

Date: March 27, 2006

MEMORANDUM

To: Inclusionary Zoning Committee

**From: Delores Bailey, Valerie Bateman, Glen Greenstreet, Cam Hill, Scott Radway,
Larry Short, Nancy Tripoli, Rosemary Waldorf, and Carol Ann Zinn**

Several weeks ago we volunteered to serve as an ad hoc subcommittee to explore ways for the private sector to get more affordable housing (AH) stock on the ground in Chapel Hill. Sally-Greene, the committee chair, asked us also to review the housing section of Chapel Hill's Comprehensive Plan (CP) and the Manteo Inclusionary Zoning Ordinance.

We have some observations and recommendations to share with the full committee. This presentation is informal and falls short of "ordinance language," but we hope our observations will stimulate more good discussion in the full committee. This memo includes four sections:

1. Suggested principles and components of an inclusionary zoning ordinance / program
 2. Observations on the housing section of the Comprehensive Plan
 3. Summary and review of Manteo ordinance
 4. Proposal for a town-sponsored AH design contest and project
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Part 1

Principles and components of an inclusionary zoning ordinance/program

General Goals and Principles

The subcommittee recognizes that the major focus of an Inclusionary Development Policy and regulations will be on the production of housing units and the mechanisms that establish sales pricing and permanent affordability of these units. Executing this policy will require long-term maintenance, including administration and management, that will need additional financial commitments from the Town (and County). The subcommittee believes that such commitments are justified by the large total value of affordable housing in Chapel Hill that is currently about \$50,000,000 and will total \$100 million dollars over the next 5-10 years. A successful Inclusionary Housing program will further increase the value of AH.

A. Affordable Housing Quantity

We endorse the current community goal of having 15 percent of the number of new housing units created in Chapel Hill and its Planning & Zoning jurisdiction be affordable to people at or below 80 percent of the median income for our area. This goal should encompass: 1) new rental units, 2) conversions (e.g. McCorkle Place), as well as 3) new owner-occupied units.

B. Purchase Prices/Developer Subsidies

The subcommittee believes that one of the primary principles should be that the developer/builder AH unit pricing should be set at levels that permit qualified households to purchase these homes without the need for OCHLT (or other entities) to provide additional housing purchase dollars. This can occur when developers can predict sales proceeds early in the process, when the pricing tiers are fair to purchasers, and when OCHLT can anticipate the financial circumstances of planned units. This would indicate 1) adopting general relationship schedules that relate dwelling unit size (by bedrooms not primarily square feet) to household size and income and 2) providing a predictive early review process that allows flexible design.

C. Income Ranges

Based upon sales price and household income data provided by US Department of Housing and Urban Development (HUD), OCHLT, and information available from other states and communities with inclusionary programs, it seems that the private market can effectively subsidize the AH units when they are priced to serve households with incomes between 55-75% of median by household size, an income range that seems to have a substantial need for housing in Chapel Hill.

D. Location of Affordable Housing– Inclusionary Baseline.

We agree with the community preference that each new housing project be fully integrated, i.e., that the AH units be alongside market rate units. A companion policy that should be part of any requirement is that the exterior of AH dwelling units be designed and finished in ways that make their appearance similar to the market rate homes in the same development. The affordable homes in the Larkspur Subdivision developed by Task Force Member Carol Ann

Zinn are outstanding examples of this principle applied in a single-family home subdivision. Meeting the design goals is easier within multi-family and townhome developments.

Subcommittee members had differing opinions about what the language should be that describes the intent that AH dwelling units should be similar but reflect appropriate differences in size, materials, etc. Nevertheless, the principle of “similarity” was endorsed by all.

- D. Other Provisions. Payments, off-site development, and community benefits are all appropriate compensation where building AH units on-site is not the best solution to the Town’s overall AH mission. On-site location of AH units is always a first choice, but there will be circumstances where other provisions are preferable
- E. Market Rate Dwelling: Unit Credits. The subcommittee believes it is essential that a density credit be included and specified in an inclusionary zoning ordinance for Chapel Hill. This conclusion came from our understanding of the Manteo ordinance and other inclusionary zoning ordinances. A good deal of our discussion and research focused on reasonable, fair and workable density credits.

