



Apex PeakFest



Villages of Apex Community



Deer Creek Townes

Housing Works 2022 Increasing Affordable Home Ownership in Today's Markets

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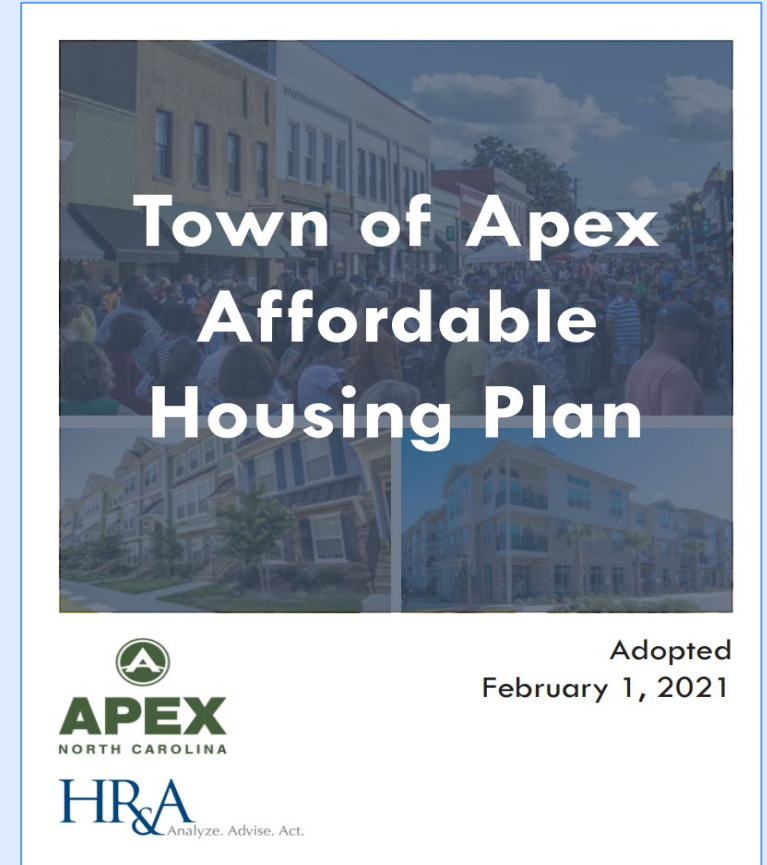


Affordable Housing Plan

Affordable Housing Plan (AHP)

1. Vision
2. Goals
3. Needs Assessment
4. Recommendations
5. Action Plan

“Apex welcomes people of diverse backgrounds, and supports opportunities for affordable, safe, sanitary, and quality housing that meets the needs of people of all incomes, ages, and abilities”



<https://www.apexnc.org/1422/Affordable-Housing-Plan>

AHP Recommendations & Action Plan Timeline

#	Recommendation	Action Plan Timeline	#	Recommendation	Action Plan Timeline
1	Town Staff Capacity	Near-Term <2 Years	8	Affordable Housing Advocacy Partners	Mid-Term 2-5 Years
2	Housing Advisory Board		9	Support For Homeownership	
3	Affordable Housing Incentive Zoning Policy		10	Public Land Acquisition & Sale	
4	Owner-Occupied Rehabilitation Assistance		11	Transit Oriented Development Density	
5	Low-Income Housing Tax Credit (LIHTC) Gap Financing		12	Emergency Rental Assistance and Supportive Services	Long-Term 5-10 Years
6	Annual Housing Report & Dashboard	13	Accessory Apartments		
7	Diversity & Racial Equity Initiatives	14	“Soft Density” Zoning By-Right		

Town of Apex Evolution of Market-Rate Projects w/Affordable Housing Units (Rezoning's & Planned Unit Development's (PUDs))

Phase	Activity	Timeframe	Affordable Housing Unit Production
I	Minimal Developer Contribution to Affordable Housing Fund	Pre-Fiscal Year 2021-22	Very Limited Units
II	Policy Design Stage	Fiscal Year 2021-22	38 Units Committed (19 Ownership + 19 Rental)
III	Affordable Housing Incentive Zoning Policy	~2023 Adoption	TBD

Proposed Policy Design

Applicability:

1. Not Mandatory
2. Proposed through rezoning and Planned Unit Development (PUD) approval process

Proposed Policy Design

Goals

1. Provide a clear process and understanding of the Town's minimum recommendations and applicability standards for Town staff and prospective applicants who may consider utilizing this Policy;
2. Add residential affordable housing units or lots to the Town's affordable housing portfolio;
3. Generate residential affordable housing units that are reflective of the Town's highest priority needs;

Proposed Policy Design

Goals (cont.)

