

March 25, 2025

# AFFORDABLE HOUSING

## Town Council Work Session

Housing and Community Services  
Anne-Marie Vanaman, Director



TOWN OF CARRBORO • NC



## AGENDA

Town-Land  
Recommendation

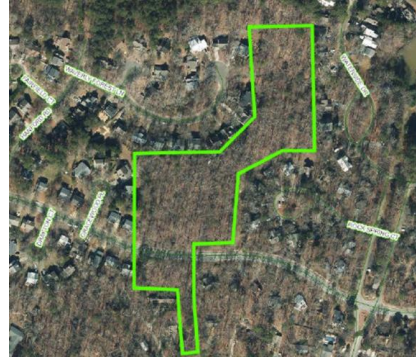
Community Indicators  
Tools and Strategies  
Recommendations

# Exploration of Town Parcels for Affordable Housing Development

## FINDINGS

- Substantial rock and slope
- Streams, water and sewer easements present
- Habitat for endangered species
- Stormwater Impact Analysis incomplete
- The potential costs of development may exceed the value of the investment, even with land donation and maximum density.

## PATHWAY DRIVE



- 3 acres of buildable land
- More expensive stormwater management may be needed
- Additional site work needed to estimate financial feasibility and inform concept plan.

## CREST STREET



- .26 acres of buildable land
- Stream buffers severely limit area that can be developed
- One unit possible but with difficulty and expense.

Recommend: (1) no further exploration of the Pathway and Crest properties. (2) Review town inventory, evaluate other land banking prospects as they occur through the Central Pines/OCAHC Land Study project and through discussions with affordable housing partners and UNC.

# Rental Housing

## Orange County

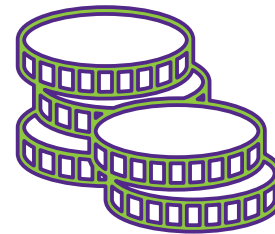
(Durham-Chapel Hill Metro Area)

### 2025 HUD Fair Market Rent



\$1,872  
2-bedroom

### Household Income Needed



Housing Wage  
\$36.00/hr.  
Annual Income  
\$74,880

### Annual Average Salaries



\$36,230



\$51,740



\$33,000



# Homeownership

Durham-Chapel Hill Metro Area

## Median Home Price



**\$433,500**

## Income Needed to Afford



**Qualified Income  
\$132,553**

## Monthly Payment



Principal & Interest **\$2,586**  
Plus, property tax, insurance, etc. **\$3,314**

***Actual Median Income*  
\$86,336**

Gap between qualified and actual income **53.5%**  
Qualified income = **1.54 x** actual income

# Additional Pressures on Housing Affordability

- Escalating Construction Costs
- Limited Supply of Existing Housing
- Land Constraints
- Insufficient Subsidy
- Gentrification and Property Taxes
- High energy costs in older, existing housing

## Severe Cost Burden by Race and Ethnicity in Orange County

	# of Households	Severe Cost Burden	
Other, Non-Hispanic	768	264	34%
Native American, Non-Hispanic	212	53	25%
Black, Non-Hispanic	5,639	1,165	21%
Hispanic	2,741	508	19%
White, Non-Hispanic	39,918	6,109	15%
Asian/Pacific Islander, Non-Hispanic	3,279	450	14%
<b>TOTAL</b>	<b>52,465</b>	<b>8,549</b>	<b>16%</b>

