



CARY

Housing Plan

OCTOBER 2022

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00 EXECUTIVE SUMMARY

The Cary Housing Plan lays out specific strategies for Cary to implement the goals of Imagine Cary while aligning housing policies and programs with the community's values.

CARY HOUSING PLAN OVERVIEW

Cary is a community of choice within the Research Triangle region, with an increasingly diverse and educated population of approximately 179,000 (in 2021). Recognized for high quality schools, parks, and public amenities, Cary is a highly desirable location to live and work, with increased demand for housing due largely to migration and a growing corporate presence in the Triangle. In 2017, Cary adopted a new comprehensive plan, the Imagine Cary Community Plan, which lays out a vision for the future, including retaining Cary's established, attractive residential character while facilitating the development of walkable urban nodes with higher densities and mixed uses. Building on successes, the plan recognizes the growing diversity, including a high percent of international residents and an aging population because seniors are choosing to stay in Cary. These dynamics provide opportunities for additional housing options to meet the needs of a range of residents.

Cary's property values are evidence of the successful efforts to create and support a high quality of life. At the same time, increasing market pressures can result in challenges for some residents and impact the quality of older housing. Though Imagine Cary outlines policies to guide housing development in Cary, this plan provides more specific guidance to implement the policy vision and meet the housing needs of Cary residents.

The Cary Housing Plan ("Housing Plan") lays out specific strategies for Cary to implement the policies of Imagine Cary while aligning housing policies and programs with the community's values. Underpinning this plan is the idea that Cary will remain a community of choice for the region and maintain a high standard of living for all residents.

GOAL 1

Continue to be a community of choice by ensuring high-quality and diverse new housing development

What it Means

- Foster **strong, healthy neighborhoods**
- Ensure housing development supports **environmental quality**
- Sustain **economic growth** through housing policies and programming
- Support **Transit-Oriented Development (TOD)** along planned transit corridors

Actions to Take

- Ensure housing staff participates in rezoning process for residential projects
- Develop a guide to housing priorities to be used in the review of proposed housing developments
- Amend zoning regulations to expand the potential for Accessory Dwelling Unit (ADU) and Utility Dwelling Unit (UDU) development
- Ensure access to parks, tree canopy, open space, and greenways are equitable

GOAL 2

Ensure that Cary residents can enjoy the full benefit of Cary's high quality of life

What it Means

- Support the **rehabilitation and preservation** of existing housing
- Ensure the availability of housing to serve families with limited means
- Provide resources to make housing **accessible for individuals with disabilities**
- Support **housing options for seniors**

Actions to Take

- Use Healthy Homes Cary Program to support necessary repairs to homes
- Pilot a low-interest loan fund for landlords to make repairs to rental housing
- Connect existing code enforcement activities with resources for property owners
- Support state-level legislation that supports housing goals
- Fund emergency housing programs to keep residents affected by a crisis in their homes
- Evaluate programs to relieve seniors of housing cost burdens, enabling them to age in place
- Explore developer incentives to support affordability
- Align rezoning and development review processes to support Cary's housing priorities
- Create guide on how to develop housing for persons with disabilities
- Communicate with Senior Advisory Board to help programs meet senior needs in Cary
- Integrate environmental activities into housing programs such as Healthy Homes Cary to ensure all residents have access to energy efficient and alternative energy housing resources
- Develop homeownership program to fill housing market gap and promote generational wealth

GOAL 3

Pursue regional partnerships to meet housing needs

What it Means

- Leverage **regional resources and investments** in transit and housing to support housing for Cary residents
- Enhance **regional connectivity**
- Work with **neighbor communities and nonprofits** to jointly meet residents' needs

Actions to Take

- Dedicate funding to support the development of new subsidized housing that is affordable in or near Cary through a Housing Fund
- Support transit-oriented development and policies in partnership with Wake Transit, GoRaleigh, GoTriangle, and Triangle J Council of Government
- Identify opportunities to support development of affordable housing on publicly-owned land
- Support workforce development initiatives to help residents earn livable wages in Cary
- Build capacity of nonprofit partners to support the provision of affordable and supportive housing
- Strengthen partnerships with the private market, nonprofits and the faith-based community

01 INTRODUCTION

Over almost four decades, Cary has transformed from a small suburb to a large and diversifying community.

PLANNING CONTEXT

Cary, North Carolina, is a popular destination within the Research Triangle region to live and work due to its high quality of life and ideal location. Cary originally boomed as a single-family, suburban community following the development of Research Triangle Park. Over almost four decades, Cary has transformed from a small suburb to a large and diversifying community. Today, Cary has major corporations and small businesses that attract a significant amount of the working population in the region.

In 2017, Cary approved a new comprehensive plan, the Imagine Cary Community Plan. The LIVE chapter outlines policies to guide housing development in Cary, including an emphasis on supporting housing variety and the development of more housing to accommodate Cary's growing population.

To reflect the policy guidance in Imagine Cary, this planning process took a new approach, looking at the full context of the housing market. Previous housing plans focused primarily on affordability, including the 2000 Town of Cary Affordable Housing Plan, Consolidated Housing and Community Development Plans, and 2020 Affordable Housing Plan (adopted in 2010).

The Cary Housing Plan builds on the policies of Imagine Cary Community Plan, going beyond a focus on affordability to outline specific actions that implement the policies of Imagine Cary and support the housing needs of all Cary residents over the next decade.

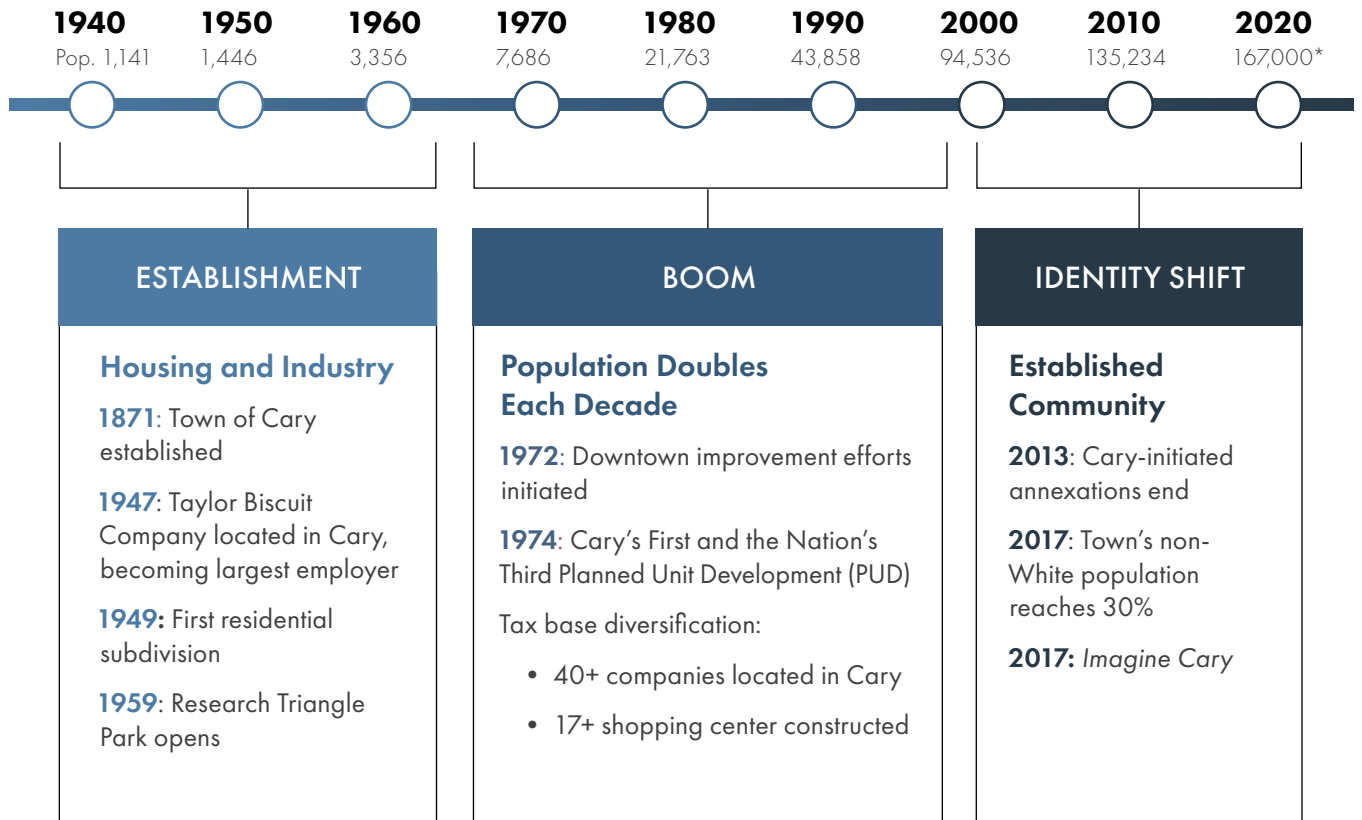


CARY

THE UMSTEAD
HOTEL & SPA



Over the past 80 years, Cary grew from a small town to a booming suburb, and is now a large community with major employers and an increasingly diverse community, as demonstrated in the timeline below.



Source: Cary Historic Preservation Master Plan, Town of Cary

* 2020 population is an estimate

PURPOSE AND GOALS

Cary Town Council identified the need for a more detailed and focused plan to guide its housing policy over the next five to ten years. The purpose of this plan is to identify key actions Cary can take to better align new development and housing programs with the policies of Imagine Cary. Underpinning this plan is the idea that Cary will remain the community of choice for the region and maintain a high standard of living for all residents. This strategic plan identifies three goals for housing in Cary. Implementing many of the identified actions will require partnership with Wake County, nonprofits, and the private sector.

Continue to be a community of choice by ensuring high-quality and diverse new housing development

Ensure that all Cary residents can enjoy the full benefit of Cary's high quality of life

Pursue regional partnerships to meet housing need

PLANNING PROCESS

The Town of Cary engaged HR&A Advisors in March 2019 to advise on a housing plan that evaluates Cary's housing needs and guides future housing investments and programs.

HR&A Advisors had previously worked with Wake County on their Affordable Housing Plan, which helped ensure alignment with the regional plan, while offering new insights for Cary to take a more broad-based market approach.

Stakeholder Engagement

Stakeholder engagement provided valuable context for the development of the Cary Housing Plan. **The Cary Housing Working Group** included representatives from Town staff and leadership, local nonprofits, and housing developers who provided valuable input in early stages, including: advising on how the LIVE chapter of Imagine Cary should inform the priorities of the housing plan; reviewing the findings of the housing needs assessment; identifying key opportunities and challenges related to housing in Cary; and, developing a strategic direction for the Housing Plan.

Throughout the planning process, **interviews and focus groups with a variety of stakeholders** provided valuable insight into Cary's housing needs. These stakeholders included real estate brokers, developers of market rate and subsidized housing, the Western Wake Affordable Housing Action Group, Town staff, community members, and disability advocates. These interviews contribute to an on-the-ground understanding of Cary's policies, development processes, housing market, and community priorities.

Data Analysis

In coordination with the affordable housing working group, the planning team conducted a **detailed analysis of market conditions in Cary**, as well as local and regional demographic trends, and existing planning efforts. This analysis used data from the Town of Cary and other public and private sources including Wake County parcel data, the National Housing Preservation Database, American Community Survey, Zillow, CoStar, and EMSI. The Housing Plan provides a summary of findings relevant to Cary's existing housing and future housing needs and opportunities in the Housing Context chapter.

Role of Cary Leadership

Throughout the planning process, **Town Council** received updates at its quarterly meetings and provided feedback throughout the development of the Cary Housing Plan. The Town Council retreat in March 2020 included goal setting exercises and other discussion that shaped the strategic direction of the Cary Housing Plan.

02 HOUSING CONTEXT

COMMUNITY OF CHOICE

Cary is situated within the highly desirable Research Triangle Region.

Cary is a growing suburban community with highly desirable neighborhoods. Public schools that serve Cary residents are highly ranked, and it has a large variety of recreational, sports, environmental, historical and cultural arts programs and services that continue to attract residents. With access to top healthcare, public education and nearby universities, and over 70 miles of outdoor amenities along greenway trails, Cary offers a high quality of life for its residents.¹

“Cary has evolved into a nationally recognized community of distinction. [...] Over the last thirty years, the Town has attracted Fortune 500 companies, a series of high quality attractive residential developments, commercial growth, and community amenities that put it on the map as the place ‘where better living begins.’ [...] Today, Cary is known as one of the best mid-sized communities in the nation to live and work, to find a home or start a business, and to raise a family or retire.” – *Imagine Cary*

¹ Carolina School Hub



POPULATION GROWTH

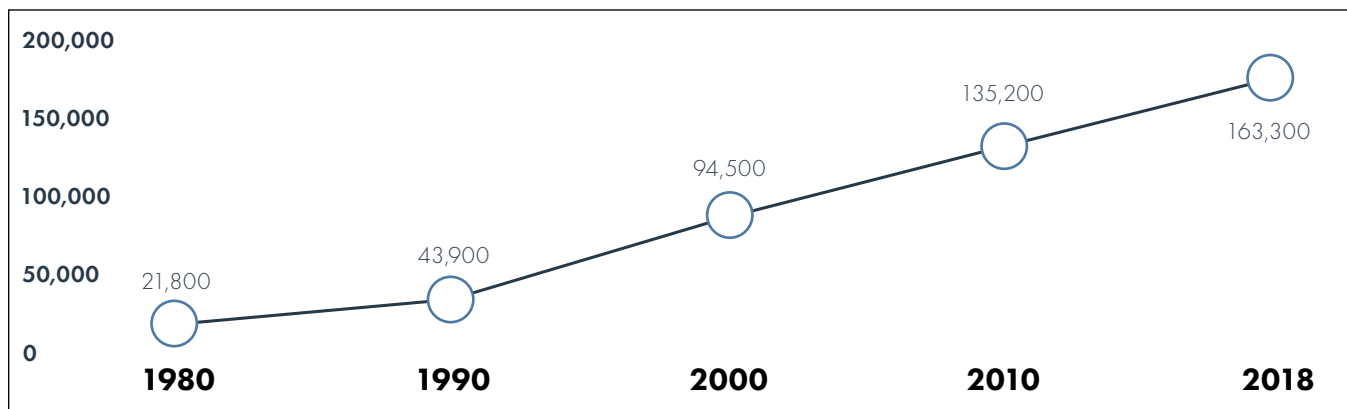
Cary's population has grown considerably since 1990.

