

Town of Carrboro

301 W. Main St., Carrboro, NC 27510



Meeting Agenda - Final

Tuesday, March 25, 2025

6:00 PM

COUNCIL WORK SESSION (Rescheduled from 3/11/25)

Council Chambers - Room 110

Town Council

TOWN COUNCIL WORK SESSION[25-016](#)

Affordable Housing Work Session

PURPOSE: This item is for the Town Council to receive a presentation on the Town's affordable housing work and to provide feedback and guidance on staff recommendations.

Attachments: [A - Work Session Information](#)
[B - Pocket Questions](#)
[C - Map Affordable Housing](#)
[D - Carrboro Connects 3-Affordable Housing](#)
[E - Staff Memo on Town Land](#)
[F - Affordable Housing Work Session Presentation](#)



Agenda Item Abstract

File Number: 25-016

Agenda Date: 3/25/2025
In Control: Town Council
Version: 1

File Type: Agendas

Affordable Housing Work Session

PURPOSE: This item is for the Town Council to receive a presentation on the Town’s affordable housing work and to provide feedback and guidance on staff recommendations.

DEPARTMENT: Housing and Community Services

COUNCIL DIRECTION:

Race/Equity Climate Comprehensive Plan Other

Chapter 3. Affordable Housing.

Goal 1: Increase the number of homeownership units that are permanently affordable with targeted strategies to serve households earning 80% of the AMI or below with priority to historically disadvantage households.

Goal 2: Increase the number of rental units that are permanently affordable with targeted strategies to serve households earning 60% of the AMI or below with priority to historically disadvantage households.

Goal 3: Diversify and expand a variety of housing options throughout Carrboro using a mixture of affordable housing types.

Goal 4: Maintain and improve the quality of Naturally Occurring Affordable Housing (NOAH) and “missing middle” opportunities.

Goal 5: Support efforts with Orange County to ensure that all homeless individuals and families have access to safe housing, appropriate services, and a path to permanent housing.

Goal 6: Expand resources targeted to affordable housing.

Goal 7: Reduce utility expenses for all homes.

INFORMATION: The Town Council requested staff schedule a work session to discuss affordable housing efforts and to provide feedback and guidance on staff recommendations for advancing the Town’s affordable housing goals.

The following materials are provided as attachments: (A) Work Session Information; (B) Pocket Questions; (C) Carrboro Affordable Housing Map; (D) *Carrboro Connects*, Chapter 3. Affordable Housing; (E) Town-owned

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Land Staff Memo; (F) Affordable Housing Work Session Presentation.

FISCAL IMPACT: No action on recommendations with fiscal impact is required at this time.

RECOMMENDATION: Staff recommends that the Town Council discuss the recommendations and provide feedback and guidance to staff.



March 25, 2025

Town Council Work Session Discussion Outline

AFFORDABLE HOUSING

Brief Staff Presentation: History and Progress, Community Indicators, Resources and Strategies, Recommendations

1. Affordable Housing Recommendations
 - a. Affordable Housing Plan
 - Funding and RFP
 - b. Increase Funds
 - AHSRF – Half Penny increase
 - Affordability Gap calculation for payment in lieu
 - Liquidate unneeded land inventory
 - c. New Initiatives
 - Longtime Homeowners Tax Assistance funding (Orange County administered)
 - Down payment assistance
 - d. Land Banking
 - Set aside funds for land banking
 - e. Crest Street and Pathway Drive
 - No further exploration
2. Federal Funds Impact

Race and Equity Pocket Questions

Title and purpose of this initiative: Affordable Housing Work Session

Department: Housing and Community Services (HCS)

What are the racial and equity impacts?

As a result of hundreds of years of far-reaching and government-backed racism, BIPOC community members face immense challenges in achieving the socio-economic prosperity of white community members. From slavery to Jim Crow and Black Codes to segregation to the over-policing of Black neighborhoods – BIPOC Americans have been set back tremendously in their pursuit of socio-economic freedom in this country. Through the compounding of multiple forms of discrimination without proper reparations, BIPOC Americans live in a reality of less educational opportunity, less job opportunity and mobility, subsequently lower incomes, and less ability to build wealth through mechanisms like land and homeownership, than their white counterparts. This creates a vicious cycle for many BIPOC households. One where adults and children are more likely to experience poverty and housing insecurity, negatively affecting children’s ability to excel academically, often resulting in lower-paying jobs as adults as well as reduced financial and social capability, and thus, a renewed cycle. On top of these obstacles stemming from policy and practices, BIPOC also face the barriers of navigating systems that often house racist practices or individuals. There is clear data to support these disparities in outcomes in every social institution we operate within.

Related to a lack of educational opportunity, BIPOC residents earn less on average than their white counterparts. Black, Latino, and Native American workers are more likely than white workers to be in lower-paying fields like service and production, while white workers have greater accessibility to, and more regularly hold, management and leadership roles.¹ In 2024, Black workers made \$0.76 for every dollar made by white workers. For Latino workers it was \$0.73, and for Native American workers, \$0.77.² In 2022, white households owned 85% of total household wealth in the US but made up only 66% of households.³

Subsequently, BIPOC residents have less income and capital to pay for housing costs. Decreased ability to pay for housing creates lower rates of rental success and homeownership and, conversely, higher rates of housing insecurity and homelessness. When looking at racial economic disparities across the US and in our area specifically, we can see that the burden of high housing costs falls disproportionately on communities of color. Black residents make up over 50% of those experiencing homelessness in Orange County, while only comprising 12% of

