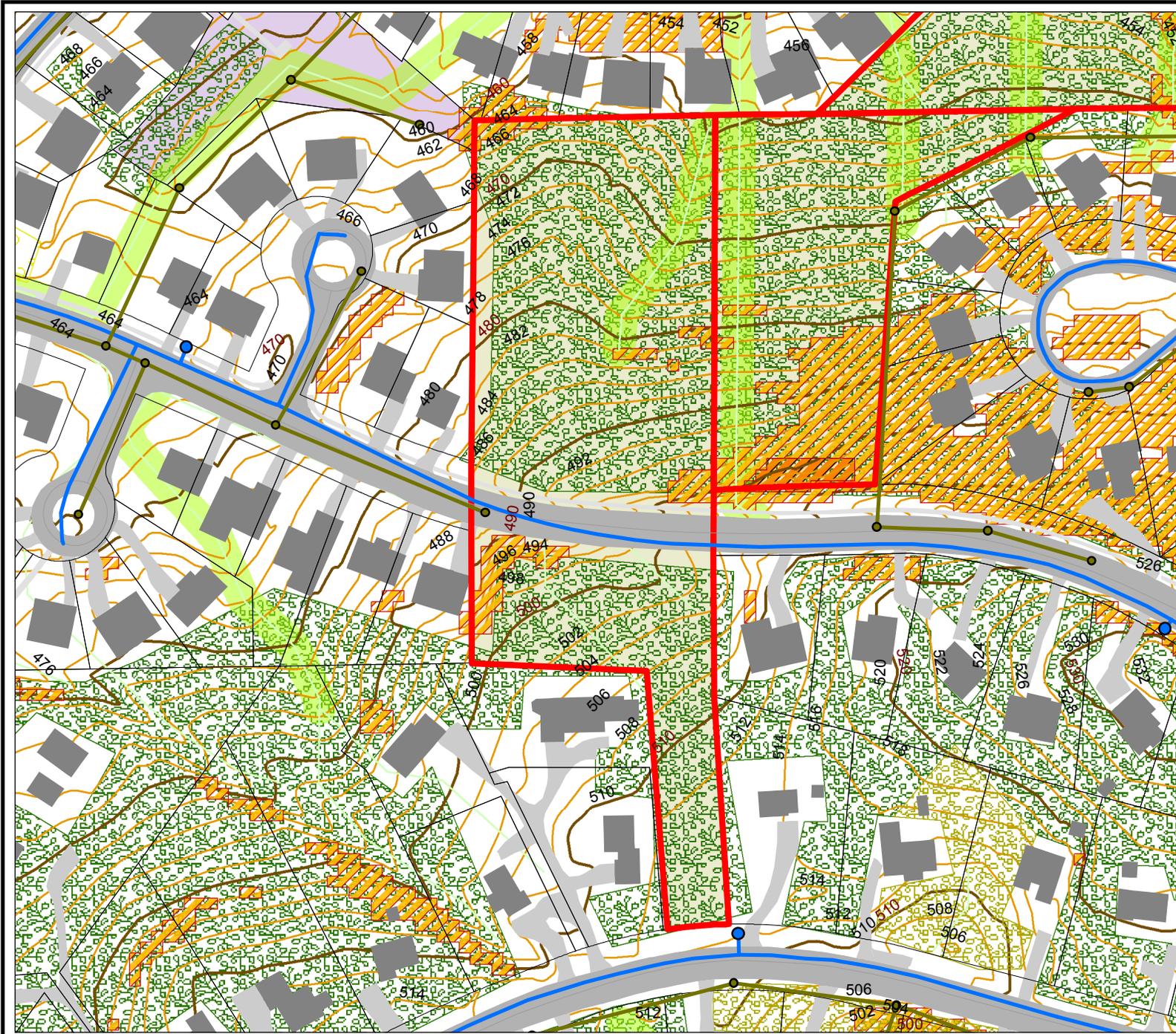
IV. Austin, TX

The purpose of the university neighborhood overlay (UNO) district is to transform West Campus into an urban high-rise neighborhood (up to 175 feet tall in places) and create much-needed housing close to campus for UT's swollen student population. It is also intended to provide a mechanism for the creation of a livable and pedestrian friendly environment, and protect the character of the predominantly single-family residential neighborhoods adjacent to the district. For any multi-family residential proposals, 10% of units must be affordable to households at 80%AMI and 10% for households at 60% AMI, for not less than 15 years.

