

Chatham County Affordable Housing Advisory Committee Meeting

| May 4, 2023 | 6:00pm-8:00pm |

Cooperative Extension Conference Room, Chatham County Ag & Conference Center (1192 US-64
BUS, Pittsboro, NC 27312)

Attendance

Staff: Bryan Thompson, Leah Dyson, Chatham County NC

Lindsay Whitson, Jack Watson, Triangle J Council of Governments

AHAC Members: John Foley, Richard Poole, Susan Levy, Gail Freedman, Tiffany Stuflick, Kent Jones,
Chip Price, Kyle Shipp, Sharon Taylor-Gray, Pamela Baldwin, Mary Gillogly

Guests:

Chance Mullis, Planner and Project manager for the UDO update and Moncure plan.

Jason Sullivan- Planning director

Jennie Kristiansen, Director of Chatham Social Services

New members (Mary Gillogly and Tiffany Stuflick) received an orientation packet which included a glossary of affordable housing terms, a brief history of the Affordable Housing Advisory Committee, and prior presentations overviewing the landscape of affordable housing in Chatham county.

The committee gave comments on successes from prior years, and talked about projects that the Chatham Housing Trust Fund (HTF) has helped accomplish.

Minutes for the march and april meeting were approved.

The purpose of inviting Chance and Jason to the meeting this evening was to help the committee understand the limits of the Universal Development Ordinance (UDO), what it can and cannot do.

The UDO project started in October of 2021. The consultant hosted focus groups with various Chatham advisory boards and compiled them into an audit report. by the time that compilation was finished, it was January of 2022.

In April of 2022, a health and equity assessment was completed. In July of 2022, all these reports and assessments were considered to create a blueprint of the project

A lot of the UDO development process is rewriting codes. Adding in new things, getting rid of obsolete things, and making standards easier to use. The other part is incorporating the strategic plan into code. When we say a strategic plan, we're referring to Plan Chatham, which is the comprehensive 25-year plan that was adopted in 2017. The reason for that plan is the state statute 160.D, which requires jurisdictions to have a comprehensive plan.

The UDO has gone through many drafts since August of 2022 and is broken into four modules:

1. Zoning – zoning district and the actual use on the site. This includes setbacks.
2. Development Standards – subdivision, stormwater, erosion control, etc. and ways that they tie into affordable housing; more focused on floodplain, erosion control, stormwater (nine chapters).
 - a. Density is in both the Zoning and Development Standards modules.
 - b. Incentives are included in development standards and the way to do this in North Carolina, it has to be included in the development standards and that is the way to do it in North Carolina.
3. Procedure
4. Administrative
5. 160D – conglomerating all 160D language, related to development standards, into one ordinance.
 - a. The building code is separate than 160D.

The zoning section of the UDO was presented to commissioners in January. Development standards which is being developed now. Zoning is any regulation that has to do with coming up with districts and their qualities. What can be done in a district and how to label development would all be zoning. Development standards are specific regulations that apply within zones. To encourage density, for instance, zoning could say that "zone x can fit y number of households per acre", where development standards may say "to qualify for zone x, you must meet y criteria".

Currently, Chatham has two big ways to encourage density. one is ADUs. ADUs have been allowed by right for decades, and do not distinguish by build type (manufactured or stick built, etc).

The other means of encouraging density is a voluntary zone called Compact Community Zoning. To qualify for Compact Community, developers may either provide 5 percent of the lots as spaces for affordable housing, or provide a fee in lieu of the affordable units. So far, each Compact Community zoning has been its own negotiation, and it would be good to standardize.

Compact Community zoning is the only way to require affordable housing, since it is a voluntary rezone on the part of the developers. There are only a few areas in the county where you can even apply for the zone (most of these are off 15-501). This zoning is also being changed as part of the new UDO, because it doesn't scale down well to apply to small developers.

The big question is, how much density needs to be included in a voluntary rezoning for it to be attractive to developers? In the county, one extra unit of density is enough. Another issue with these incentive structures is that the county does not have the capacity to take advantage of the affordable housing lots, and the fee in lieu does not cover the cost of a unit of affordable housing.

One of the biggest barriers to getting affordable housing is wastewater management. There is no county wastewater system. Developers often have to include the price of a private wastewater system like a package plant in the cost of housing. The County is in the low-density watershed standing (typical of counties in North Carolina) and that was what the Commissioners decided back in the 1990s. To exceed the density per acre cap with water, the County then has to switch to high impact under watershed guidelines. Moncure will have to switch to high-density for the watershed controls and that is not negotiable (because of the growth coming from Vinfast and WolfSpeed).

Tiffany Stuflick mentioned the difficulty in finding property in Chatham that would work for compact development and affordable housing. Whether it is due to zoning, the ground not being susceptible to septic, lack of needed infrastructure, etc. Finding the land to put in development to support AH is challenging.

In closing, Jason Sullivan asked us to share examples as to what incentives are working with affordable housing in North Carolina local governments, since they are operating under the same regulations.

AHAC agreed that a future agenda item should be held for brainstorming incentive types. Kyle Shipp, representative from Pittsboro, mentioned Pittsboro's density incentive programs. Developers have not engaged to a dramatic degree with that program, and it isn't clear why. The incentives Pittsboro include are decreased setbacks, reduced parking, reduced buffers, and review priority for rezoning/permitting.

Other future topics of discussion mentioned based on today's discussion: what incentives have been seen in other areas of the state? What are the best density bonuses, and how do you get developers to engage with them? How do you navigate state regulations to create an affordable housing incentive program?