



TOWN OF CHAPEL HILL Comprehensive Affordable Housing Strategy

2008

1. Introduction

The purpose of the Comprehensive Affordable Housing Strategy is to develop a comprehensive understanding of the populations, organizations, housing types, and barriers that comprise the affordable housing system in Chapel Hill; and to create a strategy to help advance shared goals for the affordable housing system. Accordingly, the strategy provides a concise, point-in-time overview of affordable housing capacity in Chapel Hill as well as a summary of affordable housing strategies and priorities.

The objectives of the Comprehensive Affordable Housing Strategy are to:

1. *Analyze the current supply and demand* for affordable housing in Chapel Hill;
2. *Identify Gaps* between the supply and demand for affordable housing;
3. *Propose Solutions* to address the affordable housing gaps;
4. *Prioritize* the proposed solutions; and to
5. *Help Set Goals* for the affordable housing system in Chapel Hill.

The strategy was developed by Town staff with input from affordable housing providers, stakeholders, activists, and citizens. Data in the strategy was drawn from the U.S. Census, an affordable housing survey, and discussions, plans, studies, and reports that have addressed affordable housing in Chapel Hill, Orange County and the Research Triangle region since 2000 (see Table 7, page 4).

As a tool, the strategy provides a framework for reference as elected officials, Town staff, affordable housing providers, stakeholders, activists and concerned citizens continue to work together to develop and support affordable housing initiatives in Chapel Hill. If updated on an annual basis, the strategy could also be used to benchmark successes and reevaluate priorities. The strategy may also be helpful in the ongoing collaborative affordable housing efforts with Orange County, Carrboro, Hillsborough, and the University of North Carolina.

2. Supply and Demand

Supply

An inventory of currently available affordable housing units was compiled to analyze the supply of affordable housing in Chapel Hill. The inventory was used to create Table 1: Town of Chapel Hill Affordable Housing Matrix, which allows an analysis of the inventory by population and housing type.

Table 1: Town of Chapel Hill Affordable Housing Matrix							
Housing Type	Facility/Organization Name	Sponsor Organization	# of Units	Unit sizes	Waiting List	Income	Notes
HOMELESS HOUSING							
Emergency Homeless							
Men's Shelter	Community House	Interfaith Council	50	Bed		H	
Women and Children Shelter	Project Homestart	Interfaith Council	55	Bed		H	
Crisis Housing	Family Violence Prevention Center	Family Violence Prevention Center	0	Bed			Referral agency
Transitioning Homeless							
Homeless/Mental Health & Disability	Shelter Plus Care	Orange Persons Chatham Area Program	17	1	23	H	28 portable subsidies in Orange County, 17 in Chapel Hill
Homeless/Mental Health & Disability	Overlook Apartments	Mental Health Association- NC	14	1		H	Live-in residential manager. Charges 30% of income
Housing First Units	Not Provided	N/A	0			H	Need identified in the Orange County Ten Year Plan to End Homelessness
			136				
PERMANENT RENTAL HOUSING							
Low-Income							
Public Housing	Chapel Hill Dept of Housing	Town of Chapel Hill	336	1,2,3,4	337	80%	
Section 8 Rental Assistance	Orange Co Housing Authority	Orange County	200			80%	As of 12/4/2007. Number changes monthly.
Low-Income Housing Tax Credit	Dobbins Hill	Crosland, Inc.	90	2,3,4		60%	
Nonprofit Rental Units	EmPOWERment Apt's	EmPOWERment, Inc.	31	1,2,3,4		80%	EmPOWERment, Inc. manages rental properties owned by several non-profits.
Section 236 HUD Program	Chase Park	Inter Church Council Housing Corporation	40	1,2,3,4		80%	
Section 236 HUD Program	Elliot Woods	Inter Church Council Housing Corporation	39			80%	
Single Room Occupancy	Not Provided	N/A	0				
			736				
Elderly							
Section 202 HUD Program	Adelaide Walters Apts	Community Housing Alternatives, Inc.	24	1,2	18	30%	
Section 202 HUD Program	First Baptist & Manley Estates	First Baptist	40	1	13	80%	62 years and older. Pay 30% of Adjusted Income.
Prac 202 HUD Program	Covenant Place	Housing and Urban Development	40	1,2	17	50%	62 years and older.
			104				
Mental & Physical Disability							
Group Home	Residential Services, Inc.	Residential Services Inc.	42	Bed		N/A	Group homes for people w/ developmental disabilities
Group Home	Caramore	Caramore Community Inc.	10	Bed		N/A	2 group homes & supervised apt living for up to 1 year
Rental	Chrysalis Foundation for Mental Health	Chrysalis Foundation for Mental Health	23		23	30%	
			75				
TEMPORARY HOUSING							
Family of Medical Patients	Ronald McDonald House	Ronald McDonald House Charities	28	1		N/A	No fee and no income restrictions.
RECOVERY HOUSING							
Persons recovering from substance abuse							
Group Home/Substance Abuse	Oxford House - Men	Oxford House	30	Bed		N/A	
Group Home/Substance Abuse	Oxford House - Women	Oxford House	35	Bed		N/A	
Transitional Living	Freedom House - Men	Freedom House	10	Bed	12	N/A	Waiting list is total men and women.
Transitional Living	Freedom House - Women	Freedom House	12	Bed		N/A	
Residential/Substance Abuse	Sunrise Casaworks Residential Program	UNC Healthcare Horizons	10	Bed		N/A	Residential treatment program for pregnant women with substance abuse disorders
Persons with HIV/AIDS							
Group Home/HIV/AIDS	Not Provided	N/A	0			N/A	
			97				
HOMEOWNERSHIP HOUSING							
Very Low to Low Income <80% of the Area Median Income							
Shared Equity Agreement	Culbreth Park	Town of Chapel Hill	8	3		80%	Second mortgage, Right of First Refusal.
Shared Equity Agreement	Tandler	Town of Chapel Hill	9	3		80%	Second mortgage, Right of First Refusal.
Nonprofit Homeownership	EmPOWERment Inc	EmPOWERment Inc	8	2,3		80%	Housing development, rehabilitation, sales and second mortgage.
Nonprofit Homeownership	Orange Community Housing & Land Trust	Orange Community Housing & Land Trust	117	1,2,3		100%	Housing development and sales. Land Trust model.
Nonprofit Homeownership	Habitat for Humanity of Orange County	Habitat for Humanity of Orange County	39	2,3		60%	Housing development & sales. Private partnerships, second mortgage, & sweat equity.
			181				
WORKFORCE HOUSING							
Moderate Income 80% - 120% of the Area Median Income							
Market Rate Homeownership	Private Realtors	Association of Realtors		Need information		120%	Workforce Housing Partnership