¹ Bureau of Labor Statistics, 2020a; Allard & Brundage, Jr., 2019

² [Earnings Disparities by Race and Ethnicity | U.S. Department of Labor \(dol.gov\)](https://www.dol.gov/ebsa/earnings-disparities-by-race-and-ethnicity)

³ [U.S. Wealth Gaps Remain Despite Widespread Gains | St. Louis Fed \(stlouisfed.org\)](https://www.stlouisfed.org/economic/wealth-gaps)



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the population. Comparatively, white residents represent 77% of Orange County’s population and only 40% of those experiencing homelessness.⁴

The issue of affordable housing is vast, far-reaching, and interconnected with many other social outcomes. In Carrboro, it is the top concern of residents. Equitable outcomes in housing can lead to greater equitable outcomes in other facets of life, like educational attainment, and job mobility and performance. With affordable housing being so foundational to our lives and other outcomes, it is important for us to have the clearest picture possible of the state of affordable housing in our community to meaningfully assess how to move forward. With this goal in mind, HCS Staff would also like to ask Council for additional funds to hire a consultant to create an Affordable Housing Plan. An Affordable Housing Plan would not only give the Town the most up-to-date information regarding the state of affordable housing in Carrboro, but it would also create an invaluable, personalized roadmap towards reaching our affordable housing goals. This roadmap would weave together our primary tools for affordable housing creation and preservation; funding, zoning, and land, allowing us to efficiently address the current and future affordable housing concerns of our community. An Affordable Housing Plan would also ensure the Town is implementing best practices in addressing affordable housing concerns. By addressing these concerns, which disproportionately affect BIPOC and low-income people, we will create more equitable outcomes for these folks, and residents from other historically underserved groups.

Access to affordable housing is a proven solution for addressing racial and equity disparities in our community. The Affordable Housing Plan would also give more direction to the use of the Affordable Housing Special Revenue Fund (AHSRF), the fund through which the Town supports organizations creating and preserving affordable housing for low and very low-income households in Orange County, who are disproportionately BIPOC. Recent data indicates that demographics served by AHSRF-funded projects were 73% BIPOC and over 96% low-to moderate-income. As evidenced by the County’s adoption of the Housing First model, prioritizing safe and stable affordable housing for those experiencing housing insecurity or actual homelessness lays a strong foundation for addressing other barriers such as employment or education.⁵ This suggests that the AHSRF is a solid tool for increasing equity in Carrboro – the power of this tool could be further optimized through an Affordable Housing Plan.

This would allow the department to continue its obligated annual funding to impactful community organizations like HOME and Community Home Trust. It would also allow for the

⁴ [Homelessness in Orange County | ocpeh \(ocpehnc.com\)](https://www.ocpeh.com/)

⁵ https://www.governing.com/urban/year-after-year-milwaukee-manages-to-reduce-homelessness?utm_campaign=Newsletter%20-%20GOV%20-%20Daily&utm_medium=email&_hsenc=p2ANqtz-8mUwoyK7G5uQz7xewr32z1yCb6-u_JVSbUGCSm0h5X1QxNafLn4KU4P6WbvlG-5UAqg-ocDR8-ye9VuoYnRlk4QqOApA&_hsmi=348915708&utm_content=348915708&utm_source=hs_email



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funding of additional nonprofit projects focused on broadening access to and stock of affordable housing. Lastly, the half cent increase would allow the department to provide a contribution to the County's existing Longtime Homeowner Tax Assistance Program. As we know, in Carrboro, there are many longtime Black residents who continue to be pushed out of their communities, and we believe this can be an impactful way to support them and others in aging in place. The additional increase would also fund a First-Time Homebuyer Down Payment Pilot, aligning heavily with the Town's comprehensive plan goal of increasing access to resources and funding for affordable, first-time homeownership. There is also a clear need for this in our community, as Homebuyer Support Service Providers have all indicated that they are not able to offer enough in matches to support their clients in creating a robust down payment fund.

Who is or will experience community burden?

Community members in need of affordable housing solutions and/or support. Specifically longtime homeowners and first-time homebuyers.

Awarded nonprofits/organizations who may have to increase their capacity for new programs.

Town of Carrboro will experience some financial burden in funding Human Services and increased AHSRF awards.

HCS Department may experience administrative burden in collecting nonprofit reporting data.

Who is or will experience community benefit?

Community members who need affordable housing and supportive housing services. In the Town's most recent Community Survey, Affordable Housing was listed as the top priority.

Awarded nonprofits who have greater capacity to serve community members and carry out their missions.

Town of Carrboro will experience community benefit as crucial needs of residents are addressed through nonprofit partnerships.

Town of Carrboro will benefit by funding programs and projects that alleviate housing hardships for residents, making the Town more livable for all.

What are the root causes of inequity?

American political, social, and financial systems have worked to actively marginalize many different groups. This has often come in the form of denying rights or access to systems and institutions that greatly benefit one's livelihood, education, and health. For hundreds of years, intentional actions have been taken to deny humanity, wealth and equitable education and employment for BIPOC, women, and disabled people, creating cycles of poverty and social



