

Summary of Questions and Comments from Inclusionary Zoning Public Information Meetings

1. **Question: Why does the Inclusionary Zoning Ordinance not address housing for households earning less than 65% AMI?** Response: The Inclusionary Zoning Ordinance is one of many tools that the Town has developed as part of a strategy to provide affordable housing. The Town offers other programs that are more specific to households earning less than 65% of AMI, including the Public Housing Program, financial assistance programs, partnerships with Empowerment, Inc. and Habitat for Humanity, etc.

2. **Question: How will the bonus density provided in the Inclusionary Zoning Ordinance work if the project site has environmental constraints and can't accommodate additional units?** Response: The Inclusionary Zoning Ordinance provides a "safety valve" for these types of situations. Alternatives to on-site construction are allowed if deemed permissible by the Town Council or Planning Board. This includes development of units off-site, payment of an in-lieu-fee, conveyance of land, conversion of existing units, etc.

3. **Question: Why does the Town Center district not include a density bonus?** Response: There are no density limits in the Town Center and therefore a density bonus is not necessary.

4. **Question: Please explain why the Town Center district has a lower inclusionary requirement than other parts of Town.** Response: It is a policy of the Town to encourage the development of housing in Downtown. Because of space limitations and parking requirements for residential uses, developing housing in the Town Center district can be more expensive than in other areas. To encourage development of housing in this area and to make sure the inclusionary requirement is not onerous, given these circumstances, the Inclusionary Zoning Ordinance Task Force decided to reduce the inclusionary requirement for this area.

 Follow-up comment: Person doesn't support the reduced inclusionary requirement in the Town Center district. Providing more housing Downtown would reduce the need for parking/vehicles and bring residents closer to their places of work. This is a goal of the Town and should be reinforced with the 15% inclusionary requirement.

5. **Question: What communities that have Inclusionary Zoning Ordinances were researched by the Inclusionary Zoning Ordinance Task Force? How does this Inclusionary Zoning Ordinance compare to established ordinances?** Response: The Inclusionary Zoning Task Force looked at Manteo, NC, Davidson, NC, resource materials from the U.S. Department of Housing and Urban Development, as well as New Jersey, Maryland, and California. The average inclusionary requirement is 15% for most of these communities. One of the ideas brought forward into Chapel Hill's

Inclusionary Zoning Ordinance is the State of New Jersey's square footage bonus that helps to off-set private sector costs to comply with inclusionary requirements.

6. **Question: What state enabling statute permits the Town to enact this ordinance?**
Response: This ordinance formalizes affordable housing policies that have been in place for some time. The Town has been working with developers for years to encourage affordable housing development as part of all new residential developments of a certain size. Precedent has been set by two other communities (Manteo and Davidson) that have enacted similar ordinances in the State of North Carolina. Last, the Town commissioned preparation of a support study to document the need for this ordinance.
7. **Question: Was an analysis done to estimate the additional cost to develop inclusionary units? Was an analysis done to confirm that the density bonus would offset these new costs?** Inclusionary Zoning Task Force member Scott Radway mentioned that he prepared some estimates of cost that showed that they would not be fully off-set by the density bonus. The Inclusionary Zoning Ordinance Task Force decided that providing this off-set was important even if it didn't fully offset new costs to the developer.
8. **Question: Many of the people that are in need of affordable housing are older persons who often have disabilities. Does the Inclusionary Zoning Ordinance include provisions for universal design, visibility, and other design techniques that improve living spaces for aging populations?** Response: This is not currently included in the Inclusionary Zoning Ordinance. The "aging in place" topic is one that will be discussed at the Town Council's upcoming retreat, along with energy efficiency and other sustainability design topics.
9. **Comments:** Ordinance is too limited and does not address households earning 65% or less of AMI. This income group is not receiving enough assistance, as exemplified through the amount of applications received for a limited number of Habitat homes. The current draft of the Inclusionary Zoning Ordinance serves the Housing Trust more than it does other affordable housing development models, such as Habitat for Humanity.
10. **Question: Does the Inclusionary Zoning Ordinance specify a calculation for determining the target income levels for units/lots?** Response: Yes, the ordinance specifies that at least 1 and at least 50 percent of units must be affordable to a household earning an income that is at or below 65 percent of AMI. The remaining inclusionary units/lots shall be sold to households at a price that is affordable to incomes at or below 80 percent of AMI.
11. **Question: Does the Inclusionary Zoning Ordinance specify how many bedrooms the inclusionary units should include?** Response: The Inclusionary Zoning Ordinance specifies the square footages of units with various number of bedrooms, but does not specify that the units must include a certain number of bedrooms.

