

Petition to implement strategies to rapidly promote increased production and availability of affordable and missing middle housing

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The Town will be continuing its process of reviewing and revising the Land Use Management Ordinance (LUMO) over the next two to three years. In the meantime, Chapel Hill continues to struggle with rapidly escalating housing prices and a continued scarcity of housing units, particularly ones that are affordable to those making 80% of the area median income (AMI) and below. For those making 30% AMI and below, housing is desperately scarce. While there are significant revisions the Town can make to the LUMO to help address these issues, these changes would not take effect for many years, and in the meantime, residents struggle to find and keep housing that they can afford. With this petition, we call on the Town to take meaningful interim steps that will promote increased production of affordable and missing middle units in our community.

We direct staff to study best practices and innovations from across the country, while focusing on feasibility, and permissibility under NC law, and come back with recommended strategies to achieve the objectives described below. Additionally, seeking input from the Big Bold Ideas housing committee and the Orange County Affordable Housing Coalition, among other local advocates, would be beneficial as staff consider options. We request a draft workplan, timeline, and any resource requirements to accomplish these objectives for Council feedback by November 17, 2021.

1. Expedite and incentivize production of affordable and missing middle housing, by:
 - Creating a new application pathway (modeled on existing applications for ownership and rental single-family and multifamily housing) for “missing middle” development proposals, to provide appropriate standards for development, including recreation/open space, provision of affordable units, etc.. Such housing would include duplexes, triplexes, townhomes, cottage courts, and other forms of compact development that do not fit into current Town application options of single-family home or multifamily development. This should include approaches that will incentivize applications for units at price points between 60-120% of AMI, as feasible.
 - Creating an expedited application process for any development application that includes at least 30% proposed affordable units. This process should take less than nine months to enable developers to maximize opportunities to utilize low-income housing tax credits, grant funding, and other time-bound financial instruments.
2. Increase availability and affordability of rental units by:
 - Reviewing current Town affordable rental definition and recommending a revised target that more closely reflects real wages and the goal of spending no more than 30% of income on housing costs, generally considered to be below 60% AMI
 - Reviewing current Town affordable rental definition to clarify that affordability calculation must account for utility costs
 - Increase the affordable rental definition’s duration of affordability of units to no less than 30 years
 - Exploring potential pathways for the Town to ban source-of-income discrimination or otherwise increase acceptance of housing choice vouchers by landlords, such as through incentives
 - Proposing relevant ordinance and policy revisions (affordable rental policy, conditional zoning regulations, etc.) to reflect the above changes to the extent legal and feasible
 - Initiate discussions with UNC and UNC Healthcare, as the largest employers in Chapel Hill with the highest number of employees living outside of Chapel Hill, to partner on expansion of the Town’s Master Leasing Program to rapidly expand affordable housing options.