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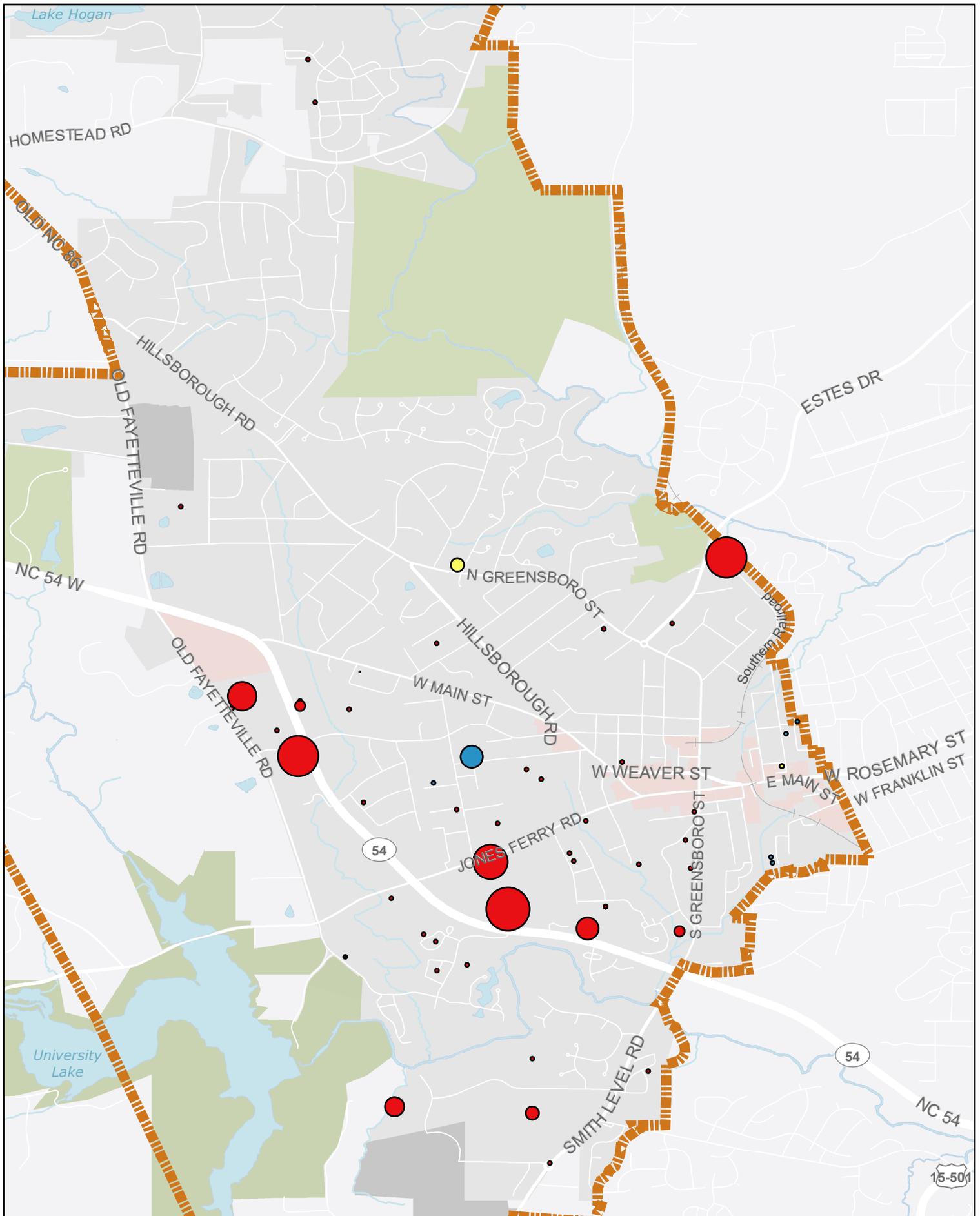
marginalization. This has resulted in large disparities in educational opportunity, wealth and asset accumulation, health, stable housing, and social mobility. Disparities have been created and widened through government sponsored intentional racism and marginalization in the form of enslavement, forced displacement and loss of homeland of indigenous peoples, Jim Crow era policy, redlining, restrictive zoning ordinances, predatory and barrier-ridden lending practices, the American Credit System, over-policing of communities of color, the lack of protections for disabled people, the lack of rent control in NC, and white power structures' lack of willingness to address, and explicit desire to maintain, racial disparities. The tools and mechanisms in our presentation seek to address these inequities through the affordable housing creation, preservation, and access.

What might be the unintended consequences of this action or strategy?

Insufficient resources for affordable housing and market pressures will mean many residents will still not have access to affordable housing or stability.

How is your department planning to mitigate any burdens, inequities, and unintended consequences?

The department continues to engage with jurisdictional peers and community partners to advance affordable housing in the community and to address racial inequities in housing under the guidance of the One Orange Countywide Racial Equity Framework and the Town's Race and Equity Core Value. Since the value was adopted, our work has been increasingly focused on racial disparities in housing, preservation of Black neighborhoods, and increasing housing options for extremely low-income households, who are disproportionately BIPOC. This lens is vitally important in all aspects of the Town's work, and especially in housing where there are blatant disparities along racial lines.



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301 W. Main St.
Carrboro, NC 27510
Created Oct 5, 2021

Carrboro Affordable Housing

Type ● EHA ● New ● Repairs ■■ Planning Jurisdiction

THIS MAP IS NOT A CERTIFIED SURVEY, AND NO RELIANCE MAY BE PLACED IN ITS ACCURACY

The Town of Carrboro assumes no liability for damages caused by inaccuracies in this map or supporting data and makes no warranty, expressed or implied, as to the accuracy of the information presented. The fact of distribution does not constitute such a warranty.





CHAPTER THREE

Affordable Housing

Vision

There is a home for everyone in Carrboro. Carrboro is affordable, safe, and welcoming for all people who want to live in the community. The Town works to prevent displacement of existing residents, advances racial equity and accessible housing, has a full range of affordable options for all life stages and types of households, particularly low- and moderate-income and historically disadvantaged households, and that the Town prioritizes resources to meet affordable housing goals.

