



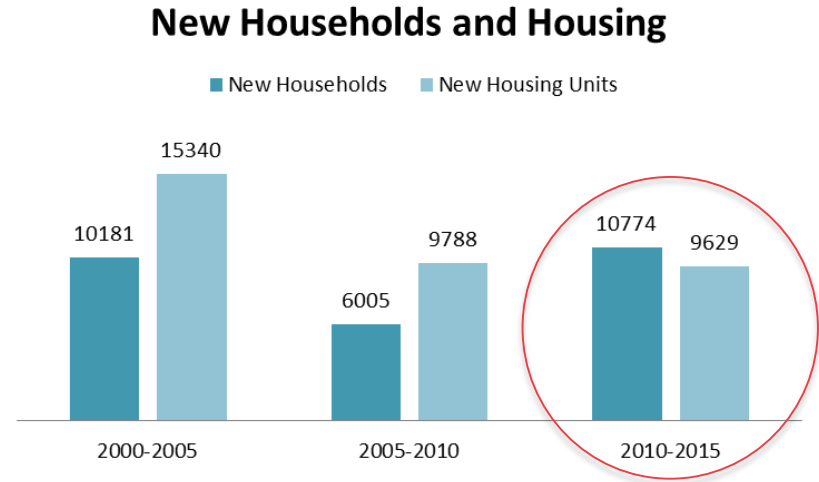
Expanding Housing Choices in Durham

November 8, 2018

Housing and Real Estate Trends in the Triangle: Aligning Supply, Demand and Affordability

Evidence of a housing shortage

Between 2010-2015, the number of households grew more than the number of new housing units.



Source: US Census, American Community Survey



919.560.4137

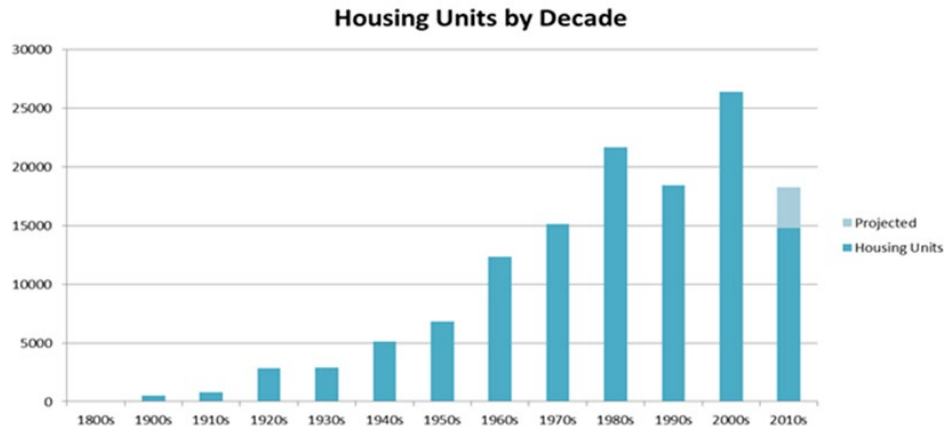
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What's causing the shortage?

1. Housing development is not keeping pace with population growth



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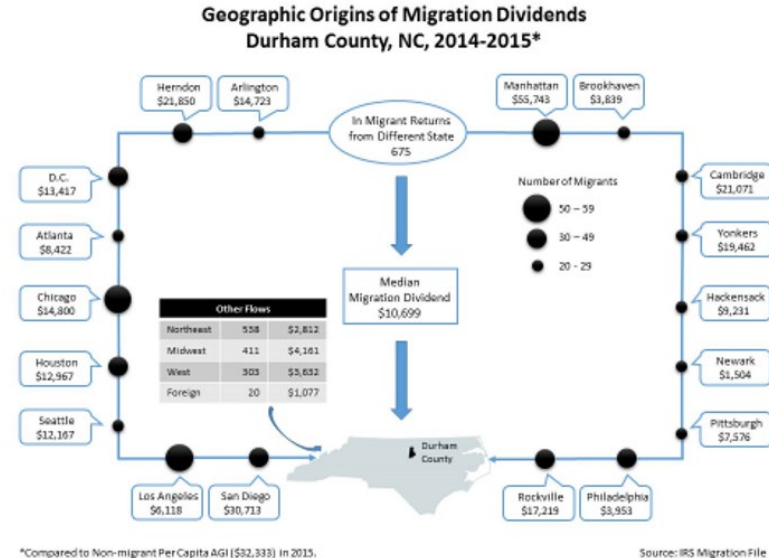
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What's causing the shortage?

