



Housing Authority of the Town of Beaufort

— 716 Mulberry St., Beaufort, NC 28516 —

Tel: (252) 728-3226

www.beauforthousingnc.com

Frequently Asked Questions and Answers Affordable Housing Zoning District and the Beaufort Housing Authority (BHA)'s Plans

Questions about the Zoning

1. Why does the BHA need an affordable housing district (AHD)?

- a. BHA needs an AHD in the zoning ordinance because it will provide flexibility and allow for planned and phased replacement of existing public housing while providing new housing units for those who need affordable and workforce housing.
- b. An AHD will make sure housing is focused on affordable and workforce housing while providing adequate review by the Town officials.
- c. According to the US Department of Housing and Urban Development (HUD), local zoning can help affordable housing. HUD encourages pro-housing land use and zoning reforms. According to HUD, "Local land use regulations and zoning rules contribute to the national housing supply crisis by artificially limiting housing construction and increasing costs." BHA wants to work with the Town to create the AHD so that we can avoid the problems other communities across the nation experience. BHA has carefully studied how AHD zoning can work, and BHA asks for your support in providing good quality housing in our community.

2. What should the AHD include?

- a. At a minimum, BHA respectfully requests:
 - i. 40' height maximum outside of the historic district,
 - ii. 1.5 parking spaces per unit, and
 - iii. density of 16 units per acre.



Equal Housing Opportunity



- b. This will allow the BHA to achieve a result that will bring maximum quality to the BHA's property while making the new development financially viable.
 - c. The BHA is committed to ensuring that its housing is an improvement over existing housing and will be in harmony with Beaufort. The AHD will allow that to happen.
 - d. Additional requirements would be acceptable and demonstrate BHA's willingness to work with the Town:
 - i. 80' lot width and applicable setbacks.
 - ii. Addition of day care to permitted use.
 - iii. 12% open space
3. **Will the AHD automatically apply to BHA property?** No. The BHA will still need to apply for AHD rezoning for BHA property. This added step provides more opportunity for comment and review.
4. **Who can build in the AHD?** To build in the AHD, property must meet **two** sets of criteria:
- a. The AHD must be owned by one of the following: United States federal government, the State government, the Town government, or the BHA (a Chapter 157 authority) AND
 - b. The property must follow rent and occupancy requirements set by HUD for workforce and mixed income affordable housing developments.

The real-life impact of the AHD is that only BHA can develop in the AHD. The federal, state, and Town governments have the option of getting involved, but those options are remote. Regardless, anyone developing in the AHD must still meet HUD requirements. These criteria make sure the housing development is for the public good and receives an additional layer of community oversight, which is unlike a purely private market-rate housing development.

Questions about BHA's Plans

- 5. **What has BHA done to inform the public about its plans?** BHA has made extensive and repeated outreach to the public, including tenants and local Town officials. The attached list highlights key dates in BHA's efforts. BHA is committed to more outreach efforts.
- 6. **Does this AHD allow BHA to begin construction?** No. It is important to keep in mind that BHA's plans **still need to be approved as zoning map amendments**

(which will come in the next months) **and plan review approvals** (which will come once the zoning is approved and the architect completes preliminary plans).

7. How will the Town pay for the new BHA housing?

- a. The Town will not need to pay for the new BHA housing if the requested AHD is approved.
- b. The BHA can finance the new construction through a variety of state and federal grants and tax credits. Each of these state and federal programs come with rules that will protect tenant rents and help make sure the housing is good quality construction. The Town will not be asked to pay for the redevelopment. Taxes will not be raised to support BHA's redevelopment.

8. Will BHA's new construction come on fast?

- a. No. Construction will be phased in over at least six years, and likely will take eight years to complete.
- b. This is not a “boom and bust” approach. It is carefully planned phased development being built in accordance with HUD regulations as well as oversight from the N.C. Housing Finance Agency and the Town.