4. Create mixed-income communities, in which residential affordable housing units are integrated within residential and mixed-use market-rate developments; and
5. Offset potential market-rate development revenue loss for constructing newly-created residential affordable housing units or lots through the use of zoning-based, non-financial and financial incentives.

Proposed Policy Design

Procedures Manual

Applicant Process Flow &
Policy Applicability Standards



Administration Manual

Ongoing Unit (Ownership & Rental)
Administration Procedures



Proposed Applicability Standards

Type	Zoning Districts
Affordable Housing Incentive Zoning Policy	Multiple

Proposed Applicability Standards

Total # of Incentives	Incentives
10	Higher Density Zoning District, Density Bonus, Building Height, Lot Width, Building Setback, RCA/Open Space, Parking, Sidewalk, Expedited Processing & Financial Assistance (Loans, Grants & Fee Reimbursements)

Proposed Applicability Standards

Minimum Development Unit Threshold	Minimum On-Site Affordable Unit %	Housing Tenure	Maximum Affordable AMI % (R) = Rental (O) = Ownership	Minimum Affordability Period
20 Units	5%	Rental & Ownership	60% AMI (R) 100% AMI (O)	20 Yrs. (R) 20 Yrs. (O)

2022 Area Median Income Limits (Raleigh, NC MSA)

Affordable AMI % & Income Category	Family Size 1 Person	Family Size 2 Person	Family Size 3 Person	Family Size 4 Person	Family Size 5 Person
80% AMI Low-Income	\$59,950	\$68,500	\$77,050	\$85,600	\$92,450
100% AMI Median-Income (Middle Income)	\$77,050	\$88,100	\$99,100	\$110,100	\$118,900

Source: U.S. Department of Housing and Urban Development (HUD), effective April 18, 2022

#	Job Title	Est. Average Annual Full-Time Salary	Affordable AMI %
1	Town of Apex Police Officer I	\$68,685	Median-Income 100% AMI
2	Town of Apex Environmental Staff	\$72,120	Median-Income 100% AMI
3	Town of Apex Firefighter	\$59,333	Median-Income 80% AMI
4	Kindergarten Teacher	\$43,790	Low-Income 60% AMI
5	Elementary Teacher	\$44,990	Low-Income 70% AMI
6	High School Teacher	\$45,810	Low-Income 70% AMI
7	Guidance & School Counselors	\$48,550	Low-Income 70% AMI
8	School Librarian	\$55,930	Low-Income 80% AMI
9	Pre-School Teacher	\$26,600	Very Low-Income 50% AMI
10	School Administrator (Elementary, Middle School & High School)	\$73,490	Median-Income 100% AMI

#	Job Title	Est. Average Annual Full-Time Salary	Affordable AMI %
11	Nurse	\$63,974	Median-Income 100% AMI
12	Town of Apex GIS Staff	\$75,726	Median-Income 100% AMI
13	Target Retail Worker	\$22,880	Very Low-Income 50% AMI
14	Costco Retail Worker	\$52,000	Low-Income 70% AMI
15	Insurance Representative	\$55,000	Low-Income 80% AMI
16	Bank Teller	\$30,642	Very Low-Income 50% AMI
17	Cashier	\$21,711	Extremely Low-Income 30% AMI
18	Host/Server	\$29,124	Very Low-Income 50% AMI
19	Physical Therapist	\$57,104	Low-Income 80% AMI
20	Hairstylist	\$33,381	Very Low-Income 50% AMI

Sales Price Data

Town of Apex Market-Rate Median Home Sales Price	Estimated 3 Bedroom Maximum Affordable Initial Sales Prices*	Estimated 4 Bedroom Maximum Affordable Initial Sales Prices*
<p style="text-align: center;">\$561,500 (July 2022)</p>	<p style="text-align: center;"><u>80% AMI (Low-Income)</u> \$256,200 @ 4.5% Interest Rate \$234,400 @ 5.5% Interest Rate</p>	<p style="text-align: center;"><u>80% AMI (Low-Income)</u> \$290,800 @ 4.5% Interest Rate \$266,000 @ 5.5% Interest Rate</p>
	<p style="text-align: center;"><u>100% AMI (Median-Income)</u> \$334,200 @ 4.5% Interest Rate \$305,700 @ 5.5% Interest Rate</p>	<p style="text-align: center;"><u>100% AMI (Median-Income)</u> \$377,400 @ 4.5% Interest Rate \$345,300 @ 5.5% Interest Rate</p>

