

# Town of Morrisville Affordable Housing Development Incentive Policy | Policy Overview (August 22, 2023)

## About the Policy

The Town of Morrisville (The Town) has identified the need to support the development of affordable housing opportunities for renters and homeowners through partnerships with developers. The Town has set a goal to increase the development of affordable and mixed-income housing throughout Morrisville by providing regulatory easement or other incentives and invites developers active in and around Morrisville to bring proposals for projects that advance this goal.

### What is Affordable Housing?

To meet the needs of Morrisville Residents, the Town is primarily interested in advancing two objectives for affordable housing:

- Increase rental opportunities for households with incomes at or below 60% of the Area Median Income (AMI). The Town will provide regulatory incentives or other considerations for rental developments in which at least a portion of units are affordable to households with incomes up to 60% of AMI.
- Increase homeownership opportunities for households with incomes at or below 80% of the Area Median Income (AMI). The Town will provide regulatory incentives or other considerations for housing developments that dedicate land or homes for affordable homeownership. This objective can be met through the provision of townhomes or other smaller housing types that can be offered at market rates that are affordable to these households.

### How Can Developers Participate?

Interested developers should contact the Town of Morrisville Planning Department at (919) 463-6210.

## Development Options

The Town is interested in attracting development that supports housing affordability in addition to other local policy goals. Below is initial guidance about the types of affordable housing development which might be eligible for the Town’s Affordable Housing Development Incentive Policy and the types of incentives the Town may be able to provide. The Town welcomes all reasonable proposals and invites developers to explore other ways to provide affordable housing.

### Regulatory Incentives and Affordability Mechanisms

	Rental opportunities for households with incomes at or below 60% of AMI	Homeownership opportunities for households with incomes at or below 80% of AMI
<b>Eligible Projects</b>	<ul style="list-style-type: none"> <li>• Mixed-income rental developments, with an initial target of 20% of units affordable to households at or below 60% of AMI.</li> <li>• 100% affordable rental developments, such as Low-Income Housing Tax Credit developments.</li> </ul>	<ul style="list-style-type: none"> <li>• Single family developments that donate a portion of lots or developable land to affordable homeownership developers (preferred)</li> <li>• Single family developments (or condominiums) that provide some homes at prices affordable to households at or below 80% of AMI and restrict the income of first buyers of those homes, with or without public subsidy.</li> </ul>

**Example Incentives**

- Density bonus
  - Height bonus
  - Reduced tree protection requirements
  - Reduced parking minimums
- Reduction in minimum lot sizes
  - Density bonus
  - Allowances for a percentage of subdivision for attached single-family housing such as townhomes where otherwise not permitted

**Supplemental Information**

**Wake County Area Median Income Limits, 2023**

	<b>60% AMI</b>	<b>80% AMI</b>
1 Person	\$47,640	\$63,520
2 Person	\$54,420	\$72,560
3 Person	\$61,200	\$81,600
4 Person	\$67,980	\$90,640
5 Person	\$73,440	\$97,920
6 Person	\$78,900	\$105,200

Source: Novogradac & Company LLP

**Wake County Affordable Rent Limits, 2023**

	<b>Affordable Monthly Rent for a 60% AMI Household</b>
0 bedroom	\$1,191
1 bedroom	\$1,360
2 bedroom	\$1,530
3 bedroom	\$1,699
4 bedroom	\$1,972

Source: Novogradac & Company LLP, rents inclusive of all utilities.

**Affordable Homeownership Pricing**

Based on current mortgage terms and market conditions in Morrisville, a 4-person household with income at 80% of the median income can afford a total mortgage amount of \$320,413, assuming they are not paying any Private Mortgage Insurance (PMI). This would translate to a total affordable home purchase price of \$ 400,516 assuming an 80% Loan-to-Value (LTV) ratio. (Sources: HUD, NCHFA, State of North Carolina, HR&A Analysis)