

Executive Summary

The Chatham Housing Committee is a working group of elected officials and staff from Chatham County, Goldston, Pittsboro, and Siler City, that met for approximately one year to focus on issues and strategies around affordable rental housing. This first section of this report provides an overview of what affordable housing is, briefly reviews the history of affordable housing work in Chatham County, and presents data around demographics, housing stock, affordable housing inventory, and other elements that shape affordable housing in the county. Key county-wide issues that were identified include:

- Forty-nine percent of renter households are making less than 30% of AMI. About 2,223 (66%) of renter households are making less than 80% of the AMI and are cost-burdened.
- There are not enough rental units for low-income households, especially extremely low-income households. It is estimated there are 1,404 renter households making 30% or less of AMI, but only 335 rental units affordable to households making 30% or less of AMI.
- There is an estimated gap of 1,995 affordable rental units in Chatham. The majority of this gap is found in the lack of rental housing for households making between 0 and 30% of AMI.
- There is a disparity in the number of bedrooms in rental units and the number of people in renter households. Thirty-nine percent of renter households are one-person households, yet only 16% of rental units are one-bedroom or studios. A unit with fewer bedrooms is more affordable, so the inventory does not cater to low-income smaller households. Conversely, while 46% of market-rate units have three or more bedrooms, there are few naturally occurring affordable housing units with at least three bedrooms.
- Chatham County's demographics pose an equity issue in the affordable housing dialogue. Older adult households have a lower median income than the general population. White households' median income is more than twice that of black households and of Hispanic or Latino households. This suggests there may need to be different strategies for different populations.
- The Housing & Transportation Index estimates that the typical household in Chatham County spends 32% of their income on housing and 28% on transportation, totaling to 60% of its income. This is much higher than the recommended threshold of 45%.

With these issues in mind, the Housing Committee identified seven goals, listed below. They encompass both a housing focus and a people focus, acknowledging that the availability of quality affordable housing is just one element of addressing the issue; equity, income disparities, and access to resources are important as well.

- Increase the number and diversity of affordable rental options
- Preserve existing legally-binding affordable housing
- Preserve naturally occurring affordable housing (NOAH)
- Ensure rental quality
- Support low-income renters
- Foster healthy communities
- Improve economic mobility and equity

Within each goal, a set of desired outcomes was identified, as well as a metric to measure progress, baseline data for that metric, and a target goal. The Goals Matrix on page 72 lists these along with the policy, program, and partnership strategies and partners needed to accomplish these outcomes. Many of the strategies are interrelated and address different elements of the affordable rental housing issue. As such, they are most effective when implemented together; implementing just one or another individually will not have as significant of an impact on addressing the issue as a whole. Most of the strategies listed are able to be implemented in any of the jurisdictions, but key priorities for each jurisdiction are noted in the next few pages.

Partnership Priorities | Chatham County, Goldston, Pittsboro, Siler City

Chatham County has a total population of 67,431 people and 26,923 households. Renters make up 22% of all households. The overall median household income is \$55,642, but the median renter household income is just \$30,742. Eighty percent of the housing stock is single-family homes, and another 15% are mobile homes. While this is typical for a rural county, there is still a disparity between number of bedrooms available and household sizes.

The Housing Committee was successful in part because it engaged decision-makers from all of the jurisdictions in learning about, discussing, and making recommendations related to affordable rental housing. This partnership is important to carry forward, as the key priority strategies would be most successful if all jurisdictions work to implement them together. Chatham County’s elected officials and staff can play an important role in convening the partners and leading the effort on implementing the below priority strategies:



Key Short-term Strategies (1-2 years):

