

A meeting of the Orange County Assembly of Governments was held in the Carrboro Town Hall Board Room on Thursday, September 29, 2005 at 7:30 p.m.

Carrboro Board of Aldermen Members Present: Mayor Michael Nelson, Mayor Pro Tem Diana McDuffee, and Aldermen Joal Hall Broun, Mark Chilton, Jacquelyn Gist, John Herrera, and Alex Zaffron

Chapel Hill Town Council Members Present: Councilmen Sally Greene, Mark Kleinschmidt, and Jim Ward

Chapel Hill Town Council Members Absent: Mayor Kevin Foy, Councilmen Ed Harrison, Cam Hill, Bill Strom, Dorothy Verkerk, and Edith Wiggins

Hillsborough Town Commissioners Present: Commissioner Eric Hallman

Hillsborough Town Commissioners Absent: Mayor Joe Phelps, Commissioners Frances Dancy, Michael Gering, Evelyn Lloyd, and Brian Lowen

Orange County Board of Commissioners Present: Chair Moses Carey, Commissioners Valarie Foushee, Alice Gordon, Barry Jacobs

Orange County Board of Commissioners Absent: Commissioner Stephen Halkiotis

Mike Nelson welcomed all participants to Carrboro.

Moses Carey thanked Alderman Broun for adding the two additional items to the agenda (District Election of County Commissioners and Solid Waste Issues).

PRESENTATIONS ON THE STATUS OF AFFORDABLE HOUSING IN ORANGE COUNTY

Roy Williford, Carrboro’s Planning Director, made a presentation on affordable housing policies and ordinance provisions endorsed by each unit of government.

Tara Fikes, Orange County Housing and Community Development Director, made a report on the County’s Affordable Housing Plan.

Jacquelyn Gist asked if there has been a study on substandard rental housing. She stated that the Assembly of Governments passed a resolution a few years ago asking for that, but she had not seen anything.

Tara Fikes said that it has not yet been done, but it would be done.

Alex Zaffron asked if Carolina Springs could be added to the housing inventory.

Joal Broun suggested that thought be given to asking for what is common to large urban needs for the rest of the state when we go before the legislature.

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DEFINING COUNTY-WIDE GOALS

Joal Broun asked if the percentage of affordable housing should be increased, or should we be satisfied with the current requirements.

Mark Chilton stated that Chapel Hill and Carrboro have established goals. He asked if Orange County and Hillsborough have goals.

Eric Hallman stated that Hillsborough has looked at what other jurisdictions have done, and they have a project coming up that will add 17 new affordable housing units. Hillsborough will be taking a look at affordable housing requirements.

Moses Carey stated that cooperating with others is a priority for the County as evidenced by the number of projects the County has participated in the bond issues before the public encouraging affordable housing. The Comprehensive Housing Strategy coming out on Monday will help define what some of the gaps are. The

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County has not discussed a specific goal or number of units. The County has discussed energy and money to stimulate affordable housing in the county's jurisdiction.

Jacquelyn Gist stated that because the land is cheaper in the county, she stated concern that all the affordable housing will be constructed outside the municipalities. She stated that she worries about the social dynamic that would create an exclusive community.

Mark Kleinschmidt stated that Chapel Hill encourages integrated affordable housing in every development, and they are well on the way towards producing the county's first inclusionary zoning ordinance.

Sally Greene stated that the 15% affordable housing goal in Chapel Hill is actually a soft 15%. The first option for developers is the small house, which is not necessarily affordable, and whatever it is can explode to a big house in 2 1/2 years. The second option is the affordable house. The developer can choose payment in lieu.

Diana McDuffee asked where the 15% affordable housing goal came from. She stated that building outside of the three towns is a different situation.

Jim Ward said he gives Kevin Foy credit for the 15% goal. The idea was to push developers but not too much so they will seek legislative relief. It is possible that the 15% goal could be increased.

