

Karen Stegman, Candidate for Chapel Hill Town Council

1. What are the highest priority affordable housing issues in your community?

Most important priorities: Rental housing, Affordable homeownership, Senior housing, Critical repairs, Mobile homes, Permanent housing for homeless

2. Should local government provide more money or less money to support affordable housing in your community?

Much more money. The reality is that many of our neighbors are paying much more for their housing than is reasonably affordable. As a result, some residents have to sacrifice other family necessities in order to keep a roof over their heads. More than 40% of all renters and 12% of all homeowners in Chapel Hill are severely cost-burdened, paying more than half their total income on housing. In the meantime, our most urgent need and the biggest bang for the buck must continue to come from systematic efforts to expand the supply of dedicated affordable rental and owner-occupied housing through well-resourced local affordable housing policies that leverage available federal and state resources with steady, stable, reliable municipal funding. We need to prioritize increasing the stock of affordable rentals and ownership to ensure that we remain an inclusive, diverse community and an attractive town for businesses. I will champion these efforts, including advocacy for additional funds towards our affordable housing goals. The Town must also continue to leverage our local non-profits to maximize impact, working with organizations like CASA, DHIC, Habitat for Humanity, and the Community Home Trust. For example, the Town has a record of success with the Home Trust, which now has an inventory of nearly 250 permanently affordable homes, through a combination of our inclusionary zoning ordinance and direct subsidization by the Town. Additionally, we need to keep pressure on developers to fulfill agreements made under the inclusionary zoning ordinance, and do more with UNC and UNC Healthcare, as major creators of the need for affordable housing, to make sure they do their part. Recognizing the extent of the need for low-income housing, the Town Council has begun discussions about putting an affordable housing bond on the ballot next year, for possibly as much as \$10 million. I heartily support this ambitious project and look forward to having a voice in planning for it.

3. Do you support donating surplus government-owned land to affordable housing developers?

Yes. The Town must use every available tool to address the crisis in housing affordability at all income levels. I absolutely support donating surplus properties to affordable housing developers. The Town should prioritize continuing the current practice of using accessibly located (proximity to transit) surplus government properties for affordable housing development as part of a comprehensive strategy to address our Town's affordable housing crisis. In fact, one example of where the Town has been successful is the DHIC project on Legion Road. The Town contributed 8 acres, getting 149 affordable rental units in return. One of the exciting elements of this type of partnership is the opportunity for the Town to build at scale. While mixed use development is an important strategy, it is also very important to create opportunities to build affordable units at scale in order to meet our growing need.

4. Do you think local jurisdictions do an effective job coordinating housing policies and programs with other jurisdictions in the county, including Orange County government?

Moderately effective. I believe there is room for improvement in how well the Town coordinates and collaborates with affordable housing initiatives countywide. My understanding is that the town manager has regular conversations with the county manager about this issue and that there is an emerging plan to engage a broader group of stakeholders. In the interest of investing our collective time and money most efficiently and productively, this conversation can't come a moment too soon. The Greene tract is an example of a lack of effective collaboration between municipalities, but I am encouraged that there is now a group working to move this plan forward, at long last. It should not have taken 15 years to reach this point, but I will push to make sure these important efforts move forward.

5. What's one example of an affordable housing program or development that you think worked well. Please explain why you think that was successful and how you will support more of these successes in the future.

In seeing so much of the market turn to rental, Chapel Hill is aligned with a national trend, and we face the same challenges faced by other cities that are desirable places to live. With affordable rental housing, the target income ranges of the people in need are considerably lower than for home ownership: typically 60% of area median income and below. Reaching these levels requires substantial subsidies, and the need for partnerships intensifies. An example of a partnership well on its way to delivering affordable rental housing is the DHIC low-income housing tax credit development in Blue Hill (the Ephesus-Fordham form-based code district). Its success is encouraging other nonprofit housing developers, such as CASA, to go in this direction, and it opens the possibility for fruitful discussions with SECU and other organizations potentially interested in providing housing for schoolteachers, Town employees, and other specific populations. I look forward to being a part of new conversations toward these ends.

6. Will you support a Town of Chapel Hill bond referendum that includes funding for affordable housing?

Yes. As stated above, recognizing the extent of the need for low-income housing, the Town Council has begun discussions about putting an affordable housing bond on the ballot next year, for possibly as much as \$10 million. I heartily support this ambitious project and look forward to having a voice in planning for it.

7. At this time, the task force assessing the American Legion Post property owned by the Town of Chapel Hill has not included recommendations for affordable housing. Would you support affordable housing being developed on a portion of the property?

Yes. In principle, my answer is yes. Town-owned land is an extremely valuable asset, and what prevents more modestly priced housing from being built is largely the high price of land. I hope it is still not too late to consider a donation of some portion of the property's 46 acres for the purpose of creating affordable housing. I understand that at the initial charrette, a number of people suggested affordable housing as a desired use. But the thinking of the task force has gone in other directions. The critical question that must be addressed in the coming months is whether to sell off a certain number of acres fronting on Legion Road at market rates, in order to recoup a substantial portion of the approximately \$8 million the Town has agreed to pay for the land. This is the expressed interest of the current Town Council, and I support that outcome. We know that every tax dollar is critical. Money not needed to pay for the Legion Road property would be useful to supporting affordable housing more broadly, or other worthy initiatives. I see it as a matter of fiscal responsibility that the Town should look to recoup some portion of the price of this valuable property.