1. Housing development is not keeping pace with population growth
2. **Attracting populations from wealthy zip codes**



Data and graphic Dr. Jim Johnson, UNC



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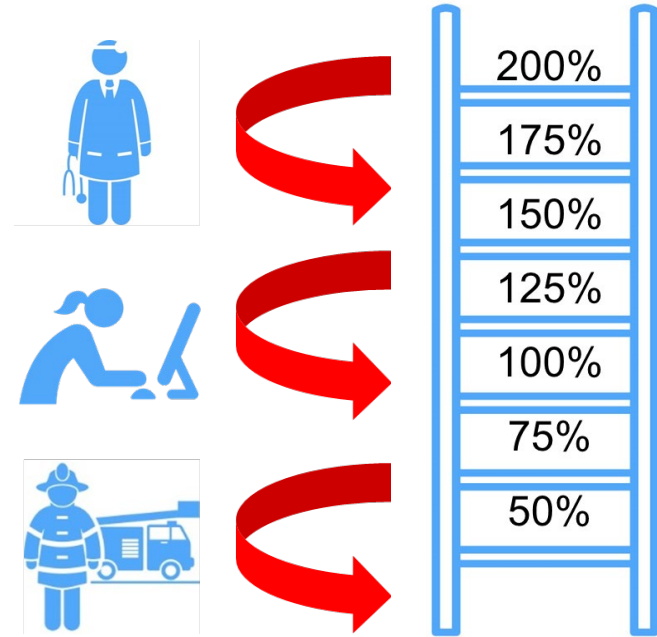
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People at the bottom of the income ladder have the fewest options

If housing doesn't exist at higher price points, people will buy "down the ladder," leaving fewer options for those with the lowest incomes.



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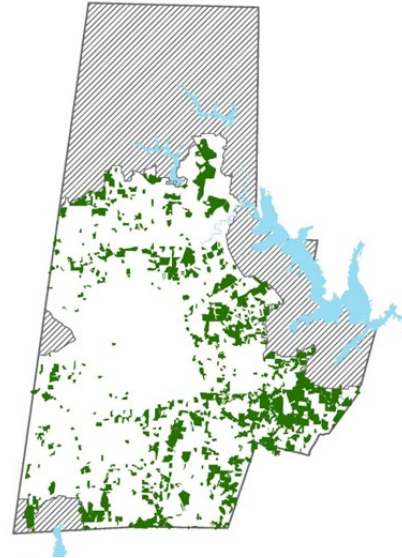
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What's causing the shortage?

1. Housing development is not keeping pace with population growth
2. Attracting populations from wealthy zip codes
3. **Running out of easily developable land**



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What's causing the shortage?

1. Housing development is not keeping pace with population growth
2. Attracting populations from wealthy zip codes
3. Running out of easily developable land
4. **Zoning limitations**



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More growth is on the way

- NC Office of State Budget and Management projects 160,000 new people by 2045
- Equivalent to 62,200 new households during that same time period
- Approximately 2,000 units a year to keep up with population growth



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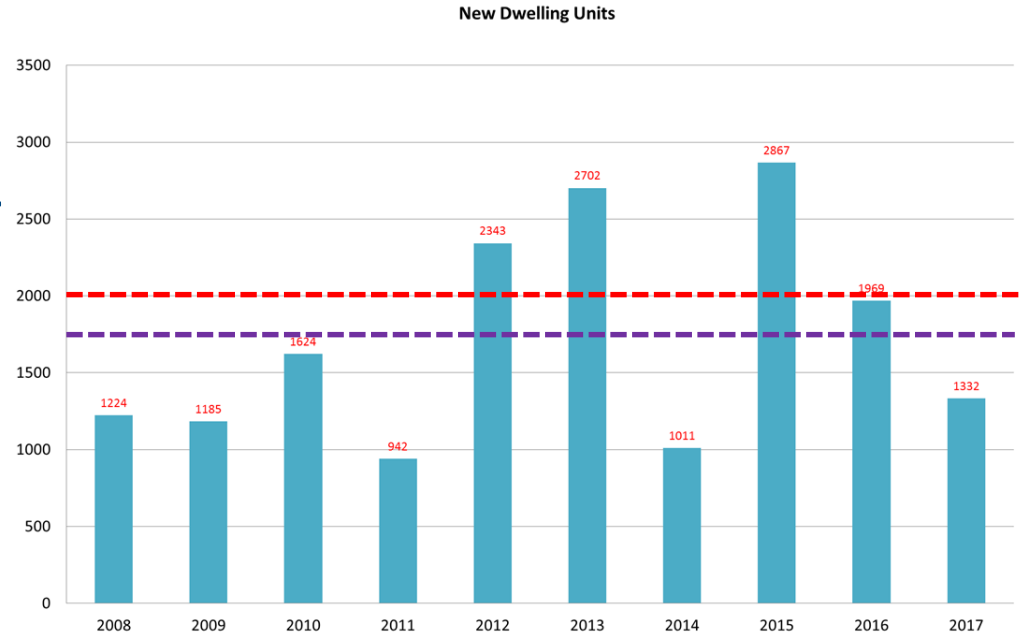
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An average of
1,720 housing
units have been
built annually over
the last 10 years