- **Develop a housing resources website and hard copy versions of resource information:** Partner with the County to distribute information about housing resources, including providing a link to the County’s housing webpage on Siler City’s and Pittsboro’s websites, and providing hard copies of information in town offices. *(More detail available on page 54)*
- **Establish a Location Policy and have each jurisdiction adopt it so it applies across the county:** A location policy encourages development projects that fulfill the policy’s objectives, which can include increasing the supply of affordable housing in proximity to resources like grocery stores, public transit, schools, and jobs; reducing and avoiding undue concentrations of poverty and subsidized housing; and promoting diversity and vitality of neighborhoods. Under such a policy, a development can get points for different criteria and receive certain fee reimbursements, based on the points achieved. *(page 39)*
- **Identify publically-owned developable land and issue RFPs for development:** An analysis of GIS parcel data using a set of criteria can identify parcels that might be suitable for affordable housing development. When suitable sites are found, the County and towns can issue a Request for Proposals to affordable housing developers to build housing on that land. Providing the land at no or low cost can help fill the financing gap for an affordable housing development. This analysis can be done on a recurring basis as parcel ownership and/or criteria changes. *(page 43)*
- **Establish a Housing Trust Fund:** A housing trust fund is a distinct fund that can be funded by a variety of sources, including a “Penny for Housing” or similar property-tax set-aside, payments-in-lieu from developers, contributions from the general fund, sale of property, or other sources. Funds are distributed to projects that meet identified housing goals, such as land acquisition, housing development, preservation, weatherization, or rehab, and renter support. *(page 37)*

Key Mid-term Strategies (3-5 years):

- **Partner with a community land trust:** A community land trust model, often run by a nonprofit, preserves long-term affordability for its portfolio of properties by retaining ownership of the land and leasing the home to the homebuyer or serving as property manager for rental properties. The Community Home Trust, currently operating in Orange County, has indicated a willingness to consider expanding into Chatham County, or to provide technical assistance to help a new community land trust form in Chatham County. *(page 46)*

Goldston | Priority Focus

Goldston has a total population of 285 individuals and 135 households. The median household income, at \$39,063 is 42% lower than the county-wide median household income. Renters make up 26% of all households.



Goldston's residents are older, with **40% of the population being above age 60**, and just 16% under age 19.

At **84%**, Goldston has a larger proportion of **White, non-Hispanic/Latino households** as compared to the rest of the county.

67% of all renter households in Goldston have household incomes below \$50,000 per year.



Of these low-income renter households, **100% are housing cost-burdened**, spending more than 30% of their income on rent and utilities.

The housing stock in Goldston is primarily single-family homes (97%), with the rest (3%) being mobile homes. The majority of the housing stock is two- and three-bedroom homes (87%), while 40% of the households are single-person households. This correlates with the large proportion of older adults, and suggests there may be a need for smaller units that, if affordable and low-maintenance, would allow older adults to live independently and remain in the Goldston community longer. Goldston is small, with a low-density development pattern and a small commercial area. While there are limits to what types of development can be supported, given the rural nature of the area, there are opportunities for infill and context-sensitive development that could provide more options for residents, particularly around the commercial area.



Key Issues:

- Limited housing type options
- Disparity between number of bedrooms available and household sizes
- Renters have low incomes and a high percentage of renters are cost burdened
- Large proportion of older adults

Priority focus: Increase number and diversity of affordable rental options

Key Short-term Strategies (1-2 years):

- **Allow for the development of missing middle housing**, smaller multi-unit structures (duplexes, triplexes, and multifamily with less than 20 units) that can blend in with the character and feel of established residential neighborhoods or commercial areas, which provide greater options for residents. This is currently being considered in the Goldston Unified Development Ordinance. *(More detail available on page 39)*

Key Mid-term Strategies (3-5 years):

- **Partner with a community land trust:** A community land trust model, often run by a nonprofit, preserves long-term affordability for its portfolio of properties by retaining ownership of the land and leasing the home to the homebuyer or serving as property manager for rental properties. In Goldston, this could be a valuable tool to preserve affordability long-term. *(page 46)*

Pittsboro | Priority Focus

Pittsboro has a total population of 3,992 residents and 1,601 households. The median household income, at \$53,422, is the highest of the three municipalities and just 4% lower than the county-wide median household income. However, one third of all households in Pittsboro are renter households, and the median income of renter households is much lower, at just \$26,842 per year.



