

Affordable Housing Dialogue Session
October 30, 2012, 7 pm—Carrboro Century Center Hall

Creative and Collaborative Solutions: Case Studies and Community Visioning

NOTES

In Attendance:

Elected Officials: Michelle Johnson, Town of Carrboro Board of Aldermen

Town of Carrboro Planning Board and Staff: Bethany Chaney, David Clinton, Braxton Foushee, Heather Hunt, Jessica Jahre, Damon Seils, Trish McGuire (staff), Tina Moon (staff)

Others (in order of sign-up and likely misspelled by scribe): Alison Wiener, Madison Hayes, Susan Levy, John Setton, Dan Levine, Tish Gala, Jess Brandas, Laura Moore, Jenna Graber, Liz Evans, Marty Mandell, Sue Harvin, Joy Preslar, Jack Smyre, Kristen Smith, Robert Dowling, Janice Tyler, Allison DeMarco, Aspen Price, Jen Slesinger, Lane Sarver,

Facilitators and Guests: Lauren Knott and Carley Ruff, NC Housing Coalition.

Part I: Facilitated Learning Time

Bethany Chaney, chair of the Town of Carrboro Planning Board, outlined the goals and objectives for the Affordable Housing Dialogues and introduced the facilitators.

Carley Ruff, Policy and Outreach Coordinator at the NC Housing Coalition and intern Lauren Knott from the UNC School of Social Work presented housing and demographic data related to Carrboro and Orange County; discussed some tools that municipalities are using to drive affordable housing, including various forms of inclusionary zoning, the low-income housing tax credit (LIHTC), tax-increment financing (TIF), and others; and presented a number of examples of affordable housing in the Triangle, including Carrboro's only family LIHTC project (Winmore) and Maplewood Square, a multi-faceted partnership effort to build senior housing in Durham. All presentation materials will be available on the Town's website.

Participants, including representatives from a number of non-profit housing organizations, residents of affordable housing, planners, architects, students, and interested community residents, participated in a brief discussion, sharing their thoughts and impressions of what was presented. Notes from the discussion:

- Nuance with LIHTC is timing of applications
- What we *mean* by affordable housing sometimes isn't clear.
 - Homeownership is often aimed at 80% - 120% of AMI

- Renters and lower-income strata have different needs. Winmore has various levels, some supported with section 8.
- Need to define our goals.
- Non-elderly physically and mentally handicapped are often left out. Very vulnerable due to variables related to SSI/SSDI
- “Voluntary” inclusionary zoning doesn’t work. Not all policy tools are created equal.
- Also, inclusionary zoning does not include/consider renters.
- Inclusionary zoning only works when folks are actually building housing
- LIHTC is seen by federal government as a main engine for new units. Could be a problem for the future given resource priorities, tax policy changes, etc.
- Predictability of the process is key. Developers will accept risk if there is predictability.
- Fast-tracking projects when there’s an affordability component could be an incentive.
- In high-cost area, LIHTC doesn’t necessarily work. land costs are still too high and are not covered in the basis by the credit.
 - Need major subsidy or donation of land
 - 2-3 year development process. Lots of up-front work. City needs to stand behind a development and contribute.
 - Limitations by county and developer also.
- Future of LIHTC is uncertain—tax code changes? Elections?
- Durham: Passed Penny for Housing—actually half a penny-which comes out of the general fund for affordable housing.
- Cities need to be out front with goals and mechanisms for affordable housing. They have to drive it. They have to be part of the solution.

Part II: Small group exercise

After a ten minute break, participants counted off into four groups. Planning board members, elected officials, and planning staff were asked to be listeners only and not to actively participate in groups except to answer questions or to help move conversations along. The facilitator explained the 1-2-3 Exercise (below) and groups had 35 minutes to complete the exercise.

1-2-3 Visioning Exercise

Goal: To map, diagram or describe in words or pictures what Carrboro could “look like” if the tools are in place to meet priority housing needs and goals.

Step 1: Make your choices (1-2-3 below).

As you make your choices:

- Notice whether your group has significant differences of opinion about what to prioritize, and/or whether there are shared values that are particularly clear to everyone.
- Which choice(s) did you make first? Which last?

Step 2: Draw, diagram, cut out, paste up, or describe in words and pictures how Carrboro would “use your tools” to achieve your housing target and meet your goals. Anything goes – haiku, flash fiction, origami, charts, tables, maps, stick people... But make sure whatever you do tells a story about success!

- Be prepared to show and tell when you are done. You will have 5 minutes to present your picture-word-art, and to tell us about your group process and conclusions.

Choose ONE (1)

Target Housing Priority

- Family rental housing
- Senior housing
- Housing for the homeless or at-risk
- Homeownership
- Permanent Supportive Housing for individuals with special needs (such as mental or physical disabilities.)

