

BACKGROUND & FOUNDATION: USE OF TOWN-OWNED LAND FOR AFFORDABLE HOUSING

Alignment with Policies and Plans

Creating and preserving affordable housing in Carrboro addresses two of the Town's strategic priority areas: (1) encourage development that is compact, dense, and appeals to diverse lifestyles and incomes; (2) enhance and sustain the quality of life and place for everyone. However, the scarcity of buildable land, market development pressures, and high acquisition and construction costs, present a challenge to ensuring that the Town has an adequate and affordable supply of housing for all its residents.

Research conducted in 2020 for the Town's Comprehensive Plan found that, based on housing affordability versus demand for housing, there is a total affordability gap of 1,079 housing units, including 314 for-sale units and 765 rental units. (ACS, Esri and Freddie Mac Calculator)

The [draft Comprehensive Plan](#) outlines many strategies to address the lack of affordable housing. One strategy, frequently advocated by the Town's Affordable Housing Advisory Commission (AHAC), seeks to take advantage of land owned by the Town:

Strategy 3.4: Assist with acquisition of land for affordable housing. (Source: AHAC)

a) Identify existing Town-owned lands that can be conveyed to affordable housing developers (Source: AHAC). 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 benefit.

This strategy is consistent with several of the Town's existing [Affordable Housing Goals and Strategies](#), which the Town Council adopted in June 2014 and updated in March 2015. For example:

3.5 Provide greater incentives for developers to include affordable housing in their projects

C. Evaluate the provision of public sector assistance for infrastructure in exchange for the provision of some percentage of affordable units (scaled).

Additionally, the use of public land for affordable housing provides the Town with opportunities to facilitate other Town priorities – racial equity and climate change – priorities also reflected in the draft Comprehensive Plan:

Goal 2. Increase 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 2.2: Create targeted rental programs for extremely low-income households (less than 30% AMI).

Likewise, Town-owned land is one strategy that can 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 and transportation costs;

Increase energy and water conservation in new construction and rehabilitation to reduce costs to homeowners and renters.

Legal Authority

On February 15, 2018, Town elected officials received a memo (Attachment C), Options for Developing Town Property for Affordable Housing, from the Town attorneys that concluded:

Ultimately, the Town has significant authority to provide affordable housing within the community. The Town may do so by selling or leasing Town-owned property to for-profit or non-profit entities who will construct affordable housing units on the property, so long as the housing market and the available housing stock necessitate government action. It is also clear that the typical open bidding procedures are not required in these circumstances. Rather, the Town may engage in a "private sale" so long as any resulting sales agreements clearly express the public benefit to be provided, the projected budget, and the projected costs to the developer. In essence, it must be clear that any benefit conveyed to the developer—whether through a subsidy or reduction in sales price—does not exceed the value of the public benefit provided.

Identifying Potential Affordable Housing Sites

In 2015, staff, working with the Affordable Housing Task Force, comprised of 3 elected officials, a representative from the Planning and Transportation Advisory Boards and town staff, assessed 47 parcels of land owned by the Town of Carrboro by applying the below criteria. Parcels were immediately excluded if they fell into any of the following categories:

- Within a conservation easement
- Inside a Long-Term Interest Areas such as future utility development
- No water or sewer nearby
- Within 100-year floodplain
- Within dedicated right-of-way
- Parcel completely developed
- Inside Rural Buffer zoning

[On June 19, 2018](#), Town Council received a staff presentation on Town-owned land suitable for affordable housing and identified parcels on Crest and Hill Streets and Pathway Drive as the best suited for this use. Information about these three parcels can be found at the end of this attachment.

In 2020, the first, and smallest, of the three identified Town-owned parcels was explored for affordable housing development. The Jackson Center, through the Northside Neighborhood Initiative, and in partnership with the Compass Group, approached the Town about the possible development of small homes on the Hill Street parcel. Nonprofit developer, Pee Wee Homes, proposed to build three new units, supporting the Town's goal of increasing the number of rental units that are permanently affordable to households earning less than 60% of AMI. The Pee Wee Homes model is founded on creating housing for households earning less than 30% AMI, a very difficult demographic to serve.

On the recommendation of the AHAC, the Town has supported the project with funding from the Affordable Housing Special Revenue Fund and through the conveyance of the parcel to Pee Wee Homes. Staff regularly meet with Pee Wee Homes regarding the next steps for the project, including the processes for the zoning permit and conveyance of the property, which will include restrictions to guarantee permanent affordability.



