



TOWN OF CHAPEL HILL

Town Hall
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Attachments: 1. Petition, 2. Draft Work Plan, 3. Scope of Work - Expedite and Incentivize Aff and Missing Middle Housing v01, 4. Scope of Work - Increase Availability and Affordability of Rental Units, 5. Council Questions with Staff Response, 6. HAB Recommendation

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Staff Update on the Petition to Implement Strategies to Rapidly Promote Increased Production and Availability of Affordable and Missing Middle Housing

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Department:

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Overview: On September 22, 2021, Council Members Stegman, Parker, Buansi, and Huynh submitted a [petition <https://chapelhill.legistar.com/View.ashx?M=F&ID=9834553&GUID=1DB8AFA8-3BDF-42E2-9E41-D6747BD4ECF4>](https://chapelhill.legistar.com/View.ashx?M=F&ID=9834553&GUID=1DB8AFA8-3BDF-42E2-9E41-D6747BD4ECF4) directing staff to implement strategies to rapidly promote increased production and availability of affordable and missing middle housing. This item provides an initial response to the petition, including a draft work plan, scopes of work, timeline, and resource needs for implementation.



Recommendation(s):

That the Council receive this update on the Housing Petitions submitted on September 22, 2021.

Proposed Work Plan

Staff have assembled a draft work plan and scopes of work (attached), which outlines key action steps, the assigned department leading the task, and potential partners, timelines, and resource needs, as well as notes on progress achieved to date. The work plan is organized around the following two primary strategies, consistent with the petition:

1. Expedite and incentivize production of affordable and missing middle housing

- Create new application pathway for missing middle housing
- Create an expedited review process for affordable housing development

2. Increase availability and affordability of rental units

- Refine Town's definition of affordable rental
- Increase acceptance of housing vouchers in Chapel Hill
- Work with UNC and UNC Healthcare on potential Master Lease Program

The workplan builds off related work already under way, including:

- Researching best practices implemented in other municipalities to expedite the review of affordable housing development projects.
- Previous efforts to identify ways to streamline the development review process in local development projects.
- Working with the Housing Advisory Board to develop a definition and guiding principles for rental housing development.
- Exploring options for rental housing development on Town-owned land.
- Supporting the development of over 200 affordable housing units in the last five years, with an additional 500 in the pipeline by 2027.

Preliminary Feedback from the Housing Advisory Board

Town staff updated the Housing Advisory Board (HAB) on its preliminary response to the petition on November 9, 2021. HAB members expressed their support for the activities proposed in the petition response and urged the Council to push harder to meet their goals of affordability and expedited review for projects with substantial affordable housing commitments as outlined in the attached formal recommendation.

Proposed Next Steps:

After tonight, staff will begin implementing the work plan and seek feedback from Council at key points along the way. A few key check-in points are:

- In winter 2022, the Planning Department will propose several possible strategies to expedite and streamline the development review process for affordable housing projects.
- In spring 2022, staff plan to present recommended changes to the definition of affordable rental housing.
- In fall 2022, staff will update Council on the progress made in establishing a partnership with UNC and UNC Healthcare to explore a master leasing program.
- In winter 2023, staff plan to present recommendations for implementing a permanent expedited review program for developments with affordable housing based on lessons learned through implementation of the pilot program, and promoting acceptance of housing vouchers in Chapel Hill.
- In spring/summer 2023, staff plan to present recommendations to Council for creating a development pathway for missing middle housing.

Should the Council propose changes to this timeline to prioritize these deliverables further, staff will likely have to delay implementation of other work that is underway.

Fiscal Impact/Resources: Staff have started outlining potential resource needs for implementation of the Work Plan and will continue that effort during Work Plan implementation. Fiscal impact and staff resources needed will depend on direction from Council.



Attachments:

- Petition
- Draft Work Plan

- Draft Scope of Work - Expedite and Incentivize Affordable and Missing Middle Housing
- Draft Scope of Work - Increase Availability and Affordability of Rental Units
- Housing Advisory Board Recommendation - Expedited Review and Affordable Rental Housing Definition (November 9, 2021)

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By accepting the report, the Council acknowledges receipt of this update on the Housing Petitions submitted on September 22, 2021.