Cary's population has more than tripled since 1990. Population density also more than doubled since 1990, even as Cary's corporate limits has increased by over 20 square miles of land since then. Population is growing at all income levels, but particularly for households earning \$100,000 or more. The town has seen a particularly substantial increase of over 7,000 households earning over \$150,000 annually. As Cary's population has grown, its median household income has risen to just over \$100,000 in 2018, compared to \$77,000 in all of Wake County.²

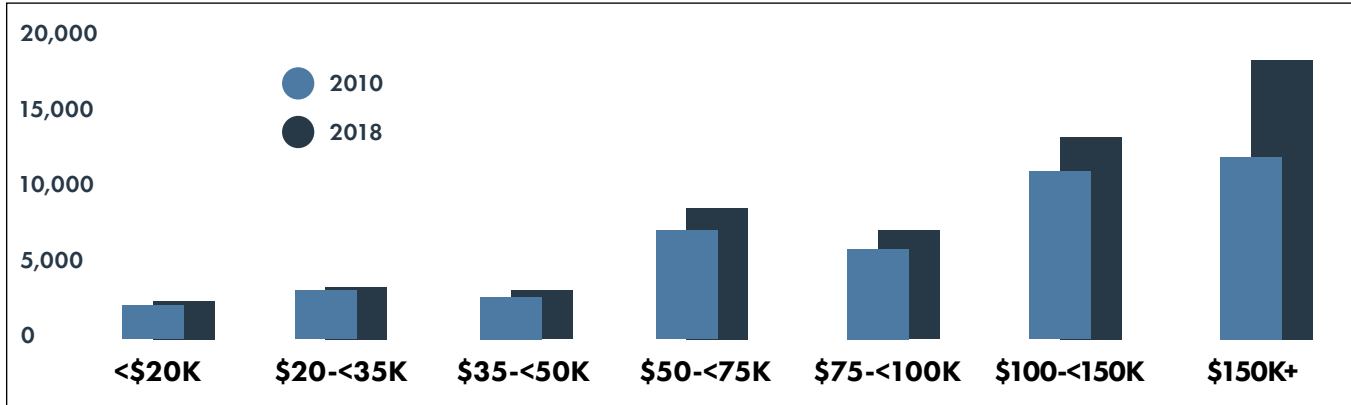
Population growth has outpaced Wake County.

While Wake County's population increased by 20 percent from 2010 to 2018, Cary's population increased by 24 percent. This is a strong indicator of the town's attractiveness within the fast-growing region.

Cary Population, 1980-2018



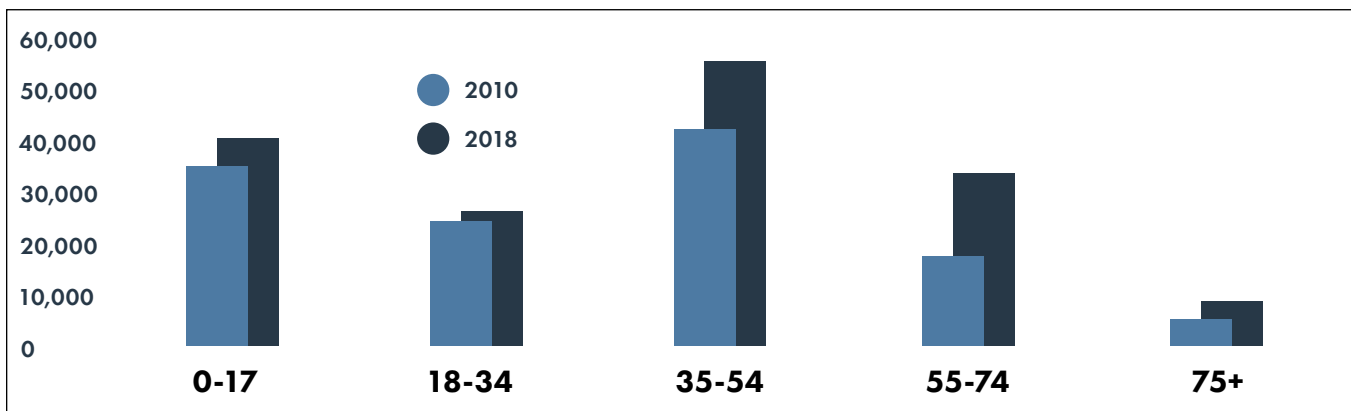
Cary Housing Income Distribution, 2010-2018



Cary’s population is aging.

Though population grew in all age groups from 2010 to 2018, the largest increase came from the addition of over 14,000 residents aged 55-74. This trend is mirrored in Wake County. Cary has added fewer than 3,000 millennials from 2010 to 2018, the smallest age group growth. While the millennial population grew the least between 2010 and 2018, they do make up a more significant portion of those moving to Cary on an annual basis.³

Cary Population by Age, 2010-2018



²ACS 2010-2018, Town of Cary | ³ACS 2010-2018

Cary can create opportunities that align with millennial and Gen Z preferences.

Imagine Cary recognizes that the town is attracting millennials at a slower rate compared to both the region and nation. While 13.7 percent of North Carolina’s population were millennials in 2010, they made up only 10.9 percent of Cary’s population. Cary is primarily a community of families with children but hopes to increase its share of the millennial age cohort. As millennials age, some may prefer Cary’s suburban-style housing options, but others will continue to prefer more urban-style, walkable living that is not widely available in Cary. As members of Gen Z enter their 20s and graduate college, they may follow similar patterns to millennial households.⁴

To attract younger adults, Cary will need to support increased availability of smaller dwelling units and units with **walkable access to shopping, transit, and other amenities**. Attracting young professionals may require an increased supply of rental housing, given the high price of entering Cary’s home buyer market. These housing types also align well with the preferences of empty nester households.

27

Average Cary Walk Score

63

Crowne at Cary Park (Downtown)
Walk Score

“With millennials surpassing the baby boomer generation in size, their preferences will have a significant impact on Cary’s local housing market...To accommodate housing succession for future generations of buyers, a more balanced housing mix that provides accessibility to destinations is needed. [...] While surveys suggest that homeownership is still a goal of the younger generation, they are entering the market later than previous generations, creating a greater ongoing demand for rental housing.” – *Imagine Cary*

⁴Imagine Cary, WalkScore



DEVELOPMENT PATTERNS

Cary’s housing stock is primarily single-family.

In 2020, single-family detached homes accounted for nearly two-thirds of all of Cary’s housing units. This housing option is ideal for families looking for a high-quality suburban lifestyle with an excellent school district.

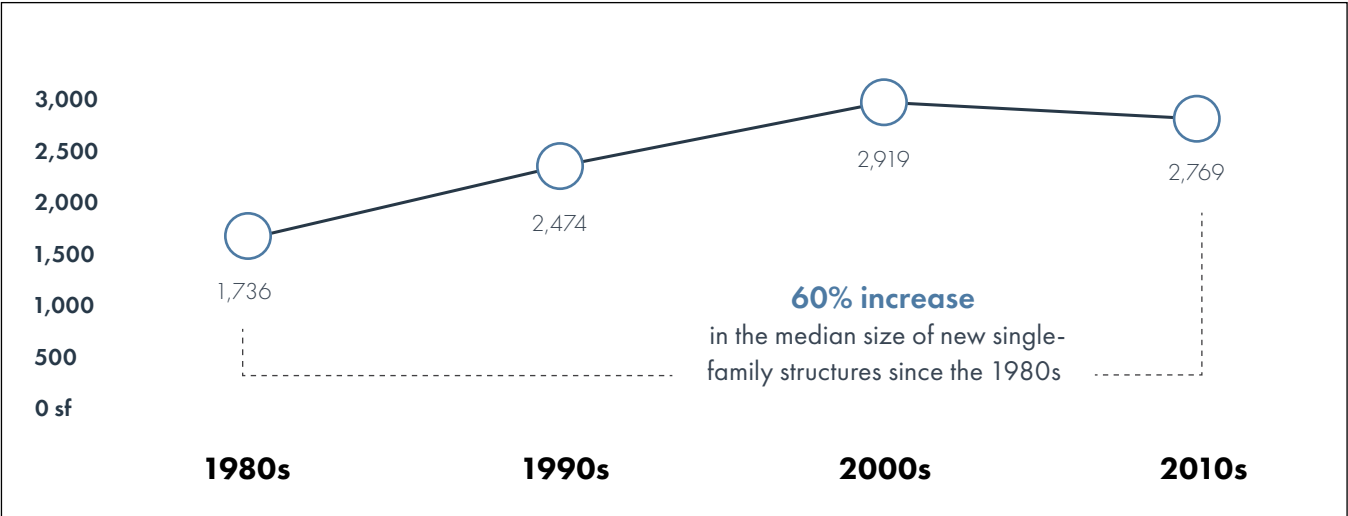
However, there is a limited supply of attached single-family homes such as townhomes and two-unit homes. This type of housing is frequently smaller and less costly and requires less exterior maintenance. It may be the ideal product type for young families looking to move to Cary or for empty-nesters looking to downsize.

Apartments make up approximately 25 percent of Cary’s housing stock. The majority of these are garden apartments, though more mid-rise and higher-density apartments have been built in recent years in and around Cary’s mixed-use and destination centers.⁵

The size of detached single-family homes is increasing.

The average size of new detached single-family structures has increased by almost 60 percent since the 1980s. Before 1990, single-family units under 1,800 square feet made up 50 percent of total housing units built. These smaller units have made up only 10 percent of all units built since 2010. Fewer small and moderate-sized homes leave fewer options for smaller households or for those of more modest means. The median size of the Cary detached single-family housing stock is about 2,400 square feet, compared to about 1,200 square feet per unit for attached single-family (2-unit homes and townhomes). The median detached single-family home is 2,210 square feet in the rest of Wake County.⁶

Median Square Footage of Detached Single-Family Homes Built by Decade, 1980s-2010s



- Examples:** **Ledford Way** (1,695 sf, built 1986) **Southwold Drive** (2,496 sf, built 1994) **Red Top Hills Court** (2,913 sf, built 2002) **Plum Branch Drive** (2,796 sf, built 2012)

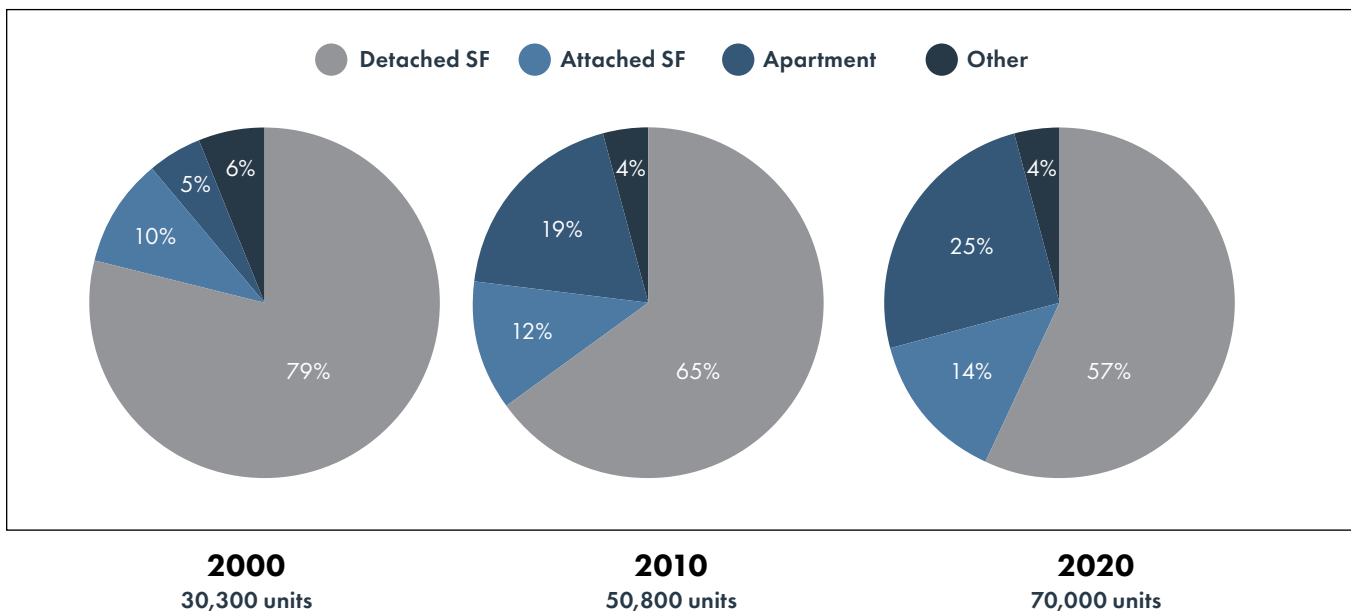


Development types have expanded over the past decade, introducing more density.