1. **Established:** 2004
2. **Geographic Area:** West Campus Area
3. **Length of Affordability:** 15 years
4. **Density Bonus** (compared to underlying zone): Can build taller and with decreased setbacks, allowing for more density.
5. **Results:** Grew by 36%, 16% more than Austin's 20% growth rate between 2000 and 2010 (6 years of UNO existence)

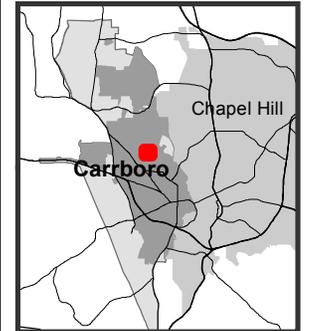
Incentives Used in Examples

Incentives	Capitola , CA	King County, WA	Menlo Park, CA	Austin, TX
Increased density	X	X	X	
Minimum lot size reduction	X	X	X	X
Relaxed height limits	X		X	X
Decreased setbacks	X		X	
Financial Subsidy				X
Permit Fee Waiver			X	
Parking requirements	X	X	X	X
Fast-tracked permitting				
Open Space Reduction	X	X	X	
Exemptions from mixed-use requirements				
Allow residential in commercially zoned areas	X		X	X



Public Properties

1816 Pathway
9779427516



- Gravity Sewer Mains
 - Water Lines
 - Public Properties
- Floodplain**
- 500 yr Floodplain
 - 100 yr Floodplain
 - 100 yr Floodway
 - Zone 1 Stream Buffer
 - Zone 2 Stream Buffer
 - Slopes Greater Than 25%
 - Hardwood Areas

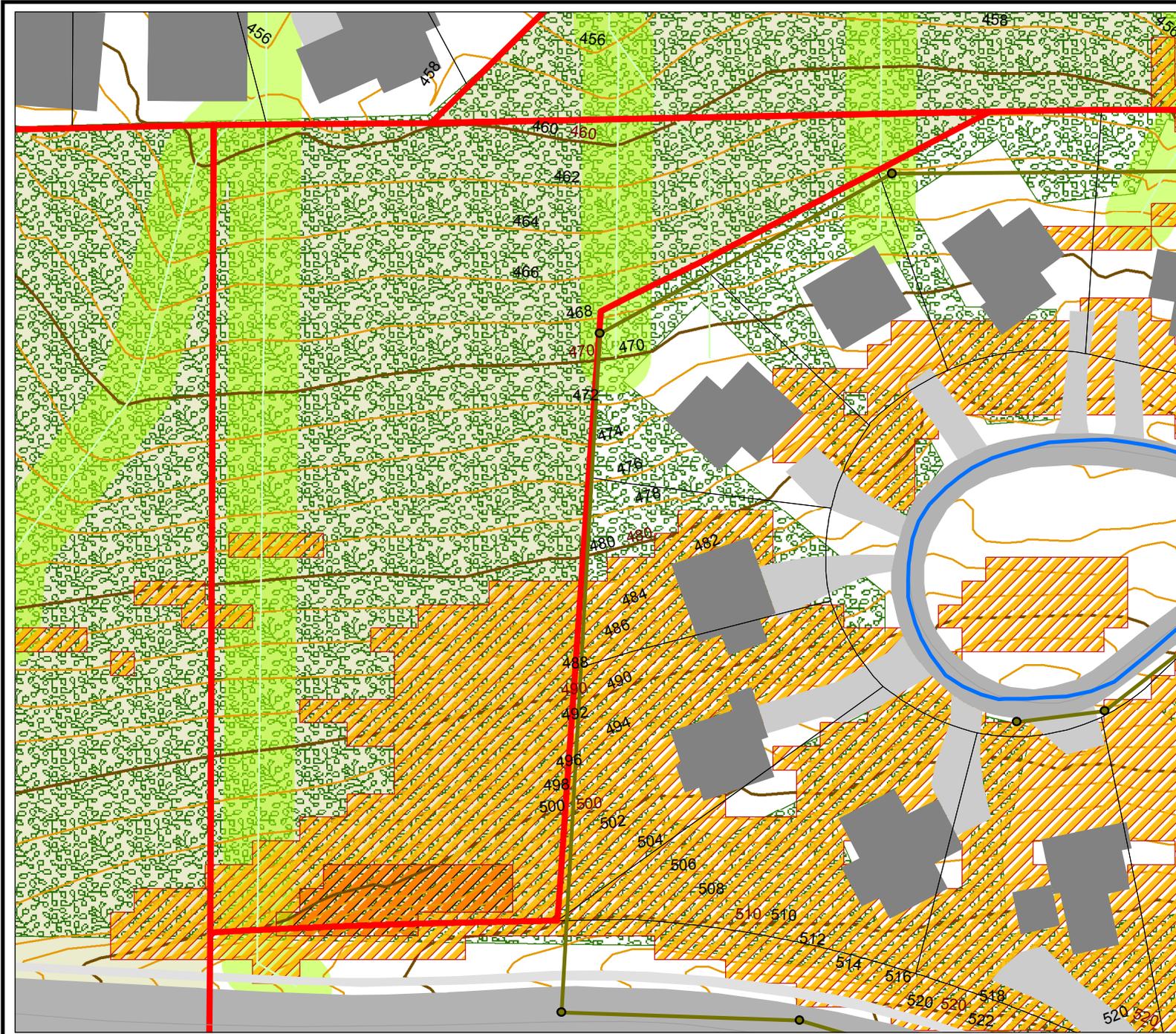
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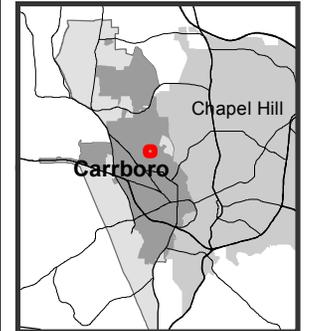
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Public Properties

