



Blue Hill Affordable Housing Update

Council Business Meeting Date: October 10, 2018

When the Blue Hill District was established, the Council set a goal of creating 300 affordable housing units within the District. To date, the Manager has approved Form District Permits for 149 affordable housing rental units.

Over the past several years, staff has explored options to incentivize affordable housing in the Blue Hill District and Town-wide. Most recently, in October 2016, the Town hired consultant David Rosen and Associates to prepare a [comprehensive affordable housing analysis](#)¹ for the Town and also provided an [affordability gap analysis](#)² of specific sites in the community. The analysis revealed that the subsidy required to produce lower income rental housing in the Blue Hill District could be approximately \$147,000 per housing unit. The high level of subsidy needed to achieve affordability leads us to continue to evaluate other options to create affordable housing opportunities within the District.

Staff is continuing to explore methods to increase a range of housing opportunities throughout the District and is planning a more detailed update for Council in the third quarter of this fiscal year. Methods that are being explored include:

- Density bonuses based on income levels served;
- Town subsidy;
- Partnerships to provide housing for public employees such as local/County government or school system employees;
- Revisions to the District boundaries to increase housing options, improve connectivity and facilitate/attract future development of a variety of housing with the District's streamlined development review process (typically 4-6 months);
- Develop options for zoning that can support a multi-pronged approach to achieving the Town's housing goals within the District;
- Evaluate if methods used to support development of below market rate housing in other areas of Town and other communities could benefit the Blue Hill District; and
- Research new ideas and best practices.

¹ <http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/affordable-housing-policy/comprehensive-affordable-housing-analysis>

² <http://www.townofchapelhill.org/home/showdocument?id=35844>