Some Observations on Our Future Opportunities

Redevelopment. Chapel Hill is largely built out. Except for the University’s Carolina North property, there are few opportunities left for good-sized “greenfield” developments. The major opportunities for creating AH will be in multi-family developments and redevelopment. Redevelopment can be both difficult and expensive. It must be sensitive to existing neighbors. Existing properties, often with high land values, must be purchased. Even properties that are rundown and unattractive can be costly to purchase and demolish. Land scarcity and barriers to redevelopment suggest that a high degree of flexibility in development concept and design should be permitted. Flexibility allows the developer and the Town to respond effectively to site conditions and location.

Preservation of Existing Housing (CP 7B-1). “Although new construction is necessary to meet the Town’s affordable housing demand, the conservation and rehabilitation of existing housing stock is just as important in maintaining housing diversity and can be an effective alternative to new housing construction. In addition, preservation and rehabilitation are often more cost effective than redevelopment.”

Housing Variety (CP 7.2). “Establish policies, regulations, incentives and programs to promote the availability of a full range of housing types, densities, costs, and tenancy options in Chapel Hill, both within new developments and existing neighborhoods.”

LUMO considerations. Part of our enthusiasm for more flexibility is a response to features of the current development ordinance. By reviewing the Chapel Hill Land Use Management Ordinance and constructing some charts that show zoning/permitted units/permitted floor area ratios, we observed that LUMO makes it look as if more units are permitted than can actually be built. Table 1 shows that in some districts a development that achieves the maximum number of dwelling units and uses the permitted FAR can develop on average only 800-square-foot units, which may be small to sell as market rate units. In addition, as Planning Director J.B. Culpepper has noted, there

¹ New development on land that is being converted from farmland (active or fallow) or other low intensity uses is often called “Greenfield” development. Re-development of tracts of land that have been used for industrial / manufacturing uses is often called “Brownfields” development.

are usually other site constraints, such as Resource Conservation District regulations (that reduce a site’s total permitted floor area) and site conditions such as access, slopes, and tree conditions that affect design.

LUMO requires a minimum lot size of five (5) acres for the development of multi-family uses in the R-4, R-5, and R-6 medium density residential districts. This minimum site requirement makes it difficult for a number of properties along primary roadway/transit corridors to be developed without extensive variances to existing zoning and development standards.

While all elements of good planning and development must remain a part of the process, the current floor area regulations and zoning districts were not constructed with redevelopment as a primary concern. To promote the densities and floor area needed by the market for redevelopment (with or without AH), revisions to the current LUMO will be needed.

Table 1
Permitted Density and Floor Area
Existing Chapel Hill Zoning Districts

Minimum Site Size	Maximum DU / Acre	Zoning District	Floor Area Ratio	Max SF per Acre	Max SF per Max DU
5 Acres	4	R-2	.093	4,051	1,017
5 Acres	7	R-3	.163	7,100	1,013
5 Acres	10	R-4	.230	10,018	1,002
5 Acres	15	R-5 / R-6	.303	13,198	880
N/A	17.4 ²	R-SS-C	.400	17,424	1,000
N/A	15	MU-V	.375	16,335	1,089
N/A	85 ³	TC-1	1.970	85,813	1,000
N/A	85 ⁴	TC-2	1.970	85,813	1,000

Possible Components of an Ordinance

1. Market Rate Dwelling Unit (Density) Credits

Our research and discussions have led us to conclude that density credits are essential to an inclusionary zoning ordinance to make it both legally defensible and economically functional. Experience in New Jersey and Montgomery County, Maryland, supports this conclusion. Certainly the Manteo ordinance rests on these assumptions. Calculating a “best density credit” is complicated. Subcommittee member Scott Radway has developed the following analysis:

Density credits and formulae that have been adopted by some states and local governments generally result in permitting property to be developed at a higher density in exchange for including AH units within a development and for which the developer re-

² This density is calculated in a reverse process. No maximum density is established in this district. Therefore the total permitted SF was divided by a dwelling unit average size of 1,000 SF.

³ Same as above.

⁴ Same as above.

ceives payment for the subsidized units at a below market sales price. Credits seem to be calculated primarily in two ways:

- a. A relational number of added market rate units for each “affordable” unit. This is usually expressed as xx new market units per each affordable unit.
- b. A percentage increase in total units permitted for a site, with a fixed percentage of the resulting total units being required to be “affordable” units.

The tables distributed at the March 15, 2006 Task Force meeting had examples of the mathematical affects of each of these models. Credit levels of 1 market rate unit and 2 market rate units per affordable units were examined as well as overall credits of an additional 25% or 40% for total development with 15% of the total units being required to be affordable housing units.

