



Holly Springs Town Council
7:00 PM **Tuesday, September 15, 2026**

Regular Meeting
Holly Springs Town Hall Council Chambers
128 S. Main Street, 2nd Floor

Agenda

1. Call to Order
2. Pledge of Allegiance
3. Invocation
4. Adjustment and approval of September 15, 2026 meeting agenda

PUBLIC COMMENT PERIOD

Each speaker may speak up to 3 minutes, and the total comment period will be 30 minutes or less. Citizens should sign up with the Town Clerk to speak prior to the start of the meeting. Although the Council is interested in hearing your concerns, speakers should not expect Council action or deliberation on subject matter brought up during the Public Comment segment. Topics requiring further investigation will be referred to the appropriate town officials or staff and may be scheduled for a future agenda. Thank you for your consideration of the Town Council, staff, and other speakers.

RECOGNITIONS

5. Breast Cancer Awareness Month
6. Domestic Violence Awareness Month
7. Disability Employment Awareness Month
8. Down Syndrome Awareness Month

CONSENT AGENDA

9. August 18, 2026 Business Meetings Minutes
10. Salem Ridge Rd. Stormwater Culvert Repair
11. Memorandum of Agreement for Delegated Erosion and Sedimentation Control Program
12. Holly Springs Road Widening (Central) - Duke Energy Utility Relocation Contract (Transportation Bond)

PUBLIC HEARINGS

13. Housing Affordability Action Plan - Legislative Public Hearing

OTHER BUSINESS

MANAGER'S REPORT

CLOSED SESSION

ADJOURNMENT

In accordance with ADA regulations please contact the Town Clerk's office at least 48 hours before the meeting to request an auxiliary aid or service needed to participate in this meeting:

linda.mckinney@hollyspringsnc.gov 919-557-3900



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 5.

Recognitions

Title: Breast Cancer Awareness Month

Strategic Priority Area: Vibrant Community

Staff Resource: Mayor Kondratick

Action(s):

Proclaim October as Breast Cancer Awareness Month.

Explanation:

- Breast Cancer Awareness Month is a chance for all residents to take time and acknowledge the women and men whose lives have been affected by breast cancer.
- The National Breast Cancer Foundation (NCFB) has supported people for over 30 years, helping them to get access to education, screening, and the support they need.
- State Senator Sydney Batch will accept the Proclamation.

Background:

- The first organized effort to bring widespread attention to breast cancer was in 1985, when Betty Ford, a breast cancer survivor herself, helped to kick off a week-long event.
- The early goal was to educate women about breast cancer and promote early detection tests, such as mammograms, as an important tool to be used in the fight against breast cancer.
- Today, the goal is to get as many people as possible involved in raising awareness and funds to help support life-saving research and life-changing support.

Funding Source(s):

N/A

Attachment(s):

1. Breast Cancer Awareness Proclamation 2026



Proclamation

Office of the Mayor

WHEREAS, breast cancer touches the lives of Americans from every background and in every community across our Nation; and

WHEREAS, approximately 1 in 8 women (13%) born today in the United States will get breast cancer at some point in their lifetime; and

WHEREAS, according to the American Cancer Society, in 2026 an estimated 321,910 new cases of breast cancer will be diagnosed; and

WHEREAS, though great strides have been made in combatting this devastating illness, tens of thousands of women are expected to lose their lives to the disease; and

WHEREAS, there continues to be a need to increase awareness of breast cancer screening and to promote research for the prevention and cure of breast cancer; and

WHEREAS, Breast Cancer Awareness Month in October is a chance to raise awareness about the importance of early detection of breast cancer by getting a mammogram and encouraging citizens, government agencies, private businesses, nonprofit organizations, and all other interested groups to join in activities that will increase awareness of what we can do to prevent breast cancer; and

WHEREAS, we stand with those who have been affected by breast cancer, and recognize the ongoing efforts of dedicated advocates, researchers, and healthcare providers who strive each day to defeat this terrible disease;

NOW, THEREFORE, I, Mike Kondratick, Mayor of the Town of Holly Springs, North Carolina, do hereby proclaim October as

Breast Cancer Awareness Month

in Holly Springs and encourage all residents to schedule appropriate screenings with their health care providers.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Town of Holly Springs, North Carolina, to be affixed on this 15th day of September, 2026.

Michael D. Kondratick, Mayor



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 6.

Recognitions

Title: Domestic Violence Awareness Month

Strategic Priority Area: Vibrant Community
Community Safety

Staff Resource: Mayor Kondratick

Action(s):

Proclaim October as Domestic Violence Awareness Month.

Explanation:

- Domestic violence can include physical, mental, emotional, sexual, and financial abuse, and is used as a means of intimidation and violence to control a partner involved in an intimate relationship.
- Approximately 41% of women and 26% of men experienced domestic violence in 2025.
- According to the NC Department of Public Safety, there were 85 victims of domestic-violence related homicide in North Carolina in 2025.

Background:

- Research shows that creating communities where people are connected, supportive, and care for one another can reduce incidents of domestic violence.
- Domestic violence touches all communities, regardless of age, race, disability, gender identity, or socioeconomic status.