Mark Kleinschmidt said that in Larkspur, all the houses are beautiful and you cannot tell which is affordable. Developers worked with the Land Trust to make 15% permanently affordable.

Barry Jacobs asked how the density bonus works in Carrboro and Chapel Hill.

Sally Greene said that the Habitat folks used it for the Rogers Road development.

Alex Zaffron stated that the density bonus was ineffective, but since the small house ordinance was adopted, Carrboro has started seeing production. He stated that the 15% goal has been shown to be effective in several states.

Barry Jacobs said that with no water and sewer to speak of, it is difficult to encourage density in the County. The County is working on economic development districts that will have water and sewer, but the municipalities have annexed some of it. There have been two major subdivisions in the last years. The inevitable outcome of the rural buffer is that we need higher density. It is hard for people in any neighborhood to accept – consequence of supporting rural buffer – we have to deal with it in a proactive way. Is it legal in North Carolina to transfer development rights?

Mark Chilton stated that with lower income housing, it is not the best policy to set people up with septic systems because they call for \$10,000 to be rebuilt down the road and there is no way for a family to afford that 20 or 30 years down the road. The risks are not there with a sewer system with the infrastructure costs spread across a lot of different customers. Building housing in rural areas that are five to fifteen miles away from shopping and employment is not good environmental planning. In addition to transferring development rights into the municipalities, he suggested transferring development rights to areas of the County that are served by sewer and looking at denser development in those areas.

Barry Jacobs suggested that density be moved to areas where services are available.

John Herrera stated that he hears from developers that the development process is too long, and suggested that the process be streamlined for developers who wish to provide more than the required amount of affordable housing. What incentives can we provide to streamline the process that we have? If it takes longer the consumer pays for it. Who is? We should be looking at ways to set goals to reduce cost so we benefit everyone living in our community.

Jacquelyn Gist said that two years ago, Carrboro officials met with homebuilders about policies and procedures that drive up the cost of housing. The number of times that developers have to bring back revised plans along with taxes increase the cost of housing. She stated that she would like to see the report from the town staff concerning this meeting.

Mark Kleinschmidt said that he hears from developers about the process being so long. There is nothing to excise from the process. They need to take some of the process and remove it from the part that costs money, i.e., use the concept review process before they pay a lot of money.

Diana McDuffee stated the developers have to keep resubmitting plans because they do not have things worked out, i.e., stormwater, open space, vernacular architectural standards, etc.

Jim Ward stated that if there was a way to reduce process costs, it does not mean the consumer will pay less. The market drives the price of the house.

Eric Hallman stated that he would like to see us focus on the consumer.

Moses Carey stated taxes and fees add to the cost of housing but he is not convinced it is the problem.

Sally Green asked how vernacular architectural standards translate to affordable housing.

Alex Zaffron said the primary purpose of the vernacular architectural standards is to ensure that the affordable housing blends in with market rate houses.

John Herrera stated that the governments need to agree on common goals for affordable housing.

Joal Broun stated that all the boards look forward to seeing the Orange County Comprehensive Housing Strategy coming out on Monday.

Jim Ward said that a major player is the University and they need to be part of this conversation. He stated that he is delighted to hear from the Chancellor that they are considering an affordable housing project in Carrboro's jurisdiction. He stated that he wants to work with the University and maximize those opportunities.

JOINTLY - OWNED GOVERNMENT LAND

Joal Broun asked how we develop affordable housing on land that is jointly owned by the governments, and what avenues are there to develop that property.

Alex Zaffron stated that it was agreed that affordable housing was going to be part of the Greene Tract. There are infrastructure challenges (extension of sewer lines).

Moses Carey suggested that the agreement be reviewed to determine what the various governments were required to do in order for the County to move forward.

Jacquelyn Gist asked if staff could review what the agreement states.

