



Affordable Housing Subcommittee

Presented by

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Agenda

1. Affordable Housing Land Regulations Overview – Nathan Pennington
2. 4% LIHTC Project Case Studies – Andrew Mayronne
3. Goal Setting – Sybil Tate and Amanda Stratton



Affordable Housing Land Regulations Overview



Comprehensive Planning & Zoning

Chapter 160D

- Any community with a zoning ordinance must have a Comprehensive Plan
 - “Zoning regulations shall be made in accordance with a comprehensive plan.”
 - Purpose and intent to ensure regulations are based on long range goals and policies
- Plan provides consistency/rationale for exactions, conditions, and policies
- Plan Goals and Objectives → Policies → Zoning Text Amendments

- Buncombe County has a Code of Ordinances; other communities have a similar collection of development related ordinances (also know as UDOs)



Zoning Incentives

- Buncombe County's Community Oriented Development option
- Density in exchange for affordable or workforce housing units

Exchange

Conditional Zoning

- Authorized by NCGS (2005)
- Rezones a property based on a site specific plan
- Governing body and applicant must agree on conditions
- Conditions can include provision of affordable housing

Exchange

Inclusionary Zoning

- NOT Authorized by NCGS
- Requires affordable housing
- Ex: Percent of development and/or a fee-in-lieu of
- Strong potential for legal challenge

Exaction

North Carolina Examples*

	Chapel Hill	Carrboro	Davidson
% of New Units that Must Be Affordable	15%	15%	12.5%
Developments of ___ Units or More	5	5	7
Incentives			
Density Bonus	✓	✓	✗
Size-Limited Requirement Waiver	✓	✓	✗
Floor Area Bonus	✓	✗	✗
Open Space Reduction	✗	✓	✗
Permit Fee Waiver (Non-Profits Only)	✗	✓	✗
Fee-in-Lieu Option	✗	✓	✓
Lot in Lieu Donation	✗	✓	✗

*Currently, no North Carolina Counties have inclusionary zoning provisions



Tax Credit Case Studies



4% LIHTC Developments

- Derives from the same section of the tax code as 9% LIHTC projects
 - Bond financing required
 - 9% vs 4% reflects the lower proportion of federal subsidy
- Reduction in federal subsidy often made up with local dollars
- Affordable rent levels can vary substantially from 9% projects
- Awards are non-competitive
- Projects can be built to larger scale



4% LIHTC Project Comparison

Wake County

Units	Type	Target Population	Year
164	New Construction	Family	2021
124	New Construction	Family	2021
228	Rehabilitation	Family	2021
170	New Construction	Family	2021
156	New Construction	Senior	2021
192	New Construction	Family	2021
90	New Construction	Family	2021
132	New Construction	Family	2021
56	New Construction	Senior	2020
164	New Construction	Senior	2020
192	New Construction	Family	2020
154	New Construction	Family	2019
216	New Construction	Family	2019
200	New Construction	Family	2019
120	New Construction	Family	2018
40	Rehabilitation	Senior	2018
120	New Construction	Senior	2018
161	Rehabilitation	Senior	2018
96	New Construction	Senior	2018
96	New Construction	Senior	2018
144	New Construction	Family	2018
120	New Construction	Family	2018
180	New Construction	Family	2018
3,315	Total Units		

Durham County

Units	Type	Target Population	Year
110	New Construction	Family	2021
82	New Construction	Family	2021
132	New Construction	Family	2021
168	New Construction	Family	2021
82	New Construction	Family	2020
100	Rehabilitation	Family	2020
168	New Construction	Family	2020
177	Rehabilitation	Senior	2019
80	New Construction	Senior	2019
1,099	Total Units		

New Hanover County

Units	Type	Target Population	Year
202	Rehabilitation	Family	2019
202	Total Units		

Buncombe County

Units	Type	Target Population	Year
116	Rehabilitation	Senior	2019
116	Total Units		

Orange County

Units	Type	Target Population	Year
0	Total Units		



4% LIHTC Key Points

- Actively employed by large communities with significant affordable housing needs
- Consistent production dependent on strategic local government approach, including:
 - Predictable community goals
 - Steady engagement and active developer outreach
 - Earlier project involvement from local government representatives
 - Defined financial resources



Goal Setting



Existing Goals

Vibrant Economy	Environment and Energy Stewardship
Dept. Business Plan: Planning	Dept. Business Plan: Sustainability
Create a land use inventory for most appropriate areas for affordable housing	Contract for weatherization and energy efficiency services for low-income communities
Explore AH policy option through the Comp Plan process	Create a low-income solarization program
<i>Target: 2,000 households supported by the Affordable Housing Services program</i>	<i>Target: FY21 – 200 homes served; FY26- 500 homes served</i>

- **Racial Equity Action Plan**

- Target funding to address specific affordable housing needs for BIPOC populations, ensuring geographic regions and specific populations receive the appropriate housing intervention
- Sustain and expand rates of BIPOC homeownership



Goal Comparison

Orange County	5 year goal
New rental	500
Rental units (30% – 50 % of AMI)	250
Units serving homeless, persons with physical and or mental disabilities and seniors	250
TOTAL	1,000

Buncombe County	5 year goal
New units	629
Rehab	348
Rental Assistance	289
Supportive Services	1,005
TOTAL	2,271

Durham City/County	5 year goal
New units	1,600
Preserved units	800
Units for low-income homebuyers	400
Rehab/remain in home	3,000
Housing for homeless	1,700
TOTAL	7,500

Wake County	1 year goal
Rental assistance	215
New units	50
Rehab	37
Acquisition of existing units	5
TOTAL	307



Buncombe County (including COA) Housing Gap Estimates 2018-2023

Rental Housing Gap Estimates

- ✓ <80% AMI: 3,198
 - <30% AMI: 1,124
 - 30%-50% AMI: 1,044
 - 51%-80% AMI: 1,030
- ✓ 80-120% AMI: 904

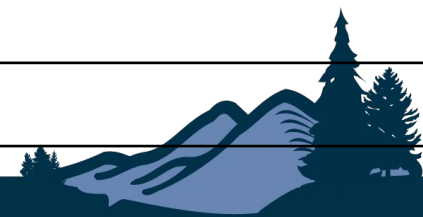
For Sale Housing Gap Estimates

- ✓ <80% AMI: 845
- ✓ 80-120% AMI: 2,673



Schedule

Meeting Date	Discussion Topic
July 13, 1pm	Contextual Data - existing AH goals in Strategic Plan and Equity Plan; trends/draft dashboard
August 3, 1pm	Contextual data - What are other local governments doing?
August 17, 1pm	Cancelled
September 7, 1pm	Goal Setting
September 21, 1pm	Follow-up Items
October 5, 11am?	Goal Setting & Funding Strategies (Extended Work Session?)
October 19, 1pm	Finalize Goals and Program Review
Nov. 2, 1pm	Program Review and Application Review
Nov 16, 1pm	Application Review and Budget/Contract Discussion
December 7, 1pm	Final Application Review



Potential Follow-up Topics

- Durham:
 - What is the barrier to building on school property?
 - How are they moving 1,700 people into housing?
- Wake:
 - How does 50 years of affordability change the negotiation?
- Workforce housing need
- Bond funding budget/strategy
- Local Partner presentations:
 - Homelessness: Permanent Supportive Housing/Continuum of Care
 - Vouchers: Dollars used annually/amount left untouched
 - Repair/rehab: Different funding sources and programs
 - New Start programs: CIMA, Eliada, Land Trust, On Track
 - Weatherization funding: Jeremiah LeRoy