Funding Source(s):

N/A

Attachment(s):

1. Domestic Violence Awareness



Proclamation

Office of the Mayor

WHEREAS, the Town of Holly Springs is concerned about the issues of domestic violence in the state of North Carolina; and

WHEREAS, domestic violence, which can include physical, mental, sexual, emotional, and financial abuse, is a means of intimidation and violence to influence and control a partner involved in an intimate relationship; and

WHEREAS, according to the Centers for Disease Control and Prevention, approximately 41% of women and 26% of men experienced domestic violence in 2025; and

WHEREAS, according to the North Carolina Department of Public Safety, there were 85 victims of domestic violence-related homicide in North Carolina in 2025; and

WHEREAS, domestic violence does not discriminate and touches all communities regardless of age, race, disability, gender identity, or socioeconomic status; and

WHEREAS, research shows that creating communities where people are connected, supportive, and care for one another can reduce incidents of domestic violence; and

WHEREAS, the elected officials of the Town of Holly Springs believe educating our community on the issue of domestic violence is vitally important; and

WHEREAS, October is recognized as National Domestic Violence Awareness Month;

NOW, THEREFORE, I, Mike Kondratick, Mayor of the Town of Holly Springs, North Carolina, do hereby proclaim October 2026 as

Domestic Violence Awareness Month

in Holly Springs and commend its observance to all residents.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Town of Holly Springs, North Carolina, to be affixed on this 15th day of September, 2026.

Michael D. Kondratick, Mayor



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 7.

Recognitions

Title: Disability Employment Awareness Month

Strategic Priority Area: Vibrant Community

Staff Resource: Mayor Kondratick

Action(s):

Proclaim October as Disability Employment Awareness Month.

Explanation:

- Observed annually in October, National Disability Employment Awareness Month celebrates the contributions of America's workers with disabilities past and present, and showcases supportive, inclusive employment policies and practices.
- The Department of Labor has declared the theme for 2026 as *Celebrating Value and Talent*.
- This year marks the 53rd anniversary of the Rehabilitation Act of 1973 prohibiting discrimination against people with disabilities by federal agencies, federal contractors, or programs receiving federal funds.

Background:

- The history of National Disability Awareness Month traces back to 1945 when Congress enacted a law declaring the first week in October each year "National Employ the Physically Handicapped Week." In 1962, the word "physically" was removed to acknowledge the employment needs and contributions of individuals with all types of disabilities.
- In 1988, Congress expanded the week to a month and changed the name to National Disability Employment Awareness Month.

Funding Source(s):

N/A

Attachment(s):

1. Disability Employment Awareness Month 2026



Proclamation

Office of the Mayor

WHEREAS, October 2026 marks the 81st anniversary of National Disability Employment Awareness Month; and

WHEREAS, the history of this observance traces back to 1945 when it began as a weeklong recognition of people with physical disabilities; and

WHEREAS, later, it was expanded to a full month and evolved to include all people with disabilities, including those with mental health conditions and other nonobvious disabilities, acknowledging the importance of increasing their access to employment; and

WHEREAS, workplaces welcoming the talents of all people, including people with disabilities, are a critical part of our efforts to build a strong economy; and

WHEREAS, we wish to reinforce the value and talent that people with disabilities, including those with mental health conditions and other nonobvious disabilities, add to our workplaces and communities and affirm Holly Springs' commitment to ensuring that all people have the opportunity to find meaningful work;

NOW, THEREFORE, I, Mike Kondratick, Mayor of the Town of Holly Springs, North Carolina, do hereby proclaim October 2026 as

Disability Employment Awareness Month

in Holly Springs and commend its observance to all residents.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Town of Holly Springs, North Carolina, to be affixed on this 15th day of September, 2026.

Michael D. Kondratick, Mayor



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 8.

Recognitions

Title: Down Syndrome Awareness Month

Strategic Priority Area: Vibrant Community

Staff Resource: Mayor Kondratick

Action(s):

Proclaim October as Down Syndrome Awareness Month.

Explanation:

- Down syndrome is the most commonly occurring chromosomal condition, affecting an estimated 18,000 North Carolinians.
- More than 5,000 babies with Down syndrome are born in the U.S. every year.
- Holly Springs hosts the largest Buddy Walk (a community event that promotes awareness, acceptance, and inclusion of people with Down syndrome) in the state, with over 2,000 participants.
- Christy Cooper from the Down Syndrome Alliance will accept the proclamation.

Background:

- The observation of Down Syndrome Awareness Month was started in the 1980s by the National Down Syndrome Society.
- It is an opportunity to celebrate individuals with Down syndrome and make people aware of their abilities and accomplishments.

Funding Source(s):

N/A

Attachment(s):

1. Down Syndrome Awareness Month 2026



Proclamation

Office of the Mayor

WHEREAS, Down Syndrome Awareness Month raises awareness and celebrates the many abilities of our loved ones with Down syndrome; and

WHEREAS, Down syndrome is the most commonly occurring chromosomal condition, affecting an estimated 18,000 North Carolinians; and

WHEREAS, more than 5,000 babies with Down syndrome are born in the U. S. every year; and

WHEREAS, through medical advances, the life expectancy of people with Down syndrome has gone from 25 years in 1983 to more than 60 years today; and

WHEREAS, Holly Springs hosts the largest Buddy Walk in the state, with over 2,000 participants; and

WHEREAS, the inclusion of people with Down syndrome in schools, workforces, and social and recreational activities means that more North Carolinians are benefiting from interactions with people who thrive with Down syndrome, increasing the opportunity for widespread acceptance;

NOW, THEREFORE, I, Mike Kondratick, Mayor of the Town of Holly Springs, North Carolina, do hereby proclaim October as

Down Syndrome Awareness Month

in Holly Springs and commend its observance to all residents.

IN WITNESS WHEREOF, I have
hereunto set my hand and caused the seal of
the Town of Holly Springs, North Carolina,
to be affixed on this 15th day of September,
2026.