Rod Visser, Assistant County Manager, recapped the work of the Green Tract Work Group. The group met in 2001 and 2002 and reached its recommendations. A resolution was adopted in 2002. Of the 104 acres on the south side, 18 acres would be oriented toward affordable housing. The other acres would be a conservation area.

Joal Broun asked about infrastructure changes since the work group meetings.

Rod Visser said that Rush Hollow has the closest water and sewer.

Joal Broun said that as time passes, the cost of construction increases and we cannot control it, and encouraged discussion of this affordable housing.

Mark Chilton said we need a plan for development of the Greene Tract. Neighbors need to participate in discussion along with affordable housing organizations and potential consumers. He suggested rental and ownership opportunities. The sooner we start having dialogue as a community, the sooner we will have a plan and discuss where the funds will come from to construct the infrastructure. He suggested that during 2006, we bring together stakeholders to flesh out a plan for that area of the Greene Tract.

Joal Broun suggested having a committee to get it started to come back to all the boards for discussion.

Alex Zaffron stated that the next step was to prepare a small area plan for that property.

Barry Jacobs referred to Fred Battle's letter regarding the Rogers Road community. We talked about having recreation on the Greene Tract and that is discussed in Mr. Battle's letter. The lack of bus service is also mentioned in the letter. One of the things that has been a hindrance is that none of us want to pay our share of the solid waste enterprise fund for our share of the Greene Tract. Until the County owns the land, it is difficult to do anything on it.

Moses Carey said that we targeted dates when payment needs to begin. He stated that passive recreation was also discussed for the Greene Tract.

Alex Zaffron said it was left as an open question as to whether passive or active recreation would be allowed.

Jim Ward said that the Chapel Hill Town Council has expressed interest in doing a small area plan for that general area. It is important that the Chapel Hill small area plan process dovetails with development of the Greene Tract. The Chapel Hill staff will not be able to work on the small area plan until next year

Mark Kleinschmidt encouraged Carrboro and Orange County to kick in some resources to begin the small area plan process earlier. He stated that it would be a shame to prepare a small area plan for the 18 acres and not include the remainder of that property.

Alex Zaffron said that it makes sense to include the 18 acres in the small area plan. He stated that Chapel Hill should take the ball and run with it and we can provide assistance and input.

Alice Gordon said that seeing details of the agreement and plan would be helpful in getting started with this. There are financial implications that are part of it.

John Herrera asked if the County and Chapel Hill provide assistance for sewer connections.

Barry Jacobs stated that the County provides a subsidy for hookups to the Rogers Road waterline.

John Herrera stated that a subsidy for sewer connections would be good for the residents of the Rogers Road area.

Mark Kleinschmidt stated that Chapel Hill provides assistance for sewer hookups.

MECHANISM TO REACH THE GOAL

Alex Zaffron stated that use of low-income tax credit programs have not been used since the Carolina Spring complex jointly between Carrboro and the County. Now that we have agencies in place to manage and research how to put projects forward, we can focus on that as one of the key tools that we use.

Jacquelyn Gist asked about federal government changes that would impact both the low income tax credit program and CDBG monies.

Tara Fikes stated that there has been discussion about eliminating the CDBG program and that most housing programs are vulnerable.

Mark Chilton said that low-income housing tax credit projects are the most difficult and competitive federal housing programs out there. It is great if you can get it, but it is a very competitive process. He stated that Club Nova is in part a low income tax credit project. The N.C. Finance Agency makes it almost impossible to have it funded unless you have done this type of project before. Orange Community Housing and Land Trust did a project of this type recently. It does not have to be a new construction project to use the low - income tax credit program. There are many places where developers have taken poor housing stock and used tax credit money to renovate apartments. There are several opportunities along N.C.54 and 15-501 to apply that technique.

Alex Zaffron said the competitive nature of the program is why Carrboro and Orange County had to work out a mechanism to ameliorate the impact fee costs that were built in. There are useful applications for it and have been underutilized.

