

Pursuing Big and Bold Affordable Housing Goals in Durham & Chapel Hill, NC

Intro: Vital Statistics

Durham-Chapel Hill Metropolitan Statistical Area

- Approximately 560,000 residents in 2016
- Population has grown ~11% since 2010
- 97th-largest MSA in the United States, but among the 40 fastest-growing. 17 people move in every day.

Four transit agencies combine to produce about 70,000 daily boardings:



Metro Area	Annual Rides Per Urban Resident, 2012 NTD Data
Seattle	43.3
Durham-Chapel Hill	41.0
Portland	35.7
Denver	32.3
Minneapolis-St Paul	30.3
Salt Lake City	20.8
Charlotte	18.3

Now Planning for Light Rail (Approved by FTA into Engineering Phase Summer 2017).

Durham-Orange Light Rail Transit (D-O LRT) Project

- 17.7 miles, 18 stations, Revenue service in 2028
- 10 minute peak / 20 minute off-peak service
- 3 of top 10 employers in North Carolina on the line, 3 major hospitals
- 50,000 students across 3 major universities: UNC-Chapel Hill, Duke University, North Carolina Central University
- Special events: Dean Smith Center, Durham Bulls Ballpark, Durham Performing Arts Center
- Joint Development line item in New Starts Budget, currently evaluating sites that could contain affordable housing components

Public Housing Stock

Chapel Hill:

- 13 communities
- 336 units managed by Town of Chapel Hill
- Mostly built more than 30 years ago

Durham:

- 1,872 units managed by Durham Housing Authority
- 2,800 housing choice vouchers
- Mostly built more than 30 years ago

Affordable Housing Goals and Tools

- In 2014, Durham City Council and Durham County Commissioners adopted goal of 15% of housing units within a half mile of D-O LRT stations to be affordable to households earning < 60% AMI
- Durham Housing Authority manages many properties and housing developments in Durham, is a partner in considering re-development/densification near light rail
- Durham has 5-year goal to create or preserve 1,150 affordable units
- In 2010, Chapel Hill adopts ordinance that 15% of for-sale units in new development should be affordable. Multiple multi-family buildings with units on the ground, but market has now turned towards rental. Developers can provide units or make payment-in-lieu.
- Orange County (home to Chapel Hill) puts \$5m affordable housing bond on 2016 ballot, passed
- Both counties have community land trusts which sell/re-sell units to qualified households that meet AMI criteria
- The proportion of legally binding affordability restricted housing in the corridor compared to the surrounding counties is 2.68.
- Mission-driven lenders with an interest in Affordable Housing include State Employees' Credit Union and Self-Help Credit Union
- Non-profit developer with positive track record in Durham and Chapel Hill
- Both communities have "Penny For Housing" programs in municipal budgets.
 - Chapel Hill 1 penny generates ~ \$700,000/year
 - Durham 2 pennies generates ~ \$5.6m/year

Strategic Issues

- Have affordable homeownership tools, but market has turned to rental
- NC legal landscape does not support rent control, other tools found in home rule states
- Market rents accelerating, but not high enough to support concrete/steel construction- makes density bonuses & height bonuses challenging to calibrate
- NC Housing Finance criteria for LIHTC assign negative points for proximity to rail lines
- Comparatively limited resources in Durham/Chapel Hill compared to larger cities/regions

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