Michael D. Kondratick, Mayor



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 9.

Consent Agenda

Title: August 18, 2026 Business Meetings Minutes

Strategic Priority Area: Organizational Excellence

Staff Resource: Linda McKinney, Town Clerk

Action(s):

Approve the minutes of the August 18, 2026, Business Meeting.

Explanation:

- Minutes in draft form are attached for the Council's review.
- If there are any corrections, please notify the Town Clerk in advance of Tuesday night's meeting so that corrected versions of the draft minutes can be circulated for review before adoption of the Consent Agenda.

Background:

Funding Source(s):

N/A

Attachment(s):

1. 8.18.26 minutes_notes



MINUTES

The Holly Springs Town Council met in regular session on Tuesday, August 18, 2026. Mayor Kondratick presided, calling the meeting to order at 7 p.m. A quorum was established as the Mayor and five Council members were present in the Chamber as the meeting opened.

Council Members Present: Mayor Mike Kondratick, Mayor Pro Tem Annie Drees, Council members Chris Deshazor, Danielle Hewetson, Sarah Larson, and Kara Foster.

Council Members Absent: none.

Staff Members Present in Chambers: Randy Harrington, *Town Manager*; Scott Chase and Daniel Weeks, *Assistant Town Managers*; John Schifano, *Town Attorney*; Linda McKinney, *Town Clerk* (recording the minutes); Kameron Womack, *IT*; Corey Petersohn, *Director, Office of Budget and Sustainability*; Cassie Hack, *Director, Communications and Marketing*; LeeAnn Plumer, *Director, Parks & Recreation*; Kendra Parrish, *Executive Director of Utilities and Infrastructure*; Tina Stroupe, *Finance Director*; Elizabeth Goodson, *Assistant Director of Development Services*; Sean Ryan, *Development Services*; Jeff Wilson, *Director of IT*; Irena Krstanovic, *Director, Economic Development*; LeRoy Smith, *Fire Chief*; Paul Liquorie, *Police Chief*.

2. and 3. The Pledge of Allegiance was recited followed by an invocation by Larry Gatrell of Oasis Church.

4. Agenda Adjustment: The August 18, 2026, meeting agenda was adopted with changes, if any, as listed: none

Motion: Drees

Second: Hewetson

Vote: Unanimous

Public Comment: At this time, an opportunity was provided for members of the audience who had registered to speak to address the Council, and the Clerk was asked for any written comments received prior to the meeting.

The following public comments were received in person:

Willy McNeil, 502 Simmer Springs Court, said he was here to give a vision to Holly Springs. His grandparents moved to Bass Lake Road in 1973 and he would come to visit them every summer to help them with the tobacco crop. When he sees how the town has grown, it is phenomenal. His vision of hope is for the town to help others, reach out and help people with addiction. He had resources that helped him, and he does not see those resources here. He would like a rehab or detox center here to help people who are struggling. Holly Springs, Apex, and Fuquay have grown so much, there is a need for this.

Olivia Mancil, 129 Harvestwood, said she was 11 and in 6th grade at Holly Ridge Middle. She said she won a grand prize in biology. She asked Council to remove the Harvestwood Extension from the NE Gateway Plan. She lives on that street and there are kids who play in the street. She is worried

about them getting hit. Lots of cars have been speeding through her school zone. By extending Harvestwood it would create a cut through, putting them in danger. Also, it would disturb the wetlands behind them. Please remove the Harvestwood extension from the NE Gateway

Adam Sullivan, 101 Field Pine Way, said he was former President and current board member of the Wood Creek HOA. He said he loves Holly Springs and that is his motivation. But in Wood Creek there are 872 homes and the number one thing he hears is that they have been forgotten. The NE side has been forgotten and there is no understanding of what is going on. He said they can't get out of their neighborhood. They have met with the Town and this has not made things happen. He said the only thing to do is start talking about it more publicly. Wood Creek has to be included in the NE Gateway Plan. If roads can be put through our neighborhood to fix what 540 has created, they need help. He said that if there is a wreck on Lockley, they can't get out. It continues to get worse and worse. We watched the Meridian vote and there was a clear lack of understanding of what is going on over there. He said they need Council to be more aggressive about putting things where they need to go. They can't be carved out.

Fran Hudson, 5524 Rex Road, said she gave Council a notice of liability. She said We The People have decided that you may have an attorney, but it is Council who puts out the action. Your oath requires that you comply with the Constitution. She said advice by an attorney does not guarantee that the actions of Council are in agreement with the Constitution. She asked that they reply to this notice, or follow the Constitution.

The following public comments were received in writing: three comments in regarding the rezoning of 2420 Avent Ferry Road; two comments on noise enforcement; one comment in support of Automatic License Plate Readers, and two comments in favor of greenway connections.

Recognitions

5. Firefighter Appreciation Month Proclamation

Mayor Kondratick declared September as Firefighter Appreciation Month in Holly Springs and presented the Proclamation to a representative group of firefighters.

6. Emergency Preparedness Month Proclamation

Mayor Kondratick declared September as Emergency Preparedness Month in Holly Springs and recommended that residents make an emergency plan. He presented the proclamation to Jennifer Mathis, Emergency Management Specialist for the Town of Holly Springs who said a few words.

7. Farmers Market Week Proclamation

Mayor Kondratick proclaimed Farmers Market Week in Holly Springs and presented the proclamation to Erali Miller, Farmers Market Coordinator, who said a few words.

