



Town of Cary
Report on Local Government Funding, Subsidies, and
Activities Related to Affordable Housing

This report is being provided by the Town of Cary 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”.

To the best of our knowledge, there are approximately 747 affordable rental and owner-occupied housing units currently in use within the Town of Cary that are subsidized by local government revenue or tax credits, or that have local government oversight.

Cary utilizes a variety of tools and incentives to encourage additional affordable housing development, including the following, grouped to match the specific requirements of SL 2019-144.

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

In January 2017, Cary adopted an updated comprehensive plan, the Imagine Cary Community Plan, which establishes the Town’s long-range vision for the community and encourages the development of diverse housing types. Multiple single-use residential land use categories that included density ranges were replaced with broader neighborhood categories which set the groundwork for a variety of housing types. Neighborhood, Community, and Regional Activity Centers were replaced with Commercial Centers, Commercial Mixed-Use Centers, and Destination Centers that support the development of more housing types and higher residential densities. Specifically, policies adopted as part of the Plan state:

- *“Provide high quality housing in suitable areas that can accommodate a variety of lifestyles, households, ages, cultures, market preferences, and incomes. This includes dwellings for aging seniors and empty nesters, multi-generational households, young professionals, young families, and members of the local workforce.”*
- *“Provide a greater variety of housing types within new residential neighborhoods. Housing options/variety can take the form of different sized lots, different sized homes,*

different price points, different types of homes, and different types of home features, such as housing designs that support aging seniors or multigenerational households.”

- *“Provide the greatest variety of housing types and densities within Destination Centers, Commercial Mixed-Use Centers, and Employment Mixed Use Centers as designated by the Future Growth Framework, as well as within Downtown Cary. The mix of housing types could include apartments, condominiums, and live/work units over office and retail; separate apartment complexes and courtyard apartments; townhomes; patio homes; and small multi-family units such as fourplexes, triplexes, and duplexes.”*
- *“Reflect and build on Cary’s past practices to encourage and support the provision of affordable dwellings, particularly in response to the changing needs of Cary’s families in the coming years.”*

Cary considers rezonings on a case by case basis using the policies of the Imagine Cary Community Plan as a guide. Mixed use overlay zoning districts, where Commercial Centers, Commercial Mixed-Use Centers, and Destination Centers are located on the Imagine Cary Future Growth Framework map, allow for a variety of housing types, including townhouses and multifamily housing. Density in the Mixed-Use District (MXD), which any property in a mixed-use overlay district may be rezoned to, is unlimited—development intensity is regulated by the permitted number of building stories and other regulations related to site development.

In addition, townhouses are allowed in the Transitional Residential (TR) zoning district, and both townhouses and multifamily housing are allowed in the Residential Multifamily (RMF) zoning district and in many Town Center (downtown) districts.

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

The Town of Cary maintains an accurate and up to date inventory and condition assessment of its transportation and utility infrastructure. Our geographical information system supports an evidence-based rating system that allows us to implement asset management best practices to plan capital improvements, proactively maintain streets and utilities, and develop a 20-year capital improvement program to ensure the longevity and efficient service life of all town-owned public infrastructure. These practices ensure sound financial investments that will serve all of Cary well into the future and will encourage development of moderate-income housing.

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

Given supply and demand and other market factors, there are very few uninhabitable housing units in Cary. Most often, deteriorated stock is redeveloped by the private sector.

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

To date, the Town of Cary has not waived construction-related fees for affordable housing projects. Instead, Cary directly subsidizes priority affordable housing projects through funding.

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

The current Land Development Ordinance (LDO), which became effective in 2003, allows accessory dwelling units by-right in the R-40 and R-20 zoning districts, several sub-districts within the Town Center zoning district that allow detached dwellings, and within Planned Development Districts where the use is indicated on the PDD master plan. The detached accessory structure that contains the accessory dwelling unit is subject to lesser setbacks than the setbacks required for the principal structure (dwelling). The LDO also permits utility dwelling units in all general use zoning districts where detached dwellings are allowed and several of the subdistricts of the Town Center zoning district, and within Planned Development Districts where the use is indicated on the PDD master plan.

