

Chatham County Affordable Housing Advisory Committee

Meeting Minutes for August 1, 2024 | 6:00 pm

Old Agricultural Center | 65 E Chatham St, Pittsboro, NC 27312

Mission Statement

Relaunched in fall 2017, the Chatham County Affordable Housing Advisory Committee will make recommendations to the Chatham County Board of Commissioners for procedures and policies around affordable housing. The Committee will be instrumental in implementing the Chatham County Affordable Housing Strategy Toolbox, as well as administering the Housing Trust Fund application review and award process.

Attendance

Committee Members

- Tiffany Stuflick
- Susan Levy
- David Morton
- George Gianciolo
- John Foley
- Gail Friedman

County Staff and Central Pines Regional Council

- Jamie Andrews
- Bryan Thompson
- Jason Smith
- Hunter Fillers

Guests

- Theresa Thompson
- Stephanie Watkins-Cruz

Meeting Proceedings

Tiffany brought the meeting to order, asking all members to give an introduction.

Public Comments

Tiffany: Got a compliment, chatting it up with a Chatham local, and they shared that they are trying to get housing, they went through the affordable housing process and found it to be very user friendly, and they achieved a positive outcome and are in a place they enjoy within thirty days.

Pittsboro has approved a new affordable housing Policy, which is online. Can check the town meeting minutes. Mostly borne from the staff/planning board, it's very flexible. As developers are coming in, they will be approached by the planning board.

Trying to create a new incentive for developers, we're trying to think outside the box. If you propose at least 10% units at an aggregate of at most 70% AMI, you can essentially double your density. For developers to get that high density that they want, they can get these plans approved by staff, with no zoning changes. Can also do a fee-in-lieu. that's 85k per unit, applies to single family/tri/quadplex.

Gail: attended David Delaney's community comment sections. It was a very useful opportunity to have a community conversation. Was essentially about how to balance development and preservation, what we're doing, etc.

Did Delaney guide the event?

Was primarily a listening tour, but he summarized at the end and gave possible avenues forward.

Review and Approval of Minutes

Looking over June minutes: add list of attendees, add capitalization for County Commissioners.

Motion to approve minutes as amended is approved.

Presentation from Stephanie Watkins-Cruz

Overview of the AHAC mission and history.

Action items and action planning was the first multijurisdictional approach/plan. It was really a catalyst to reawaken the desire to have a policy infrastructure. AHAC was created by the board to have comprehensive geographic representation to carry out the toolbox that was created in 2017. It became a body, John and Susan can jump in, for creative minds. We were building the plane as we flew it. Instead of waiting a few years to start a trust fund, it kind of happened at the same time. The HTF launched the same year. We had 200k for affordable housing, what do we do with it? Was grateful to be trusted with that, had to break the news that that's not a lot of money in the development world. First few years, it was building out the scoring criteria and the application. We learned that some of our application criteria were not the best way to evaluate all types of affordable housing, especially preservation.

Also thinking, how do we evaluate programs? in my recollection, instead of creating new scoring criteria, we decided that this fund was for development and preservation. So rehousing, homelessness, was not our purview.

One of the coolest things about those four and a half years, we could acknowledge that we had a body of elected officials who wanted to figure it out and were willing to think about solutions. There was a willingness to develop an emergency fund as well. In 2019, we got an emergency housing fund and adjusted the HTF accordingly. At the end of the day, AHAC owns that process. These projects deserve these funds and it's an endorsement of their ability to help AHAC towards our goals.

There was a lot of work towards the end of my time towards RRH, homelessness.

Also do data collection, tabling, community outreach.

AHAC has been a foundation of what the county has in terms of a housing department now. It gives the ability to compare Chatham TO Chatham. We can see what it means to Create housing policy that responds to OUR community.

When you work in affordable housing, it's not about you. It's about understanding your role, and your role as an advisory committee.

Have a housing 101 kind of brief, also have a local infrastructure kind of thing. August is always the local gov "new year". Want to understand why you're a part of AHAC, why you joined, maybe what your favorite points that I can address. more than happy to come back when the schedule allows.

T: Input on how Chatham County operates, how it interacts with nearby/neighbors. Maybe some of the obstacles you've encountered. Some of the hurdles you've encountered, and what you think we'll be facing.

Balancing dev/growth, how to engage with neighboring counties, what hurdles are ahead. What is it that we can be working on to push AHAC in the right direction?

G: Related, how do we relate to the resources on the federal and state level?

S: Since you work statewide, if there are barriers statewide that are being addressed by the coalition to create more affordable housing.

G: Since AHAC was fairly new, did developers welcome it or were they cautious?