Definition of Affordability:

Access to quality housing to households who cannot afford to pay the rent or mortgage without assistance. Standard: units for which a family would pay no more than 30% of their income for rent or 2.5 times their annual income to purchase.

Key Findings

- 1. Housing units were built at the most rapid pace between 1970-1990.** Since then, annual rate of housing unit development has slowed and is currently at 1%.¹
- 2. For-sale housing prices are escalating rapidly,** including a 13% change in the past year, and a 43% increase over the past five years to a current market price of \$348,000.²
- 3. Rent is rising faster than income as well.** Rent on a two-bedroom apartment has increased 29% over four years while median household income rose 11%.³
- 4. Seventeen percent of homeowners have housing cost burden,** while 49% of renters experience cost burden -- pay over 30% of their household income toward housing expenses.⁴
- 5. Based on housing affordability versus demand for housing, there is a total affordability gap of 1,078 housing units,** including 314 for-sale units and 765 rental units.
- 6. Carrboro has been working intensely on strategies to improve housing affordability and has several existing plans that are reinforced by goals and strategies in this plan.** Some of these include: Orange County Master Aging Plan (MAP), Orange County Consolidated Plan, and the Town of Carrboro Affordable Housing Goals and Strategies.

What We Will Measure

1. Number of new affordable for-sale homes and number of preserved affordable homes for households up to 80% Area Median Income (AMI) that have long-term affordability restrictions
2. Number of new rental units and number of preserved rental units for households up to 60% of AMI
3. Homeowner cost burden for households at 30%, 50% and 80% of AMI
4. Renter cost burden for households at 20%, 50% and 80% of AMI

ENDNOTES

1. Town of Carrboro Data.

2. Zillow.com, June 2021.

3. Source: ACS 2014-2018

4. Source: ACS, 2014-2018

5. Source: ACS, Esri and Freddie Mac Calculator

Race & Equity and Climate Action

Race and Equity

There has been historic discrimination in housing practices across the U.S. – from access to finance to zoning to redlining practices. Carrboro is currently losing many of its more affordable homes – whether for-sale or rental housing, through escalating prices, speculation and limited amount of new housing that has been built in recent years. A high rate of housing cost-burden, especially among renters, is evidence of the high cost of housing, particularly among low and moderate income households. For Carrboro to be welcoming to residents of all races, backgrounds, and incomes, affirmative policies are needed to preserve existing housing that is affordable and provide more supply of housing that is affordable to low- and moderate-income households.

Affordable housing strategies and projects have been designed to advance race and equity in the town through:

- Expanding the supply of affordable housing for both homeowners and renters.
- Meeting the growing need for affordable housing for residents and employees who would like to live in the Town but cannot find affordable housing currently.
- Reducing the housing cost burden for homeowners and renters.
- Creating policies that prevent the displacement of existing affordable housing and mitigate the impact through the creation of additional high-quality affordable housing.
- Advancing the Town’s goals to be a welcoming community for all.

Climate Action

The housing strategies and projects aim to advance the Town’s Climate Action Plan and Energy and Climate Action Plan through:

- Designing and retrofitting energy-efficient housing to reduce housing costs.
- Locating housing in areas with high transit accessibility to provide transportation options and reduce auto-dependence, which can reduce total housing + transportation costs.
- Working with OWASA to create more affordable water pricing strategies to reduce costs to residents.

While these strategies are identified within the Climate Action and Environment chapter, they are directly related to advancing quality affordable housing options for both current and prospective residents in the Town.

Goals, Strategies, and Projects

Goal 1: Increase the number of homeownership units that are permanently affordable with targeted strategies to serve households earning 80% of Area Median Income (AMI) or below with priority to historically disadvantaged households.

Strategy 1.1: Increase development of for-sale affordable housing units for households earning up to 80% of AMI.

A Establish bi-annual goals for the development of affordable for-sale homes tailored to different price points that are affordable up to 80% AMI at different household sizes.

B Match housing strategies to targeted needs by price point and household type. Identify strategies and partner organizations that can provide additional affordable units.

C Seek funding sources (see Goal 6) to meet the gap in financing additional affordable housing units.

Strategy 1.2: Reduce barriers to first-time homebuyers and to homeownership retention, affirmatively marketing to BIPOC and to historically disadvantaged households.

A Seek funding and resources to expand the capacity of organizations that provide homeownership counseling services for new buyers, income-eligible existing homeowners, and prospective homebuyers to expand the pool of eligible applicants and reduce the likelihood of foreclosure.



▲ Attached housing in the Rose Walk neighborhood

B Expand the use of cooperatives and other limited equity housing models to provide homeownership opportunities to prospective owners that may not otherwise be able to afford their homes. This can be part of mixed-income or stand-alone affordable developments of single-family homes, townhomes, or condominiums.

Strategy 1.3: Support and build upon the land trust model and investigate other examples to acquire as well as keep housing permanently affordable, such as cooperative housing.

A Expand the reach of cooperative housing models, Community Home Trust, Habitat for Humanity of Orange County, to reach more households and at different income thresholds. Work with partners to expand the cooperative housing and land trust models to offer a broader array of tools to preserve affordable housing and market the programs to renters and low- to moderate-income households interested in purchasing homes.



▲ The Landings at Winmore is a 58-unit Community Home Trust affordable rental development in Carrboro

Goal 2. Increase the number of rental units that are permanently affordable to very low-income households earning up to 60% of AMI with a particular focus on those earning less than 30% AMI and historically disadvantaged households.