Requests and Communications

8. Holly Springs Fire Department Annual Report

LeRoy Smith, Fire Chief, shared the types of activities the Fire Department engages in from the obvious fighting fires and responding to medical emergencies, to public education and outreach. He outlined the organizational chart for the department and said that out of 84 full-time employees, 35 have 3-10 years of service with the town, another 16 have 11-19 years with the department, and 6 have twenty years or more. All fire fighters are EMTs. He outlined the nearly 3,000 calls for service over the past year and showed that the majority are rescue and EMS calls with fires, public service, hazardous situations making up a good portion of the calls.

Chief Smith informed Council of the types and amounts of training firefighters receive and said that health and wellness are a priority. Each firefighter has personal protective equipment and breathing apparatus, and they participate in annual physicals, and have access to mental health

benefits. He said they are now trained to provide this training to Police and other departments. He showed a video of a training and discussed how quickly fire can spread and how soon the smoke impedes visibility. He talked about a significant incident earlier this year and how quickly the firefighters were able to get it under control. He spoke about the community risk reduction and other activities the firefighters conducted over the past year.

Chief Smith outlined the future apparatus, facilities, and personnel that would be needed in the future as the town grows. He thanked Council for their support.

MPT Drees asked if there was a timetable on fleet replacement. Chief Smith said he works with Budget and Fleet and there is a definitive replacement schedule – 15 years for front line vehicles and 5 years for reserve vehicles. There have been a lot of increases in costs and build times in the industry. We are navigating that and the managers have been a great help in navigating. MPT Drees said as we grow, we might need to grow our capability. She asked if the Town had the tools needed to effectively fight fires at these larger businesses. Chief Smith said that fires in the big buildings such as Fuji etc. are not the main threat. They have very sophisticated fire suppression systems. He said he is more concerned with intentional actions, and he works with the Holly Springs Police Department to plan for these incidents. They build partnerships with these businesses to plan ahead.

Mayor Kondratick asked if the fire department had all the equipment they needed. Chief Smith said the key is staffing and training. He mentioned confined space training, and swift water rescue. He said the department has a drone for hazmat incidents to see the problem before they go in. He feels they are very well equipped. He said they are constantly evaluating what is needed. He spoke of the mutual aid agreements with surrounding municipalities' departments and the partnerships. This gives them enhanced capabilities. But we are working on becoming self-sufficient, given the growth in the area. He spoke of various training exercises the department does to stay sufficient. MPT Drees asked if Wake County changing its 911 system had an impact on Holly Springs. Chief Smith said it has. One thing it has highlighted for us is an increase in calls for people who have fallen. We are working on a fall prevention training that we are going to roll out in the future.

Council member Deshazor asked if there was anything Council could do to help get the word out to folks about lithium batteries and smoke detectors. Chief Smith said the battery problem is with e-bikes and off-brand items people buy online. These batteries can overheat. Directing people to our social media would be the best thing. We have a SAFE number and will come out and check smoke alarms, change batteries, answer questions.

Council member Larson asked if the Fire Department could partner with the Police on safety for e-bikes and other chargeable items. Chief Smith said they give coupons or stickers when they see bikers wearing helmets. And on the charging, refer people to our social media. And we're happy to come out and speak to community groups.

Mayor Kondratick said there have been challenges with the air conditioning in our fire trucks. He asked Chief Smith to walk through the mitigations taken. Chief Smith said that every spring they check the trucks. Some of our fleet is older and harder to maintain. He explained that the air conditioning on fire apparatus is designed to run at a high speed. We service everything in March or April and from there we send them out to maintenance. There are a couple vendors who do maintenance. When a lot of things happen at one time, we have to choose whether or not to put a truck out of service. All the departments around us are having the same issue, as there are delays in getting them fixed. Getting the more modern apparatus will help that.

Consent Agenda

The Council passed a motion to approve all items on the Consent Agenda. The motion carried following a motion by Mayor Pro Tem Drees, a second by Council member Hewetson and a unanimous vote. The following actions were affected:

9. July 21, 2026 Business Meetings Minutes – Council approved the minutes of the July 21, 2026 Business Meeting.

10. Monthly Budget Amendments - The Council approved budget amendments closing out the 25-26 fiscal year and reappropriating centrifuge rental funds.

Copies of the Budget Amendments are attached to these minutes.

11. Amend Town Council Meeting Calendar – The Council amended their calendar of meetings to add a Workshop Meeting on September 20th from 1:00 to 5:00 p.m. in the McNeil Room of the Operations Campus.

12. Amendment to Townwide Landscape Maintenance Contract - The Council authorized the Town Manager to execute an amendment to the townwide landscape maintenance contract to add new medians on Holly Springs Road and the Operations Campus.

13. North Main Athletic Complex Parking Lot Rehabilitation - The Council awarded a contract to for the NMAC Parking Lot Rehabilitation to Fred Smith Company in the amount of \$1,078,637 plus a contingency addition of \$161,796 for a total of \$1,240,433; awarded the contract for professional construction administration and inspection services to Bolton & Menk, Inc. in the amount of \$157,500 plus contingency of \$23,625 for a total of \$181,125; and authorized the Town Manager to approve any contracts or change orders consistent with the project scope and within the approved project budget and necessary to deliver the project.

14. Purchase Contract with Gregory Poole for Purchase of an Excavator - The Council authorized a purchase contract with Gregory Poole for a not-to-exceed amount of \$287,310 for the purchase of an excavator.

15. Surplus of Firearm and Badge – The Council adopted Resolution 26-23 authorizing the award of badge and sale of service sidearm to retiring police Officer Lorrie Williams.

A copy of Resolution 26-23 is attached to these minutes.