Cary’s housing market has evolved to include an increasing number of apartments—mostly low density, garden style—over the past few decades. Since 2010, about 15 percent of new multifamily development has been mid-rise, luxury apartments. While single-family detached units made up

about over 84 percent of units built through the 1960s, this share dropped to about three quarters through the 1990s and about two thirds through the 2000s and 2010s. From 2010 to 2018, an additional 3,285 units of multifamily development were built in Cary. Multifamily vacancy remains low at 6.8% in 2019.⁷

Cary Residential Inventory Built by Type and Decade



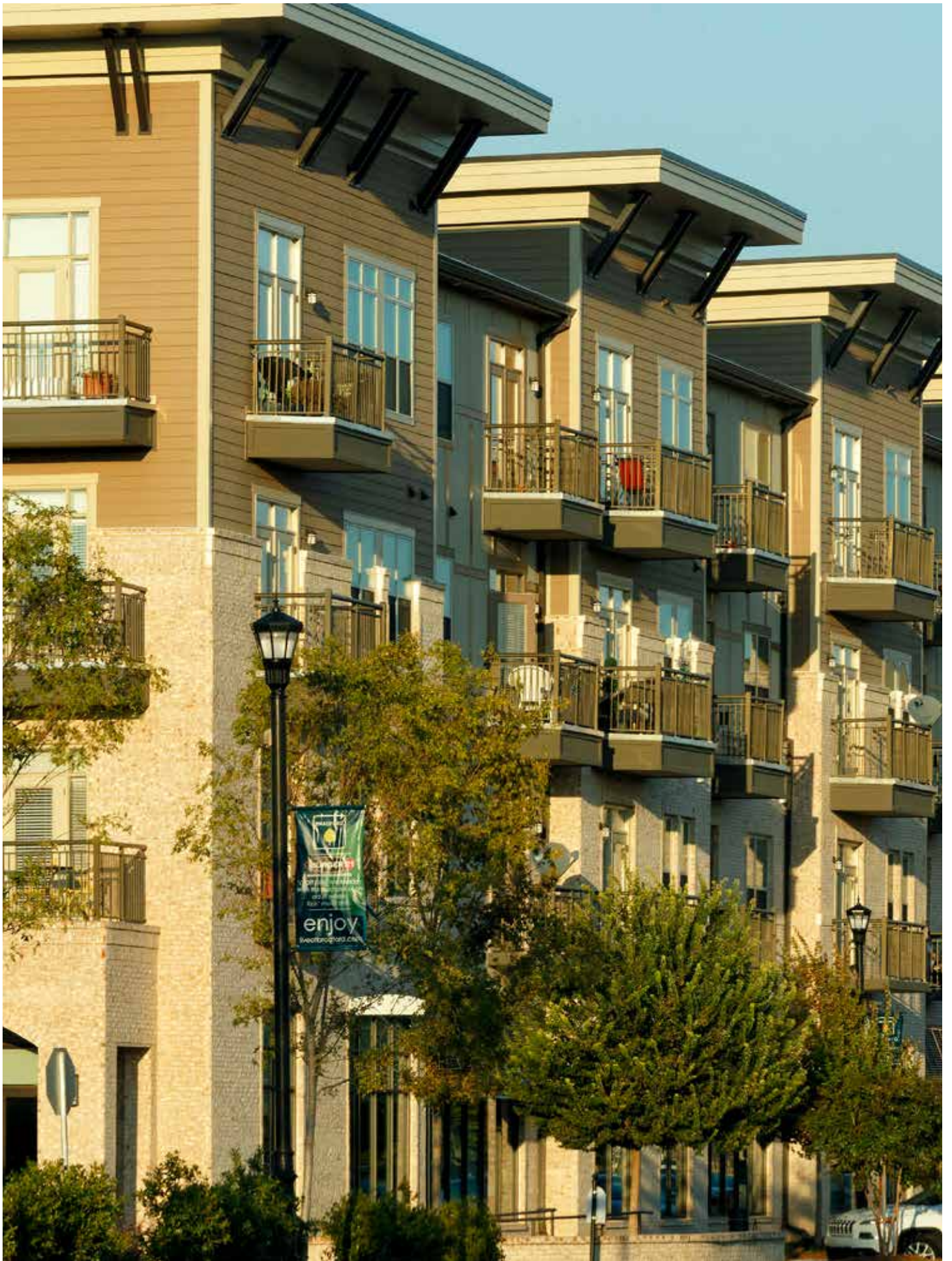
New development types have introduced more amenities and walkable options.

These new developments tend to provide smaller units than single-family homes, additional amenities, walkability to Cary Town Center, and transit to other parts of the town and Research Triangle region. A few example luxury apartments include the recently build Bradford and Solis Alston and the under-construction Fenton.⁸

QUALITIES	BRADFORD	SOLIS ALSTON	FENTON PHASE I
Year Built	2014	2020	2021 (Under construction)
Units	390	240	355
Apartment Amenities	Fitness studio, pools, indoor resistance pool, sauna, golf stimulator lounge, walking trails, resident game room, business hub with WiFi	Fitness/yoga/spin center, pool, cyber cafe, conference rooms, resident lounge, dog park	TBD
Walkability & Access to Services	Located within Bradford Green Square, including Publix, banks, dining options. Walking distance to CVS, Walgreens, more dining	Close distance to Whole Foods, pediatrician, YMCA, dining options, Panther Creek High School	Located within mixed-use development with office space, shops, restaurants and entertainment

“In general, surveys have shown millennials prefer walking, biking, and transit at higher rates than other age groups. Also, millennials’ economic experiences and personal trends have reduced car ownership and driving.”
– *Imagine Cary*

⁸ Bradford, Solis Alston, Fenton websites. Note Fenton multifamily development is subject to change.



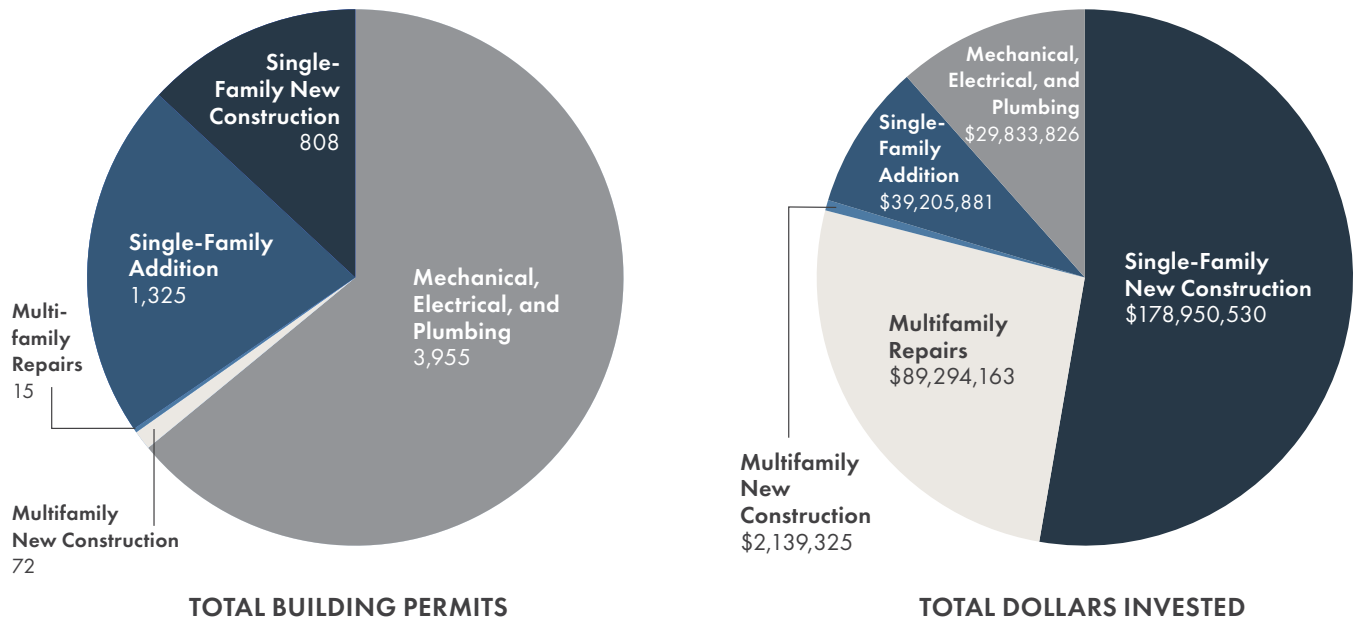
HOUSING INVESTMENT

The Town and residents continually invest in Cary's high-quality housing stock.

Renovation building permits are an important indicator that Cary residents are invested in improving and maintaining their housing. Between 2014 and 2018, there were approximately 1,300 building permits issued for single-family detached and attached additions, representing 3% of Cary's detached single-family housing stock, as well as an additional 4,000 residential permits for mechanical, building, electrical, and plumbing repairs, representing a combined 11% of single-family housing with nearly \$70 million in reinvestment. If this level of investment continues, it will support the Town's large 1990's housing stock as it starts needing substantial improvements and help prevent major aging stock issues.

New development also indicates continued investment in housing. The Town issued approximately 800 permits for new single-family units between 2014 and 2018. Among all permit types, the highest total investment was in single-family new construction, which has accounted for nearly \$180 million in construction costs since 2014. Cary's Development Review Committee, comprised of staff from various town departments, has approved a variety of housing units since 2014, including detached single-family homes, townhomes, multifamily apartments, and senior housing.⁹

Cary Renovation and New Construction Building Permits, 2014-2018





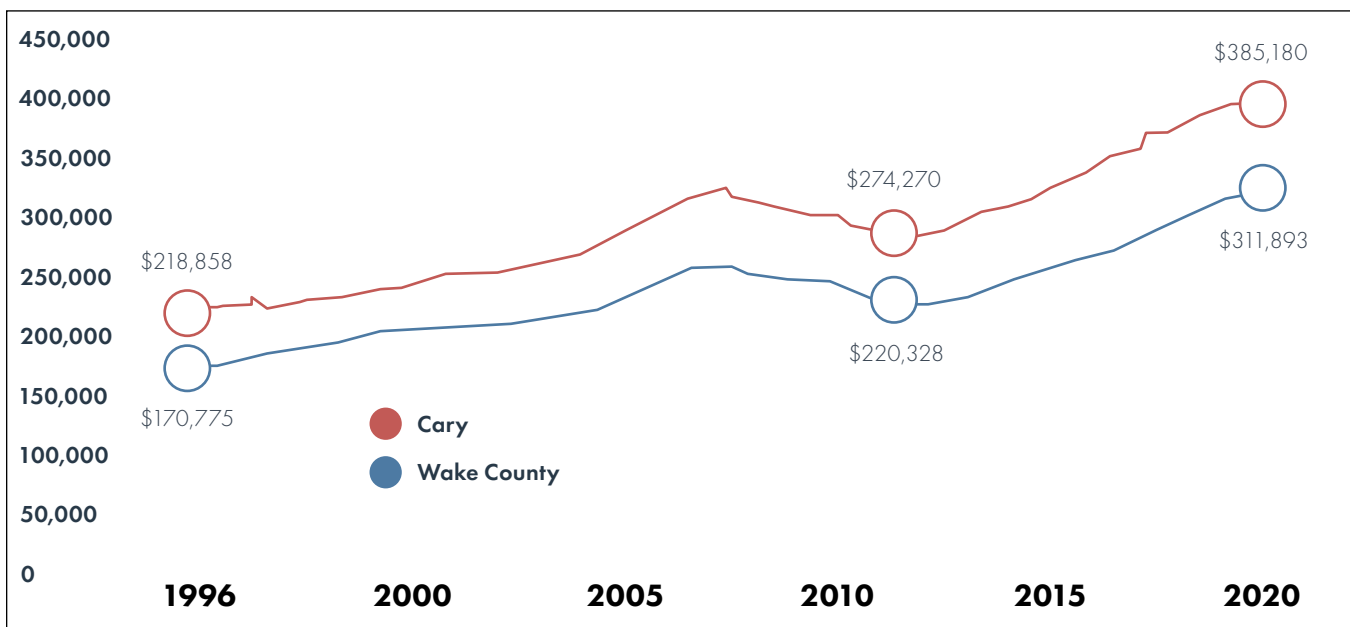
Population growth, new development, and amenity investment lead to increased property values.