Mark Chilton stated that a number of discussions had been held recently about the partnership to end homelessness. The concept is to take a new and different approach toward dealing with the homelessness problem. Begin by providing housing first, and then provide supporting services. Part of the concept is to look at point and time surveys to determine how many chronically disabled people and homeless for a year or more. There are 70 in Orange County in that situation – without a home for more than a year - without any prospect for being self-supporting. The proposal is we make a commitment as a community to build/acquire 70 units for these people. It is not about finding a job. We need to create 70 new deeply subsidized affordable rental units in our community, providing 100% capital subsidy. It would take about \$7 million dollars in order to meet that goal.

Moses Carey stated that they were already paying more now for different services and the cost will go up if we neglect it and do nothing about it.

Sally Greene stated that the plan that we will undertake would be a complex, multi-layered plan. We will need to engage in a lot of research to figure out where the money is. Part of what will be done early in the process is to get our own statistics to provide services to homeless people.

John Herrera asked about the ratio of homeownership versus rentals in the county.

Mark Kleinschmidt stated that he thought it was 42% homeownership in Chapel Hill.

Roy Williford stated that it was around 65% in Carrboro.

Diana McDuffee asked how we would come to an agreement that 15% of new housing would be affordable in the municipalities. If there were a goal put in place, it would give all of us more strength to ask for affordable housing from the University for Carolina North and others. More density is needed inside the rural buffer. It is hard to stand up for more density when citizens come to public hearing and speak against density. It is encouraging to see so much agreement among the members of the Assembly of Governments about affordable housing.

L. Eric Hallman stated we need to expand our vision beyond single-family homes.

Barry Jacobs said that part of the cost of health care for homelessness should come from the University. It has a stake in finding homeless folks housing. He expressed his desire to see mobile homes and manufactured housing and make sure mobile home parks stay in business. They provide great affordable housing. Orange County has more mobile homes than almost any county in the state because of the lack of restrictions.

Moses Carey stated that it was encouraging to hear municipal officials talking about increased density inside the rural buffer.

Alice Gordon asked if the concept of transfer development rights is feasible within the Towns because that would work in the direction of more density.

Alex Zaffron said that this concept has been discussed. The transition areas within urban services boundary are primary receiving areas. There are legal questions about whether enabling legislation will be required or not. The last time it was discussed, there was agreement that the County and Towns could cooperate. It is a win/win mechanism.

Mark Chilton said that the 15% goal is different in the County. Maybe where that goal needs to be focused on is if you transfer development rights for 100 units, 15 have to be affordable, for example.

Mark Kleinschmidt suggested making it a requirement of developments.

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Sally Greene stated that the Chapel Hill Comprehensive Plan has preservation of the urban services boundary and at the same time increasing density as goals. They are looking at adding 300 housing units downtown with their redevelopment project. They have opportunity zones for dense developments along transit corridors. The concept is not foreign to Chapel Hill.

DISTRICT ELECTION OF COUNTY COMMISSIONERS

Moses Carey said that a group of residents in Northern Orange County petitioned to change the current at large system of electing county commissioners to one of electing commissioners by district. A couple of public hearings were held in August. There was momentary diversion with a bill that was submitted in the Legislature to impose a specific plan on the residents in Orange County and we exerted a lot of energy to keep that from being imposed on us. We have heard input from residents from both ends of the County. Next step is for us to discuss several options on district election of County Commissioners in an October 17th in a work session. The commissioners will act on one of the options before the end of November. One option for changing the system includes a countywide referendum on any option that the County Commissioners select for implementation.

Alice Gordon said the major issues are: Who votes? How many districts will there be? Do only the people who live in districts vote or does everyone vote for them? One method is to ask those that vote if they want the change. Even though Commissioners are distributed well geographically, people in rural parts of the County

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want to elect someone who shares their philosophy. The commissioners are on track to come to some kind of solution this year.

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Barry Jacobs said they were a five-member board and asked if a smaller group is more or less effective.