*Carrboro Connects - Issues and Opportunities*

Source: ACS 2018 Five-Year Estimates

# Carrboro Housing Gap

	# of Units	% of Units
Homeowners	314	8%
Renters	765	15%
<b>Total Gap</b>	<b>1,079</b>	<b>12%</b>



# AFFORDABLE HOUSING TOOLKIT

## **Funding**

Local government

Federal and State sources\*

Private Foundations, Employers

## **Land**

Publicly-owned land

Land Banking

Land Trust

## **Zoning**

Comprehensive Plan

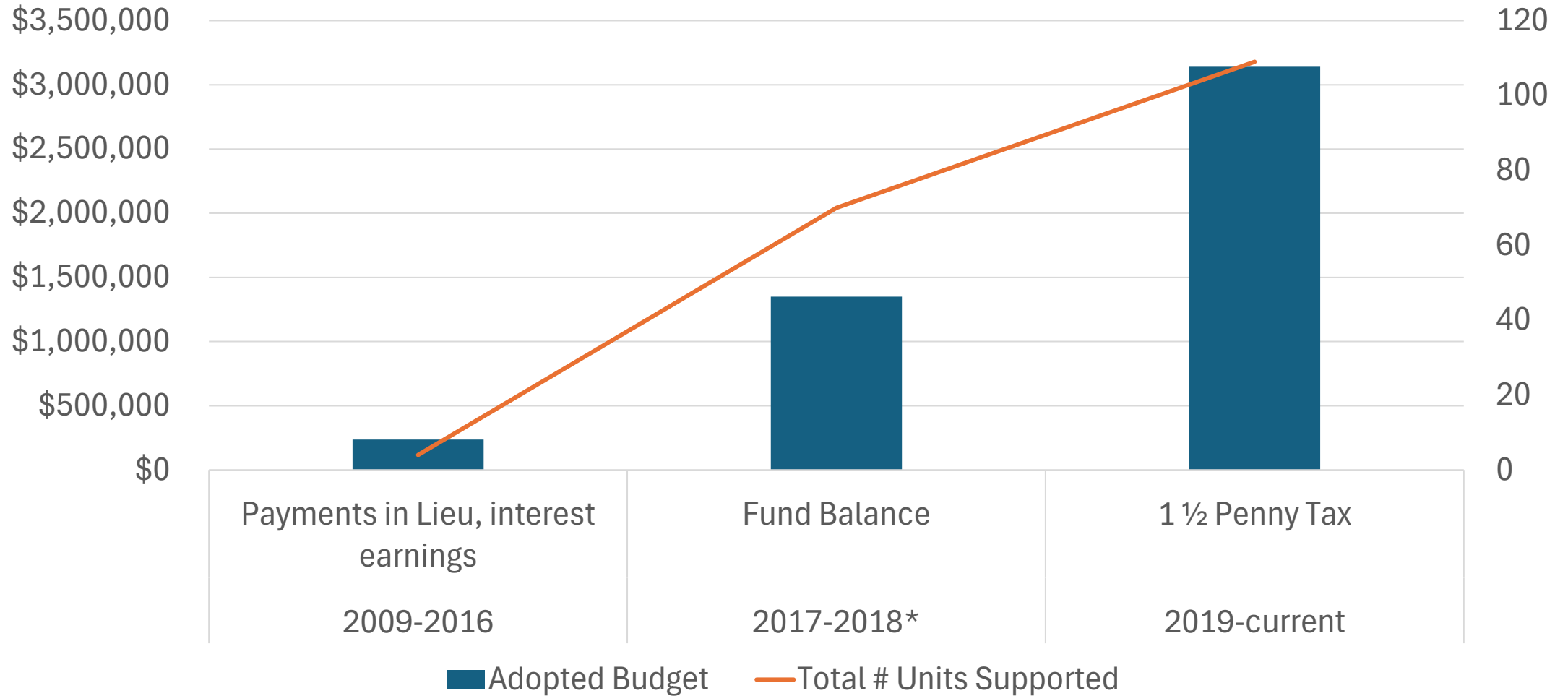
UDO rewrite project



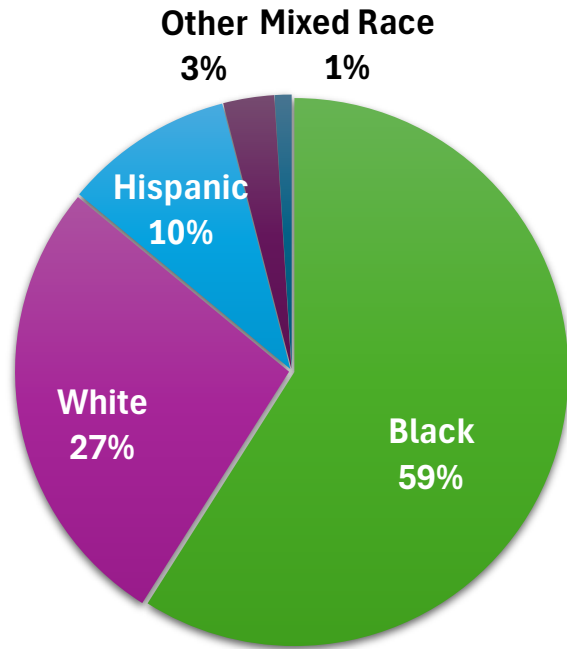
# Strategies for Preservation and Production