Based upon the discussion of the Task Force members in attendance and further review of the examples and formulae of other communities that have adopted inclusionary housing regulations, it seems that a density credit process that provides affordable housing in the range of 12-15% of total market rate units is a functional economic model in a wide variety of circumstances. The density credit test models that seem to fit the apparently successful programs best are those that have either a 2 market rate unit credit for each 1 affordable unit or which permit an overall density increase of 40%. These 2 models are shown below for a 75 dwelling unit theoretical development (A 5 acre site developed at 15 units per acre.)

Either of these density credit models seems to fit within the framework principles of:

- a. Additional market rate units in exchange for AH Units, therefore some additional income to the developer in exchange for the subsidy of the affordable units, and
- b. Moderate increases in density/intensity.



Table 2
Comparison
Market Rate Density Credit Methods

	Model 1 2 Market Units for each Affordable Unit	Model 2 40% Credit with 15% Affordable
Base Market Rate Development Amount Permitted	75	75
AH Dwelling Units	11 ⁵	16 ⁶
Total Density Credit	22	30
Total Units	97	105
AH as Percent of Total	11.3%	15.2%
Total Affordable	11	16
Total Market	86	89
Final Density Comparison		
In R-3 District	9.06 (Base is 7)	9.8 (Base is 7)
In R-4 District	11.47 (Base is 10)	14.00 (Base is 10)
In R-5, R-6, MU-V	17.20 (Base is 15)	21.00 (Base is 15)

a.

2. Provision for Inclusionary AH Obligation – Off site possibilities.

Provision for Payment. The subcommittee believes that a payment rather than on-site provision of units is sometimes appropriate and should be permitted. Standards or formulas should be clearly defined. Payment should not be negotiated on an ad hoc or arbitrary basis. There will probably be occasions where an AH payment amount based upon a cost to subsidize a new or rehabilitated housing will lead to a better overall community outcome than providing for some or all of the inclusionary units required in a new development. The subcommittee does not have specific recommendations for the formula or amount that would be a fair payment per unit. More research and legal advice is needed, but local developers and AH providers should have sufficient information for good standards to be developed and annually evaluated.

⁵ 15% (rounded) of 75 base development amount.

⁶ 15% (rounded) of 105 dwelling units.

Provision for New Construction - Offsite Opportunity. In some situations, alternative locations for AH might better serve the overall community goal of making 15 percent of all new units affordable. In other words, while in most instances the town will view the requirement to provide AH units as something that occurs within a project's boundary, there may be occasions when the town agrees to view the boundary as the city limits.

Provision for Renovation and Rehabilitation of Existing Housing. In some situations, the purchase, rehabilitation, and sale of existing homes (free-standing or condominiums in multi-family development) for permanent affordability should be an acceptable method of satisfying an AH obligation. The economics of this alternative will probably be more complex than for new development and will need further examination before it can be included in an AH program.

Provision for Community Benefit. This concept has merit and should be considered by the large committee. A local example is the proposal that the Bradley Green developer build infrastructure that will be critical to his development's future neighbor, a Habitat project. This would enable Habitat to enjoy direct and significant cost savings. (Suggestions obtained from a developer in another community currently considering AH standards include: rebuilding of community facilities such as parks and playgrounds in the neighborhoods served by AH or providing other community needs such as a new parking lot for a library, or erecting a bus shelters.

3. Affordable Housing Maintenance/Preservation Fee (Sinking Fund)

Recognizing that the Council has looked at and modified the way fractions of units have been treated over time, it might be appropriate to take all fractional amounts of required AH units, apply a fee amount to the fraction and pay that amount into a fund used by OCHLT or other participants as a reserve fund for major repairs or other emergency cost items that might occur over time. This is conceived of not as an operating subsidy fund, but a dedicated emergency fund that could have loan and payback requirements.

At least equally important to sustained affordability as controlling the chain of Title, is the maintenance, repair and capital improvement over time issue. There is a financial responsibility to the supporting community to maintain value in the AH homes and there is a social responsibility of the AH provider to their market rate neighbors in fulfilling the expectations that AH integration does not – and will not – negatively affect the value of their homes.

4. Economic Predictability

We recommend that schedules be developed that relate Average Median Incomes (AMI) of various household size to published predetermined sales pricing tiers (adjusted periodically – perhaps annually). These schedules would define the amount of revenue to be received by the developers/builders and provide purchasing conditions for households by size and income. The objective is to set up a system in which the developer can predict sales income early in the process, the pricing tiers permit fair access by households of differing incomes, and OCHLT can anticipate the units coming on line, including their purchase price and the household sizes eligible for the units.