*Affordable initial sales price assumptions include: 3.00% down payment, 97.00% Loan-To-Value (LTV), 30 yr. fully amortized fixed rate principal and interest loan, 4.50% - 5.50% interest rate, homeowners insurance @ 0.25%, property taxes @ 1.00%, VA utility standards @ 0.14 cents/sq. ft. based on a 1,800 sq. ft. home, HOA @ \$100/mo., monthly mortgage insurance @ 0.50%, 3 person family size AMI limit for 3 bedroom unit and 4 person family size AMI limit for 4 bedroom unit.

Financial Assistance vs. Zoning Based Incentives

Affordable Housing Income Category	Housing Tenure Type	Affordable AMI %	Other Provisions
Low-Income	Ownership	<p><u>Step 1:</u> (Min. 20% Set-Aside) Up to 60% AMI</p> <p><u>Step 2:</u> Up to 80% AMI</p>	<p>Financial Assistance <u>N.C. General Statutes</u> §157-3(12)(e) Financial Assistance = Min. 20% set-aside for person of low-income §157-3(15a) - Low-Income (up to 60% AMI) §157-3(15b) - Moderate-Income (generally accepted up to 80% AMI)</p>
Median-Income (Middle Income)	Ownership	<p>Above 80% AMI</p> <p><u>Other Categories:</u> 100% AMI - Median 110% AMI - Workforce 120% AMI - Moderate</p>	<p>Eligible w/Zoning-Based & Non-Financial Incentives</p>

Proposed Incentives

List of Incentives & Maximum AMI %'s

1	Higher Density Zoning District <i>Zoning-Based – Eligible Above 80% AMI</i>	6	Resource Conservation Area (RCA) Reduction <i>Zoning-Based – Eligible Above 80% AMI</i>
2	Density Bonus <i>Zoning-Based – Eligible Above 80% AMI</i>	7	Reduced Parking Reductions <i>Zoning-Based – Eligible Above 80% AMI</i>
3	Increased Maximum Building Height <i>Zoning-Based – Eligible Above 80% AMI</i>	8	Reduced Sidewalk Requirements <i>Zoning-Based – Eligible Above 80% AMI</i>
4	Reduced Building Setbacks <i>Zoning-Based – Eligible Above 80% AMI</i>	9	Expedited Processing <i>Non-Financial – Eligible Above 80% AMI</i>
5	Reduced Lot Widths <i>Zoning-Based – Eligible Above 80% AMI</i>	10	Loans, Grants & Fee Reimbursements <i>Financial – Min. 20% set-aside up to 60% AMI threshold</i>

End of Presentation

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Backup Slides

Proposed Policy Design

Step 1: Applicant Pre-Application Technical Review Committee (TRC) Meeting



**Receive Feedback From Key Town Staff
& Inform Applicant of Policy**

Proposed Policy Design

Step 2: Applicant Meeting w/Town Housing Staff



**Receive Overview of Policy & Information to
Develop Affordable Housing Proposal**

Proposed Policy Design

Step 3: Applicant Submits Affordable Housing Proposal



Reviewed & Approved By Town Staff

Proposed Policy Design

Step 4: Applicant Zoning Condition Language



**Reviewed By Town Staff & Submitted to Planning Board
& Town Council for Consideration**

Proposed Policy Design

Step 5: Lot Reservation Agreement

Lot Reservation Agreement



Recorded prior to Issuance of Building Permits for Affordable Housing Unit Lot(s)



Individual Affordable Housing Unit Lot(s)

Memorializes Affordable Housing Terms & Conditions of the Approved Zoning Condition

Proposed Policy Design

Step 6: Restrictive Covenant & Administration

Restrictive Covenant



**Recorded Upon
Purchase Closing**

Administration Option 1
Applicant

Administration Option 2
3rd Party (i.e. Habitat, CLT, etc.)

Administration Option 3
Town



**Lenders to Review &
Approve Restrictive
Covenant In Advance**

**Min. 20 Yr. Restriction
Period Starts
Upon Purchase Closing**

**Administration:
Monitoring (Resales,
Refinances, Property
Upgrades, Changes to Title,
Annual Occupancy
Verifications, Income
Qualifications, etc.)**