Most folks welcomed AHAC. It was nice for there to be a point of contact, in addition to those developers were familiar with. They're always going to talk to planning and

permitting. It was nice to talk to people who were following their project and wanted to support either financially or with human capital. There were some convos that didn't go well, more from a philosophical standpoint, not because of AHAC's existence in and of itself. There are some concrete, permanently rooted opinions that make people uncomfortable. Had a conversation at least a dozen times, someone had a grudge from when I was in middle school. Building relationships on the ground, got them to realize I was eleven when it happened and realize that I could help make that not happen again.

In terms of barriers, there's so many. If it feels frustrating, you're going in the right direction. We are a Dillon's rule state, meaning all our power comes from what the NC state legislature says we can say. That doesn't mean local governments have no power, but it does mean you have to be careful when there's ambiguity. We've been in a climate of preemption, there've been state conversations re: land use that squash local controls. The idea is that more housing will be built if we go this route, not so sure that's the case. Even as the state tries to increase permitting. There were maybe 90 bills filed in the last session re: housing, not just affordable housing. There's the legal infrastructure, limits public entities the most. Any entity that engages with public funds. That's a barrier on legal infrastructure. We're also limited by land, topography, climate. The space that we have to rebuild from storms is finite. That affects the macro climate of supply and demand. As a country we haven't kept up with demand since 2008. We've fallen behind with construction, and the demographics don't favor our state. Housing also isn't what people need it to be, in terms of the physical space. If it's hard to build residential homes, it'll be hard to build the affordable type of that as well. There's not a pile of lumber that says poor people on it, the lumber labor and land is the same for affordable housing. Even if the market says people are willing to pay 2000 dollars, if for it to be affordable it's 900, that 1100 dollars needs to come from somewhere.

Because wages haven't kept up, the cost to subsidize is also increasing year over year. to afford fair market rent, you'd need 26 dollars an hour.

If the community is growing, you have development pressure. What you can build and where you can build is restricted. The housing coalition does a lot of narrative work, a lot of the work coming up that has been happening, we're trying to get resources at the state level to get the amount to be appropriate. We only have 10 million dollars for the state. Our state resource is less than what it cost to build 44 units. At the federal level, we've seen inconsistent levels of funding, and the trend has going down. The responsibilities have been shifted to the state. We're trying to plug in as much as we can, but public dollars are limited.

Federal funds don't come to Chatham automatically, that felt like a disadvantage. Because of our classification in the tier system, it is sometimes difficult to receive that. Free money isn't free.

From an ED standpoint, the county has been getting a lot of attention from state and fed. resources. Getting to a place where fed resources are a more consistent part of the bucket, adding to the data that's already collected.

Balancing dev and growth: it's important to remember that your favorite solution isn't the only solution. When you're looking at policy solutions, it's important to look at supply, stability, subsidy, and infrastructure. The reason supply isn't on here, you need more than one thing to make sure there's stability. If you develop a bunch of housing, people can't afford it because wages aren't keeping up, you need subsidy. You have policies that say we'll make it easier to build. You need to make sure people can stay in their homes, that they have means of staying in their community. You need stability. If people aren't protected from businesses who are only interested in being a landlord for the funds, if there's no protections then you will add back to the amount of need that there is. If you didn't reinvest in rehab and presentation, the housing stock's life could be preserved for a long time. If you don't have the policies and the rules and the staff working on this in a coordinated way, all of these policy ideas are hindered. So, if you're a proponent of development and growth, you need to know your place and who else is in your community, and what other people in the community are doing. It's dangerous to push the narrative that there's a silver bullet.

In interacting with neighboring counties, Chatham's unique, you trusted Stephanie fresh out of graduate school to try things out. Colleagues that have multimillion dollar revolving loan funds, lots of them had to understand this stuff the hard way. Chatham responded fairly nimbly. However, from a resource perspective, need to keep an eye on GROWING resources, and make them SUSTAINABLE. It's nice to see those \$90 million dollar bonds in Durham and Chapel Hill, but it won't solve their problem. And that money goes to a lot of things. It's not about us, it's not about any individual. It's about these individuals who are getting off the street. If these funds go away suddenly, they're impacted way more than we are as practitioners. Seeing a lot of revolving loan fund PPPs across the state, which shows that towns and local governments are not the only answer.

Not reinventing the wheel; there are enough examples around the state, can see if people got sued or not, what the outcomes were. Chatham doesn't look like a lot of counties around the states. The land trust model may look different. The HTF model may look different. Really grateful that y'all wanted to ask me this, because I have a special place for Chatham in my heart. it's important that you think holistically about this. Important that AHAC remains responsive and true to who they are. There's a lot of different players in this, and there will be times that you want to be everybody. We're talking to lawmakers, community, institutions. The role as an AHAC member may be different than a role as a resident. It's a both and. They still both have their own lanes. It's important that you're aware what your role is as a part of the policy infrastructure.