The objective is to set up a system in which the developer can predict sales income early in the process, that the pricing tiers permit fair access by households of differing incomes, and

that the AH provider (OCHLT for example) can anticipate the units coming on line – including the purchase prices and household sizes eligible for the units.

This model aims to provide housing totally subsidized by the developer – meaning that the AH provider does not need to find “outside” dollars to help subsidize housing purchases by households of lower median income. (The lower the AMI of eligible families the greater the subsidy needed by the developer and the AH provider. Lower AMI access may require a smaller percentage inclusionary base. For example, ten percent (10%) instead of fifteen percent (15%) may be an appropriate amount of AH units when a higher percentage of lower income households are included in a development.

5. Flexibility Should Be Invited

To meet the twin goals of providing more AH and having that housing be part of well-designed projects, the ordinance should provide an opportunity for the developers to create their own proposals in response to location (downtown or transit corridor or suburb, for example) and site conditions. For the proposals for University Village, Greenbridge, Shortbread Lofts, and the Downtown Development Initiative, the developers essentially proposed significant modifications to existing development intensity standards (particularly the floor area ratio) in order to achieve desirable objectives.

We suggest that the IZ ordinance create a new zone. Regardless of name, it could be an overlay district promoting higher densities and AH that would be placed by the Town Council - after determining that the proposal met Comprehensive Plan Goals and good planning objectives - upon a property with a particular development proposal. This overlay district would permit creativity in design and encourage innovative solutions that meet town goals.

6. Creating and Measuring: Flexibility and Community Housing Needs

We suggest consideration of a standing Town committee on AH which retains “institutional memory,” made up of stakeholders in the community much like our IZ task force and with comparable proportional representation, to vet developers’ AH programs during the Concept Review process, ultimately leading to a recommendation to Council for approval at its Concept Review hearing. This committee is not envisioned as one that would be heavily staffed by Town employees.

Rather, it is proposed to keep Policy Makers, developers, and AH providers in regular contact and permit developers – or the community - to bring forward creative alternatives to a strict 15% community goal where appropriate. This committee would promote early discussion and determination of what an appropriate AH program for a specific development might be for inclusion in the Concept Plan proposals to the Community Design Commission and Town Council. It would allow developers to better project costs and, ultimately, to better design and integrate the affordable component into each project or into the community as a whole. It would also give AH providers an expectation of incoming inventory so as to better pre-qualify clients and anticipate budget or financing needs.

7. Different Settings for Affordable Housing

The subcommittee believes that new AH in Chapel Hill will fall into one of three general categories:



- a. Single-family, two-family (duplex) and townhome projects; ground-oriented dwelling units that have density and design issues unique to them.
- b. Mid-density multi-family projects, 12-30 units per acre. We envision these principally along transit corridors.
- c. Downtown. Thoughts on appropriate density and height downtown are evolving, but the Lot 5 project currently is around 70 units per acre.

Why emphasize this point?

Because the ordinance will be more effective and easier to work with if it avoids a “one size fits all” approach.



Part 2

Review of Housing Section of Comprehensive Plan

We reviewed the housing section of the Comprehensive Plan (CP). Obviously, we think its recommendation to pursue inclusionary zoning is worthwhile and our suggested goals and principles stand in the shadow of the CP.

Page 54 of the plan enumerates some potential incentives for housing providers to develop AH. Three of the five incentives – relaxation of requirements on parking, setbacks, frontage and yard requirements, and streets and sidewalks – seem reasonable. These incentives could be employed in a proposal under the “flexibility” principle that we are endorsing. However, these “modifications” should be part of a good design plans that meet the AH goals of the Town.

The CP also suggests development fee rebates for AH and a swifter development review process!

We thought these suggestions had enough merit to be discussed by the larger group. Any developer, of course, is going to say that these are attractive incentives. But there is a question of how they can be equitably and effectively applied if EVERY housing project is required to include AH. Would this mean that projects with housing always break into line ahead of commercial, office and University projects?

One method to improve predictability and to assure that applicants for development are working within definable financial and process constraints is to establish a predictable review schedule with obligations on both the private and public participants. The Council established a dedicated schedule for the Downtown Development Initiative projects that could be used as a model for all development applications.