16. Fire Station 2 Kitchen Renovation Contract – The Council authorized the Town Manager and Town Attorney to negotiate and finalize a contract with Quality Design and Construction, Inc. for the kitchen renovation at Fire Station 2, for a not-to-exceed project budget amount of \$155,000.

NEW BUSINESS

17. Rezoning 25-REZ-08 2420 Avent Ferry Road and Development Agreement

Brett Gosney, Development Services, said this item was to consider a request for rezoning for 2420 Avent Ferry Road. The Public Hearing was held in July, then the item went to Planning Board and it is now back to Council for a decision. He showed where the property is located in town and said that this is an Option 2 rezoning. If the rezoning passes the next step would be a major subdivision / development plan.

Mr. Gosney reminded the audience of the reasons for using a Conditional Zoning District. He said the land is designated Residential Neighborhood with small areas of Natural Area and Conservation Neighborhood on the Land Use and Character Plan. The applicant is seeking NMX-CD Neighborhood Mixed-Use Conditional Zoning District for the southern portion along Avent Ferry Road to allow for a small commercial area. If adopted the Future Land Use Map would change this area from Residential Neighborhood to Neighborhood Center. This is proposed to make up for the commercial which was indicated, but will not be built, in other areas, such as on the Graham Woods property. He

said the current zoning is Rural Residential, and the surrounding properties are either Rural Residential or Suburban Residential.

Mr. Gosney gave an overview of the project history, including the public hearing and Planning Board consideration last month. At the public hearing concerns were raised regarding the location of the crosswalk across Avent Ferry, the access location for the commercial portion of the site, and safety concerns for the homes that are located on the same street as the commercial pod. Since the public hearing the developer has changed the minimum building height from no minimum to 15 feet and increased the buffer adjacent to the Buckhorn Duncan Rd. extension to a 10-foot type B buffer.

Mr. Gosney shared how the project has evolved since its initial presentation. He said the proposed standards that differ from the UDO are lower density, and smaller side setbacks. The allowed commercial uses would be limited to business services, office uses, personal uses, restaurant uses, retail uses, or a childcare center. He said the developer has in mind an international grocery, but if that falls through, would limit themselves to these uses.

Mr. Gosney said that the applicant is proposing 6.48 acres of tree preservation / open space, which is more than the required 6.22 acres. The applicant will prioritize specimen tree preservation, significant tree stands, significant natural resource area and supplemental undisturbed perimeter buffers.

MPT Drees asked if community support facility or religious uses was an approved use for that commercial area. Mr. Gosney said those are permitted, and religious uses are permitted in RR already.

Elliot Blonshine, Development Services, said that there have been no utility changes since the last presentation. The connection to water and sewer would be along Avent Ferry Road, with connection to the Avent Ferry pump station. It is a Priority 2 for the Water Resource Policy. They committed to green building standards and open space/tree preservation. He said road improvements include frontage widening, the extension of Buckhorn Duncan Road, a sidepath along Avent Ferry Rd. and Buckhorn Duncan Rd. and a crosswalk across Avent Ferry at Buckhorn Duncan.

Mr. Blonshine said there were 12 intersections studied as part of the Traffic Study. The Transportation Management Agreement is a part of the Development Agreement. The applicant has committed to paying a fee-in-lieu of \$34,000 for a future traffic signal, and the creation of turn lanes at Avent Ferry and Buckhorn Duncan Road and into the other site access point.

Council member Deshazor asked if the type of commercial was considered with the Water Resource Management, as different types of businesses have different needs. Mr. Blonshine said they made assumptions about what would be needed. They made a broad calculation based on square footage. If the proposed need is higher than those assumptions, we would need to take another look at the Utility Allocation at the next phase.

Council member Deshazor asked if Bridgeberry paid a fee-in-lieu for that signal. Staff will get back to them.

MPT Drees asked about a greenway fee-in-lieu. Mr. Blonshine said that to do that we would require them to provide the easement. At this point we have no design for greenways to the north or south of that so providing an easement is not practical. There is a lot to be considered along here. The pump station clips a corner, and there is an existing house in the next parcel, so it is too early to suggest that they provide an easement in any specific place. Generally speaking when we have developers contribute to greenways there is a larger segment we are connecting to. This one is more complicated, with no existing greenway to connect to and the small part of the property the line on the map touches.

Mr. Gosney said the proposed Development Agreement included a commitment to the Water Resource Management Policy and a commitment to the associated road improvements.

Joanna Holder, Planning Board Representative, said that the Planning Board had no recommendation. The vote was 3 – 3. She outlined the discussion points the Planning Board had. Those in favor thought it was consistent with Holly Pointe and made up for the commercial we had approved but will not be built. Those opposed were concerned with the timing, traffic, and safety of the

crosswalk giving the topography. Based on this being an alternative to 55, there were concerns that it was not responsible.

Council member Deshazor asked Ms. Holder to elaborate on the discussion after the vote. Ms. Holder said there was discussion of the wording of the motion and a member wanted to change his vote, but it was decided after conversation that we would make sure that all views were represented and noted at the Council meeting.

Mr. Gosney said the proposed Suburban Residential Conditional District is reasonably consistent with the site's Future Land Use Designation of Suburban Residential and the proposed Neighborhood Mixed-Use Conditional District serves to replace other commercial areas along the Avenet Ferry Road corridor. He said the staff recommendation is for approval.

MPT Drees asked if the town has heard anything from DOT about the crosswalk. Mr. Blonshine said we have not at this time. That is usually done at the major subdivision stage. The crosswalk is a plan element so if there are potential changes it may be the location, but it is the intention that a crossing across Avenet Ferry Road be provided.