Strategy 2.1: Continue to support rental housing development through the Affordable Housing Fund and leveraging other resources.

A Invest in rental housing projects that provide additional units for targeted income groups up to 60% AMI and historically marginalized communities. Expand the toolbox of affordable housing incentives by developing greater incentives for rental units that meet lower income levels at the 30% and 60% AMI levels.

B Expand rental units in existing developments through providing additional financial resources and incentives. Target Affordable Housing Fund resources to expand new affordable rental through redevelopment agreements.

C Utilize the Racial Equity Assessment Lens (REAL) in designing and implementing rental programs and developing affordable housing.

Strategy 2.2: Create targeted rental programs for extremely low-income households (less than 30% AMI).

A Work with Orange County to support programs that expand use of vouchers and landlord acceptance of housing vouchers. Participate in the County's efforts to educate landlords on the benefits of accepting vouchers and non-discrimination based on source of income. Refer residents to the County to coordinate ongoing services to voucher-holders to assist them in workforce training, career development, accessing day care, elder care, health care, etc. so that they can build household earnings and therefore more stable housing over time.



▲ EMPOWERment, Inc. is a long-time provider of affordable housing in Carrboro and Chapel Hill. Collins Crossings provides 1- and 2-bedroom units near a grocery store and other amenities.

B Encourage applicants to the Affordable Housing Fund to reserve units for extremely low-income households and target the Fund's investment to making these projects financially viable.

Strategy 2.3: Ease the pressure on rental prices by increasing affordable rental housing stock, particularly in high-transit areas.

A Partner with existing rental developments to investigate strategic additions of new affordable units. Provide outreach to owners of existing rental developments to determine interest in adding housing units that meet the goal of at least 15% of new units to be affordable. This can be done by strategic reductions in setbacks, parking requirements or increased number of units to 150% of all, if meeting the affordable housing goal.

B Create redevelopment incentives that include affordable housing set-asides for rental housing units. Explore the creation of a new affordable housing incentive that is targeted at redevelopment opportunities, to support the creation of new rental units in existing built-up areas. This could be done through an increase in the density bonus, reduction in parking and/or setbacks. Explore the redevelopment of vacant commercial properties for affordable housing.

C Encourage the redevelopment of commercial properties to provide affordable housing as a part of mixed-use developments.



▲ Shelton Station includes 20% affordable housing units and is located a short walk to Carr Mill and Downtown Carrboro.

Goal 3: Diversify and expand a variety of housing options throughout Carrboro using a mixture of affordable housing types.

Strategy 3.1: Expand the provision of Accessory Dwelling Units. (ADUs)

A Reform ADU standards in the Land Use Ordinance to allow for ADUs on more lots (see Land Use Chapter).

B Provide incentives for ADUs that are dedicated as permanently affordable for up to 80% of AMI.

C Use best practices to minimize limitations on property owners' ability to use ADUs as a tool to maximize the value of their property and to expand housing opportunities.

Strategy 3.2: Support affordable housing options for older adults and persons with different abilities

A Identify sites for active adult, age-restricted housing and accessible housing including criteria such as access to transit, sidewalks, neighborhood amenities, access to food, health care and services. Identify sites that are appropriate for affordable housing options for older adults including vacant or underutilized land that is close to amenities and transportation.

B Identify funding resources to invest in new or preservation of existing affordable senior housing.

Strategy 3.3: Preserve existing mobile home parks and identify possible locations for additional mobile and manufactured housing.

A Preserve manufactured home communities to create resident-owned communities, acquisition opportunities, land banking, rehab and repair and creation of an early warning system. Consider factors of age of homes, condition, safety, etc. in evaluating renovation plans.

B Minimize resident displacement due to redevelopment through home construction as a part of redevelopment, master planning, and using publicly owned land.

C Create a Relocation Assistance Package through proactive engagement with residents, housing search assistance, identification of open lots, financial assistance for relocation, and securing new housing.

Strategy 3.4: Assist with acquisition of land for affordable housing.

A Identify existing Town-owned lands that can be conveyed to affordable housing developers. Review all Town-owned land not needed for public facilities to determine suitability for affordable housing and determine value of land in consideration of provision of public benefits.

B Partner with affordable housing developers to acquire land for development. Use tools that are available to the Town to assist affordable housing developers in securing site control for projects that meet the Comprehensive Plan goals and strategies.

C Encourage market-rate developers to team with affordable housing developers. Increase the production of affordable housing by encouraging development teams to meet multiple Town goals for affordable housing, economic sustainability, and opportunities for BIPOC and local developers.



▲ Carolina Spring Senior Apartments is a 124-unit Low-Income Housing Tax Credit (LIHTC) project

Goal 4: Maintain and improve the quality of Naturally Occurring Affordable Housing (NOAH) and “missing middle” opportunities.

Strategy 4.1: Preserve existing for-sale naturally occurring housing.

A Continue to provide home repair grants to income-eligible and aging-in-place households.

Strategy 4.2: Reduce erosion of rental housing quality and affordability.

A Expand partnerships and investments in Home Trust, WCHA, EMPOWERment and other organizations, and work with property managers/owners to include purchase rehab of rental units to reach lower income levels and as a transition to homeownership or as permanent affordable rental housing.

Strategy 4.3: Preserve existing affordable rentals such as those with expiring tax credits.

A Work with existing rental property owners to determine ways to add additional affordable housing units and what regulatory (e.g. additional allowable density) and/or financial assistance may be needed.

B Work with owners of affordable housing developments nearing expiration of affordability restrictions to refinance the property and extend affordability requirements.

C Work with other Orange County governments to cost share on staffing for Home Preservation Coalition.

