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Summary of the April 12, 2006 Meeting of the Inclusionary Zoning Task Force

Members Present: Council Member Sally Greene, Council Member Mark Kleinschmidt, Council Member Cam Hill, Valerie Bateman, Sylvia Brenner, Sarah Donahue, Robert Dowling, Susan Levy, John Mackowiak, Scott Radway, Rick Robinson, Bill Rohe, Larry Short, Nancy Tripoli, Tom Tucker, Rosemary Waldorf, Carol Ann Zinn

Members Absent: Delores Bailey, D.R. Bryan, Glenn Greenstreet, Tom Kelley, Gordon Merklein

Staff Present: Loryn Clark, J.B. Culpepper, Ralph Karpinos

Floor Area Ratio

- Task Force members agreed to develop a recommendation regarding Floor Area Ratio for the Council to consider, and invite people to work with the staff to translate that recommendation into ordinance language.
- The Task Force would also like to continue discussion of how a Floor Area Ratio would apply to multi-family housing.
- The staff can develop specific proposals for Floor Area Ratios if given guidance from the Task Force (i.e. average house sizes).
- Floor Area Ratio and other items in the Land Use Management Ordinance (LUMO) need to be reviewed and updated.

Discussion with Anita Brown-Graham from the UNC Institute of Government

- Key topics: permanent affordability and flexibility
- Permanent Affordability
 - Difficult to ensure
 - Monitoring is difficult
 - Methods: (1) deed restrictions; (2) retain ownership of land (i.e. land trust)
 - Implementation is a problem with deed restriction
 - Lawyers and title insurance companies don't always follow
 - Wealth creation is an issue with retaining ownership of land
 - Inclusionary zoning programs are successful in areas with high cost housing markets where land value increases quickly.
 - A Deed of Trust can restrict the resale of property and / or income of buyers
 - Deed of Trust model can be successful when a local government or non profit holds a second lien on a property.
 - Amount of lien can be minimal and forgivable
 - Lien could be value of landscaping or something of value
 - Long Term maintenance is an issue – there needs to be incentive for homeowners to maintain their property
 - A Task Force member suggested a town-wide association of the beneficiaries of the inclusionary zoning provisions to learn about homeownership and charging a monthly fee.

- Ms. Graham had not heard of such an association but felt that this would go against an inclusionary zoning mode because it could promote segregation vs. integration
Another Task Force member felt that this was a paternalistic idea and that all owners should be able to do what they want with their properties with the understanding that if they are not maintained, there are consequences.
- It was stated that in new neighborhoods, there are covenants that require maintenance of property
Should not serve households that are too low income because they may not be able to maintain their properties.
Consider establishing a fund for repairs – provide low interest loans for interior / exterior maintenance
- There could be a certification required of owners of inclusionary homes to document that they own and occupy the property.
 - Ongoing contact helps remind owners of the program
 - Some cities visit each property, others send certified letters
- Flexibility
 - If there is no flexibility, an ordinance could be subject to a takings claim
 - An Ordinance should clearly state expectations, but that there compelling circumstances that may make a program infeasible
 - State when a payment-in-lieu could be accepted
State whether housing could be provided on site, off site, or a payment in lieu accepted
 - The Town could develop its own presumptions but they have to apply to everyone – everyone should have the same option
- Inclusionary zoning has not been challenged in Manteo or Davidson, but the same ordinance could get challenged in another community
 - We should not count on receiving clarification from the General Assembly
- Once developed, the Task Force should present the ordinance to the local and state Homebuilders Associations.
- Consider providing some housing on-site and some off-site to create more housing
 - This may help serve lower income levels
- Essential elements of an Inclusionary Zoning Ordinance
 - clarify thresholds that trigger the ordinance
 - clarify who will benefit from the ordinance
 - is the goal to:
 - increase the number of units?
 - increase homeownership opportunities
 - serve low-income households?
 - Ordinance should be predictable and demonstrate how obligation should be met, not rigid
 - The period of affordability and how it will be monitored should be clear
 - Design

The next meeting will take place on Wednesday, April 26, 2006 at 8:00 am at the Chapel Hill Public Library.

- prepared by L. Clark
Chapel Hill Planning Department