Home values in Cary are high and rising. Cary’s single-family home values have been consistently higher than the rest of Wake County, and post-recession home values in Cary have grown 40 percent. This may in part be driven by the addition

of more expensive homes, as property value growth was not equal across the Town.

Despite a brief drop during the recession, homeownership in Cary remains a strong investment. The high quality of life, growing population, and continued reinvestment in the housing stock have translated to a strong housing market.

Single-Family Home Values Index, 1996-2020¹⁰



⁹Town of Cary, Zillow | ¹⁰Zillow Single-Family Home Value Index

MARKET PRESSURES

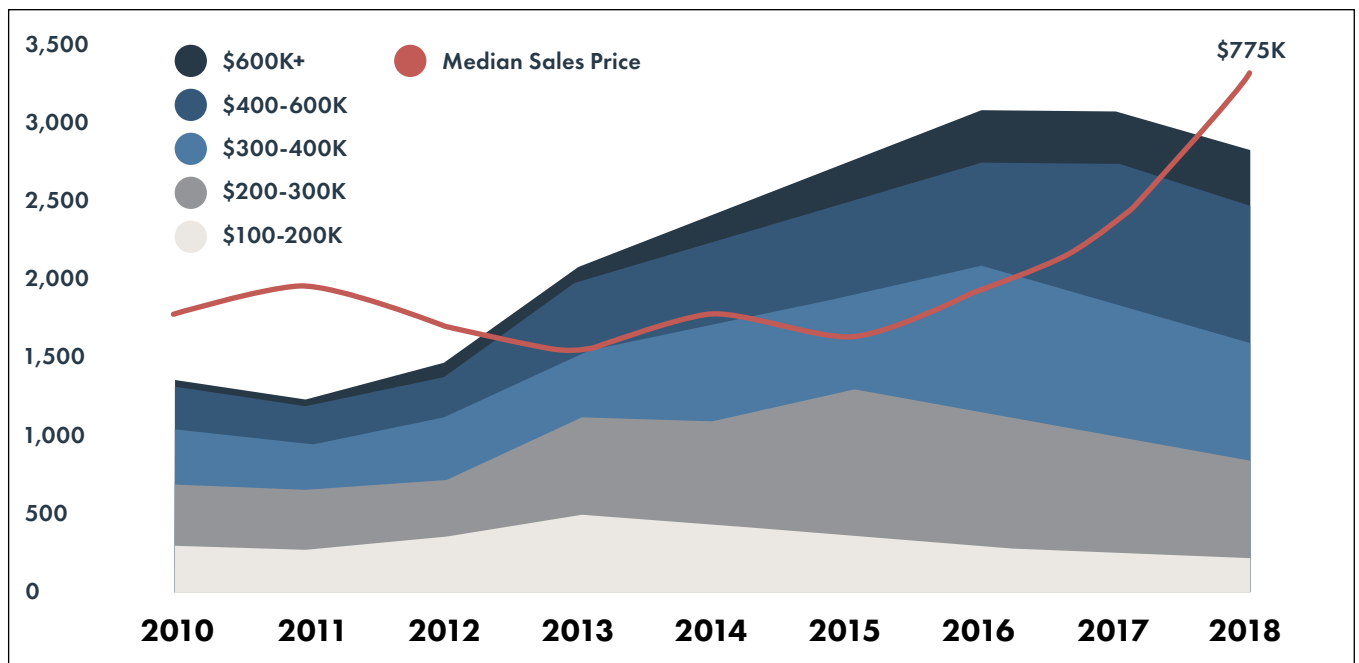
Rising property values are indicative of growth but create market pressures for some of Cary's residents.

As property value growth continues, higher home prices and rents create pressures for some residents that affect affordability and the ability to maintain the character and quality of housing in Cary's older neighborhoods. Cary will need to consider the effects of its rising property values, particularly on senior households with fixed incomes and on renters establishing careers and families, such as young professionals.

As property values rise, Cary is losing homes available at the lowest price points.

Since the recession, the share of homes in Cary available for less than \$300,000 has decreased, while homes selling above \$400,000 have increased. Fewer home sales below \$300,000 mean fewer options for households earning \$80,000 or less, which may include young adults starting their careers, young families hoping to move to Cary, food and retail service workers who contribute to Cary's high quality of life, and seniors wishing to age in place in the Town in which they have lived for decades. As property values continue to grow, this situation will grow more severe.¹¹

Cary Single-Family Home Sales by Price, 2010-2018



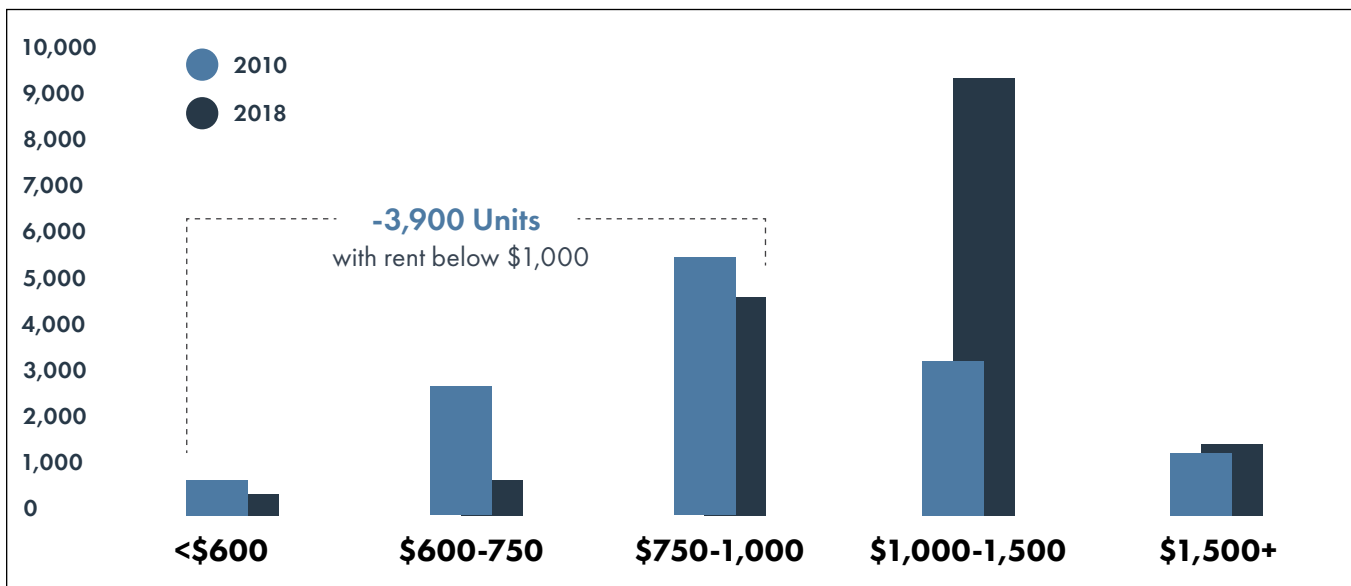


Rising rents are depleting options for units below \$1,000/month.

The national issue of rising rents and increasing housing cost burden is transpiring in Cary and the Triangle region. Since 2010 Cary has lost almost 4,000 rental units available for rent below \$1,000 per month due to rising rents, driven by increasing rent of existing units. Overall, the town saw an increase of about 2,000 rental units since 2010, with the

largest increase in units available between \$1,000 - \$1,500. However, Cary’s overall rental stock is aging, with nearly half of all multifamily units (48 percent) built prior to 2000. Preserving the quality of these units while also preserving their affordability is crucial to maintain affordable rental options for households that earn less than \$40,000. Affordable rental units with access to transit and amenities are essential to increase attraction of young professionals.¹²

Rental Unit Price Distribution, 2010-2018



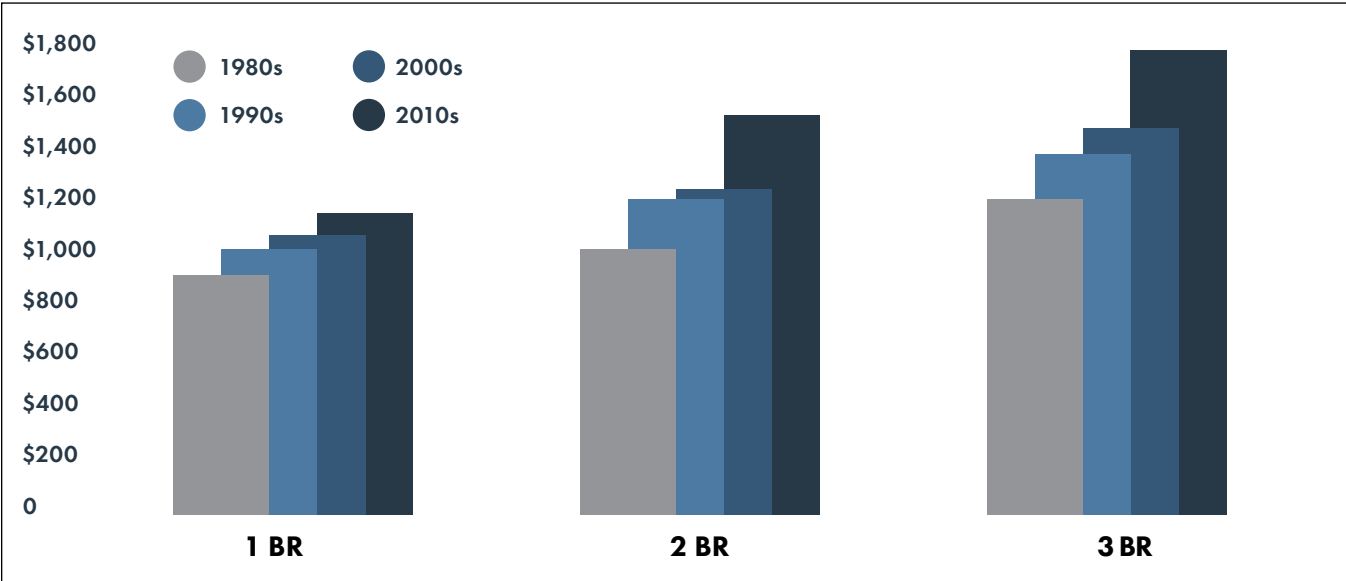
¹¹ Cary Parcel Data | ¹² ACS 2010-2018

New multifamily construction is increasingly unaffordable.

New multifamily development in Cary rents almost exclusively at unattainable levels for those with modest incomes, due to the rise in luxury apartment complexes and the high costs of development. There is a large rent premium for these newly built apartments compared with units built prior to 2010. On a per square foot basis, the cost of living in a new one-bedroom apartment is particularly high at over \$1.50 per square foot, compared with \$1.26 for a new two-bedroom apartment or \$1.36 for a one-bedroom unit built in the 2000s.

Requirements for community amenities and recreation fees that developers must provide is one factor that can influence increasing rents. Cary’s Land Development Ordinance requires multifamily developers to dedicate land or provide funds for the town to acquire recreational land that benefit the surrounding neighborhood. This ensures new multifamily development will provide a high quality of life to residents but can increase the cost of new development.¹³ The requirements are not the only factor contributing to high rents, as there is continued strong demand for top of market apartment options in Cary.

Median Rent by Decade Built and Number of Bedrooms, 2019



¹³ CoStar, Town of Cary Land Development Ordinance | ¹⁴ ACS 2018, EMSI 2010 and 2017

A number of Cary residents face housing cost burden.

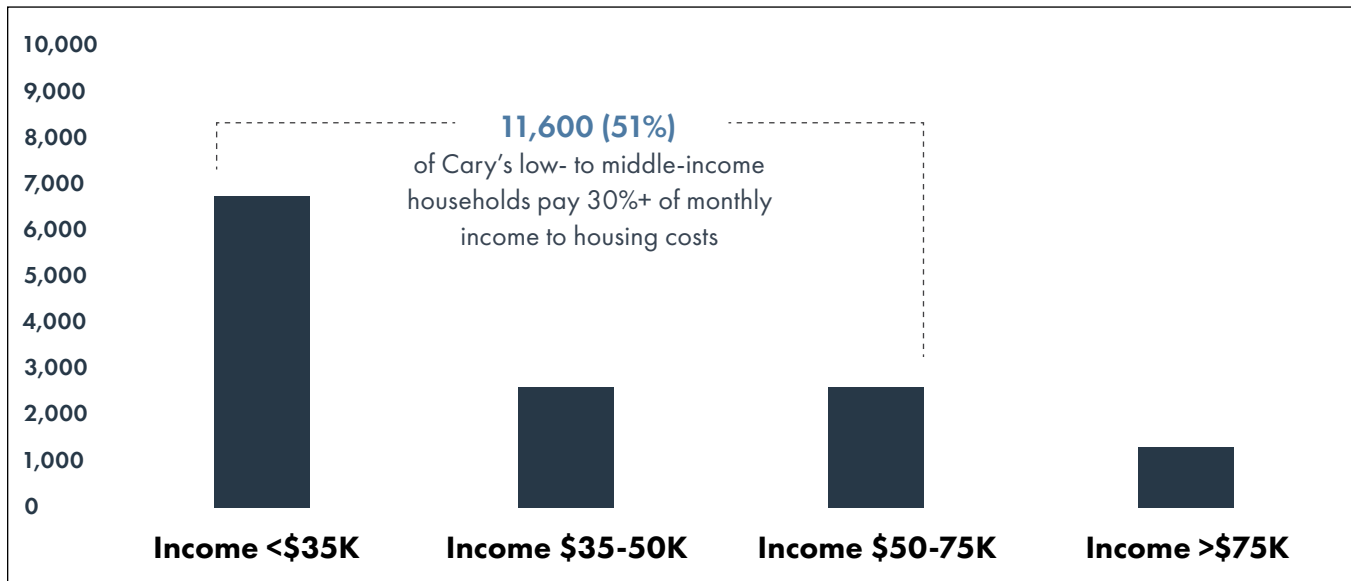
Rising home prices and rents will continue to constrain housing options for Cary residents. For middle-income households earning between \$50,000 and \$75,000, 25 percent are spending over a third of their income on housing costs.