It is suggested that the Council consider changing some of its administrative processes so that there can be an 8-9 month review and decision process for development applications that come to the Council. Such a commitment would require the Town to adopt and adhere to a written schedule for all projects and increasing the level of staff devoted to the review of development applications (Planning, Stormwater Management, etc.) The applicant commitment to providing the needed information promptly and fully is also a part of the package – as is the understanding that the schedule will not be followed when the applicant fails to live up to the obligations of the private sector.

As the Comprehensive Plan arrives at its 5th anniversary of adoption, the community’s commitment to AH has become stronger, as evidenced by the Inclusionary Zoning Task Force. In the upcoming review of the CP it would be very reasonable to expand the CP’s Housing Element to account for the increased attention the Town is paying to the development of AH and for that same update to consider more fully the relationships between infill development, redevelopment, transportation corridors, and development densities and intensities.

Part 3

Review of Manteo Inclusionary Zoning Ordinance

11.1 Purpose section

This section describes the policies that the Manteo ordinance is trying to achieve and in the context of the Town’s powers under State law. The Manteo ordinance is commendable for its explicit description of the problems it is attempting to address (e.g., lack of AH. However, the Town of Manteo’s description of its goals in its purpose section may not necessarily be the same as those of the Town of Chapel Hill (e.g., focusing on achieving age and cultural diversities as well as describing the AH as “high quality” may less or more important to CH). It is also commendable that the Manteo ordinance focuses on the problems that result from a lack of AH, which are “health, safety, and welfare” issues that the Town has statutory authority to address via ordinance.

The purpose section for Chapel Hill’s ordinance might well begin with a much shorter draft to be refined as the CH ordinance defines how to achieve its goals. As the process of working through the mechanics of the ordinance continues, it will become easier to more clearly articulate the purposes of the CH ordinance. The subcommittee did not discuss the specifics of a purpose section in any detail.

11.2 Covered Development Projects

The Manteo ordinance sets a threshold definition of covered projects as five and is limited to any development in whole or part residential. It covers renovation, reconstruction of multi-family where 5+ units; conversion of rental to condo where 5+ units; and subdivision of land into 5+ lots. Rental property is NOT covered under the Manteo ordinance.

11.3 Percentage of Affordable Housing Units or Lots Required

This is the section where the Town says if you’re a covered development (see 112–5+ standard), then you must provide AH. Manteo chose 20%; subcommittee discussion predominantly preferred 15%.

11.4 Application and Inclusionary Zoning Plan

This is the heart of the developer’s obligation under the ordinance--what the developer has to do. This section, along with the next section 11.5 Density Bonuses, was generally agreed upon by the committee to need additional flexibility built in to allow for creative alternatives to increasing the AH stock in ways other than just setting a standard of 20% of every covered development must be AH. The committee debated the necessity of providing developers with sufficient standards in the ordinance to be able to anticipate costs and to know what aspects of the plan would be acceptable as far in advance as possible and with as much certainty as possible, while at the same time retaining flexibility in meeting the goals of the ordinance, which at a minimum includes increasing the AH stock in the Town of CH.

11.5 Density Bonuses

This is the heart of the Town’s “obligation” to the developer of a covered project—the provision of a density bonus equal to the required amount of AH stock. For the minimum size covered project (e.g., multi-family: from 2 units to 7+; nonresidential to 5+ residential; rental to 5+ condos;

5+ lot subdivision), for every unit of AH required, one additional unit of density is given. The math is much easier with Manteo's required 20% percentage (see section 11.3) and density bonus of 1:1, together with 5+ minimum for covered project (see section 11.2).

The subcommittee's discussions however focused mainly on 15% as a minimum and also questioned whether developers might not want/need a greater bonus (for example, 2:1). As noted under section 11.4, subcommittee members also thought it would be better to include flexibility and creativity in a Town of CH ordinance - and this was the heart of the subcommittee's charge--to consider "outside the box" incentives to achieve AH. The subcommittee did have a clear consensus, however, that any AH ordinance adopted by the Town of CH would have to offer, at a minimum, a 1:1 density bonus. This is needed in order to minimize (and possibly eliminate) the financial impact on the developer and market rate unit purchasers and to provide a sound basis for the legality of the ordinance.

The discussion of minimum lot size as included in the Manteo ordinance led to consideration of the current zoning districts in CH and how current zoning does not allow for creativity and has not been updated to consider changing community conditions and market trends. No consensus was reached on these issues. We have a general concern that the status quo is outdated. Current cluster single-family development regulations in Chapel Hill permit an applicant to propose a variety of lot sizes, but the subcommittee feels that changes to permitted lot size standards need further study by the Planning Board, CDC, and Town Council.