Joal Broun stated that she would not want the membership of the County Commissioners to be too large. She stated that Guilford County has an 11-member board and it is a very dysfunctional county commissioner system. There is no core vision for the county.

Jacquelyn Gist said that five members are too small; it is not enough to carry the load of work. Five members are too small for the level of decision that has to be made.

Jim Ward said that he has heard that five is a small number to deal with all the work of the board. Chapel Hill does fine with nine, but would do fine with seven. Five is too small.

Mark Kleinschmidt said he feels it is about workload sharing. We set up our government on purpose to slow down. If we divided Chapel Hill into wards, it we would be a much more contentious council. If you live in the northern part of the County, there is no way to get someone on. He said that the commission needs to be larger than five members—it doesn't necessarily need to be divided up into districts.

Mark Chilton stated that he has worked on boards with nine and seven members and either one would be fine, but he would lean towards the notion of seven members. Do districts have to be defined by townships? He stated that he is persuaded that the north end have some districts of some kind.

Jacquelyn Gist stated that it might be better if the Chair of the County Commissioners was elected, instead of being appointed by the Board.

Joal Broun said there would have to be enabling legislation to change the way the County Commission Chair is elected.

[Alex Zaffron left the meeting due to a work commitment.]

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SOLID WASTE ISSUES

John Link, Orange County Manager, stated that both Chapel Hill and Carrboro had responded to Moses Carey's August 10th letter regarding the County's idea of extending water and sewer to the County's new solid waste facility to be located on Eubanks Road. This facility is being proposed for this site because the current facility is located off Airport Road on University property. It seems to be very functional to combine administrative staff with solid waste staff located on Eubanks. Although the MSW landfill will reach capacity by 2010, at least through 2020 there will be solid waste operations where they are now located. It is believed that the County will be using this facility for the next 20 years at least. It is a good idea to have the facilities all together.

Rod Visser, Assistant County Manager, stated that in April there was approval of a conceptual design. The County Commissioners want sizeable meeting space to accommodate training area for staff, community meeting space, public meeting space, and educational facility for students. He stated that the property is located just inside the rural buffer and has an approved perk site. The building can be located closer to the road if sewer is provided to this property. The County Commissioners have approved a pump and lift station. The ultimate design will be subject to OWASA's approval.

John Link said that the co-location of these two facilities is part of a master plan that the County Commissioners have been working on for three or four years. He stated that they feel the operation of the solid waste facility is an essential service and thinks it meets the criteria in Section 3 of the water and sewer boundary agreement.

Mark Kleinschmidt asked how the meeting space is an essential public service.

John Link said they want the facility large enough for meetings of staff, municipal employees, and school students.

Mark Kleinschmidt stated that the need for the landfill is essential but he does not see the need for water and sewer for a meeting space. You would not propose a meeting space and then say it was an essential public service.

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Moses Carey said that they would say the meeting facility was an essential service by itself. The function of a solid waste facility, along with the activities that go along with it that are not being adequately met now, is a combination of the two that makes it an essential public facility.

Diana McDuffee said she thinks you do need meeting space in that part of the County. Her current voting precinct is at Homestead Center and it is very inadequate. She hopes it can be used as a precinct. However, what she sees most attractive is running it down Rogers Road instead of down Eubanks Road. The neighbors of the landfill wanted water and sewer.

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Paul Spier, with the Orange County Solid Waste Division, stated that it would have gravity flow into system developed by Chapel Hill when they put their facility on Mill House Road. It will not have a pump station..

John Herrera stated that Carrboro just annexed all those neighbors in that area. He stated that he feels the County will have a stronger case for sewer if the sewer was offered to the Rogers Road neighborhood.

Sally Greene asked what functions are currently not being well served.

Moses Carey said the educational functions associated with solid waste management operations are not being served. The municipal staffs and county staff could use the facility to conduct activities that cannot be done at the current site.