Strategy 4.4: Preserve and expand opportunities for “missing middle” housing.

A Investigate changes to the Land Use Ordinance to establish minimum and maximum density levels in areas with water and sewer service.

B Expand housing repair programs for income-eligible households up to 100% AMI to reduce displacement of current households.

Strategy 4.5: Increase funding to support housing weatherization and preservation, continuing and expanding upon the Weatherization Assistance Program (WAP) to maximize weatherization of low-income homes by 2030.

Program development would include identification of a target number and evaluation of how this initiative intersects with other affordable housing goals and priorities, and funding.

A Identify funding to expand weatherization efforts already happening through the Orange County Home Preservation Coalition. Work with other Orange County governments to fund staffing for that program and augment WAP funds so that the Community Action Agency can increase their annual quota for Orange County's and Carrboro's low-income household weatherization work.



▲ Ballentine Neighborhood in the Lake Hogan Farms area developed by Community Home Trust

Goal 5: Support efforts with Orange County to ensure that all homeless individuals and families have access to safe housing, appropriate services, and a path to permanent housing.

Strategy 5.1: Ensure emergency care and shelter is provided when needed.

A Work with the Continuum of Care partners to address the emergency shelter and transitional housing needs of homeless individuals and families. Identify opportunities among local organizations and housing resources to provide related services to homeless households for both emergency and long-term assistance.

Strategy 5.2: Help extremely low-income households and people experiencing homelessness transition to permanent affordable housing.

Note: Public comments suggested using the term “unsheltered” instead of “homeless.” For this document, “homeless” was used for consistency with Orange County’s terminology and programs.

A Help those experiencing homelessness (especially people and families experiencing chronic homelessness; families with children; veterans and their families; and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Strategy 5.3: Prevent homelessness.

A Assist the County in identifying housing units and removing barriers to low-income individuals and families to avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Continuum of Care | U.S. Department of Housing and Urban Development (HUD)

The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

Goal 6: Expand resources targeted to affordable housing.

Strategy 6.1: Continue to invest in the Affordable Housing Fund.

A Provide annual reports on the impact of the Affordable Housing Fund. Continue to provide annual reports on Affordable Housing Fund investments, including recipients, number of households supported, income level and demographics of households, etc.

B Monitor the property tax rate to support the Affordable Housing Fund. Review the affordable housing fund property taxes raised on an annual basis and the impact of the funds.

C Develop a campaign to solicit private investments in the Affordable Housing Fund. Create a tax-deductible entity such as a 501 (c)(3) organization or Housing Trust Fund to raise additional private contributions from residents, businesses and foundations targeted to affordable housing.

Strategy 6.2: Engage the community on the need for affordable housing and explore passage of an Affordable Housing Bond.

A Educate the community on the importance of the need and impact of quality, affordable housing.

B Determine the programs and projects that could be supported through an Affordable Housing Bond. Conduct community outreach regarding the needs and possible projects. Ensure that a housing bond is designed to benefit and not place additional burden on low and moderate income households

C Based on public support, place the Affordable Housing Bond referendum on the ballot.

Strategy 6.3: Pursue state and federal housing grants and programs.

A Pursue grant programs that meet the Town's priorities. Continue to pursue state, federal, foundation and corporate housing funds consistent with the Town's goals.

B Advocate for greater affordable housing resources at the state and federal level. Work with North Carolina League of Municipalities to advocate for additional affordable housing resources from down payment assistance to upgrading public housing to new construction and rehabilitation programs.

Goal 7: Reduce utility expenses for all homes.

Strategy 7.1 Find ways to provide free broadband by using the town's expanding broadband network.

A Determine whether agreements can be made with providers or if municipal provided broadband can be provided to residences.

Strategy 7.2 Weatherize all affordable housing by 2030. (See Project 4.5)

A Pursue action steps itemized in Strategy 4.5.

Strategy 7.3 Make photovoltaic installations accessible to low-income housing.

A Determine funding sources to expand photovoltaic installations (such as solar panels).

Related Strategies & Projects in Other Chapters

Climate Action and Environment

- Increase energy and water conservation in new construction and rehabilitation to reduce costs to homeowners and renters.
- Work with OWASA to provide grants for fixture replacement to income-eligible households.

Land Use

- Fully evaluate and reduce housing density restrictions to slow the increase of housing prices and diversify housing stock.
- Preserve and promote the availability of affordable housing near transit.
- Pursue coordinated land use planning for high priority areas.
- Expand the permissibility of Accessory Dwelling Units (ADUs) and tiny homes.
- Explore the creation of an overlay district to preserve mobile home parks.
- Improve the development review process to support the creation of more affordable housing

Transportation and Mobility

- Reduce negative effects of parking requirements on housing costs and natural resources.



Date: March 25, 2025
 To: Mayor Foushee and Town Council
 From: Anne-Marie Vanaman, Housing & Community Services Director
 Date: March 25, 2025
 Re: Staff recommendation for affordable housing on town-owned land

On [February 8, 2022](#), the Town Council approved a strategy for utilizing town-owned land to create affordable housing. Three parcels located on Pathway Drive and one on Crest Street were identified for conducting a site assessment to determine the feasibility of residential development. It is important to note that the Town had made no decisions to develop the Crest Street or Pathway Drive parcels. (A third parcel on Hill Street had been conveyed to Pee Wee Homes for the development of three small affordable rental homes in 2021.)