Questions about RAD and Funding Options

9. What is RAD? RAD is a HUD program designed to help pay for public housing to be rebuilt or renovated with better quality units. According to HUD, there are five key things to know about RAD:

- a. RAD allows public housing agencies to **leverage public and private debt and equity to reinvest in the public housing stock**. This is critical given the backlog of public housing capital needs - estimated at over \$35 billion.
- b. In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed in perpetuity. A Use Agreement is also recorded under RAD further enforcing HUD's long-term interest. **This ensures that the units remain permanently affordable to low-income households.**
- c. Residents benefit from a right of return, a prohibition against re-screening, and robust notification and relocation rights. Residents continue to pay 30% of their adjusted income towards the rent, **maintain the same basic rights** as they possess in the public housing program, and gain a new option to request tenant-based assistance if they wish to subsequently move from the property.

- d. **RAD maintains the ongoing public stewardship** of the converted property through clear rules requiring ongoing ownership or control by a public or non-profit entity.
- e. RAD is highly cost-effective, **relying on shifting existing levels of public housing funds to the Section 8 accounts** as properties convert.

10. Is RAD the only option? No. RAD is not a "take it or leave it" program. RAD offers a range of options that allow public housing to be renovated or built new—all for the benefit of the tenants and the community. RAD works with LIHTC funding plans, homeownership options, mixed-use plans, and many other options for developing affordable and workforce housing.

11. Why RAD? RAD is HUD's way to protecting current public housing tenants from being left out of the redevelopment or new construction. RAD imposes strict regulations on BHA and Winn that makes sure current tenants are given the right to the new units without any increase in rent. RAD then allows investors to finance additional units for affordable housing, workforce housing, homeownership options, and similar arrangements. RAD and the investors together allow public housing to receive significant improvement without spending tax dollars on new construction projects.

Key Dates in the BHA Redevelopment Process

- August 15, 2018 - Resident Information Meeting about HUD's RAD Program
- September 4, 2018 – HUD RAD Application Submitted
- December 6, 2018 – HUD awards BHA a Commitment to Enter into a Housing Assistance Payments Contract (also known as a CHAP award)
- 2019—additional research to evaluate RAD and redevelopment options. Consultants and legal counsel provided input.
- 2020—Carteret County housing study prepared and released
- 2020-2022—Covid-related delays.
- April 26, 2022 - BHA Board discusses moving forward with new RAD proposition. Board authorizes preparation of a developer request for qualifications (RFQ).
- June 1, 2022 - RFQ Officially Issued (Posted to BHA Website, and sent out to 100+ developers) Town officials were notified of the release of the RFQ.
- July 7, 2022 –BHA answers developers' questions on BHA Website
- July 18, 2022- RFQ Update Meeting. Mayor Harker attended.
- August 1, 2022 - RFQ Responses Due
- August 11, 2022 – Remote interviews applicant developers
- August 23, 2022 – In-person interviews with top two applicant developers
- August 30, 2022 - BHA Board voted on Resolution to select Winn as Co-Developer. Mayor Harker present at meeting.
- September 1, 2022 - Co-Developers Notified of Award (Winn) or Rejection (Others)
- October 10, 2022 - BHA and Winn sign a non-binding term sheet and agree to prepare a comprehensive Development Agreement.
- October 10, 2022 - Presentation at Town Board of Commissioners meeting of Winn and overall project goals discussed.
- October 2022—Town Board of Commissioners encourages BHA to proceed with its efforts.

- April 2022 through October 2022 - RAD Updates & Facts published in BHA's monthly newsletters that are distributed to all residents.
- November 1, 2022 – Information session with BHA, Winn, and Town Officials to discuss overall project.
- January 17, 2023 - Initial Presentation/Request to Planning Board for Affordable Housing District (AHD) – However, the presentation was not made because the Planning Board did not have enough attendance for a quorum.
- February 20, 2023 - Planning Board Meeting – Discussed request for AHD - vote tabled to next meeting.
- February 24, 2023 – Final Development Agreement executed between BHA and Winn - Press Release posted.
- March 20, 2023 - Planning Board Meeting – AHD approved with modifications from proposal.
- April 24, 2023 – Board of Commissioners Workshop- Forwarded to May 8, 2023 Board Of Commissioners Board Meeting and Public Hearing.