Pam Jones, an Orange County employee, stated that there would be demonstration areas for composting and recycling. The schools bring busloads of school children out now and the current building cannot accommodate them.

Sally Greene said the question is whether the educational function is an essential public service.

Pam Jones stated that it is an essential operation to the facility. It is difficult to split the two uses. Solid waste staff on a daily basis will use the meeting space.

Sally Greene stated that it did not strike her as an essential public service.

John Link said that Section 3 of the Water and Sewer Agreement does not define "essential service." Elective bodies will have to wrestle with it. Going down Rogers Road in terms of the sewer might well be a good idea for the three governing bodies to consider outside the enterprise process of the solid waste facility because we use solid waste fees and tipping fees to operate the primary services of the landfill process. The aspect of using solid waste revenue is not something that we can do.

Joal Broun stated that members of the Carrboro Board of Aldermen feel strongly about connecting the Rogers Road neighborhood. She voted against the transfer because the deal made for the neighbors was a poor one. Six years later we have had a growth among pockets of neighborhoods developed under different ordinances that have water and sewer because the other previous neighborhoods were developed without water and sewer. We undervalue having individuals to live next to a landfill, economically what that means and socially what that means. If they were that popular, people who were living in million dollar houses would be living next to the landfill. Let us look at this really critically. It is narrowly in the rural buffer. They live next to the landfill and we do not have to.

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Mark Kleinschmidt stated that this area will be part of Chapel Hill--we want that community. It is a community that we value. It is setting up a false dichotomy to say that because we do not want to punch into the rural buffer to put water and sewer in, and to go against what has been a long-standing agreement of three governments that it is somehow an insult to the Rogers Road Neighborhood. We do not have to compromise that value. A small area plan has been a priority of mine for the past for years and it is a top priority to get that done for the council. We want to get that done – every opportunity that we have to get the sewer line pulled up into that area, we have done. What we have before us right now is the addition of what is an ancillary activity to what is an essential public service that does not need water and sewer.

Joal Broun asked if they have to wait another six years to get sewer.

Mark Kleinschmidt said half have gotten it in the last two or three years.

Jim Ward said he feels strongly that this line of the rural buffer is something he does not want to cross until he fully understands the ramifications of penetrating into it with water and sewer. He would not want to cross that line, not knowing what is in that Pandora's box. The idea of using this as an opportunity to get sewer in this area to get in Rogers Road without crossing rural buffer sounds great. Additionally, looking to Chapel Hill and town operation facilities in terms of its ability to provide some of this meeting space for you. You are saying

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that the landfill capacity will be used up in five years, and recycling and solid waste construction is fifteen years that is a wink of the eye. He stated that he would rather see us invest in something else. I hear that you need those meeting spaces but it is not a good enough reason to put sewer into the rural buffer.

Mark Chilton stated that several Carrboro Aldermen spent a lot of time in the Rogers Road neighborhood meeting with those neighbors and advocating for them. We were all very disappointed that this community decided we did not have the resources available to put sewer in the Rogers Road neighborhood. Nothing could be more ironic than for sewer to be run some other way to serve the same purpose using the same fund that could not find money to run sewer along Rogers Road can now find money for Eubanks Road. There is no way he can support a sewer on Eubanks Road.

Moses Carey said the County Commissioners' goal was not to serve any community--it is only to serve that facility. The Water and Sewer Boundary Agreement was designed to take into consideration this kind of need in declaring a facility such as this an essential public service. Any one of the jurisdictions could be in a position of providing such a facility. The facility cannot serve any of the functions other than administrative if public sewer is not available to it. Our board thinks this is an essential public service that meets the criteria in the water and sewer boundary agreement.

Joal Broun thanked everyone for coming.

The meeting was adjourned at 10:12pm

[Michael R. Nelson](#)
[Mayor](#)

[Sarah C. Williamson](#)
[Town Clerk](#)