



City of Durham
Report to the General Assembly on Local Government Funding,
Subsidies, and Activities Related to Affordable Housing

This report is being provided by the City of Durham pursuant to Session Law 2019-144, titled “An Act to Direct Certain Municipalities to Report to the General Assembly on Local Government Funding, Subsidies, and Activities Related to Affordable Housing.”

Currently, there are approximately **1,036 affordable housing units** currently in use in the City of Durham that are subsidized by local government revenue or that have local government oversight. These units include affordable housing units that the City of Durham has funded directly or is actively monitoring due to the City of Durham’s support of the units, whether financial or otherwise. Additionally, there are **3,677 low income housing tax credit (LIHTC) housing units** that are active in the City of Durham. While the City of Durham has no direct responsibility for these tax credits, the City of Durham may have participated in complementary funding for the projects, which would be captured in 1,036 figure previously stated. These data sets combined equal **4,713 affordable housing units** in the City of Durham. Not included in this report are units funded, constructed, or managed by the Durham Housing Authority because the City of Durham does not directly subsidize or have direct oversight over these units.

The City of Durham’s Five Year Housing Goals, as adopted by the Durham City Council in 2016, include preserving and expanding the supply of affordable rental units and rental assistance in Durham, with a focus on households below 50% Area Median Income (AMI). In addition, the City of Durham desires to maintain affordability and protect very low-income households in neighborhoods experiencing significant housing cost increases. To this end, the City of Durham will create affordable homeownership opportunities with long-term income restrictions, create smaller-scale, affordable rental options in Durham, and support existing low-income homeowners, through rehabilitation and repair funds and expanded use of existing State property tax relief programs. The City of Durham focuses its affordable housing programming and funding on low income housing (with incomes below 80% AMI), as defined by the United States Department of Housing and Urban Development. As a matter of policy and programming, the City of Durham does not focus on preserving moderate income housing as defined by Session Law 2019-144.

The City of Durham is engaged in supporting affordable housing in the following ways, which are organized to match the specific requirements of SL 2019-144:

1. *Rezoning for densities necessary to assure production of moderate income housing*

Rezoning within the City of Durham are considered upon application, generally made by a property owner. However, a City-initiated rezoning to the compact suburban design zoning district will allow for higher density in that area. Additionally, the City of Durham has enacted a density bonus for the construction of affordable housing for residents that are 60% or less Area Median Income (AMI); however, this initiative does not support moderate income housing as defined by Session Law 2019-144. The City of Durham has also adopted Unified Development Ordinance (UDO) text amendments, referred to as Expanding Housing Choices, to allow for more varied housing options and more by-right housing—meaning that the development of the housing does not require additional, special approvals. The Expanding Housing Choices amendments provide more opportunities for the construction of Accessory Dwelling Units (ADUs), create more permissive lot configurations and sizes, and encourage diverse housing types—such as duplexes—in more districts.

2. *Facilitating the rehabilitation or expansion of infrastructure that will encourage the construction of moderate income housing*

The City of Durham does not actively facilitate infrastructure improvements to encourage construction of moderate income housing, as defined by Session Law 2019-144. The City of Durham, through its Community Development Department, may support infrastructure improvements to encourage construction of low income housing; these are considered on a project-by-project basis. The ongoing construction and design projects originating in the City of Durham Public Works Department may indirectly encourage the development of moderate income housing, as defined by Session Law 2019-144.

3. *Encouraging the rehabilitation of existing uninhabitable housing stock into moderate income housing*

Given the current market factors, there are very few uninhabitable housing units in the City of Durham. On occasion, the City may acquire vacant lots that are suitable for housing development. In such an instance, the City may issue a RFP for the development of the lots as affordable housing serving low income households. As noted previously, the City of Durham focuses its programming and funding on low income households (with incomes at or below 80% AMI) as defined by the United States Department of Housing and Urban Development.

4. *Considering general fund subsidies to waive construction-related fees that are otherwise generally imposed by the city*

The City of Durham does not waive construction-related fees for affordable housing projects due to the complexities of internal accounting. Instead, the City of Durham provides direct financial subsidies for priority projects serving low income households.

5. *Creating or allowing for, and reducing regulations related to, accessory dwelling units in residential zones*

In 2006, the City of Durham first allowed Accessory Dwelling Units (ADUs) by-right, meaning that no special approvals were needed to construct the ADUs. The City-initiated Expanding Housing Choices amendments, referenced in Response 1 of this Report, removes barriers and expands opportunities for more ADUs. For example, the amendments include removing restrictions on lot size, increasing height allowance, allowing 800 square foot ADUs in all residential zoning districts, increasing placement options on lot, allowing ADUs on the same lot as duplexes, and allowing ADUs with certain civic uses, such as places of worship.