We can't write the ordinances, but we know the people who do. We don't write all the funding sources, but we have some sway with the people who do.

Pushing AHAC in the right direction, you're probably already headed towards it because you're asking these questions.

Thanks for being here. That info is essential to us adhering to our mission, so we have a clear direction in sight. September is at Penny Lane, so you're welcome there too.

Housing Trust Fund Policy Updates

There aren't many substantial policy changes baked in, most of the big changes are highlighted in green. Once this is reviewed by AHAC, these will go before the BOCC to be approved and go out to applicants for the next housing trust fund cycle.

Main changes:

Specifically add in wording to show that this is eligible for rehabilitation/repair. Nowhere has it been made explicitly clear in the past.

Restating trust fund priorities. removed language around work force housing, because of statutory limitations.

Adding in a priority for people with disabilities, veterans, people experiencing homelessness.

Adding in a priority for sustainability.

Explicitly adding a priority for renovation and repair, retrofitting of NOAH.

Gail mentioned having a cap on the granting amount. Could leave it general, saying something like "modest grant".

Susan asked if we always kept wording specific to loans for developers, could be a barrier for places like Habitat.

Changing "dignified" to "safe, healthy, affordable".

Not specifying that affordable housing should be in marginalized communities. Specify that we want to serve those people, not necessarily that we're locating everything in those areas.

Big proponent of residential fire sprinkler systems, OC habitat puts them in. Not only is it a safety thing, but the insurance is also less, and the sustainability is better because the units are protected better.

Can we compare rubric as-is, so we can work on tweaking that along with the proposed one.

Planning dept can play a big role in persuading a developer to add affordable housing. Is there something to make the pitch more concrete on the planning side?

This gets on the more expansive nature of what I hope this role becomes. The HTF is somewhat limited, it's specifically meant to fund these things. I'd like to be able to ask nicely and then show a toolbox that makes the math work out easier than them.

Jamie and Tiffany met earlier in the week, brainstorming specifically in that question of how to solidify the connection between planning and developers.

Full credit where credit is due, lots is based on what this body has creating.

Is there a process to debrief on successful developments? Like third wave, Wallick, etc.

Want to know what worked, what didn't work. Do we do a retrospective assessment? Want to know how to improve.

On a staff level, we've had lessons learned. We're modifying the "recipe". Looking at some of the successes, to your point even more broadly we can get to a point where we're reflecting on what Pittsboro is doing, getting that tied to those developments. What you'd do different, share, modify. Bring some collective awareness.

To that end, on the HTF level, we're talking about increasing reporting requirements. At the end of the 18-month period, doing a retrospective and asking those kinds of questions. Increasing those conversations between developers/AH practitioners.

Changes to the HTF policy guidelines were approved, pending the suggested changes from committee members.

Introductions From New Members!

David Morton: Was on the South Miami planning board for 8 years, chaired for 6. Got in the back door of affordable housing. one of the clients was the chairperson of the Miami affordable housing bond, about 100 million dollars annual. Went on a bus tour, there were maybe 200 units on complexes across the street from one another. one was poorly designed; one was well designed. They were told the nicely designed one was the affordable housing, was told to review the bad products. Put together a design review

committee, rejected about ten projects. Phone jumped off the wall from the commissioners, they said that they were not releasing the funds. Over three years, increased funding of projects again. The Housing Finance Authority funded the review committee to start, put together a homebuyer's club. partnered with churches, neighborhood associations, got banks involved. In some cases, would give a down payment or bridge loan.

George Gianciolo: moved to Chatham about five years ago, had been in CH for many years before then. Was on transportation board for several years, planning board, town council. On all those boards, was a big advocate for affordable housing. on town council, was a big advocate for affordable housing bond. Went out, had posters made to support the bond. One of the groups complained to the state elections board that he was doing this. Filed with the county elections board that he would do it. Was a strong proponent for raising taxes to get affordable housing funded, and it was passed.

Jamie Andrews: has introduced themselves before, but been with CPRC, research and other roles. Excited to be here doing this. Want to know what wisdom you want to impart, any questions you have for Jamie.

Brian: Will add to that, not new to AHAC, served while at CPRC. Provided some support taking notes, etc.

One of the things we want to do is update the new materials for members. What was helpful? what did you wish you knew from the outset? Open to recommendations and input.

Next point: We're meeting at Penny Lane next month from 6-8 PM. Let us know if you're unable to attend, possible that we'll have to vote on the rubric. Will send out some info over the month on the address if you want to do some research ahead of time. Thava won't be there, but there will be staff taking us around. We're happy to take recommendations, maybe meeting at other locations. If there's other places you'd like to meet around the county.