This matrix has been compiled from various sources and is not presented as a complete and accurate listing. Work in progress last updated 12/2007.



Demand

The demand for affordable housing in Chapel Hill was analyzed using U.S. Census Data, an affordable housing survey and information from discussions, plans, studies, and reports about affordable housing in Chapel Hill, Orange County and the Research Triangle Region. An initial review revealed a need for more quantifiable information about demand for affordable housing. Highlights from current data are presented below:

Housing Type/Organization	# of Units	Waiting List
Chapel Hill Department of Housing	336	337
Orange Persons Chatham Area Program (mental health, developmental disability, and substance abuse housing vouchers)	17	23
Low Income Elderly	104	48
Freedom House (substance abuse transitional housing)	22	12

Question	Housing Type	Responses
Housing Most Requested/In Demand (18 Responses)	Emergency Men, Women and Family Shelter	7
	Residential Program for persons with Mental and Physical Disabilities	7
	Emergency Shelter, Domestic Violence	6
	Single Family Homeownership 51%-80% AMI	6
	Low Income Elderly Care	6
	Transitional Housing Drug/Alcohol Recovery	6

Question	Population	Responses
Population Most Needful of Affordable Housing (16 Responses)	Extremely Low Income <30% of the Area Median Income	14

ORANGE COUNTY				
Housing Problem	Income Level	Renter	Owner	Total
Housing Cost Burden Over 30% (households paying more than 30% of income on housing costs)	30% or Less of Median	80.3%	67.9%	77.2%
	31% to 50% of Median	71.3%	48.8%	62.7%
	51% to 80% of Median	39.0%	39.6%	39.3%
	All Income Levels	45.7%	21.4%	31.7%
Housing Cost Burden Over 50% (households paying more than 30% of income on housing costs)	30% or Less of Median	69.8%	49.3%	64.6%
	31% to 50% of Median	28.0%	29.8%	28.7%
	51% to 80% of Median	3.6%	11.9%	7.4%
	All Income Levels	26.2%	8.5%	16.0%

CHAPEL HILL		
Housing Problem	1990	2000
Percentage of households with income 0-80% of the Area Median Income paying more than 30% of household income on housing costs	N/A	68.5%
Specified renter units with gross rent 30% or more of household income	46%	54%
Percentage of housing units that are severely overcrowded	0.4%	6.5%



Gap Analysis

Analysis of the supply and demand for affordable housing in Chapel Hill reveals that there are a multitude of housing types for multiple populations. While more information about the demand for affordable housing is needed, current data suggests the following gaps:

- *Homeless Emergency Shelter*
- *Housing First Units*
- *Housing for the Extremely Low Income <30% of AMI population*
- *Single Family Homeownership for the 51%-80% of AMI population*
- *Housing for Low-Income Elderly*
- *Transitional Housing for Drug/Alcohol Recovery*
- *Residential Housing/Program for persons with Mental and Physical Disabilities*

3. Solutions and Priorities

Solutions to address affordable housing demand were compiled from discussions, plans, studies, and reports about affordable housing in Chapel Hill, Orange County, and the Research Triangle Region. Table 7 provides a list of these resources.