----- New housing
units needed to
keep pace with
growth

----- Average number
of new housing
units over past
decade



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Objectives for Expanding Housing Choices

Vary the menu of housing types available to meet an increasingly diverse set of needs;

Stabilize housing prices, over the long term, by expanding the supply of housing to keep pace with the rate of population and job growth;

Balance densification with context-sensitive development;

Create opportunities for small-scale creative infill, particularly in areas where demand is highest, and finally;

Streamline processes by making choices allowable without seeking special approvals.



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Menu of Zoning Change Proposals



Infill Standards

Modify residential infill standards to promote more context-sensitive development.



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Menu of Zoning Change Proposals



Accessory Dwelling Units

Modify UDO regulations to increase viability for more properties.



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Menu of Zoning Change Proposals



Duplexes

Allow duplexes as a housing type in more locations, especially within the Urban Tier.



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Menu of Zoning Change Proposals



Lot Dimensions and Density

Adjust lot dimensional standards to allow more opportunities for small-scale infill.



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Menu of Zoning Change Proposals



Small House/Small Lot

Create a new housing type/lot dimensional standard to accommodate small houses.



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Menu of Zoning Change Proposals



Cottage Court

Create a new housing type/lot dimensional standard to allow for clusters of small homes built around a common green space.



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Alignment with City's Affordability Strategy

City's Five Year Affordable Housing Goals focused on:

- Creating and preserving affordable rental opportunities for households at or below 50% AMI (approximately \$32k for a 2-person household).
 - Includes focus on strengthening homeless housing system and expanding housing opportunities for homeless households
- Stabilizing neighborhoods that are experiencing significant price appreciation, including:
 - Creation and preservation of smaller scale units in target neighborhoods
 - Repair and rehab assistance for existing homeowners



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Examples of Current Affordable Housing Initiatives

- Partnership with Durham Housing Authority to redevelop public housing as mixed-income communities, beginning with five properties totaling 50 acres in central Durham
- Creation of a \$15-20 million loan fund to enable affordable housing developers to acquire properties for future development
- Utilization of city-owned land for affordable housing development
 - Willard Street Apartments
 - Vacant lots for single family development



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Potential Intersections with Expanding Housing Opportunities

- Expand education and outreach to low and moderate income homeowners to forestall predatory acquisitions, and to educate about available housing and tax assistance programs
- Create education and financing programs to enable low and moderate income homeowners to build wealth through creation of ADUs
- Provide financing for affordable housing developers interested in developing affordable units that take advantage of UDO changes



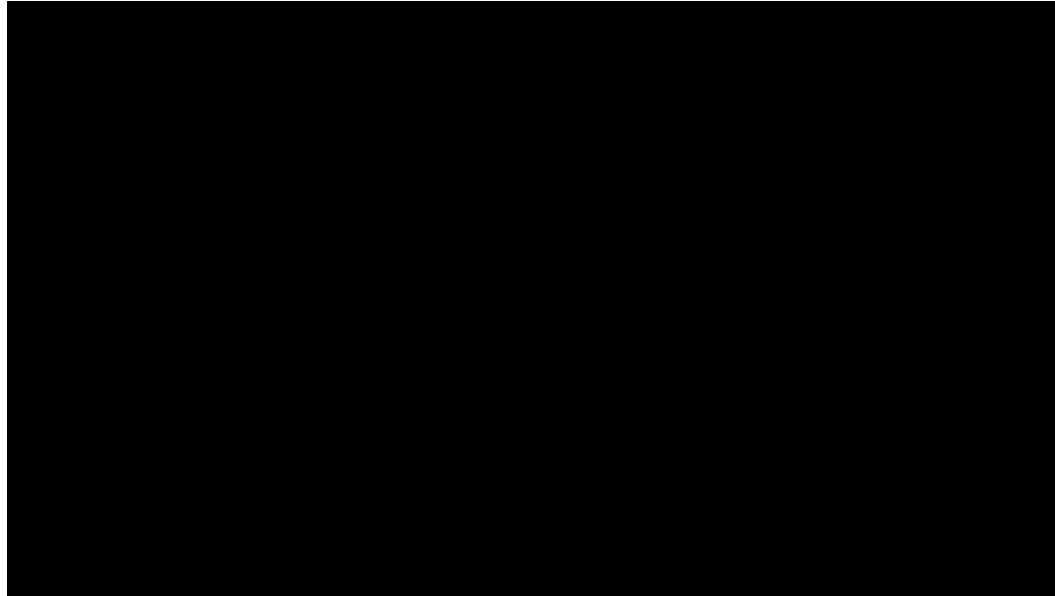
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Greenfield Place and Greenfield Commons