Council member Foster asked if there could be a condition that the crosswalk is constructed before commercial occupancy. Mr. Blonshine said the road improvements are required prior to the first subdivision. He said our normal process is that things a developer would provide on public streets and public utilities are installed and under warranty before they plat. But it can be added to the Development Agreement.

Jason Barron, Morningstar Law Group, said the owners are present and will speak later. He said representatives from McAdams are here tonight too. But, speaking for the applicant, he said this project is unusual in that they want to add commercial, which is a family legacy. They want to put a family business there. He said this plan advances the goals of the Comprehensive Plan, seamlessly integrates with surrounding neighborhoods, and provides a commercial component and significant improvements to Avenet Ferry Road. He talked about how the site plan integrates with the surrounding neighborhoods, and showed where the tree preservation would be. He outlined the road improvements to Avenet Ferry and the extension of Buckhorn Duncan Rd. He said it would be around 1,400 linear feet of Avenet Ferry, then Buckhorn Duncan, and a stream crossing. This is a lot of public improvement for a site with 53 homes.

The owner, Praphul Krottapalli, spoke about the property. He said he wants to build his home here. He said their motivation is to reduce the trips by including a bodega-type business that people can walk or bike to. The goal is to keep this in our family and pass it along to their kids. He said a family member is going to run the business. He spoke of other family members in the area and how supportive of the concept they are. They want to be part of the community.

MPT Drees raised questions about the discrepancies between the application and the presentation. Mr. Barron said there was no design to be deceptive. The Case gets judged based on what is presented.

Council member Deshazor expressed concerns around the commercial. He would prefer it to specify that it will be an ethnic grocery – and not become something else, like a mattress store. If that were to happen we would have failed. Mr. Barron said they would be fine to update conditions to address that very thing. There is no desire for it to be a mattress store or a dollar store. We are happy to provide clarifying language around the nature of the retail if you would prefer.

Council member Larson said she loves the family aspect, but if that is going to be a community node, the community needs safe access to it. She would like the cross walk in writing. She also expressed concerns about the traffic for those homes right across from the commercial. If we're going to nail down the retail, she would like the size of it nailed down too. She likes the idea of a community gathering point but wants safe access.

Council member Hewetson said she had concerns with the access point. It looks like 6 driveways would be pointing toward the parking lot of the commercial and that is difficult to picture. She agrees on specifying the size of the commercial. When we talk about replacing lost commercial

space, there is no doubt that a grocery store would make some impact. But the access point is hard for her to grasp how it would work well. Also cutting down the size requirement would help. MPT Drees said we need to make sure people can get there safely. She asked why the commercial couldn't have an entrance on Buckhorn Duncan or Avent Ferry Rd.

Nate Bouquin, traffic engineer, said NCDOT has concerns with the access points along Avent Ferry Rd. In talks with them the connections we see here are all they were comfortable with providing. MPT Drees said she liked the separation of the commercial from the residences from the original plan.

Mayor Kondratick asked how many additional car trips this would generate. Mr. Bouquin said 1,400 daily trips. Mayor Kondratick asked how many trips into the commercial. Mr. Bouquin said they estimate 871 trips generated by the commercial. MPT Drees asked if Mira Ridge was included in the TIA. Mr. Bouquin said they are given the developments by staff and Mira Ridge was not included. But there is a background traffic level that gets added.

Council member Deshazor asked if there was any thought of a buffer between commercial and the residences for noise and light. He said even though those houses would know about the commercial, when they decide to purchase, it will have a well-lit parking lot so a buffer would be advisable. Mr. Barrons said they had not had those discussions, but are ok with having those conversations.

MPT Drees asked if there was intentionality for the urban open space. Laura Holleman, McAdams, said what they want to do is lay the foundation that has some flexibility. We do not have a site plan for this yet, but it will be in the commercial area. We will have those discussions during the site plan discussions. MPT Drees hopes it would be a useful design for the community. MPT Drees said on the crosswalk, Council is looking for more of a commitment than is currently given. Mr. Barron said that is fair. It is a design element, so we do have to comply with this at the time of site plan. But the conversations of how it will work haven't evolved very far yet. Council member Foster said if there is a way to incorporate traffic calming measures, that is really important to her. And regarding the commercial space, having a place people can get to without having to go all the way downtown, it might be more desirable than people realize. If we could commit to a higher square footage it would be beneficial to have multiple businesses there. She thinks the entrance to the commercial is awkward and would prefer a buffer. Mr. Barron said he appreciated the feedback and the applicants are willing to do what they can to address these concerns.

Mayor Kondratick asked how many commercial spaces in Holly Springs are accessible only off a residential street. Chris Hills, Development Services, said we do not have that available but can get it to you. MPT Drees asked if we have a line-of-sight to further widening of Avent Ferry Rd. Mr. Blonshine said we do not. Council member Deshazor said we are just getting started with Avent Ferry widening and he thinks it is many years out. MPT Drees said she likes the idea of commercial. It will reduce the number of trips closer to 55, but increases them on the other end.

Council member Deshazor said he likes that the applicant listened to what was asked, and aligned with what is going in on Avent Ferry Rd. His concern is the condition. He would love to see a condition that specifies it is going to be a grocery store. He doesn't want just anything there. He would like to see the application cleaned up so we have something that is accurate. He would support a deferral so they come back with those things cleaned up and the condition on commercial.