The Imagine Cary Community Plan includes multiple policy initiatives related to housing, such as *“Develop new zoning districts and/or development incentives to accommodate new housing options/trends such as co-housing arrangements, small apartment buildings, tiny houses, cottage homes, and accessory dwelling units.”*

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

The Town of Cary zoning map includes a Mixed-Use Overlay District (MUOD) comprised of 32 separate district centers located throughout the Town, primarily at intersections of major transportation routes. The purpose of the MUOD is to enable the development of land in areas intended to have a compatible mixture of commercial,

office, residential, recreational, civic and/or cultural uses which are highly integrated and function in a cohesive manner. Residential densities within these districts are typically greater than the density of development in the general use zoning districts and usually are in the form of multi-family dwellings or townhome style units. In addition, the Town Center zoning district also includes subdistricts that allow for higher-density residential development (such as multi-family and townhome dwellings) along with non-residential uses.

The Town's Office & Institutional and Office/Research and Development zoning districts allow for up to 50% of a building's floor space to be utilized for residential uses provided the residential and non-residential uses are integrated into the same structure. Residential uses are also permitted in non-residential buildings within the High-Intensity Mixed Use subdistrict of the Town Center zoning district with a certain percentage of the building being dedicated to non-residential use.

Live/work units are permitted within certain areas of the Corridor Transition zoning district and the area covered by the Alston Activity Center Concept Plan.

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

The Imagine Cary Community Plan specifically encourages higher density near major transit corridors to yield more moderate-income housing. Specifically, in our Destination Centers and the Eastern Cary Gateway, we encourage a mixture of uses including multifamily. As referenced in item 6 of this report, our MUOD, located primarily at intersections of major transportation routes, also encourages higher density and moderate-income residential development near major transit investment corridors.

Further, the Cary Transit team is currently making route changes throughout the community and making specific adjustments to routes and stops to ensure close proximity to senior and affordable housing locations.

Finally, in January 2019 the Town released an RFP for the development of transit-oriented development + affordable housing along a major corridor in Cary. This development is expected to yield at least 100 units of low- to moderate-housing for residents.

8. Eliminating or reducing parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, *such as residential development near major transit investment corridors or senior living facilities.*

The Town's LDO includes provisions that allow developers to request a reduction in the number of off-street parking spaces required for a development, based on factors including the nature of the proposed use, the number of trips generated by the proposed use, and the extent to which other uses located on the property reduce the number of vehicle trips required. As part of considering Mixed Use and Planned Development District rezoning requests, applicants can also request the Town Council to reduce the number of required parking spaces based on the same type of criteria. There have been multiple rezonings approved in recent years in which the Town Council approved reduced parking requirements for developments that included multi-family dwellings or senior living facilities.

Also, certain subdistricts of the Town Center zoning district require less parking per dwelling unit than general use zoning districts for higher density types of development such as multi-family dwellings.

9. Allowing for single-room occupancy developments.

The Town's LDO allows several single-room occupancy uses.

- Group homes are allowed in all residential dwellings in Cary.
- Dormitories are permitted in certain non-residential zoning districts as accessory to certain types of principal uses on the property.
- Boarding houses are allowed by-right in the Residential Multi-family zoning district, and as a special use in other residential zoning districts.
- Life care communities and nursing homes are permitted by-right or by special use in certain residential and non-residential zoning districts.

10. Preserving existing moderate-income housing.

In an effort to preserve existing moderate-income housing, the Town of Cary offers funding to homeowners through its Housing Rehabilitation Program. The program assists low- to moderate-income homeowners with funding for home improvements

which preserve safe and sanitary housing, correct hazardous structural conditions, eliminate blight, correct code violations, and provide handicapped access.

The multi-year program is funded through an annual General Fund appropriation from the Town budget.

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

The Town of Cary regularly encourages the utilization of government funds to promote the construction of moderate-income housing. To provide a snapshot of these efforts, Cary recently invested Community Development Block Grant federal funds into townhomes through a partnership with Habitat for Humanity of Wake County which will include moderate income housing in its development.

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

The Town of Cary is in the process of drafting a housing study which will analyze local data, involve consultation with a variety of stakeholders and community members, and develop potential strategies related to affordable housing. One strategy we are considering is the utilization of programs offered by the Housing Finance Agency, depending on our capacity and aligned goals of the Town and specific housing finance agency programming.