Recent employment trends indicate that the need for housing options that are affordable to these households will only continue to grow. Since 2010, Cary has added nearly 20,000 jobs in occupations with median wages below \$75,000. Residents like teachers, nurses, firefighters, and food and retail service workers are facing affordability issues for rental and homeownership options.¹⁴

JOBS ADDED IN CARY SINCE 2010

- 10,000 jobs under \$35k (e.g. food service workers)
- 4,000 jobs \$35-50k (e.g. teachers)
- 5,000 jobs \$50-75k (e.g. registered nurses)

Housing Cost Burden of Cary Households by Income, 2018



“While many of Cary’s seniors will likely choose to stay in their own home, some households are seeking housing alternatives that are more affordable, provide better accessibility features that address mobility challenges, create more opportunities for engagement with neighbors and friends, are better served by transit, and are more accessible to healthcare and other needed services and activities.”

– *Imagine Cary*

Cary’s growing senior population faces affordability pressures.

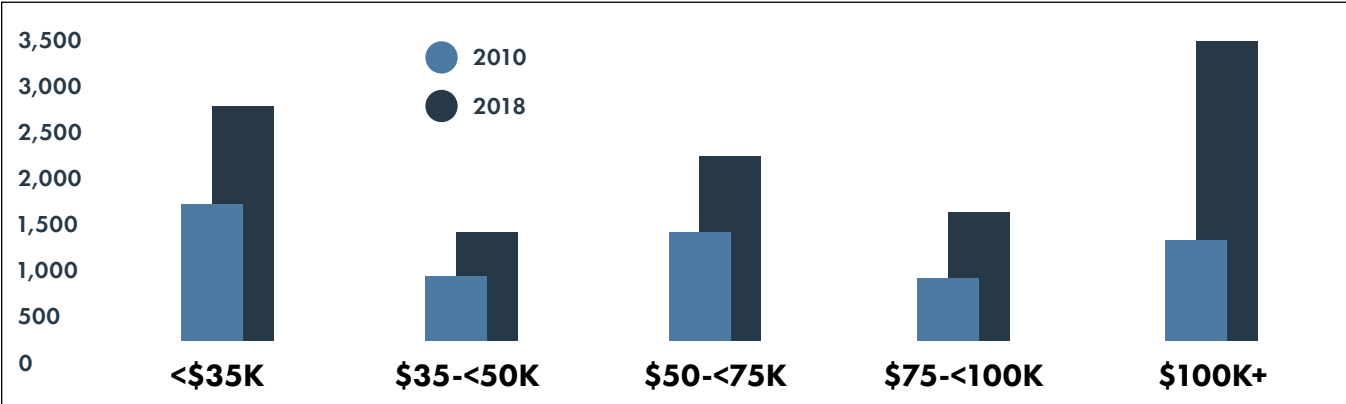
Cary is one of the oldest communities in North Carolina by median age. Residents over 55 years old have made up nearly half of total population growth since 2010.

Typical reliance on fixed budgets financed through social security and retirement savings means seniors face particular affordability risk: householders above age 65 making less than \$35,000 increased 50 percent since 2010, equating to almost 3,000 low-income seniors. Cary’s seniors are disproportionately cost burdened.

The Town has three affordable housing developments, including Highland Terrance (80 units), Willow Creek (53 units), and Ryan Spring (42 units), that exclusively serve low-income senior renters. These units serve about 6 percent of Cary’s low-income 65+ households earning less than \$35,000 annually.

Nearly 80 percent of Cary seniors over 75 years old are homeowners. Seniors — who are likely to be on fixed incomes — may need assistance to invest properly in home maintenance and keep up with rising property taxes to age in place in quality housing. The Town’s existing Owner-Occupied Housing Rehabilitation Program provides one option for seniors, through grants for critical home repairs.

Household Income for Householders 65+, 2010-2018





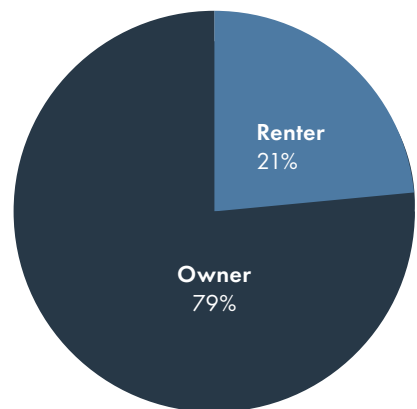
As Cary’s population ages, seniors will need more options to “age in place.”

Older adults may desire smaller homes. As they continue to age, they may face additional challenges due to changing accessibility and mobility considerations, in addition to affordability challenges for fixed incomes. Cary’s primarily large and single-family housing may pose a barrier for older adults who want to downsize but remain in their community. Smaller housing units served by transit and amenities, more affordable rental developments, and assistance for homeowners with reduced incomes will help to improve the quality and affordability of housing available to Cary’s seniors.

Summary of Market Pressures

Rising property values in Cary indicate a healthy, desirable housing market and represent a wealth building opportunity for current homeowners. For prospective homeowners who may desire to move to Cary, the market has a limited inventory of available housing at lower price points. This limited affordability may restrict access to homeownership in Cary for younger residents, seniors looking to downsize, and households with lower incomes. Corresponding rising rents can also create affordability pressures for current and future Cary renters. New multifamily construction is increasingly luxury apartments with high rent premiums. Cary’s older rental apartments offer more affordable rents, but are still seeing rent increases and face an increased likelihood that they will be redeveloped into higher-rent apartments due to these market pressures.

TENURE OF CARY RESIDENTS OVER 75, 2017



67% of renters in Cary aged 65+ are housing cost burdened (-1,600), compared to **34% for those under 65.**

16% of owners in Cary aged 65+ are housing cost burdened (-2,100), compared to **11% for those under 65.**

¹⁵ ACS 2018, PUMS 2017

HOUSING QUALITY

Aging housing stock threatens the quality and character of older neighborhoods.

As neighborhoods age, the risk of housing problems increases. Older properties may become obsolete as older roofing, and systems including electrical, heating and cooling, and plumbing require costly upgrades or repairs to remain functional. Older interior finishes and layouts may also be less desirable, causing some homes to need significant rehabilitation to be marketable. When structural or systems repairs remain unaddressed, more serious housing quality issues arise.

Older neighborhoods, including those inside the Maynard loop, have higher concentrations of homes that are 30 to 50 years old and are more likely to need significant repairs. Continued disinvestment will eventually threaten the character and quality of Maynard Loop neighborhoods. Over time, this pattern will extend outward to neighborhoods built in the 1970s and 1980s.

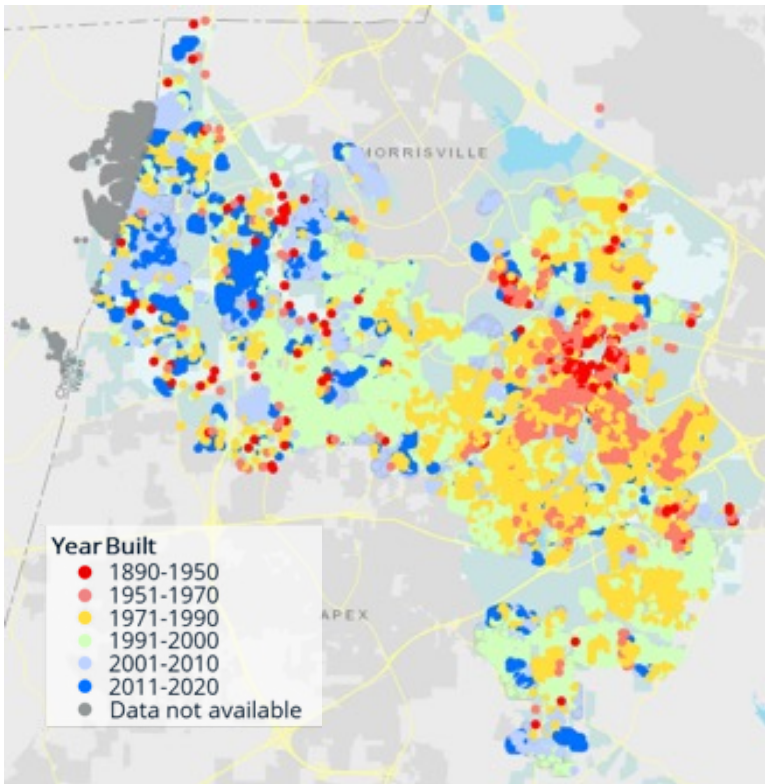
Investment in maintenance and preservation will ensure existing neighborhoods remain strong, desirable, and viable over the long term.¹⁶ Cary should identify ways to make it easier for residents to invest in their properties and maintain neighborhood character, while still preserving affordability.

“Looking long-term, these aging neighborhoods will need maintenance and investment to maintain attractiveness to new home buyers and renters.”

– *Imagine Cary*

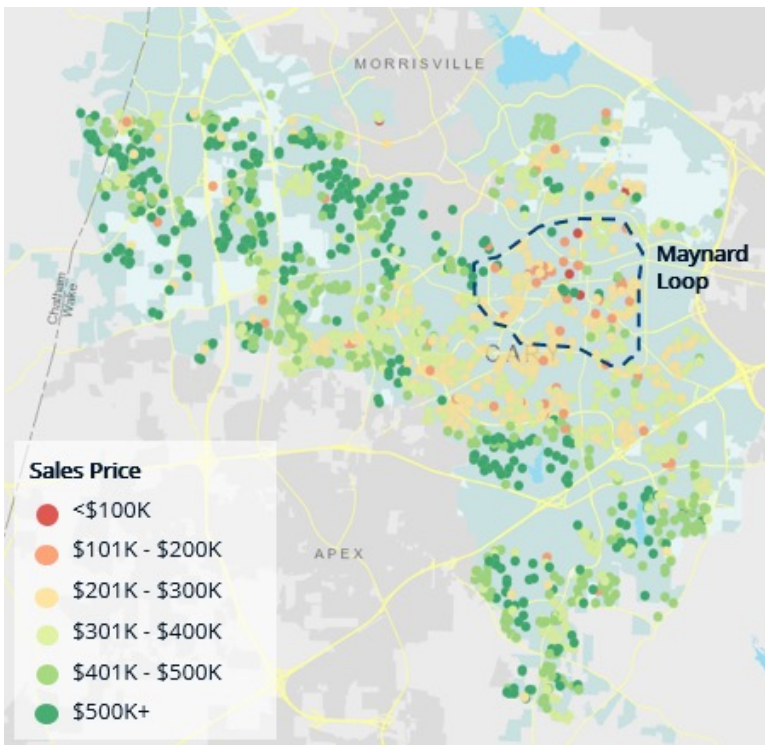


Age of Single-Family Housing in Cary



Note: Year built point data only available for properties in Wake County.