12. **Comments:** East 54 is an example of affordable housing that is not forwarding the Town's goal to provide affordable housing to our middle class. Units that are 600 square feet are not suitable for a family to live in. The Inclusionary Zoning Ordinance needs to address this issue and ensure that units can meet the needs of the Town's working families.
13. **Comments:** Local developer supports the Inclusionary Zoning Ordinance. Concerned that this is another requirement that will reduce the amount of land that can be sold to developers. This requirement will make it more difficult to develop in Chapel Hill. Response: This Inclusionary Zoning Ordinance formalizes a policy that has been in affect for some time. Developers have, for years, been developing affordable units as part of new residential developments. This Ordinance formalizes those policies and provides some relief to developers in the form of density bonuses.
14. **Question: Does the density bonus actually override local zoning requirements?** Yes, the bonus density is not limited by local zoning requirements.
15. **Question: The draft Inclusionary Zoning Ordinance includes language about a section of the current LUMO that will be deleted and replaced by the Inclusionary Zoning section. What is proposed to be stricken?** Response: The section that will be deleted, if this Ordinance is enacted, is the current small houses language that encourages development of affordable units.
16. **Question: The Draft Inclusionary Zoning Ordinance includes provisions to waive certain development fees to help offset the new costs to the developer. Will this include waiving new stormwater management and tree protection regulations/fees that the Town is looking to enact?** Response: No, new stormwater and tree protection will apply to all units, including inclusionary units.
17. **Question: Did the Inclusionary Zoning Task Force look at the ongoing costs to manage this program over time? How will the Town fund the operational expenses related to this program?** Response: This is an important point. The Town will need to consider these costs and address this ongoing need.
18. **Question: Affordable housing demand is generated by more than just residential development. Has the Inclusionary Zoning Task Force looked at other industries that should be supporting this effort?** Response: Some communities around the nation have adopted linkage fees that require non-residential developments to assist in the development of affordable housing units. That is not something the Town is currently considering as part of the Inclusionary Zoning Ordinance.
19. **Question: When applying the inclusionary requirement in the Ordinance, 15% of 7 units is 1 unit. What is the rationale for arriving at a threshold of 5 units for applying this ordinance?** Response: The small house ordinance had a threshold of 12 units at one time. What the Town learned over time was that many developments were

coming in just under the threshold so they wouldn't have to comply with the requirement. The threshold of 5 corresponds to minor subdivisions.

20. **Comments:** Person supports the Inclusionary Zoning Ordinance and pleased that it is moving policy into formal legal requirements. Would like the Ordinance to address all forms of housing, not just homeownership. Also, the Town needs to look at how it will fund the ongoing operations to manage this new program. Concerned that targeting households earning 65%-80% of AMI is too limited. Households earning less than 65% and those earning between 80%-120% of AMI also need to be addressed.
21. **Question: Why is the Town providing a “buy-out” option (i.e., payment-in-lieu of development) as part of this Ordinance?** Response: There are some situations where development of units is not feasible and payment-in-lieu is a better option. Having flexibility in the Ordinance allows the Town to deal with each developer and project individually to ensure the best solution is reached.
22. **Comments:** Have learned much through management of Housing Trust. The Town needs to identify funding sources to pay for administration and monitoring of inclusionary units over the long-term. The current expectation is that the Housing Trust will pay the costs to monitor units over time. This is expensive and funding needs to be put in place to pay for these costs.
23. **Question: Not sure how the Inclusionary Zoning Task Force came up with the calculation for the payment-in-lieu fee (market rate cost to develop – affordable rate cost to develop = fee)?** Response: It appears that the calculation was carried forward from the Comprehensive Plan. This should be revised to state that the Town Council will set the fee amounts on an annual basis.
24. **Question: The Inclusionary Zoning Ordinance addresses the option of rental units without illegally setting rent control measures; however, this Ordinance does not provide guidance on how to set voluntary rental rates. This should be included in the Ordinance.** Response: Yes, you are correct; this information should be included in the Ordinance.
25. **Question: Is there a way that the cost to manage ongoing administration of the program could be quantified based on a per unit basis? The Town should develop a specific funding source to address these costs and it would be helpful to know what the cost is per unit.** Response: Yes, it is possible to calculate ongoing administrative costs on a per unit basis.