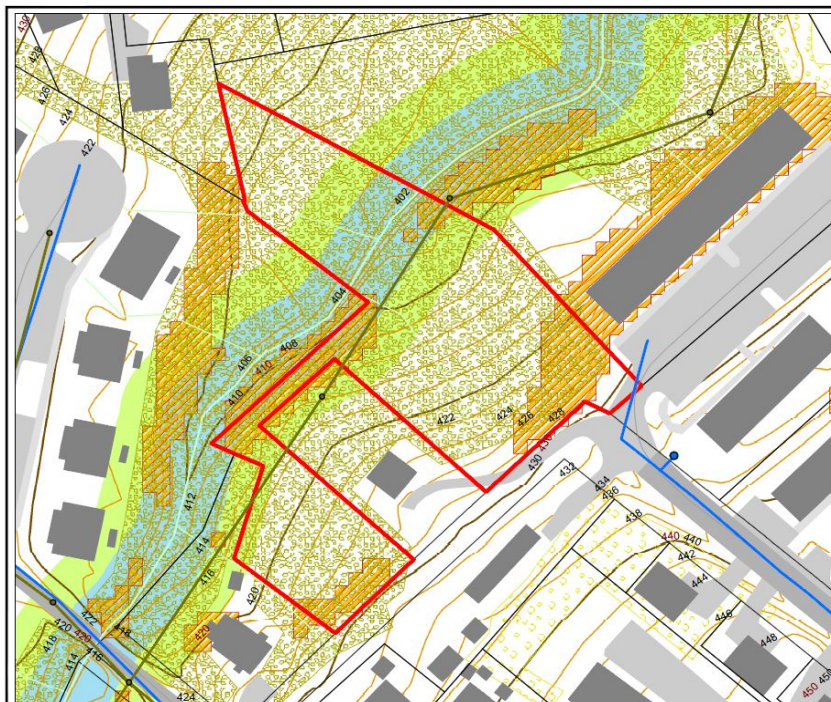
Crest Street

PIN: 9778899390

Size: 1.08 acres

Value: \$308,928

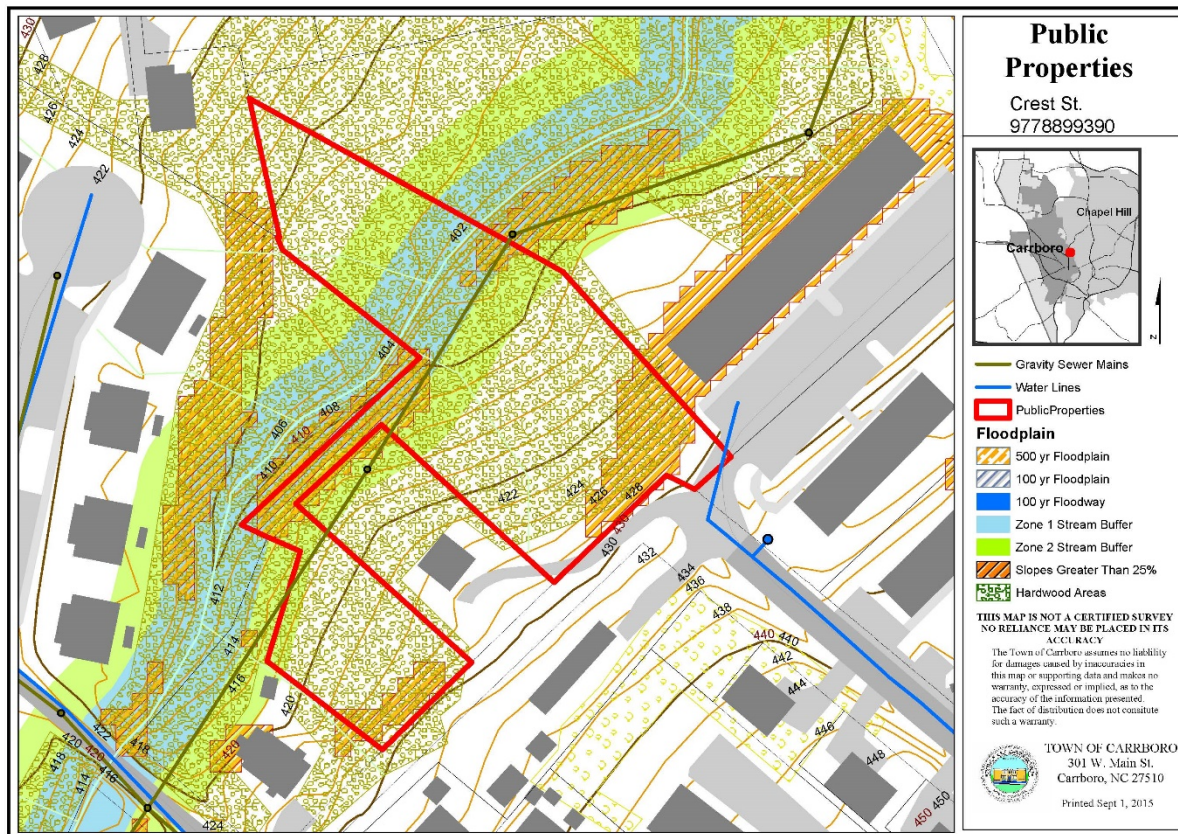
Zoning: R75



Known assets favorable to development	<ol style="list-style-type: none"> 1. All utilities are adjacent to the property 2. Most of the property does not contain significant slopes
Known issues that could potentially restrict development or add costs	<ol style="list-style-type: none"> 1. A property currently cuts off a large portion of the property, limiting density 2. Stream buffer towards the back of the property
Zoned density	6 units, 9 units with density bonus
Current uses	Open space
Future uses currently under consideration	Affordable housing
Transit	Approximately .4 miles to nearest bus stop
Relevant Notes	The Town of Chapel Hill conveyed the Crest Street property to the Town of Carrboro in 2003 for the use as affordable housing. The property was part of the Oakwood Public Housing complex before conveyance.



Map and Photograph of Property



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View of site from Crest Street