Pittsboro’s residents are older, with **30% of the population being above age 60**, and **4% over age 85**.

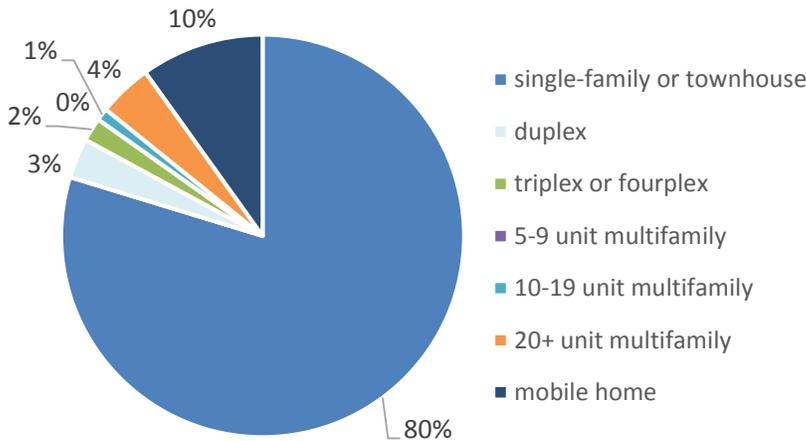
At **25%**, Pittsboro has a larger proportion of **Black households** as compared to the rest of the county.

65% of all renter households in Pittsboro have household incomes below \$50,000 per year.



Of these low-income renter households, **69% are housing cost-burdened**, spending more than 30% of their income on rent and utilities.

The housing stock in Pittsboro is primarily single-family and mobile homes, which together make up 90% of the housing stock. While there are some small attached duplexes and larger multifamily apartment complexes, there are very few small apartment buildings with between five and 19 units. While one- and two-person households make up 75% of all households, only 34% of units are one- and two-bedroom units. This suggests that smaller households do not have many options and may have to pay more for a larger unit than they need or desire.



Key Issues:

- Limited housing type options
- Disparity between number of bedrooms available and household sizes
- Renters have low incomes and a high percentage of renters are cost burdened
- Large proportion of older adults

Priority focus: Increase number and diversity of affordable rental options

Key Short-term Strategies (1-2 years):

- **Revise Development Policies:** Review the development ordinances and processes to ensure they are not inhibiting the development of housing types with one- or two-bedroom units and are promoting the construction of new units. A few examples:
 - **Reduce parking requirements** for multifamily developments that are limited to persons of low or moderate income or the elderly, as residents of these units are less likely to own a car. *(More detail available on page 42)*
 - **Allow for the development of missing middle housing**, smaller multi-unit structures (duplexes, triplexes, and multifamily with less than 20 units) that can blend in with the character and feel of established residential neighborhoods or commercial areas, which provide greater options for residents. *(page 39)*
 - **Encourage affordable housing provisions in large planned developments** that require approval under a conditional use permit, to provide a mix of housing affordability in the development that reflects the income ranges of those who live and work in the development and surrounding areas. *(page 36)*
- **Ensure that the Chatham Park development includes an adequate number of affordable units:** Work with Chatham Park developers and affordable housing developers to ensure that an adequate number of affordable units are provided in Chatham Park, as agreed upon by the Additional Element Committee for the Chatham Park Master Plan. This could include Chatham Park developers donating land to affordable housing developers to build projects with tax credits, or partnering with a community land trust to preserve long-term affordability of homes in Chatham Park.
- **Preserve legally-binding affordable housing:** Track legally-binding affordable units and, when their affordability period is approaching expiration, work with the property owners to find an option that maintains their affordability for an extended number of years. *(page 47)*
- **Conduct outreach to landlords about Section 8 program:** Partner with the Chatham Housing Authority to engage with landlords and increase the number of landlords and properties that accept vouchers. *(page 46)*