Date	Title
December, 2007	Affordable Housing Roundtable Discussion
December, 2007	DRAFT Inclusionary Zoning Ordinance for the Town of Chapel Hill
November, 2007	Friends of Affordable Housing "Talking Points" on Chapel Hill Affordable Housing Strategy
March, 2007	Orange County Ten Year Plan to End Chronic Homelessness
April, 2006	DRAFT Orange County, North Carolina Comprehensive Housing Study
January, 2006	Housing and Community Development Consolidated Plan 2005-2010
January, 2003	Housing Opportunity in the Triangle, by Triangle J Council of Governments Center for Affordable Living
April, 2001	Orange County Commissioners Affordable Housing Task Force Report
May, 2000	Planning for Chapel Hill's Future: The Comprehensive Plan

Once compiled, solutions were positioned in a Solutions-Priority Matrix to indicate the need for immediate, intermediate, and long term action as well as a placement for high, medium and low priorities (see Table 8, page 5). Many solutions included in the High priority/Immediate action box are currently underway.

The Solutions-Priority Matrix was discussed at an Affordable Housing Roundtable Discussion held on December 5, 2007. Twenty-three individuals participated in the discussion representing affordable housing providers, stakeholders, activists and concerned citizens. During the discussion, several broad ideas emerged that provide a general context for the Solutions-Priority Matrix. They are:

- Accepting that there is little land left to develop in Chapel Hill should inform future affordable housing strategies and development.
- Future development of new affordable housing units should target a demonstrated need.
- Affordable housing development, projects, and efforts should be used to educate the community about the role of affordable housing the Town's neighborhoods.
- Collaborative efforts with Orange County, Carrboro, Hillsborough, and the University of North Carolina should continue.

Table 8: Town of Chapel Hill Affordable Housing Solutions-Priority Matrix

	Immediate FY 2008-2009	Intermediate Over 2 years	Long Term Over 5 years
High	<ul style="list-style-type: none"> ● Develop County perspective on affordable housing needs** ● Determine a location for Men's Residential Facility** ● Reduce chronic homelessness** ● Pursue Inclusionary Zoning in Chapel Hill and Orange County and at the State level** ● Preservation of Existing Housing Stock (Maintenance)** ● Allow payment-in-lieu for developers ● Create affordable housing unit inventory and establish short term and long term affordable targets for development of units 	<ul style="list-style-type: none"> ● Increase access to services for the homeless** ● Increase employment for the homeless ● Perform homeowner Rehabilitation/Repairs** ● Perform rental acquisition and rehabilitation ** ● Perform sewer connections ● Provide down-payment assistance ● Provide housing services for populations with special needs** ● Establish Affordable Housing and Community Development Advisory Board to the Town Council 	<ul style="list-style-type: none"> ● Develop strategy to keep people from losing their homes ● Incorporate 'green' affordable housing development and energy efficient rehabilitation ● Prevent homelessness ● Encourage resource sharing and collaboration between non-profit, for-profit, and faith based housing providers** ● Establish a 'Regional Trust Fund'
Medium	<ul style="list-style-type: none"> ● Establish dialogue with UNC about issues that affect affordable housing ● Determine 10-year Job Growth and set goals for housing in relation to employment ● Review and eliminate barriers to affordable housing** ● Study housing "backlog" to inform current needs ● Increase public participation in ending homelessness** ● Create county-wide affordable housing developer ● Overhaul development ordinances ● Provide incentives for housing providers to develop affordable housing 	<ul style="list-style-type: none"> ● Create Planning Department staff liaison for affordable housing development projects ● Acquire or rehabilitate older large apartment complexes w/ LIHTC funds ● Neighborhood Revitalization** ● Involve low-income population in regional transportation issues ● Create regional capital improvement programs for needed public facilities to encourage more compact/dense development 	<ul style="list-style-type: none"> ● Utilize equity sharing and restrict resale of affordable housing units to keep housing affordable ● Establish regional housing resource and planning center ● Learn from other regions' best practices
Low			<ul style="list-style-type: none"> ● Create a regional "fair share" plan to equitably place affordable housing

**Efforts are underway

4. Goals

The Comprehensive Affordable Housing Strategy can help set goals for the affordable housing system in Chapel Hill by providing a concise, point-in-time overview of affordable housing capacity for reference, communication, and benchmarking.

Reference Document: the strategy incorporates data from multiple sources to provide a summary of Chapel Hill's affordable housing system components, solutions, and priorities.

Communication Tool: the strategy provides a common point of reference from which to continue collaborative affordable housing efforts with Orange County, Carrboro, Hillsborough, the University of North Carolina, and the Research Triangle region.

Benchmarking Tool: the strategy provides a summary of affordable housing strategies and priorities that could be evaluated in the future for progress and relevance.

DRAFT