MPT Drees said for her it is the crosswalk, the access to the commercial, and insulating the commercial lights, noise, and traffic from the residents. She would like a separate entrance. Council member Hewetson said she totally agrees. Mayor Kondratick said the residents in this corridor have been clear about the inability to deal with this traffic. Additional traffic on a residential street is not ideal. There are substantial safety concerns as the plan stands now.

Council member Larson thanked the applicant for wanting to establish the family legacy in Holly Springs, and for working with staff. She agrees that they need to clean it up, and add some assurances on safety. She is in favor of deferring.

Council member Deshazor asked Town Attorney John Schifano whether the condition needs to be put in the motion to defer. Mr. Schifano said Council cannot come up with zoning conditions; the applicant has to. You have given them something to think about.

Mr. Gosney said that Council had three options regarding tonight's decision. They could approve and the development could continue forward as proposed. They could deny the rezoning, and any development would have to meet the requirements for the current RR Rural Residential Zoning district, or they could defer the application to a future meeting to allow the applicant to modify the proposal.

Action: Motion to defer Ordinance RZ26-06 to adopt the plan consistency statement, statement of Reasonableness, and to defer Rezoning 25-REZ-08.

Motion: Deshazor

Second: Larson

Vote: unanimous

18. Oracle Enterprise Resource Planning Software Agreement

Randy Harrington, Town Manager, said that most projects we bring before Council are capital projects that are outward facing – roads, greenways. This is more inwardly facing, but that this is financial management oriented software that underpins everything we do. All run through this system. He said the current system is 20 years old. Think how technology has changed. Governments run software for many decades, but we need to evolve into the next chapter. He spoke about how this change is across all departments and will influence operations of the whole town.

Jeff Wilson, Chief Information Officer, said this item is to consider Oracle NetSuite as the Town's new Enterprise Resource Planning (ERP) software provider. He explained that an ERP is like the Town's central nervous system, including Accounting and Financial Reporting, Budget Development, Utility Billing, and Purchasing. He said that the current ERP was acquired over twenty years ago and is no longer being updated. There is minimal support for issues, it requires significant manual entry, does not always integrate with other modern systems, and lacks modern features.

Mr. Wilson outlined the two-year process staff used to determine what the needs were for a new ERP system and to find the system that best meets the Town's needs. He said that Oracle NetSuite was chosen as it provides the best overall fit for the Town's financial management, audit reporting, and utility billing requirements. It is a cloud-based solution that has embraced AI integration, and provides rigorous security measures.

Mr. Wilson said the Town currently spends \$100,000 per year to maintain the existing ERP software. Transitioning the existing software to a cloud-based environment would cost \$200,000 in implementation plus \$100,000 per year and would not meet the Town's needs as well as NetSuite. Oracle NetSuite will cost \$457,269 in implementation fees and an annual subscription licensing fee of \$139,670 for a 5-year term. Over the five years it will save the town about \$45,000.

Mr. Wilson said that if this is approved tonight, migration to the new system would begin in late fall. It is estimated to take 18 months. There would be an overlap period for data migration and testing of the new system and the existing ERP would be archived to allow for data access. The full "go-live" of Oracle NetSuite is anticipated to be in 2028.

Mayor Kondratik said, to clarify the cost savings piece, if we keep the existing software it would cost us \$45,000 to get the extra features? Mr. Wilson said no, that is just maintenance. We do not get any extra features. And then we would be forced to move to their cloud, costing \$200,000 per year maintenance and additional implementation costs.

Council member Larson said the 5-year subscription starts in January. After 5 years what does that look like. Mr. Wilson said after the initial five-years it will renew yearly with a set cost increase. MPT Drees asked if all data would be migrated. Mr. Wilson said three years' worth would be migrated.

The rest will be available as read-only files. MPT Drees asked if residents would see anything. Mr. Wilson said they would when we implement the utility billing portion. We will communicate that widely. Tina Stroupe, Finance Director, said that right now we use a payment platform and were not given any choice of which one. With this system there are other platforms that integrate. We learned a lot in the last implementation, so now we know what we are looking for, what the pain points are, and we want residents to have as little disruption as possible. MPT Drees asked why this software was more secure. Mr. Wilson said this is fully in the cloud. Should a cyber attack occur it would not affect our data. Council member Foster said it may look expensive, but she understands the software efficiency can make a huge difference in staff efficiency.

Council member Deshazor asked if there be new functionality on the resident side. Ms. Stroupe said we have already seen that there will be ways to make it easier for residents. We currently use Water Smart for residents to look at their water usage. We are looking to integrate that into Oracle to make that easier. She expects improved functionality for residents.

Action: Motion to approve the Oracle Master Agreement five-year contract for one-time implementation fees in the amount of \$457,269 and annual cloud service subscription licensing fees of \$139,670 per year.

Motion: Drees

Second: Deshazor

Vote: unanimous

19. Planning Board ETJ

Linda McKinney, Town Clerk, said she received three applications to fill the mid-term opening for an ETJ member of the Planning Board. The opening was advertised for more than 14 days, per Council's policy. Council discussed their nominations.

Action: Motion to recommend that the Wake County Board of Commissioners appoint Hannah Peptis as Extra-Territorial Jurisdiction Member of the Planning Board with a term ending February 28, 2029.

Motion: Drees

Second: Hewetson

Vote: unanimous

OTHER BUSINESS

Council member Larson wished all students, educators, etc. a good school year as traditional schedule starts next week. Thanked staff and said employees are our best asset.

Council member Deshazor said he was noticing an uptick on social media about transparency. There was a situation where someone did not have full information. They reached out to me and we had a conversation. We are willing to have those conversations. Our information is on the town website. Reach out – we want to talk to you.