Summit Design and Engineering Services was selected in a Request for Qualifications (RFQ) procurement process to conduct the assessment in 2023. Assessment components included: 1. Preliminary Visual Site Assessment; 2. Property Survey; 3. Geotechnical Investigation and Evaluation; 4. Environmental Assessment; 5. Stormwater Assessment. The purpose of the assessment was to evaluate the conditions of the property only.

On [June 18, 2024](#), Summit program manager, William Wirt, presented findings to Town Council, noting that the report provided foundational due diligence for the Town to build upon, should the Town decide to pursue the creation of a concept plan for one or both of the locations. Summit Design and Engineering also presented the report in a public Q&A forum in November 2024.

For reference, presentation slides are attached in the March 25th council work session packet.

Report Summary- Both properties

Existing Conditions	Soil Conditions	Environmental (Phase 1 ESA)	Stormwater – Post Development Drainage Area
<u>Pathway</u> : 11% Slope <u>Crest</u> : 12% Slope	Slate Belt	No recognized environmental conditions (hazardous substances)	Based on 25-year design storm
Streams present	Weathered Rock (6-14ft)	Tricolored and NLEB bats present – tree clearing restrictions	Buildable acres: <u>Pathway</u> : 3.15 <u>Crest</u> : .26 Estimate is likely high
Wetland present (Crest)	Bedrock (7-12 ft)	Atlantic Pigtoe – suitable habitat	Composite Curve – <u>Pathway</u> : 85 <u>Crest</u> : 77
Water and sewer easements present	Groundwater in 1 boring @ 3.5 feet depth (Crest)	50 ft buffers for perennial streams and wetland and 15 ft for ephemeral	Time of concentration 5 mins.
Significant trees: <u>Pathway</u> : 8 species, 312 total <u>Crest</u> : 6 species, 46 total	Soil suitable for development	Jordan Lake watershed	Likely - expensive stormwater management system needed to achieve density

Staff from the Manager’s office, PZI, HCS, and Public Works Departments reviewed and discussed the reports. Staff included: Marie Parker (Assistant Town Manager), Trish McGuire (former Planning Director), Randy Dodd (former Stormwater Manager), Dylan Kirk (Stormwater Manager) Laura Janway (Environmental Sustainability Coordinator), and Anne-Marie Vanaman (Housing and Community Services Director). Additionally, staff sought

comment from Sungate Design regarding the stormwater impact analysis and asked Habitat for Humanity for an affordable housing developer's opinion of the properties based on the report.

Reviewers were uniform in their assessment that the Stormwater Impact Analysis presented an incomplete evaluation of the site conditions, including potential runoff concerns on Pathway for surrounding neighborhoods. Reviewers also acknowledged that a site design would be needed to provide a clearer picture of development feasibility. Staff has scheduled a meeting with Summit to provide comments and corrections for the final report.

While both the Crest and Pathway parcels can sustain residential development, they also present topographical constraints that could make development difficult and costly:

Crest Street

- Substantial rock and 12% slope
- Streams, water and sewer easements present
- Habitat for endangered species
- Stream buffers severely limit area that can be developed
- Only .26 acres of buildable land

Pathway Drive

- Substantial rock and 11% slope
- Streams, water and sewer easements present
- Habitat for endangered species
- May require a more expensive stormwater management system

The next step in the Town's adopted process for town-owned land development would be to produce concept plans. Concept plans would require further site work but would also provide additional information needed to estimate development costs and the density required to offset pre-development and construction costs.

Recommendations

The assessment determined that the Crest Street property has less than 1/3 acre to develop, and the Pathway parcels have roughly 3 acres. During Mr. Wirt's presentation to Council, he indicated that these estimates are likely high.

1. Given the small buildable area and significant limitations of the Crest Street property, the site could possibly yield one unit, but with difficulty and expense.
2. The Pathway Drive parcels require additional site work to estimate financial feasibility of development and to inform a concept plan.
3. Additionally, an expensive stormwater management system may be required to achieve density. Future HOA fees to maintain the system could also have long-term financial consequences for low-income households.
4. The potential costs of further developing, the Pathway Drive properties may exceed the value of the investment, even with land donation and maximum density.

Staff recommends that the town does not move forward with further exploration or concept plans on the Crest and Pathway properties. However, the town can continue its investment in land banking by setting aside affordable housing funds for future efforts, so that funds are available when opportunities arise. Additionally, staff will review the town land inventory and explore other land banking prospects as they occur through the Land Study project with Central Pines and the Orange County Affordable Housing Coalition, or through discussions with community partner agencies and UNC.



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

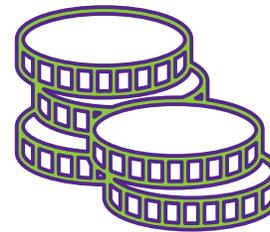
(Durham-Chapel Hill Metro Area)