11.6 Development Agreement and Other Documents

This is the section of the ordinance that the larger committee has spent a great deal of time discussing: whether and how to maintain permanent affordability. The subcommittee chose not to replicate this discussion in any great detail.

11.7 Development Cost Offsets

The subcommittee took as a given that there would be an offset of development costs associated with the provision of AH units/lots. A portion of the cost offset principle is the provision of a density credit. Other cost offset items could include relief of some fees for the affordable portion of any development, more efficient and predictable review processes, etc.

11.8 Integration of Affordable Housing Units

(a) Location: The subcommittee generally agreed that interspersing was preferable to segregation of AH units/lots. However, there was a consensus among subcommittee members that developers ought to be allowed to propose increasing the AH stock by methods other than merely providing AH for 15% of a covered project. It was suggested that the Town could make the default position 15% AH required and then allow developers to propose alternatives to the default that would achieve the same goal. This suggestion, however, is counter-balanced by the perceived need for predictability in the approval process. Some committee members believe predictability is lacking in the current process.

(b) Phasing: No discussion of this issue. Notably, this would only be an issue where density bonuses are the method utilized for increasing the AH stock.

(c) and (d): Exterior and interior appearance: The subcommittee assumed that any AH in a development would be “visually compatible with the market rate units.” Several subcommittee members objected to any provisions that would go beyond that requirement and would mandate that building materials, etc. be “substantially the same in type and quality.”

Minimum square feet of unit/“gross floor area”: There was no discussion of how AH units should compare percentage-wise to market rate units; there was general discussion but no consensus on how large or small AH units should be allowed/required to be built.

OCHLT has actual experience dealing with the question of square footage and number of bedrooms in affordable units. If ordinances were developed that would establish minimum SF for units (1br, 2br, 3br) real world design and living experiences should form the base for any regulations. Design experience from in town architects and developers would be a valuable resource.

11.9 Target Income Levels for Affordable Housing Units or Lots

This is the section that defines the obligation of buyers vis a vis developers and town. Manteo requires 50-50 between low income and moderate income households. (First unit goes to low income. Low income is 65% or below Area Median Income (AMI) and moderate income is 66-80% AMI. Income level is for household of 4, which is to detriment of smaller family sizes, since it is set regardless of the actual family size of the purchaser. All the rest can be sold to “moderate income” households—80% AMI. Last sentence requires buyers to execute docs to maintain permanent affordability. While the subcommittee had some early discussion of these two issues (target income levels and how to maintain permanent affordability), the subcommittee did not come to any consensus on them.

11.10 Price of Affordable Units or Lots

Multiplier set is 3.25 x 65% AMI (family of 4) for low income units and 3.25 x 80% AMI (family of 4) for moderate income units. The committee had no significant discussion of this multiplier, other than to note that the higher the multiplier, the higher the price the developer can charge.

11.11 Eligibility of Households

The subcommittee did not discuss the issue of prioritizing households seeking AH (subsection a), nor any conditions (subsection b) or procedures (subsection c).

11.12 Period of Affordability

No significant subcommittee discussion because of large committee focus on this issue.

11.13 Affordability Controls; Resale of Affordable Housing Units or Lots

No significant subcommittee discussion because of large committee focus on this issue.

Part 4

AH Design Competition & Potential Development of an AH Site

Our group had some discussion about the value of the town setting an example in AH creation. In the past, the town donated the land for the Scarlette Drive townhomes and of course has assisted many homeowners through the Housing Loan Trust Fund.

AH Design Competition & Collaboration

We offer a suggestion for a design competition that could lead to additional AH development.

We suggest that the town identify a site under its control that would be considered difficult to use for Town purposes that might be considered difficult to develop and/or located in an area where greater density makes sense but has not been implemented through zoning. The Downtown Development Initiative is a variant of this idea.

- The town could host a design competition that is widely publicized.
- The competition would call for an appropriately dense development of permanently affordable homes.
- The process would encourage innovation thru design innovation, energy efficiency, and green building principles [perhaps providing some of its electricity with solar energy technology].
- Available property located on transportation corridors with public transit service would seem to be a good starting point.

AH Development

Assuming that an available property(s) exists and can be designed well, the Design Competition plan could be developed with provision in lieu payments from approved developments in which the goals and policies of the Town for providing AH are better served that the off-site than on site in the determination of the Town Council.