Choose TWO (2)

Goals Related to Affordable Housing

- Help people stay in homes they have
- Increase housing stock
- Increase quality of stock while maintaining affordability
- Transit-oriented development
- Increased density, starting with downtown
- Social justice
- Environmental sustainability
- Mixed use development

Choose THREE (3)

Tools to meet your goals

- Inclusionary zoning** (voluntary, conditional, or mandatory)

- **Payment in lieu**, giving developers the opportunity to choose between building affordable units (or meeting some other mandate or preference) or paying the Town to compensate for the lost opportunity.
- **Private philanthropy and/or investment**
- **Low-Income Housing Tax Credit**--Provides funding for development costs by allowing an investor to take a federal tax credit equal to a percentage of the cost incurred for development of the low-income units in a rental housing project. Credits are allocated by the state on a competitive basis
- **Advocacy and community organizing**
- **Rehab assistance program**--Privately or publicly-funded grants or low-cost loans for rehabilitating homes whose owners and/or residents meet income requirements
- **Land banking.** Land banks are governmental or nonprofit entities that acquire, hold, and manage tax-delinquent or abandoned properties. Land bank entities have the authority to facilitate resale or execute a redevelopment plan to achieve long-term planning goals, such as fulfilling affordable housing provisions.
- **Capacity-building for non-profit organizations**
- **Transportation resources**
- **University partnerships**
- **Local or county-wide Housing Trust Fund**, dedicated to the creation or preservation of affordable housing and funded with private contributions or public sources.
- **Modifying land use restrictions, zoning, or approval process**
- **Tax Increment Financing (TIF).** TIF is often designed to channel funding toward improvements in distressed, underdeveloped, or underutilized parts of a jurisdiction where development might otherwise not occur. TIF creates funding for public or private projects by borrowing against the future increase in these property-tax revenues.

Each group was asked to present their illustrations, which were produced on large sheets of yellow paper, and to explain how their groups came to their conclusions and agreements. These illustrations will be on display in Town Hall in advance of and during the December 4th BOA meeting. Notes follow:

Group 1:

Started with needs then tried to narrow them down. Needs:

- pet-friendly
- special needs
- accessibility
- students are missing
- lower-income rental is missing
- define affordable as less than 80% of AMI
- Who does Community Home Trust Serve?

1. **Target:** Family rental and homeownership (the target being families)

2. Goals:

- a. Help people stay in their homes
- b. Increase stock
- c. These goals naturally will lead to or be supported by other goals, like increased density, social justice, transit-oriented development, and environmental sustainability

3. Tools:

- a. County housing bond (as most sustainable funding source)
- b. Land acquisition
- c. Change zoning laws and approval process

Envision integrated community—young and older; space for individual vendor market (including for the homeless; helps with income stability). Some dorm-style housing and some industry in the same place. Want to see the mobile home park stay—keep it and support this kind of housing. Access to transportation is important.

Defining what affordable is needs to be addressed.

“We didn’t want to choose.”

Group 2:

1. Target: Family rental housing

2. Goals:

- a. Increase housing stock
- b. Helping people stay in the homes they have, or preventing homelessness (since the lens here is rental)

3. Tools:

- a. LIHTC
- b. Modifying land use restrictions, zoning or approval process
- c. Housing trust fund, including private contributors.
 - i. Allow funds to be an emergency escrow or stash to cover rent
 - ii. Use for Individual development accounts or similar mechanism

Lots of tools could be attributes for increasing housing stock. Supportive Carrboro citizens are so important for this to come together.

Group 3:

Everyone in this group advocated hard for different priorities. Finally settled on one.

1. Target: Homeless and at-risk. Decided this encompassed many other targets as well.

2. Goals:

- a. Help people stay in the homes they have. Foreclosures are a problem.
- b. Increase quality of stock while maintaining affordability.

3. Tools:

- a. LIHTC
- b. Modifying land use restrictions, zoning or approval process
- c. Creating Rent to own structure through community partnerships, including UNC

Group 4:

1. Target: Family rental housing

2. Goals:

- a. Increase housing stock
- b. Increase the quality of stock while maintaining affordability

3. Tools:

- a. LIHTC
- b. University partnerships
- c. Modifying land use restrictions, zoning or approval process

The group discussed the need for outside money to fund goals. Funneling the money and seeing results needs to be easier. The cost of land is really high and the University can contribute. Collaboration by and with the Board of Aldermen is so important.

It was hard to pick just one housing target, but had to recognize the need to move forward. Chose rental because 64% renters in Carrboro is a huge figure. Need to maintain these units while building more.

Part III: Summary and Next Steps

The facilitators thanked everyone for their support and participation. The Planning Board learned a lot through the three events and plans to distill the feedback from participants into a succinct report to the Board or Aldermen and the Affordable Housing Task Force. Participants were encouraged to pay attention to upcoming agendas and attend Board of Aldermen meetings where affordable housing may be a subject.

Individual planning board members had an opportunity to say a few words about what they learned and heard. All expressed thanks and their appreciation for the high level of engagement and knowledge that participants brought to the discussion.

Several participants reiterated how important it would be for them to see some action come out of these dialogue meetings and to see the town make some progress in shaping and advancing affordable housing goals and resources.

Adjourned at 9:05 pm.