Age of Single-Family Housing in Cary



¹⁶Town of Cary, ArcGIS

03 STRATEGIC PLAN

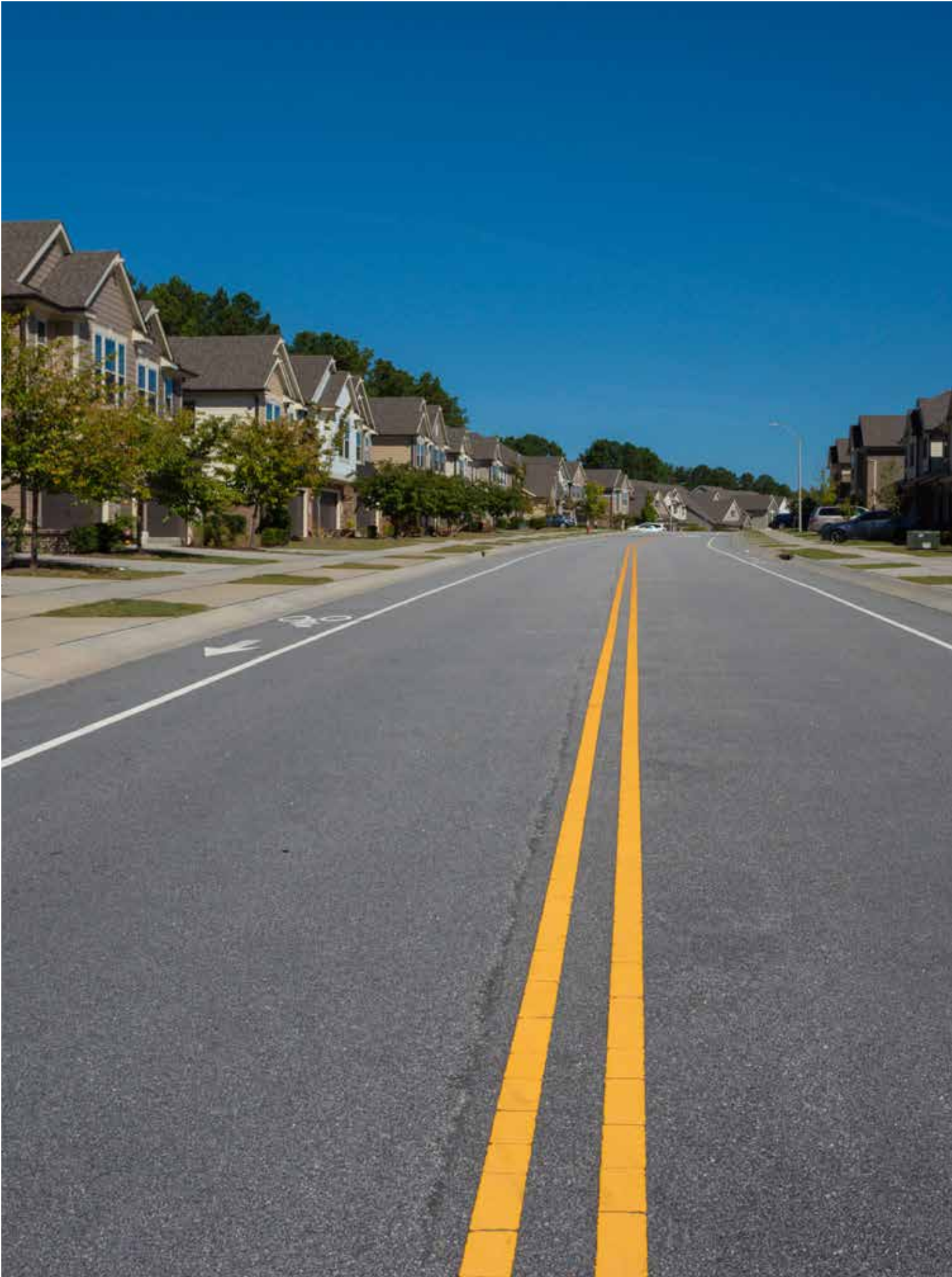
OVERVIEW

Cary is a community of choice within the Research Triangle region. Cary's growing property values are evidence of the success of the Town's efforts to support a high quality of life. Imagine Cary demonstrates a commitment to facilitating the development of walkable urban nodes with higher densities and mixed uses, and Cary is advancing this with new development occurring in Destination Centers, Downtown, and the Green Level and Eastern Cary Gateway Special Planning Areas.

Rising property values and rents create market pressures and affordability challenges for some residents and limit the ability to maintain the character and quality of housing in Cary's older neighborhoods. Clearer guidance is needed to ensure that Cary's housing values are reflected through its land use policies and practices. Three goals will guide Cary in aligning its housing policies and programs Imagine Cary and the community's high standard of living:

- **GOAL 1** - Continue to be a community of choice by ensuring high-quality and diverse new housing development
- **GOAL 2** - Ensure that all Cary residents can enjoy the full benefit of Cary's high quality of life
- **GOAL 3** - Pursue regional partnerships to meet housing need

Goals include ensuring high-quality and diverse new housing developments, ensuring that all residents can enjoy the full benefit of Cary's excellent quality of life, and pursuing regional partnerships to meet housing needs.



“The Town has been very successful at providing high-quality single-family housing for families in desirable neighborhoods. The challenge moving forward is to provide quality housing options in convenient locations that can serve households seeking a different lifestyle in Cary.”

– *Imagine Cary*

GOAL 1

Continue to be a community of choice by ensuring high-quality and diverse new housing development.

Cary is a community of choice in the Research Triangle region, due to its highly desirable neighborhoods, public school quality, outdoor amenities, and access to the region’s top healthcare and universities. Due to access to these services as well as employment growth in healthcare and technology industries, in recent decades Cary’s population and median income have continued to increase, outpacing Wake County.

To ensure the Town continues to be attractive to new and existing residents, it is crucial that **housing choices keep up with preferences among a diverse range of residents**. Cary’s housing stock is primarily single-family, and most homes are large compared to regional averages. These homes have made Cary a destination for families, but fewer options exist for older adults interested in downsizing while remaining in their communities, and for young professionals and millennial households who have different housing preferences than previous generations.

To ensure that Cary remains attractive as more of its residents reach retirement and as millennials and Generation Z account for a growing share of the region’s housing market, Cary will need to meet increasing demand for more housing options in mixed-use centers in addition to **walkable, connected living** developments. The Town will also need to maintain the **environmental quality** of new development, while balancing the pressures on development costs.

Cary can better integrate priorities for housing into its land use and development regulations and processes and more clearly communicate with developers to better align new development with the Town’s priorities.

ACTIONS

- Ensure that housing staff participates early in development processes
- Develop a guide to housing priorities to be used in the review of proposed housing developments and rezoning requests
- Communicate housing priorities to developers
- Amend zoning regulations to expand the potential for Accessory Dwelling Unit (ADU) and Utility Dwelling Unit (UDU) development
- Add Land Development Ordinance (LDO) amendments to increase housing variety
- Ensure access to parks, tree canopy, open space, and greenways are equitable across all of Cary

METRICS OF SUCCESS

- Average number of rounds of review for residential projects
- Number of residential projects approved
- Number of units produced
- Variety of housing produced by type (incl. single-family attached, multifamily, smaller single-family detached)
- Number of parcels where ADUs/UDUs can legally be constructed
- Number of ADUs/UDUs in Cary

Ensure that housing staff participates early in development processes.

The development and rezoning review process is a crucial checkpoint for residential projects, where Planning and Housing staff can ensure new developments are aligned with the Town's housing goals. When housing is part of a proposed development or Town planning process, Planning staff should bring Housing into review including pre-application meetings to ensure that the proposal is aligned with the Town's housing goals. Housing staff should participate in the development review process formally as a part of the Development Review Committee.

Integrating a Housing representative within Planning staff and the development and rezoning processes will ensure the Town is approving new development that maintains neighborhood character and introduces a greater variety of housing options for residents.

Develop a guide to housing priorities to be used in the review of proposed housing developments and rezoning requests.

Developing internal criteria for the evaluation of proposed residential development and rezoning requests will help align development with the Town's housing priorities. To achieve this, the Town should develop an internal guide of housing priorities and a checklist for reviewing proposed residential developments and rezoning requests. This guide should align with the Imagine Cary Future Growth Framework, defining housing priorities within the different land use types. The goal of the guide should be to identify any potential areas of misalignment with the Town's goals and priorities in the first round of review to inform staff comments, identify any areas where changes are needed, and to limit the rounds of review and comment needed for proposed developments and rezoning. Over time, Staff should continually review and refine the internal guide to keep parameters aligned with market conditions and Town priorities. This process may also identify areas where regulations need to be changed to better support the Town's priorities.

The internal review checklist will help produce housing development aligned with the priorities of the LIVE chapter of Imagine Cary.

Below is a preliminary list of the housing priorities, identified in Imagine Cary and confirmed through this planning process, and evaluation criteria that could be used to review proposed developments and rezoning requests for alignment with these priorities. **The intention is not that all proposed residential developments should comply with all criteria**, but rather to identify areas where, if possible, proposed developments could be revised to better align with the Town's priorities. **These criteria are not requirements, but should be used to guide the discussion** for developments seeking rezoning, development agreements, or other discretionary approval. A further list of suggested housing priorities and evaluation criteria are in Goal 2 of the Strategic Plan.

HOUSING PRIORITY

EVALUATION CRITERIA

Provide a variety of housing types and choices for all residents

If the development is in downtown, a destination center, or a mixed-use center, does it include high-density residential development?

If the development includes attached or detached single-family development, are some or all of the units under 2,000 square feet?

Does the development include pedestrian connections to nearby commercial centers to promote walkability?

Does the development include units with universal design features to improve accessibility?

Communicate housing priorities to developers.

To ensure the development community understands Cary's housing goals and development expectations, **Cary must develop communications materials that outline processes and review criteria clearly.** In parallel with development of an internal guide or checklist of housing priorities, Cary should develop a guide for developers that outlines the development process, the criteria the Town will use to evaluate proposals, and expectations for all discretionary development proposals. Housing and

planning staff should conduct outreach to developers active in Cary to communicate these priorities and the Town's integrated review approach.

A successful outreach and communications strategy outlining evaluation criteria and development expectations will help to produce stronger initial applications. Outreach and communication to evaluate the feasibility early in the project will benefit Cary staff as well as developers and create a shared understanding of priorities.

Amend zoning regulations to expand the potential for ADU and UDU development.

Accessory Dwelling Units (ADUs) and Utility Dwelling Units (UDUs) add smaller housing units to Cary's current housing stock, helping to meet the preferences of millennials, seniors, and lower-income Cary residents. Cary's zoning permits these units in some neighborhoods, but zoning and subdivision restrictions limit where they can be built. Cary should work with a consultant to evaluate effective opportunities to amend current codes and increase the feasibility of developing ADUs and UDUs.

Changes to the current code may include:

- Combining the definitions of ADUs and UDUs to permit attached or detached accessory units more broadly
- Increasing the zones in which ADUs and UDUs are permitted
- Changing the size requirements by increasing the allowed square footage for an ADU/UDU in relation to the floor area for the principal dwelling
- Reduce the minimum parking requirements

Cary should also discourage new and existing subdivisions from prohibiting ADUs and UDUs. The Town can develop an educational campaign for new and existing homeowners' associations on the benefits of ADU and UDUs and an architectural style guide. Expanding the potential for ADUs and UDUs will increase variety of housing stock in Cary to meet the needs of various residents.

Add LDO amendments to increase housing variety.

Housing variety in Cary can be increased through amendments to its Land Development Ordinance (LDO). LDO amendments are a tangible way to codify Cary's housing priorities in future rezoning and development review processes. Cary can consider amendments for the following issues:

- **Senior housing:** Encouraging more senior housing like assisted living will increase options for older residents. Allowing higher densities and ADUs/UDUs would also increase options of smaller and more affordable units in Cary.
- **Housing for younger residents and families:** Allowing higher densities would additionally help create more homeownership and rental options for young millennials moving to Cary.
- **Transit-Oriented Development (TOD) zoning standards:** Updating zoning standards around public transportation can help encourage denser—and more affordable—housing options along transit lines.

Making these amendments to Cary's LDO can help directly address issues of housing variety and housing affordability in Cary.

Ensure access to parks, tree canopy, open space, and greenways are equitable across all of Cary

Access to green spaces such as parks and biking trails are the backbone of a healthy neighborhood. They are a space where people can gather, children can connect with and learn about nature, and families can engage in free, health-promoting activities. In order to ensure equitable access to these critical resources, Cary can consider the following actions:

- Connect environmental programs such as the recent My Tree, Our Tree campaign to the Healthy Homes Cary Program and future housing development initiatives.
- Consider the upcoming urban forestry and open space master plans to help identify ways to ensure our environmental resources are accessible to all parts of Cary, particularly within the Maynard loop and housing for residents with limited means.

GOAL 2

Ensure that all Cary residents can enjoy the full benefit of Cary's high quality of life.

The town's investment in high-quality services and amenities contributes to **rising property values** and creates wealth for the community but can create challenges for those with fixed incomes and renters. Rising property taxes and rents may place burdens on residents. Units for rent below \$1,000 and homes for sale below \$300,000 are quickly disappearing from the market.

These challenges are particularly acute in neighborhoods with older housing. *Imagine Cary* estimates that by 2032, approximately 50% of Cary's single family detached homes will be at least 40 years old and require maintenance and investment to keep neighborhoods stable. As older neighborhoods often coincide with lower home prices, Cary risks losing homes at the lowest price points with rising property values. At the same time, the increasing age of the housing stock impacts neighborhood quality, particularly in the Maynard Loop.

ACTIONS

- Use the Town's Owner-Occupied Housing Rehabilitation Program (Healthy Homes Cary) to support necessary repairs to homes
- Consider piloting a low-interest loan fund for landlords to make repairs to rental housing
- Connect existing code enforcement activities with resources for property owners
- Support state-level legislation for housing goals
- Fund emergency housing programs to keep residents affected by a crisis in their homes
- Evaluate programs to relieve seniors of housing cost burdens and enable them to age in place
- Explore developer incentives to support affordability
- Create guide on how to develop housing for persons with disabilities
- Communicate with Senior Advisory Board to help programs meet senior needs in Cary
- Integrate environmental activities into housing programs like Healthy Homes Cary to ensure residents have access to energy efficient and alternative energy housing resources
- Develop homeownership program to fill housing market gap and promote generational wealth
- Align rezoning and development review processes to support Cary's housing priorities

METRICS OF SUCCESS

- Units improved & value of repairs by program
- Number of landlord repair loans made
- Private dollars leveraged with public investment
- Number of meetings held with state representatives and policy changes enacted
- Number of households requesting vs. receiving emergency rental assistance
- Eviction and foreclosure rates
- Number of housing requests met from calls to 311 by senior households
- Senior housing cost burden
- Number of affordable & workforce units preserved or replaced

“With the passing of time, neighborhoods do age and change. The aging of a neighborhood brings many things: vegetation and trees become mature, families grow up, and a neighborhood feels ‘established.’ But challenges can also arise. Many communities across the U.S. have experienced challenges in maintaining older neighborhoods. Issues range from neighborhood disinvestment and housing vacancies, to redevelopment of lots that is out of character with surrounding homes.” – *Imagine Cary*

Cary’s growing senior population also faces affordability risks. For seniors—who may be on fixed incomes—to be able to age in place in quality housing options, they will need assistance to invest in home maintenance properly and keep up with rising property taxes.