Housing Preservation	Housing Preservation	Housing Production	Housing Production
Ownership	Rental	Ownership	Rental
Wealth Building	Ongoing Affordability	Wealth Building	Ongoing Affordability
<ul style="list-style-type: none"> <li>• Repairs and weatherization</li> <li>• Property tax assistance</li> <li>• Land trust</li> <li>• Shared appreciation</li> </ul>	<ul style="list-style-type: none"> <li>• Rental assistance</li> <li>• Homelessness services/prevention programs</li> <li>• Master Leasing</li> <li>• Housing code enforcement</li> <li>• Manufactured home park preservation</li> </ul>	<ul style="list-style-type: none"> <li>• Land banking</li> <li>• Public land</li> <li>• Subsidize production, including pre-development and infrastructure</li> <li>• Zoning ex. – conditional zoning</li> <li>• Down-payment assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Land banking</li> <li>• Public land</li> <li>• Subsidize production, including pre-development and infrastructure</li> <li>• Zoning –ex. conditional zoning</li> <li>• LIHTC</li> </ul>

# Affordable Housing Special Revenue Fund

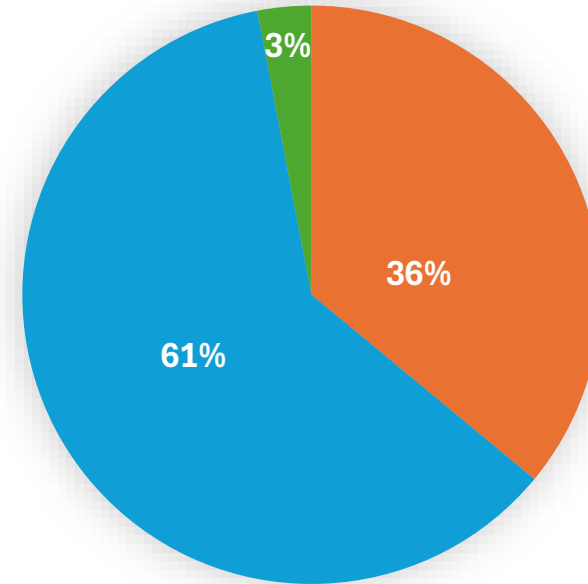


### Households Supported by AHSRF Funded Projects



■ Black ■ White ■ Hispanic ■ Asian ■ Other ■ Mixed Race

### Household Incomes Supported by AHSRF Funded Projects



■ <30% AMI ■ 31-60% AMI ■ 61-80% AMI



**\$4.72M**  
AHSRF



**243**  
Existing Units



**104**  
Units Added  
via AHSRF



**79**  
Units Preserved



**59**  
Units Added via  
Planning Process



**80**  
Units in the Pipeline



**385**  
Households  
Received EHA



**\$1.24M**  
Community  
Partnerships

# PROGRESS 2007-2025

# COMMUNITY PARTNERS

PEEWEEHOMES 

SELF  HELP  
CREDIT UNION

 **Community**  
HOME TRUST

  
**EmPOWERment**  
INC

CEF

 **Rebuilding**  
Together.  
*Of the Triangle*

 *hope*  
RENOVATIONS

 Orange County  
Partnership to  
End Homelessness

 **Habitat**  
for Humanity®  
of Orange County

**CENTRAL  PINES**  
REGIONAL COUNCIL

**MCJC**  
COMMUNITY : JUSTICE

  
**CASA**

 **ife**  
CONFRONTING POVERTY  
BUILDING COMMUNITY

  
**ORANGE COUNTY**  
NORTH CAROLINA

# FY26 RECOMMENDATIONS

## Affordable Housing Plan

- 1. Allocate \$125,000 for plan**
- 2. Hire consultant to develop town's first comprehensive affordable housing plan**
- 3. Engage local stakeholders and Carrboro residents**
- 4. Deliver plan to Town Council by June 30, 2026**

# Increase Funding

## 1. Increase AHSRF funding

- Additional \$192,500
- Will fund 2 proposed new initiatives
  - Longtime Homeowner Tax Assistance
  - Downpayment Assistance pilot

## 2. Increase payment in lieu fee

- New calculation to encourage more unit creation
- Affordability Gap
  - \$433,500 median home price minus
  - \$242,146 median affordable home price.
  - Adjusted annually.
- Increases fee from \$54,317 per affordable unit forgone to \$191,354.



# Land Banking and Land Use

1. Town inventory review
2. Set aside \$600,000 for future land banking
2. Central Pines/OCAHC Land Study
3. Manufactured Home Parks, NOAH Preservation
4. UDO rewrite

*Questions*