1814 Pathway
9779429615



- Gravity Sewer Mains
- Water Lines
- Public Properties
- Floodplain**
- 500 yr Floodplain
- 100 yr Floodplain
- 100 yr Floodway
- Zone 1 Stream Buffer
- Zone 2 Stream Buffer
- Slopes Greater Than 25%
- Hardwood Areas

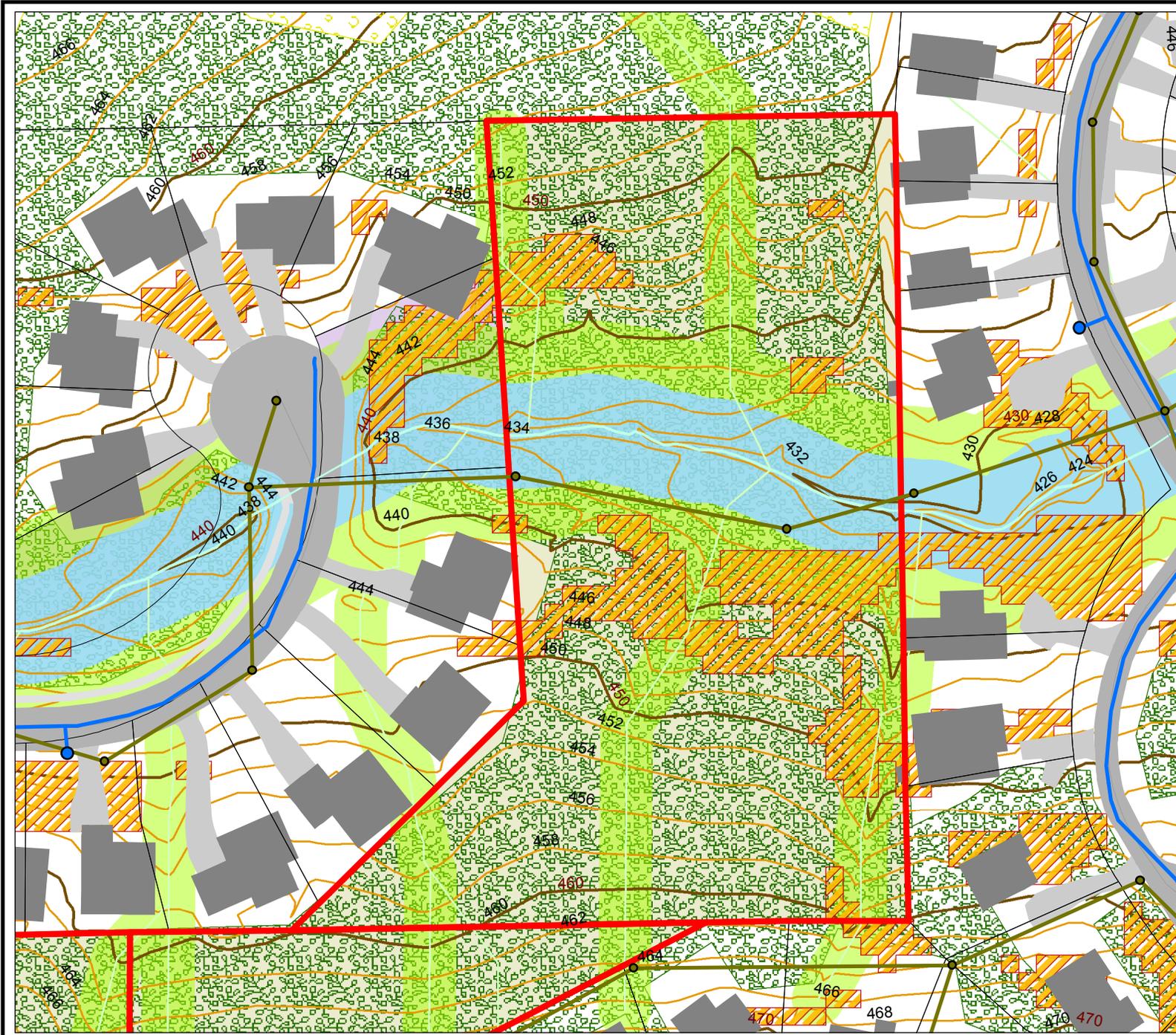
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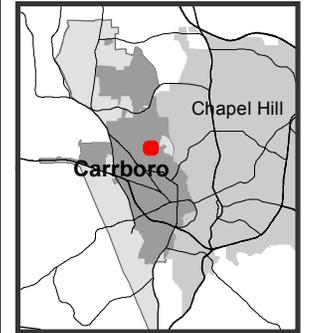
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Public Properties

1814- A Pathway
9779531130



- Gravity Sewer Mains
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- Floodplain**
- 500 yr Floodplain
- 100 yr Floodplain
- 100 yr Floodway
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Carrboro Affordable Housing Fund: Description of Rental and/or Utility Deposit Program

Description: A grant program to expend funds from the affordable housing fund for the purpose of assisting citizens in need of assistance relocating. A household is only eligible to receive funds once. The funds are to be used to provide rental housing and/or utilities deposits as based on the following requirements:

- A. That the grants are issued for assistance relocating within the Town of Carrboro.
- B. That the grant applicant provide a copy of the lease or provide a signed copy of an Orange County Request for Tenancy Form showing the applicant has been approved for housing in the Town of Carrboro.
- C. That the grant applicant provide proof of having a current Section 8 Housing Choice Voucher from Orange County.
- D. That the applicant provides official documentation showing the amount of the deposit.
- E. That the grant amount shall not exceed \$1,000 per household.

Application and Approval Process: Applicants must turn in the following information to the Town before funding will be considered:

1. A complete description of the project, including the location and explanation of how this project meets the program criteria.
2. A copy of the lease or a signed copy of an Orange County Request for Tenancy Form
3. Proof of having a current Section 8 Housing Choice Voucher from Orange County
4. Official documentation showing the amount of the deposit.
5. Other relevant information as requested.

Applications should be sent to the Town Manager's Office. The Town Manager's Office will review the application based on the above criteria. The Town Manager has the ability to approve/deny the requests based on an application's ability to meet all stated criteria.