Supporting quality of housing and quality of life by encouraging property owners to invest in the maintenance of housing while limiting displacement will help Cary meet its goal of ensuring all Cary residents are able to enjoy the full benefits of living in the town.

Use the Town’s Owner-Occupied Housing Rehabilitation Program (Healthy Homes Cary) to support necessary repairs to homes.

The growing inventory of older housing in Cary means that quality of housing and life may be difficult to maintain, especially for residents on fixed incomes. Over time, deferred maintenance may impact the character of older neighborhoods. **Cary’s Housing Rehabilitation Program helps homeowners make necessary repairs to maintain housing quality.**

The Town recently restructured the program, which provides homeowners with incomes up to 65% of Area Median Income grants of up to \$12,500 to make qualifying repairs including emergency repairs, accessibility upgrades, and energy efficiency improvements. Following this restructuring, the Town should track and report the impacts of program, including the location and income of grantees, size of awards, and number of applications received. The Town should also work with its nonprofit partners to identify households in need

of funding and provide technical assistance to homeowners. The Town should use its 311 and other data systems to track referrals and gather data on program impacts. Over time, based on observed need, the Town should consider increasing the funding available and expanding the program to serve more households.

Cary can also focus on providing information and assistance to homeowners to help them understand and navigate the Town’s building permit process. Some homeowners face an initial barrier in not knowing how to start the process of home repair. The Town’s Inspections team can be a helpful resource for the community by supporting homeowners in completing an application or answering any questions before repair work commences. A user reference guide that explains the building permit process and resources would help simplify the process for homeowners of all incomes.

Investing in home repairs for low- and moderate-income households will help to maintain Cary’s older housing and ensure that residents can afford to remain in their homes without losing housing quality.

Pilot a low-interest loan fund for landlords to make repairs to rental housing.

Particularly for small landlords, it can be difficult to proactively maintain rental properties, as needed repairs may be overlooked or simply because privately managed properties have lower capacity. To encourage repairs to maintain the quality of rental housing, including single-family rental and multifamily developments, the Town should dedicate a portion of its CDBG funding to create a low

interest loan fund for landlords. The Town can identify private or philanthropic partners that could contribute to this fund, as well as a nonprofit partner to operate it. The pilot fund would help landlords make needed repairs to rental housing while maintaining affordable rents.

A pilot landlord fund of \$80,000 per year could serve five to six rental units, with repairs up to \$15,000 per unit plus administrative costs. Eligible uses would be emergency repairs to address safety issues or code violations, repair or replace major systems such as roofing or furnaces, and to make weatherization and efficiency improvements. For the pilot, the Town may consider limiting eligibility to units currently rented to tenants at or below an income threshold, such as 60% of Area Median Income. On a case by case basis the Town should consider making larger loans for units in need of significant rehabilitation. The Town should evaluate increasing funding and expanding impact after 1-3 years of the pilot program.

Connect existing code enforcement activities with resources for property owners.

Code enforcement is not effective if the homeowner or landlord does not have the income for the necessary repairs to maintain their property up to code. To maximize the effectiveness of its code enforcement efforts in relation to achieving other housing goals, Cary should connect its current code enforcement with resources for property owners. Inspectors should refer property owners with property maintenance or structural violations to available funding programs: income-qualified homeowners should be referred to the Housing Rehabilitation Program and landlords to the pilot loan fund. The Town should track data related to code enforcement and referrals to measure impacts of programs and unmet need. Effectively connecting homeowners and landlords with resources will improve quality of housing and life for households in Cary.

Support state-level legislation that supports housing goals.

Changes to state-level legislation can help Cary achieve its housing goals. For example, North Carolina state law currently does not authorize the Town to create a rental registry program, which would require landlords to pay a small fee and register rental units. Rental registries help track trends in rentals, particularly in single-family neighborhoods, and create greater accountability for landlords to maintain housing quality. The Town could explore the feasibility of creating a voluntary registry, but landlords would have few reasons to join. Other state-level changes that could help Cary achieve its housing goals include allowing inclusionary zoning and broadening allowable tax abatements to support desired development.

Advocating for legislative changes in the state assembly will allow Cary to better advance its housing goals through new policy approaches.



Fund emergency housing programs to keep residents affected by a crisis in their homes.

Limiting foreclosures & evictions will stabilize the immediate housing impacts of a crisis, like COVID-19. Keeping residents housed will reduce shocks to Cary's housing market that rising vacancy and displacement would cause, while also keeping families safe during the pandemic. The Town should dedicate CDBG funding for immediate rental assistance and foreclosure prevention for residents at risk of displacement. The Town should develop and release an RFP to identify nonprofit partners to operate emergency housing programs and use the Town's 311 system to identify residents in need.

Cary can offer assistance to residents in the form of grants to cover housing costs for an initial period of 3 months, which can be extended a further 3 months if needed. The program can be targeted to households earning at or below 80% AMI.

As some of Cary's residents face long-term unemployment, more immediate efforts on the Town's part will help prevent foreclosures and stabilize the housing market.

Evaluate programs to relieve seniors of housing cost burdens and enable them to age in place.

There are approximately 2,100 senior homeowners in Cary that are housing cost-burdened, spending over 30% of their income on housing costs. In the next 3-5 years, the Town of Cary should evaluate if a specific program to address

housing cost burden for seniors is necessary and whether a tax rebate is the appropriate method. The Town should monitor trends in cost burden for senior homeowners and identify opportunities to use 311 or other tools to collect additional data on the needs of senior households and to connect seniors to available assistance from the state and nonprofit partners.

By monitoring trends in seniors' housing needs, Cary can be proactive in developing a program that relieves housing cost burden and allows seniors to maintain a high quality of life.

Explore developer incentives to support affordability.

Voluntary developer incentives in Cary could help increase housing variety and affordability. In the next 3-5 years, Cary should evaluate which incentives for affordability is a viable option that could support housing priorities. An example of voluntary incentives include density bonuses which permit developers to increase the maximum allowable floor area on a development in exchange for providing public benefits, such as the provision of affordable housing. Density bonus programs are most effective when they benefit both the community and the developer. Cary can begin to explore this option along with other opportunities by speaking with local developers and evaluating the impacts it may have on other zoning and housing priorities.

By exploring developer incentives for affordability, Cary can be proactive in addressing the housing needs of current and future residents.

Create guide on how to develop housing for persons with disabilities.

The successful integration of accessible design into a development requires careful consideration of potentially conflicting goals for a project at its earliest stages. While there are standards in the State of North Carolina to make private homes more accessible, the standards do not ensure 100% accessibility as every person with a disability has unique needs. Furthermore, needs can change over time and new best practices are being considered to better support residents with disabilities. To better adapt to the unique needs of residents with disabilities, Cary should create a guide to communicate its importance in the built environment and inform developers of best practices to support this priority.

Communicate with Senior Advisory Board to help programs meet senior needs in Cary.

Cary's Senior Advisory Board promotes the advancement of a safe, inclusive and diverse senior network through advocacy, policy, planning, and engagement in emerging issues. Housing was identified as a key area for this group to support therefore regular communication and data sharing with the Senior Advisory Board will enable Cary's housing programs to adapt to the housing needs of senior residents.

Integrate environmental activities into housing programs such as Healthy Homes Cary to ensure all residents have access to energy efficient and alternative energy housing resources.

In addition to the consideration of environmental assets such as parks and tree canopies, it is also important that all residents have access to energy efficient and alternative energy resources within the home. According to the U.S. Energy Information Administration, nearly one third of households struggle to afford their energy bills, with one in five cutting back on or forgoing necessities such as food or medicine to pay for electricity and heat. Historically, low-income households have less access to energy efficiency services as compared to other households. Many lower-income residents live in older homes that have less efficient appliances, heating and cooling equipment, and other structural issues that often

lead to wasted energy. To help residents address this issue, the new environmental activities being established in Cary must be linked to programs such as Healthy Homes Cary and other housing development initiatives.

Develop homeownership program to fill housing market gap and promote generational wealth.

Housing policy since the 1930s has promoted homeownership as a primary means for Americans to build financial security. Yet many mortgage lending policies and practices limit access to this wealth-building tool for lower-income households. Added barriers specific to Cary are its growing population – it has nearly tripled in the last 30 years – and the median home price outpaces most other communities in the region. This not only makes it difficult for low-income households but moderate- and middle-income residents have limited opportunities for homeownership in the current market. To help fill this housing gap, it is critical that Cary explore diverse homeownership programming.

Align rezoning and development review processes to support Cary's housing priorities

Further realign rezoning and development approval processes with the Town's housing and neighborhood goals can not only preserve the Town's attractiveness to new residents, but can also help to retain and better serve existing residents. Rezoning or development proposals that involve the demolition or removal of housing units or community assets should be asked to describe their plans to replace them. The Town should consider making similar recommendations in the housing priorities guide.

Including resident retention goals in rezoning and development review processes will ensure that new development is not reviewed only with community attraction in mind, but also with the intention to retain and serve the Town's residents.

Below is an expanded list of evaluation criteria that could be used to review proposed developments for alignment with these priorities, some of which the Town already evaluates. The intention is not that all proposed residential developments should comply with all criteria, but rather to identify areas where, if possible, proposed developments could be revised to better align with the Town's priorities.

“The Town helps to provide affordable housing within its limits by providing assistance to developers and non-profit organizations to build low-cost housing and rental units. As of 2013, the Town helped to develop over 200 units of affordable single-family housing and over 500 units of affordable multi-family housing through the utilization of public funding, collaboration with nonprofit organizations, and public-private partnerships.”

– *Imagine Cary*

GOAL 3

Pursue regional partnerships to meet housing need.

Cary is dedicated to enhancing its efforts to provide housing that is affordable. Imagine Cary outlines a policy to promote affordable housing through preservation and new development. The Town has advanced this policy by initiating a public land pilot that will bring 130 new affordable units to Cary.

However, housing affordability for low- and moderate-income households remains a challenge. Over 50 percent of Cary residents earning between \$35,000 and \$50,000 are housing cost burdened, and recent new development of subsidized housing has been limited. At the same time, there are over 300 units of low-income housing in Cary and 2,200 units in Wake County that may be at risk for market-rate redevelopment over the next fifteen years. The Town needs to commit local resources and identify regional partnerships to grow its capacity to address challenges related to the development and preservation of housing that is affordable to low- and moderate-income households.

While communities in Western Wake County are experiencing a growing need for affordable housing, **Wake County is expanding its affordable housing programming guided by its Affordable Housing Plan.** The County has advanced efforts to preserve affordable housing and to support new development through gap financing and by providing public land to developers of affordable housing. **Cary has the opportunity to partner with the County and its neighboring communities on efforts to preserve and provide subsidized rental housing for low-income households.**

Dedicate funding to support the development of new housing that is affordable in or near Cary through a Housing Fund.

Cary lags Wake County in the provision of subsidized rental housing. This is in part due to the relatively high cost of land and development in Cary. The Town needs dedicated funding to provide gap financing for the development of new subsidized housing. The Town should create a housing fund to set aside funds to support local housing initiatives including providing funds to support Low-Income Housing Tax Credit (LIHTC) projects in Cary. This would present the Town with the opportunity to leverage the County’s gap financing program by providing matching funds for proposed development. A housing fund is a locally-controlled source of funds for local housing programs which could pool together

dollars from multiple funding sources. While considering the creation of such program, it is recommended that Cary explore housing related activities that support lower-income residents such as workforce development and food insecurity to ensure a holistic approach to serving residents with limited means.

In addition to the Cary Housing Fund, the Town could contribute funding toward Wake County’s Affordable Housing Development Program (ADHP) which provides gap funding for affordable rental housing developments, with a focus on units for households earning below 50% AMI. Cary could explore the opportunity to provide funding to projects on a case by case basis. Coordination with partners in Wake County will help maximize the impacts of Cary’s investment in affordable housing.

HOUSING PRIORITIES

EVALUATION CRITERIA

Variety of housing types and choices for all residents

- If the development is in downtown, a destination center, or a mixed-use center, does it include high-density residential development?
- If the development includes attached or detached single-family development, are some or all of the units under 2,000 square feet?
- Does the development include pedestrian connections to nearby commercial centers to promote walkability?
- Does the development include units with universal design features to improve accessibility?

Maintaining neighborhood character

- If the development is in an existing neighborhood, will it provide housing units affordable to residents already living in the neighborhood?
- If the development includes the destruction of any housing units affordable to households earning 80% AMI or lower, will it provide replacement units of comparable affordability?

Environmental sustainability

- Does the development include environmental sustainability measures, such as energy efficiency, water conservation, tree preservation, and green building practices?