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%
TOTAL	52,465	8,549	16%

Carrboro Connects - Issues and Opportunities

Source: ACS 2018 Five-Year Estimates

Carrboro Housing Gap

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

Carrboro Connects - Issues and Opportunities

AFFORDABLE HOUSING TOOLKIT

Funding

Local government

Federal and State sources*

Private Foundations, Employers

Land

Publicly-owned land

Land Banking

Land Trust

Zoning

Comprehensive Plan

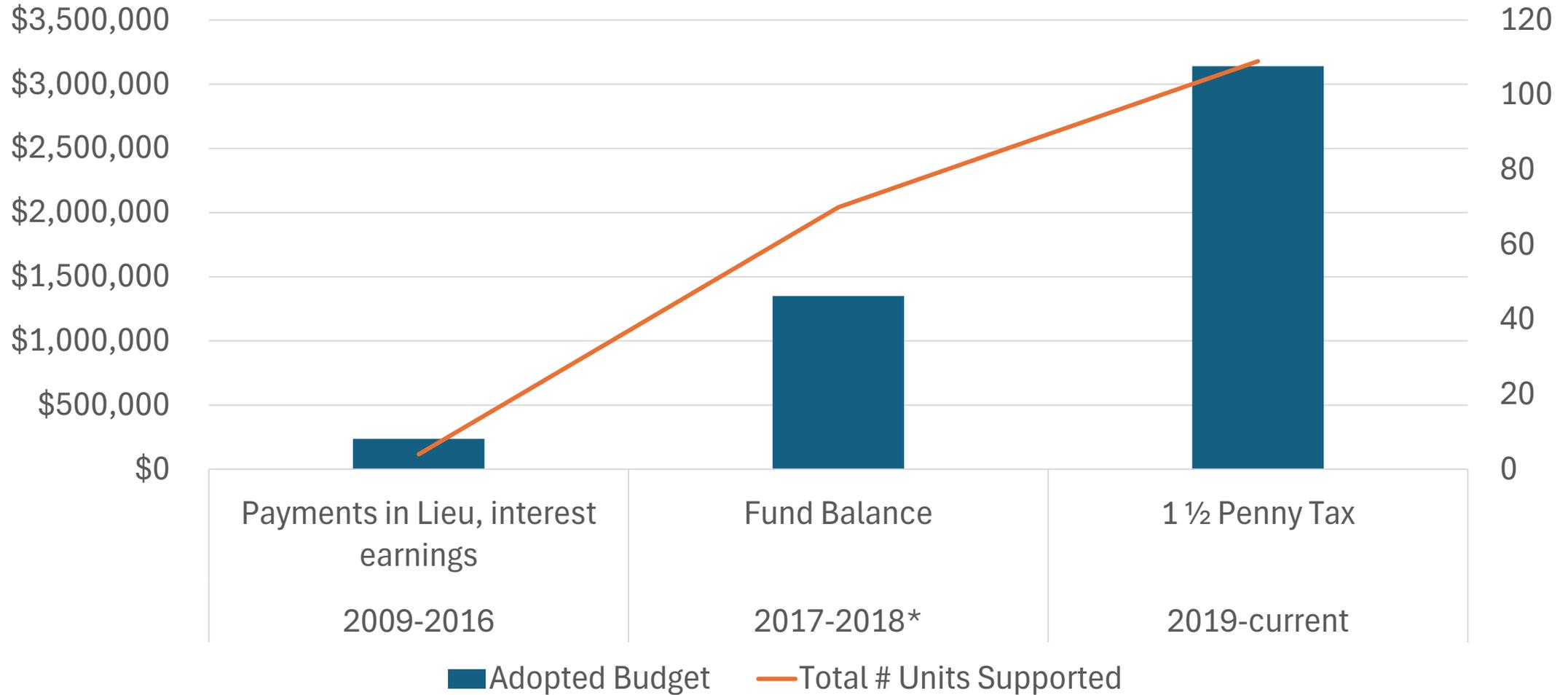
UDO rewrite project



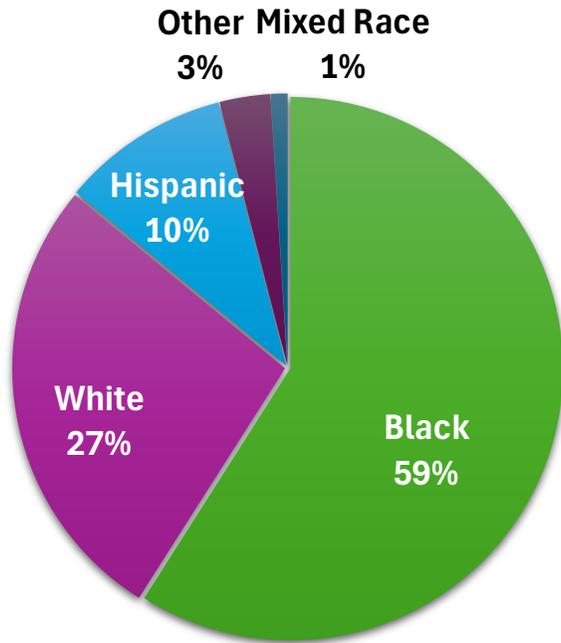
Strategies for Preservation and Production

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

Affordable Housing Special Revenue Fund

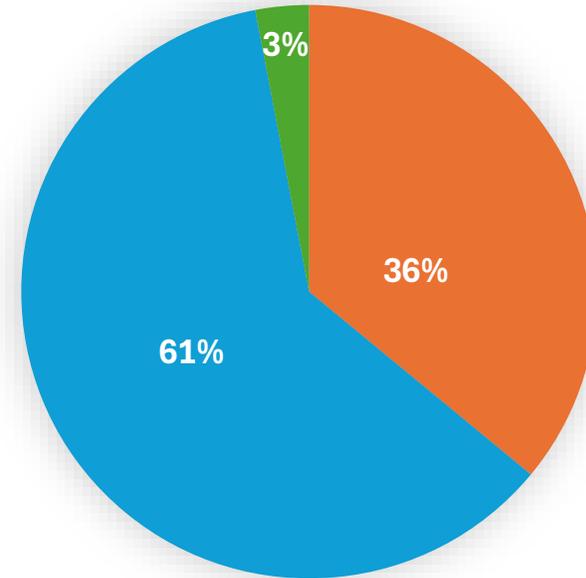


Households Supported by AHSRF Funded Projects



■ 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



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