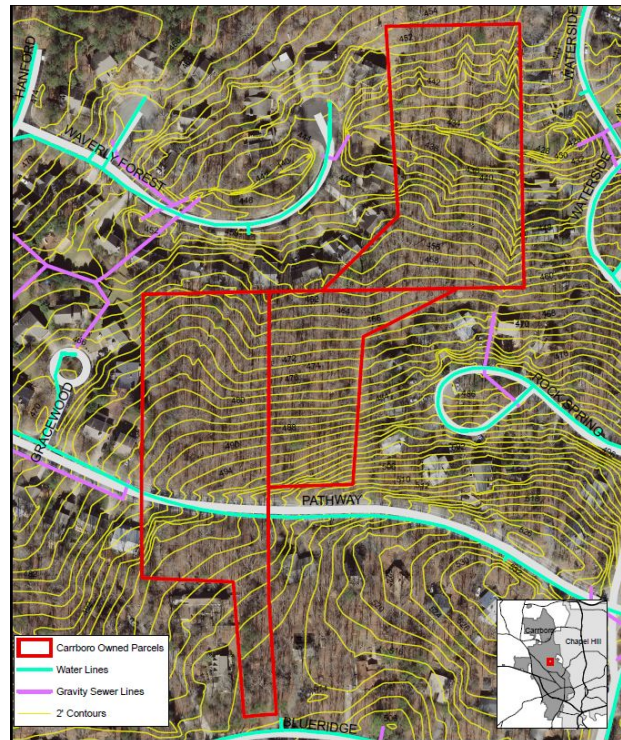
1814-1816 Pathway Drive

PIN: 9779427516, 9779429615, 9779531130

Size: 6.3 acres total

Value: \$261,728

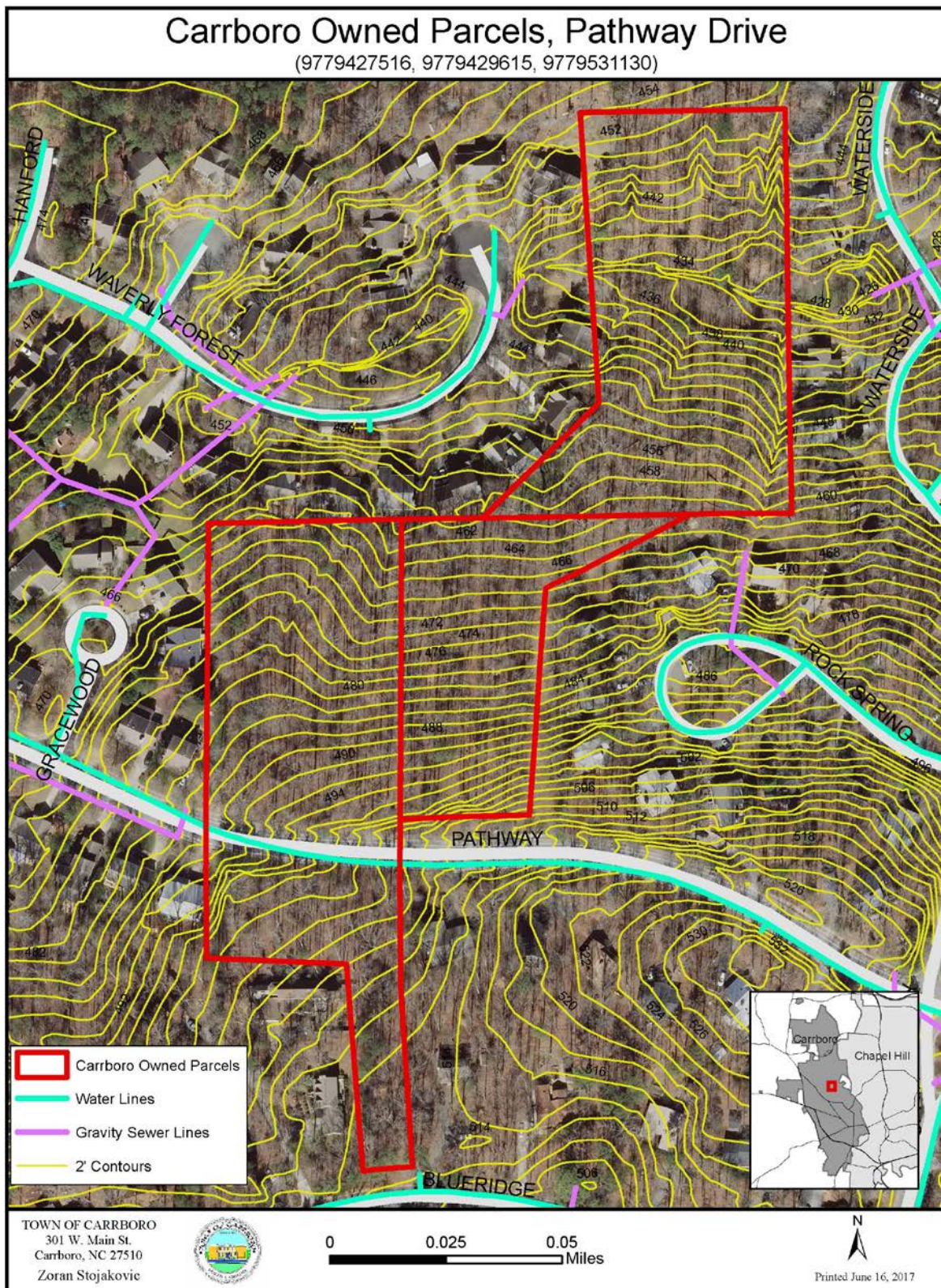
Zoning: R15, RSIR, RSIR2



Known assets favorable to development	1. All utilities are adjacent to the property 2. Few slope/grading issues 3. Stream buffers only located in the northern most property
Known issues that could potentially restrict development or add costs	1. It is anticipated that an in-depth community engagement process would be conducted to assist in determining the scope of potential development on the parcels.
Zoned density	23 units collectively, 34 units with density bonus collectively
Current uses	Open space
Future uses currently under consideration	Affordable housing
Transit	Approximately .5 - .7 miles to nearest bus stop
Relevant Notes	The 2006 Recreation and Parks Comprehensive Master Plan states that, with the acquisition of MLK Park, none of the Pathway Drive parcels were needed to serve as recreation or park space.