Support transit-oriented development and policies in partnership with Wake Transit, GoRaleigh, GoTriangle, and Triangle J Council of Government

Transit-oriented development (TOD) is defined as “walkable, mixed-use, higher-density development within walking distance of a transit facility.” TOD generally provides a mix of residential and commercial uses and is designed to make public transit successful, enhance the convenience and safety of walking and bicycling, and provide for a vibrant, livable community. TOD practices have numerous public health benefits, creates a more sustainable community, and can strengthen local economies. Specific to Cary, TOD can better connect residents to other parts of the region. Partnerships with Wake Transit, GoRaleigh, GoTriangle, and Triangle J Council of Government is recommended to ensure that Cary’s practices in this space is consistent with regional planning and connected to the regional framework of TOD initiatives.

Identify opportunities to support development of housing that is affordable on Town-owned land.

High land costs are a barrier to the feasibility of affordable housing development in Cary. To overcome this, the Town should use the disposition of Town-owned land to contribute towards meeting its goals for providing affordable and workforce housing. The Town should identify suitable sites within the existing portfolio of Town-owned land, make sites available through a Request-for-Proposals or other competitive process, and sell property at a discount in exchange for the provision of housing units that are affordable. After determining a target for the production of housing that is affordable on Town land (for example a requirement that 20% of units produced are affordable to households at or below 60% of Area Median Income, with greater discounts available for developers that provide more subsidized units), Cary should set underwriting criteria, solicit developer proposals, and negotiate terms with

the selected development partner. The proceeds of land sales to support residential development should also be used to fund housing programs.

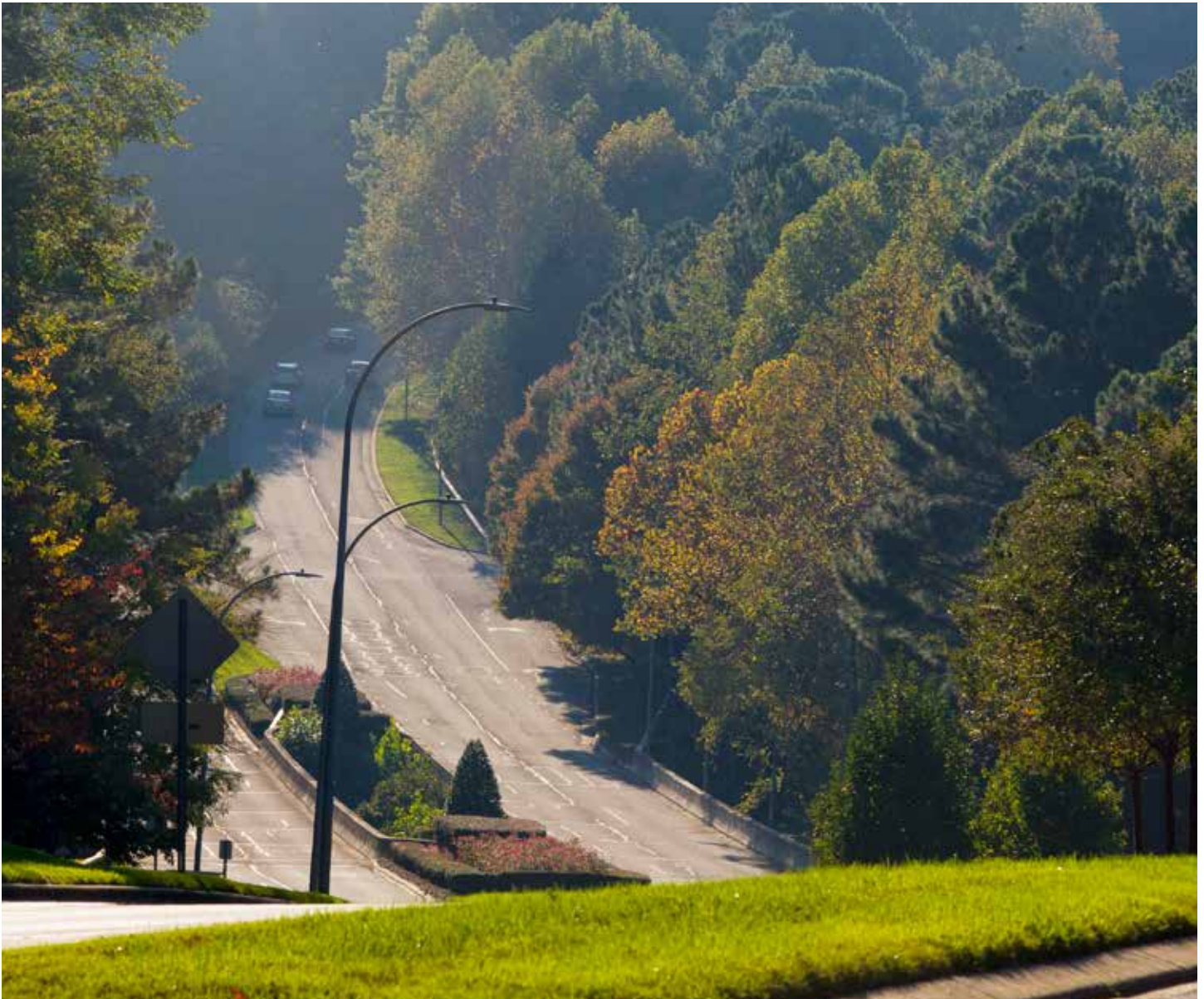
By using discounted Town land to support the production of housing that is affordable, Cary can continue to support the provision of high-quality housing affordable to a range of incomes. Cary could also work with the County and local nonprofits to identify available property that might be suitable for the development of new housing.

Build the capacity of nonprofit partners to support the provision of affordable and supportive housing.

Nonprofits are instrumental to implementing many affordable housing programs. Therefore the Town should identify needs and provide support to existing nonprofits providing affordable and supportive housing. The Town should also continue to participate in the existing Western Wake Affordable Housing Action Group to align public capacity with nonprofit efforts. The Town’s work with the Western Wake Affordable Housing Action Group is important for understanding how Cary can play a role in addressing housing challenges with a range of partners.

Strengthen partnerships with the private market, nonprofits and the faith-based community.

Cary is fortunate in that there are well-informed nonprofits, a first-class private industry, and an empowered faith-based community all working toward increased housing opportunities. Strengthening partnerships with these groups will combine the speed and flexibility of the private sector with essential public programming and subsidies to acquire, build, operate, and maintain housing development in Cary.



ACTIONS

- Dedicate funding to support the development of new housing that is affordable in or near Cary through a Housing Fund
- Support transit oriented development and policies in partnership with Wake Transit, GoRaleigh, GoTriangle, and Triangle J Council of Government
- Identify opportunities to support the development of subsidized housing on publicly-owned land
- Build the capacity of nonprofit partners to support the provision of affordable and supportive housing
- Strengthen partnerships with the private market, non-profits, and the faith-based community

METRICS OF SUCCESS

- Number and average affordability of units produced with Cary's funding support
- Number of affordable units preserved with Cary's funding support
- Number of and average affordability of units built on publicly-owned land
- Number of regional partners to provide units and services
- Dollars provided to nonprofit partners
- Number of affordable units preserved or created through nonprofit partnerships
- Number of affordable units produced or preserved served by transit

FUNDING SOURCE	DESCRIPTION
Community Development Block Grant (CDBG)	Federal funds used to provide affordable housing, provide services to vulnerable community members and support local businesses. Administered locally by the Town of Cary and Wake County.
HOME Funds	Federal funds allocated to states and local government to increase homeownership and affordable housing opportunities. Administered locally by Wake County.
Housing Choice Vouchers (HCV)	Federally-funded vouchers that assist very low-income families in affording housing in the private market. Administered locally by the Wake County Housing Authority.
Cary Housing Fund	A dedicated local fund to support housing programs, such as providing gap financing for new development or fund homeownership programs. A Cary Housing Fund can be funded through a combination of funding sources including general fund allocations, special purpose taxes, and real estate transfer taxes.
Low-Income Housing Tax Credit (LIHTC)	A federal program that provides a dollar-for-dollar tax credit to support the development of affordable rental housing. In North Carolina, the NC Housing Finance Agency allocates federal income tax credits to developers through an application process. There are two general types of credits that can be awarded, 9% credits and 4% credits.
Philanthropy	Philanthropic grants can support nonprofit affordable housing programs and activities including small-scale development and home repairs.
Private Investment	Private investment in the development and repair of housing is crucial to the health of Cary's housing market.
Wake County Affordable Housing Development Program (AHDP)	Gap financing for LIHTC developments provided by the County through a competitive process.

ACKNOWLEDGMENTS

The Cary Housing Plan is a collaborative effort between the Town of Cary and various local stakeholders. It recommends policies and programs to address Cary's housing needs and create benefit for the Town as a whole. We would like to thank the many key stakeholders, Town staff members, and Town Council members who were instrumental to the process.

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Howard Manning
Dorcas Ministries

Lorena McDowell
Wake County

Orah Raia
Housing Opportunities for People
with Exceptionalities

Holly Richard
Tammy Lynn Center

Dan Sargent
Rebuilding Together of the Triangle

Tim Sittema
Crosland Southeast

Rose Cornelious
Dorcas

Developers
Stewart Inc., Evergreen Construction
Company, East West Partners, and
Woodfield Investments.

Western Wake Action Group
Cary First Christian Church, CASA,
Dorcas Ministries, Habitat for
Humanity of Wake County, Town
of Apex, Town of Morrisville, Wake
County Housing Department, Wake
County Human Services, Western
Wake Crisis Ministry, White Oak
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Term	Definition
Accessory Dwelling Unit (ADU)	Housing unit not attached to the principal dwelling unit.
Area Median Income (AMI)	The U.S. Department of Housing and Urban Development (HUD) sets income limits by household size that determine eligibility for subsidized housing programs. Cary is in the Raleigh Metropolitan Statistical Area (MSA), which includes Franklin, Johnston, and Wake Counties. See below for AMI limits by household size.
Cost Burden	Under a standard set by HUD, a household is considered cost burdened when it spends 30% or more of its income on gross housing costs, including rent, mortgage payments, and utilities.
Development Review Committee	Cary's Development Review Committee reviews applications for rezoning and new construction based on the Land Development Ordinance, Cary Code of Ordinances, and municipal laws.
Down Payment Assistance	Down payment assistance programs support homeownership by providing a grant or forgivable loan to first-time home buyers to reduce the upfront costs of purchasing a home.
Housing Trust Fund (HTF)	A dedicated local fund to support housing programs, such as providing gap financing for new development or fund homeownership programs. Housing Trust Funds can be funded through a combination of funding sources including general fund allocations, special purpose taxes, and real estate transfer taxes.
Infill Development	Development or redevelopment of a vacant or under-used property within an existing developed area.
Land Development Ordinance	Cary's Land Development Ordinance (LDO) regulates zoning, subdivision of land, and design standards.
Low-Income Housing Tax Credit (LIHTC)	A federal program that provides a dollar-for-dollar tax credit to support the development of affordable rental housing. In North Carolina, the NC Housing Finance Agency allocates federal income tax credits to developers through an application process. There are two general types of credits that can be awarded, 9% credits and 4% credits.
Naturally-Occurring Affordable Housing	Market-rate housing that is affordable to low- or moderate-income households without public subsidy.
Subsidized Housing	Affordable rental and ownership housing developed and/or operated by non-profit and for-profit developers using public subsidies.
Transit-Oriented Development	Pedestrian-oriented, mixed-use development centered around public transit.
Utility Dwelling Unit (UDU)	Housing unit located within or attached to the principal dwelling unit.



HOUSING AFFORDABILITY LIMITS IN CARY

The U.S. Department of Housing and Urban Development (HUD) sets income limits by household size that determine eligibility for subsidized housing programs. Cary is in the Raleigh Metropolitan Statistical Area (MSA), which includes Franklin, Johnston, and Wake Counties.

Area Median Income (AMI) Limits for Raleigh MSA, 2021

Income Level	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
30% AMI (Extremely Low Income)	\$20,100	\$22,980	\$25,860	\$28,710	\$31,010
50% AMI (Very Low Income)	\$33,500	\$38,300	\$43,100	\$47,850	\$51,700
60% AMI	\$40,200	\$45,960	\$51,720	\$57,420	\$62,040
80% AMI (Low Income)	\$53,600	\$61,280	\$68,960	\$76,560	\$82,720

Source: U.S. Department of Housing and Urban Development (HUD)

Gross housing costs are considered affordable when they are less than 30% of a household's monthly income. Gross housing costs include rent or mortgage payments and utilities. If housing costs exceed the 30% limit, the household is cost burdened. The monthly affordable cost limit for households in Cary by household size and income level is shown in the table below.

Maximum Affordable Monthly Housing Costs for Raleigh MSA, 2021

Income Level	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
30% AMI (Extremely Low Income)	\$503	\$575	\$647	\$718	\$775
50% AMI (Very Low Income)	\$837	\$957	\$1,078	\$1,196	\$1,292
60% AMI	\$1,005	\$1,149	\$1,293	\$1,436	\$1,551
80% AMI (Low Income)	\$1,340	\$1,532	\$1,724	\$1,914	\$2,068

CARY
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