

Matrix: Affordable Housing Incentives and Requirements in Neighboring Municipalities

This matrix compares affordable housing incentives and associated requirements for Carrboro, Chapel Hill, and Durham.

	Target income levels for affordable dwelling units	Minimum percentage of affordable units in a development	Minimum period that units must stay affordable	Incentives offered to developers in exchange for affordable housing
Carrboro	Generally considered to be 80% Area Median Income (AMI), although up to ¼ of the affordable units in a development can be priced at 115% AMI under certain conditions.	<ul style="list-style-type: none">Policy goal of 15% affordable units in all new residential developments with 5+ dwellingsInstead of building affordable units, a developer can make a payment-in-lieu or reserve lots for purchase by the town at market rate.	99 years	<ul style="list-style-type: none">Maximum density can be increased by two market-rate dwelling units for every one affordable housing unit in the development.Maximum density cannot be increased above 150% of the maximum density ordinarily allowed.
Chapel Hill	<ul style="list-style-type: none">Between 65% - 80% AMI.In a development, at least half of the affordable units must be offered at or below 65% AMI.The remaining affordable units must be offered at or below 80% AMI.	<ul style="list-style-type: none">10% in the Town Center districts15% in all other zoning districtsInstead of building affordable units in a development, a developer can make a payment-in-lieu, dedicate land or existing units, and/or construct off-site affordable units.	<ul style="list-style-type: none"><u>For-sale lots/units:</u> 99 years or “as long as permissible by law.” The affordability period must be established in an Affordable Housing Plan approved by the Town Council.<u>For-rent units:</u> No minimum set in the Land Use Management Ordinance. Affordable Housing Plan approved by Town Council required.	<ul style="list-style-type: none"><u>Density bonuses:</u> Maximum density can be increased by 15%. Density bonus not available for Town Center districts and/or certain conditional and mixed-use zoning districts. The maximum floor area allowed can be increased by 3,400 – 4,400 square feet per affordable dwelling unit. Exceptions apply outside of the Town Center districts.<u>Development cost offsets:</u> Certain development-related fees are waived for the provided affordable dwelling units. Waived fees include the following: applicable town application fees; building permit fees; plan review fees; and inspection fees.

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Durham	<ul style="list-style-type: none">For-rent units: 60% AMI at initial occupancy. A tenant's income can increase up to 80% AMI after that, and the unit will still be considered affordable.For-sale units: 80% AMI at time of closing. There are no limits on increases in income after closing if the unit remains the household's principal residence.	15%	30 years	<ul style="list-style-type: none">Compact Neighborhood Tier: Maximum density may be 75 units per acre or the maximum density of the zoning district, whichever is greaterSuburban and Urban Tiers: For each affordable dwelling unit built, a bonus of two additional market-rate units can be constructed <i>beyond the base density of the zoning district</i>.

For more information:

- Town of Carrboro Land Use Ordinance: <https://www.townofcarrboro.org/DocumentCenter/View/2021/Land-Use-Ordinance-combined->. See Section 15.54.1, *Affordable Housing Goal and Alternative Methods of Achieving the Goal* and Section 15.182.4, *Residential Density Bonuses for Affordable Housing*.
- Town of Chapel Hill Land Use Management Ordinance: https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=PTIICO_APXALAUSMA See Section 3.10, *Inclusionary Zoning*.
- Durham City/County Unified Development Ordinance: <https://udo.durhamnc.gov/udo/Home.htm>. See Section 6.6, *Affordable Housing Bonus*.