Greenfield Place 80 family apartments

| | | |
|-----------------------------------|-------|---------------------|
| SECU Foundation (3%, 30 years) | | \$2,748,448 |
| NCHFA RPP Loan (2%, 20 years) | | \$1,000,000 |
| DHIC Loan | | \$300,000 |
| Orange County Loan | | \$154,500 |
| Town of Chapel Hill Loan | | \$145,500 |
| Deferred Developer Fee | | \$99,495 |
| LIHTC Equity | 1.055 | \$8,282,250 |
| Total | | \$12,730,193 |



Greenfield Commons

69 seniors (55+) apartments

| | | |
|-------------------------------|------|---------------------|
| Centrant (5.76%, 35 years) | | \$2,000,000 |
| NCHFA RPP Loan (2%, 20 years) | | \$1,200,000 |
| DHIC Loan | | \$260,000 |
| Town of Chapel Hill Loan | | \$450,000 |
| Town of Chapel Hill Loan | | \$700,000 |
| Deferred Developer Fee | | \$416,273 |
| LHTC Equity | 0.88 | \$5,817,890 |
| Total | | \$10,844,163 |



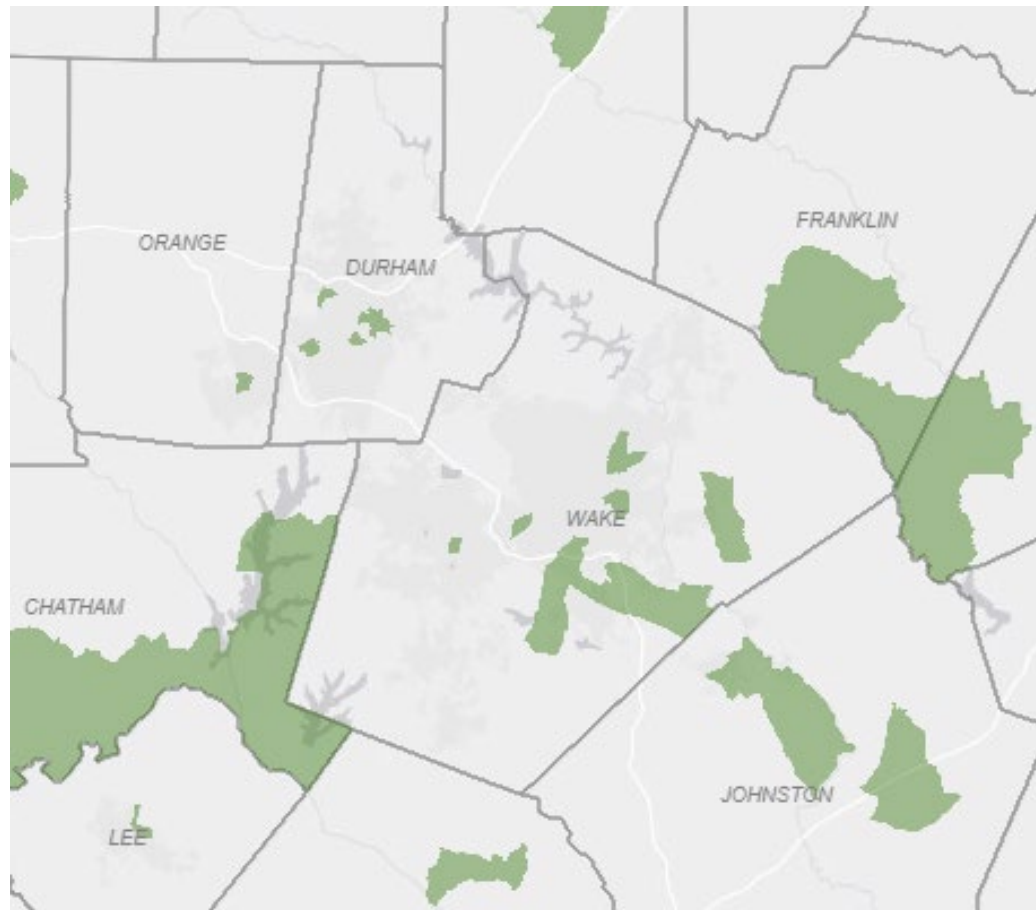
What's new in
Washington?