Key Mid-term Strategies (3-5 years):

- **Partner with a community land trust:** A community land trust model, often run by a nonprofit, preserves long-term affordability for its portfolio of properties by retaining ownership of the land and leasing the home to the homebuyer or serving as property manager for rental properties. In Pittsboro, this could be a valuable tool to manage affordable units built in Chatham Park. The Community Home Trust, currently operating in Orange County, has indicated a willingness to consider expanding into Chatham County, or to provide technical assistance to help a new community land trust form in Chatham County. *(page 46)*
- **Identify publically-owned developable land and issue RFPs for development:** An analysis of GIS parcel data using a set of criteria can identify parcels that might be suitable for affordable housing development. When suitable sites are found, the Town can issue a Request for Proposals to affordable housing developers to build housing on that land. Providing the land can help fill the financing gap for an affordable housing development. This analysis can be done on a recurring basis as parcel ownership and/or criteria changes. *(page 43)*
- **Encourage developers to use the 4% tax credit:** Unlike the 9% Low-Income Housing Tax Credit, the 4% tax credit is non-competitive and more readily available. For these projects to be financially viable, local governments usually need to provide a subsidy, which can be in the form of financial assistance, land donation, or reduced development costs. *(page 48)*

Siler City | Key Issues and Opportunities

Siler City has a total population of 8,193 residents and 2,705 households. The median household income, at \$29,956, is 54% lower than the county-wide median household income.



Siler City's residents are younger, with **29% of the population being below age 19**, and just 19% over age 60.

At **46%**, the proportion of **Hispanic and Latino households** in Siler City is much higher than the rest of the county.



77% of all renter households in Siler City **have household incomes below \$50,000** per year.



Of these low-income renter households, **63% are housing cost-burdened**, spending more than 30% of their income on rent and utilities.

The housing stock in Siler City is fairly diverse. While predominantly single-family, there is a range of housing types including multiplexes and both small and large multifamily apartment complexes. Outside of single-family homes, mobile homes are the most prevalent housing type at 15%. Half of all housing units are renter-occupied, which is very high for the region. There are a large proportion of small (one-person) and large (four-or-more person) households, but the housing stock is made up primarily of two- and three-bedroom units. The quality of housing was mentioned by the Committee staff and elected officials as a primary concern. Indeed, over 20% of Siler City's housing stock was rated as being in "fair" or worse condition by the tax assessor.