Map and Photographs of Property





Street view near the center of the properties along the street



Street view on the western portion of the properties along the street



Street view from the eastern portion of the properties along the street



Street view of the portion of the site that crosses over the street



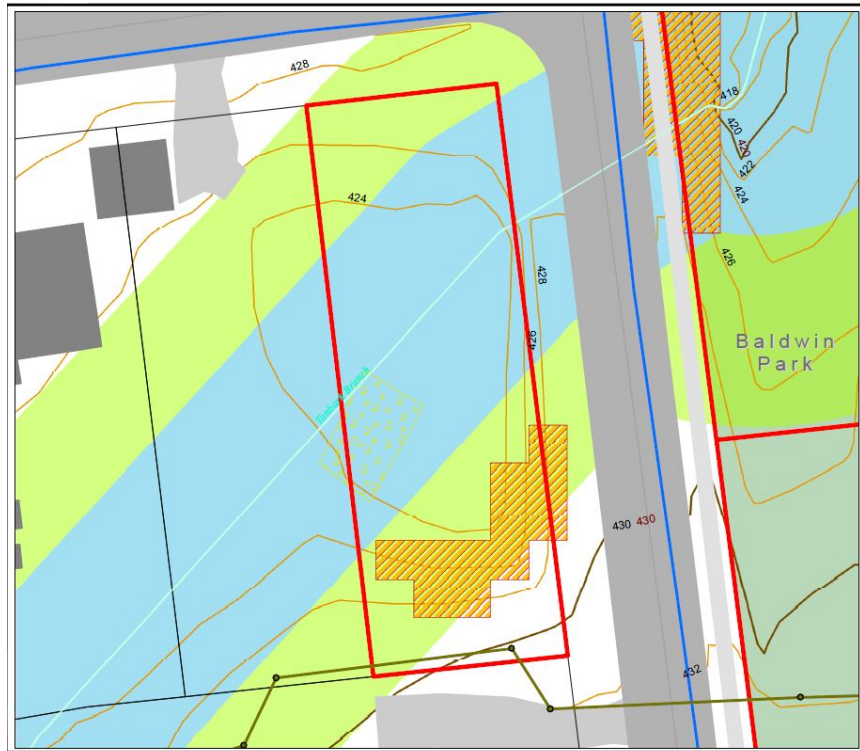
106 Hill Street

PIN: 9778975883

Size: .17 acres

Value: \$17,000

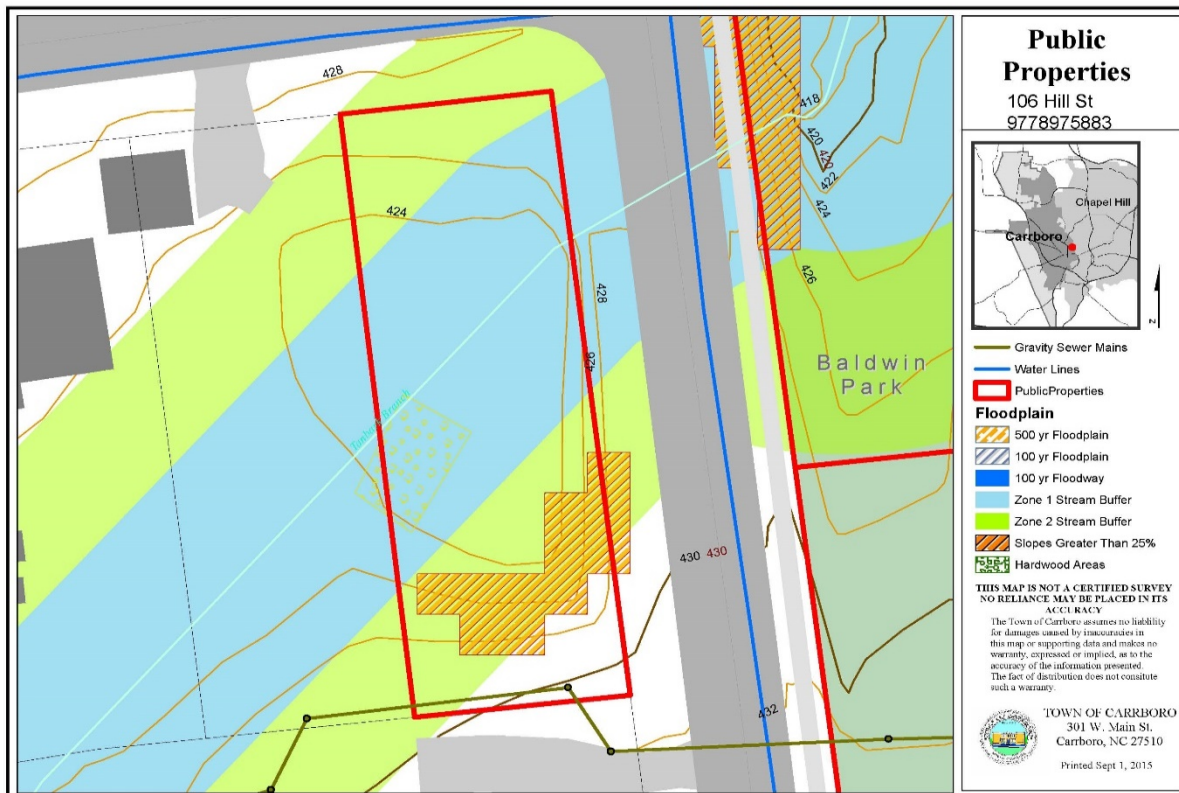
Zoning: R75



Known assets favorable to development	1. All utilities are adjacent to the property
Known issues that could potentially restrict development or add costs	1. Stream buffer runs through most of the property 2. OWASA easement on property 3. Duke Power easement on property 4. Would require a variance from the Board of Adjustment
Zoned density	1
Current uses	Open space
Future uses currently under consideration	Affordable housing
Transit	Approximately .4 miles to nearest bus stop
Relevant notes	Deeded to the Town in May 2006



Map and Photograph of Property



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View from near the corner of Lloyd St and Hill St