Federal Update

A New Vision for
Housing Affordability

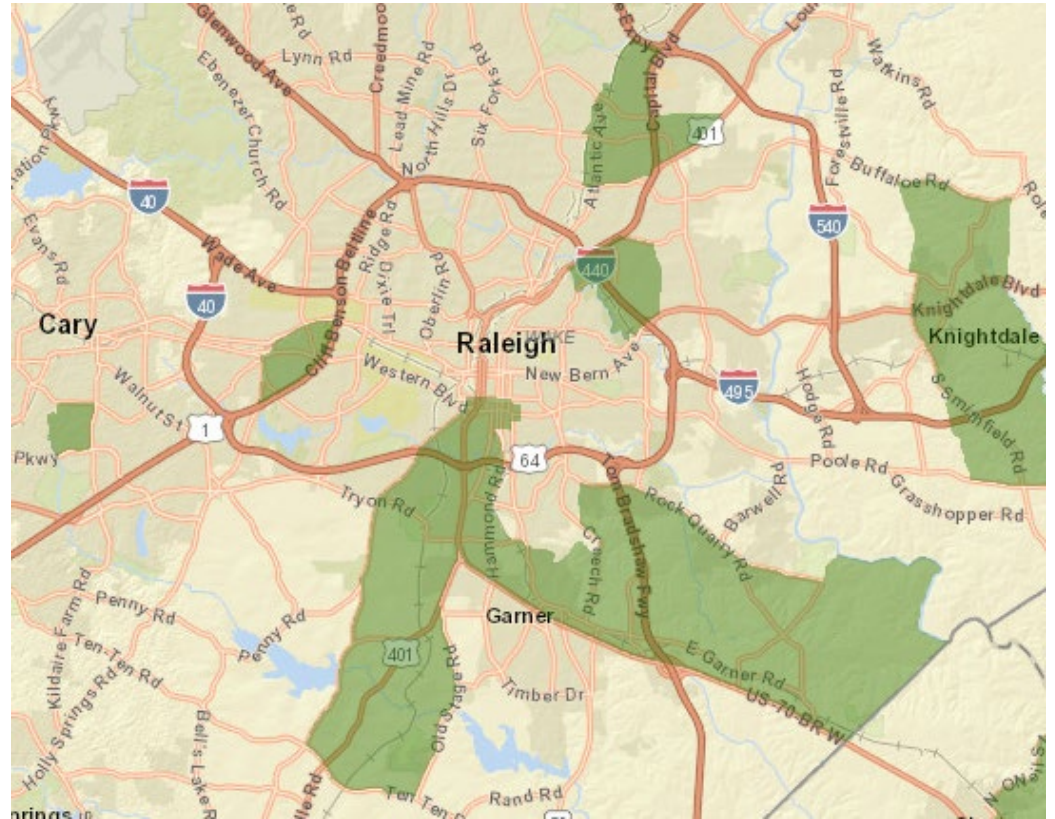
American Housing and Economic Mobility Act

Where are the Opportunity Zones?