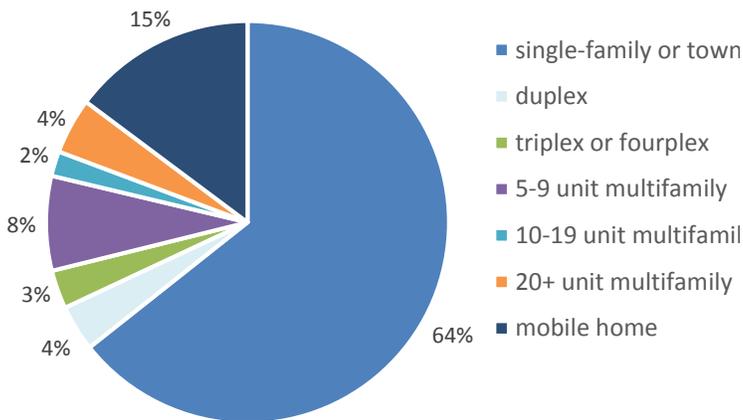


FIGURE 1: HOUSING STOCK IN SILER CITY

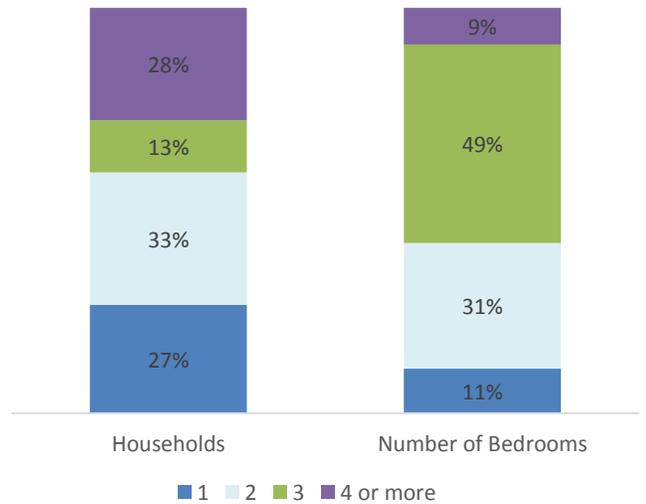


FIGURE 2: HOUSEHOLD SIZE SUPPLY AND DEMAND

Key Issues:

- Large proportion of rentals
- Poor housing quality
- Disparity between number of bedrooms available and household sizes
- Renters have low incomes and a high percentage of renters are cost burdened
- Large proportion of residents for whom English is not their first language

Priority focus: Rental quality and low-income renter support

Key Short-term Strategies (1-2 years):

- **Strengthen the Minimum Housing Code:** Siler City should consider strengthening the code. This could include adding definitions of terms to the ordinance, clearly defining responsibilities of owners and tenants, defining reasonable cause to inspect properties, including right of first refusal for affordable housing organizations to purchase a property before it is offered to other parties, and establishing reasonable penalties to encourage compliance and help cover administration costs. This effort could also include sending building inspectors to code enforcement trainings to improve their understanding of best practices in enforcing the code. *(More detail available on page 49)*
- **Conduct a neighborhood housing assessment:** Conduct an in-depth neighborhood housing assessment of the 10 identified neighborhoods to include demographic data, crime data, property and ownership information, and a house condition survey conducted on foot. Once the data are collected and synthesized, a focus group of stakeholders should be assembled, including building inspectors, planners, police, and nonprofit repair providers, to jointly discuss the data and initiate a participatory dialogue about strategies. *(page 53)*
- **Develop a housing resources website and hard copy versions of resource information:** Partner with the County to distribute information about housing resources, including providing a link to the County's housing webpage on Siler City's website, and providing hard copies of information in town offices. *(page 54)*
- **Provide fair housing education to landlords:** Partner with the Chatham Housing Authority and other jurisdictions to offer fair housing trainings. Trainings cover topics like legal history around the Fair Housing Act, responsibilities of landlords and property managers, housing discrimination, and more specific examples of illegal practices. *(page 54)*

Key Mid-term Strategies (3-5 years):

- **Offer landlord incentives:** Develop a program to reward landlords for responsible behavior or taking steps to prevent complaints. Potential incentives could include, if a landlord completes a training program and provides their tenant with a tenant guide, they are eligible for free preventative maintenance and security inspections, a designated police department liaison, a security deposit guarantee, to name a few. *(page 52)*
- **Engage community members in need of affordable housing or assistance services:** Partner with the County, towns, and social services agencies to include housing as an issue on surveys, in community conversations, and other outreach. Use this information to better understand what housing barriers residents encounter and what types of assistance may be most effective. *(page 55)*
- **Strengthen and expand weatherization programs:** Partner with the County's utility assistance programs and nonprofit weatherization providers to better understand where assistance is needed, and work to coordinate weatherization and rehabilitation efforts to address properties requesting utility assistance. *(page 56)*
- **Establish a program of periodic inspections:** Periodic inspections help ensure that landlords who have had past violations keep their properties in compliance with the Minimum Housing Code. Within a defined targeted area, a periodic inspection program could include outreach to residents, gathering property management contact information for landlord-owned properties, conducting regular inspections, and informing property owners about repair, rehab, and weatherization programs that are available in the area. *(page 51)*