6. *Allowing for housing in commercial and mixed-use zones*

The City of Durham UDO allows a variety of single family, duplex, and multifamily housing in its commercial, office, mixed use, and design districts. Densities vary based upon development tiers established through the Comprehensive Plan. The current affordable housing density bonus offers density bonuses for these and other districts that allow for housing, as discussed in Response 1.

a. Commercial and office districts (maximum units per acre):

District	Rural	Suburban	Urban	Compact
CI	—	—	14 ^{1,2}	14 ^{1,2}
CN	0.2	8 ^{1,3}	11 ^{1,2}	14 ^{1,2}
OI	—	11 ^{1,3}	14 ^{1,2}	18 ^{1,2}
CG	0.2	11 ^{1,3}	14 ^{1,2}	18 ^{1,2}
(County Only) SRP-C	—	20 ⁴	—	—

Key to Abbreviations: Commercial Infill (CI); Commercial Neighborhood (CN); Commercial General (CG); Office Institutional (OI); and Science Research Park (SRP)

b. Mixed Use districts (minimum is 4 dwelling units per acre and the maximum is listed below):

Tier	Maximum Density: Horizontal Integration of Uses (dwelling units/acre)	Maximum Density: Vertical Integration of Uses (dwelling units/acre)
Suburban	14	18
Urban	16	20
Compact Neighborhood	Core: 42 Support: 16	53

- c. Design Districts (excludes Downtown Design district, which does not have a maximum density):

For Compact Design

Sub-Districts	Residential Density		Max. (units/acre) with Affordable Housing Density Bonus
	Min. (units/acre)	Max. (units/acre)	
CD-C	22	60	75
CD-S1	16	53	
CD-S2	9	20	
CD-P(N)	16	53	

Key to Abbreviations: Compact Design-Core (CD-C); Compact Design-Support-1 (CD-S1); Compact Design-Support-2 (CD-S2); and Compact Design-Pedestrian (CD-P)

For Compact Suburban:

Sub-Districts	Residential Density		Max. (units/acre) with Affordable Housing Density Bonus
	Min. (units/acre)	Max. (units/acre)	
CSD-C	22	30	Unlimited
CSD-S1	16	21	
CSD-S2	9	15	

Key to Abbreviations: Compact Suburban Design-Core (CSD-C); Compact Suburban Design-Support-1 (CSD-S1); Compact Suburban Design-Support-2 (CSD-S2)

7. *Encouraging higher density or moderate income residential near major transit investment corridors*

The City of Durham's Transportation Department is working with a number of other departments to better connect transit and affordable housing. This effort includes a City Strategic Plan objective of providing transit stops with ¼ or ½ mile of affordable housing locations. Additionally, the City of Durham and Durham County are developing a new Comprehensive Plan; connectivity between transit and affordable housing is a key goal of the Plan. Moreover, the City of Durham UDO provides for density bonuses along major or minor thoroughfares and other roadways greater in fifty feet in width. Finally, the City of Durham, through its Community Development Department, prioritizes affordable housing funding for low-income housing projects located along major transit corridors.

8. *Eliminating or reducing parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle*

In its UDO, the City of Durham has identified certain areas that justify reduced parking requirements. The Downtown Design district has no minimum parking requirement. Within Compact Neighborhood Tiers, there are usually no minimum parking standards, and in some instances, there are reduced minimum parking requirements. The Urban Tier provides a 10-20% reduction. Affordable housing units or projects in compact design districts that have used the affordable housing density bonus have no minimum parking requirements. Congregate and independent living facilities have less required parking than standard residential units.

9. *Allowing for single-room occupancy developments*

In its UDO, the City of Durham allows several single-room occupancy uses. Boarding houses and rooming houses are allowed in certain residential districts, commercial districts, mixed use district, and downtown design districts with a minor special use permit. Commercial dorms are allowed in the University and College districts (UC, UC-2) and Downtown Design district (DD) by-right, and with supplementary standards. Commercial dorms are allowed with a special use permit in certain residential districts, commercial districts, and mixed use districts.

10. *Preserving existing moderate income housing*

As a matter of policy and programming, the City of Durham does not focus on preserving moderate income housing as defined by Session Law 2019-144. Instead, the City of Durham funds preservation of low income housing, both as existing, income restricted low income housing and naturally occurring low income housing.

11. Considering utilization of State or federal funds or tax incentives to promote the construction of moderate income housing

As a matter of policy and programming, the City of Durham does not focus on moderate income housing as defined by Session Law 2019-144. The City of Durham is unaware of any current tax incentives for moderate income housing, but the City of Durham supports projects that use these tax incentives for low income housing.

12. Considering utilization of programs offered by the Housing Finance Agency within that agency's funding capacity

The City of Durham does not directly utilize these programs. However, the City partners with and supports affordable housing developers and community based organizations that use North Carolina Housing Finance Agency (NCHFA) programs, including the Low Income Housing Tax Credit, home repair, and homeownership programs. The City endeavors to make City programs consistent with related NCHFA programs in order to enable local partners to effectively leverage the resources available from both the State and the City.