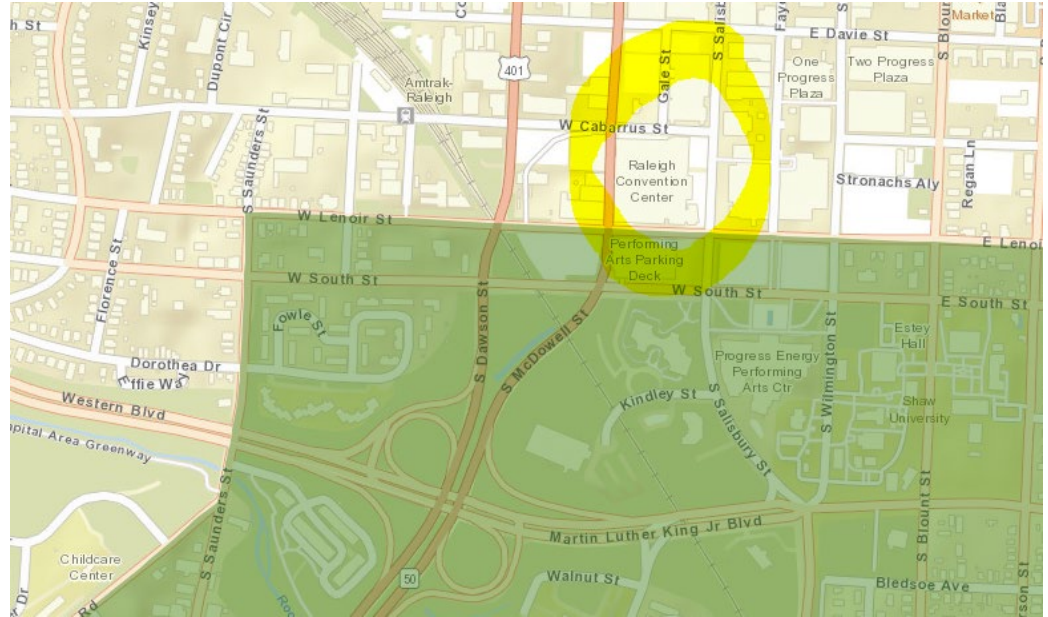
Source: communityenterprise.org

Raleigh



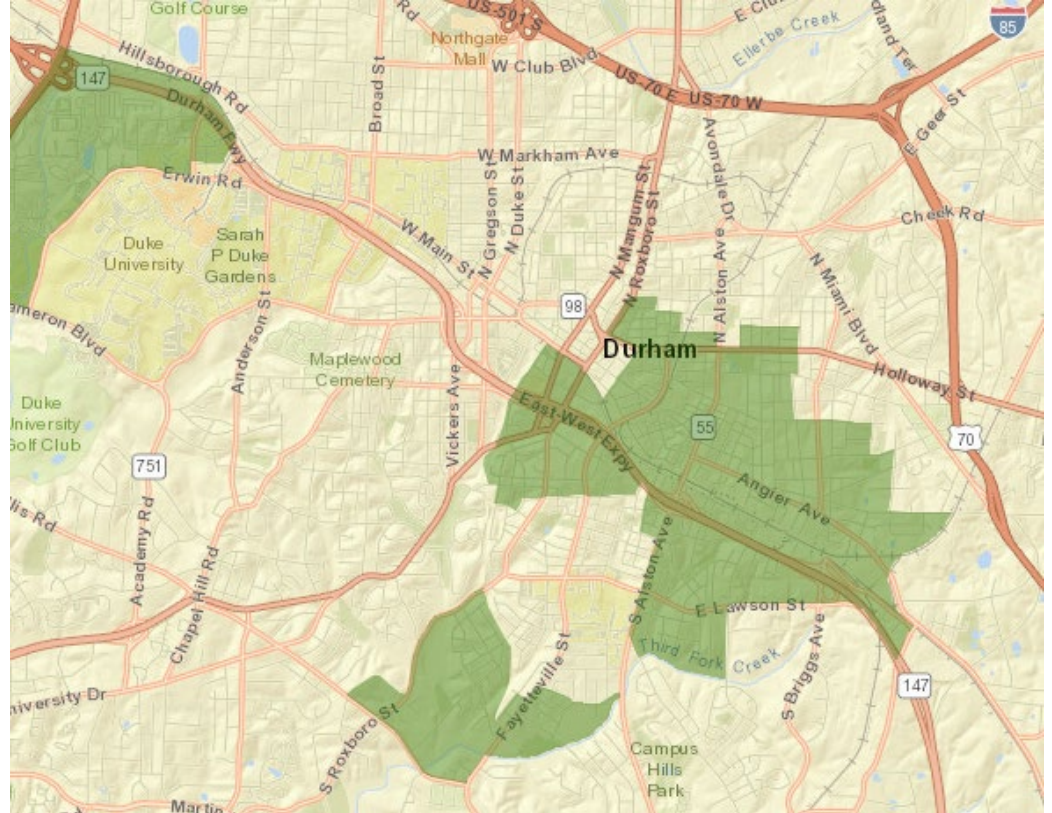
Source: communityenterprise.org

Across the Street



Source: communityenterprise.org

Durham



Source: communityenterprise.org

Policy Choices Will Matter More Than Ever