MPT Drees said our meetings are running long. She would like to streamline staff and developer presentations and keep them to 15 minutes. People from Wood Creek were here tonight. We added the Transportation meeting to our calendar and she would like to add a discussion on traffic signals to that meeting. Mr. Harrington said we plan to do so.

Mayor Kondratick said he is looking forward to the start of another school year. Congrats to Genentech who had their topping off ceremony today. He thanked staff for all the work on the 150th celebration. And he reminded the public that there are events coming up this weekend.

Council member Hewetson said Friday is final Summer at the Springs for this year. The concept test for the Festival Street goes along with that. Fun events downtown.

Council member Foster thanked staff. She said she appreciates all the hard work on answering our questions. It does not go unnoticed. Also, she is grateful to residents who continue to be engaged. She appreciates the growing sense of community, even when we disagree.

MANAGER'S REPORT

Randy Harrington, Town Manager, said he wanted to check with Council on any final guidance on the roll-out of the online forms for scheduling meetings with elected officials. The form has been developed and shared with the group. He asked if they were ready for us to roll it out.

Mr. Harrington said he wanted to clarify to the public why the Town implemented a data center moratorium and offer ways the community can provide constructive feedback. He said the moratorium was a 12 month pause so that we can study how data centers are defined, as well as what types of development requirements we have to protect the quality of life here in Holly Springs. The part that is challenging to residents, is that we cannot, by law, outlaw a particular type of business, but you can regulate the character and quality and location, which is your most important tool. There is a really good plan for the Land Use Advisory Committee to evaluate this, and we hope we get continuing community feedback. There is a portal on the website for residents to provide feedback and learn more about this.

Council member Deshazor asked if the portal is getting a lot of traction. Cassie Hack, Director of Communication and Marketing said staff can look at that and put it in your briefing.

Mr. Harrington said he had five calendar items: the Festival Street, Thurs. 5-7 Chalking the Street to help design potential elements; Friday evening more prototyping, with mock lighting, furniture, etc. We want the residents' feedback. There is some potential weather so be on the lookout for notifications. Summer concert series All Yall this Friday and next week is downtown Restaurant Week with 13 participating downtown businesses. Saturday from 8-4 All Aboard Holly Springs celebrating railroads in Holly Springs. We recognized the railroad this afternoon with the historic marker, and this is a fun activity. Last, Sat. Aug 29 is the 150th themed Farmers Market. Look forward to seeing you and the residents there.

CLOSED SESSION: Council entered into closed session pursuant to N.C.G.S. 143-318.11(a)(9) to discuss security protocols, with a motion by Council member Deshazor a second by Council member Hewetson and a unanimous vote.

Motion to leave closed session was made by Council member Hewetson with a second by Council member Deshazor and a unanimous vote.

Adjournment: Council member Hewetson made a motion to adjourn at 10:30. It was seconded by MPT Drees and passed with a unanimous vote.

Respectfully submitted on Tuesday, September 15, 2026.



Linda C. McKinney, Town Clerk

Addenda pages as referenced in these minutes follow and are a part of the official record.



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 10.

Consent Agenda

Title: Salem Ridge Rd. Stormwater Culvert Repair

Strategic Priority Area: Community Safety

Staff Resource: Darin Eyster, Utilities and Infrastructure

Action(s):

- Award the construction contract for Salem Ridge Culvert Repair for \$222,215.00 and contingency of \$22,225.00 to the lowest responsible bidder, BLD Services, LLC.
- Authorize the Town Manager to approve any associated contracts and change orders necessary to deliver the project that are consistent with the project scope and within the Council approved project budget.

Explanation:

- The project will rehabilitate approximately 282 linear feet of existing 72-inch-diameter culverts along Salem Ridge Drive.
- The work includes installation of a 1.5-inch-thick spray-applied mortar lining, injection grouting, invert repairs, and stormwater pipe cleaning.

Background:

- A routine inspection conducted by the Town's Stormwater crew revealed that the existing culvert pipes are severely deteriorated and require rehabilitation to maintain proper function and protect the surrounding infrastructure.
- Several alternatives for repairing or replacing the existing culvert were evaluated. Spray-applied mortar lining was determined to be the most cost-effective solution and will allow the roadway to remain open during construction, minimizing disruptions to the traveling public.
- Stormwater capital projects are identified by need, prioritized based on risk/benefit, programmed through the Community Investment Plan (CIP) and funded primarily through the Stormwater Utility Fund.

Funding Source(s):

Community Investment Plan - Stormwater Project Funds

Attachment(s):

1. 24-014 Salem Ridge Culvert Repair_ExhibitA_202507_woEasements
2. Bid Record_26-24014 Salem Ridge Culvert_STAMPED
3. 26-24014 ITB Salem Ridge Culvert Repair - Council

Town Council Business Meeting
September 15, 2026

NOTES:

1. ALL WORK TO BE COMPLETE WITHIN THE LIMITS OF CONSTRUCTION.
2. DETERMINE ACTUAL CONDITIONS, LENGTHS, ANGLES, SIZES, ETC. PRIOR TO ORDERING ANY MATERIAL.
3. NO PORTION OF THE PROJECT SITE SHOWN HERE LIES WITHIN A FEMA SFHA. FLOOD AREAS DETERMINED FROM THE FEMA FIRM 3720065800K, EFFECTIVE ON 7/19/2022
4. CONTRACTOR SHALL CONTACT NORTH CAROLINA 811 AT LEAST 72 HOURS BEFORE ANY CONSTRUCTION ACTIVITY TO PROTECT UNDERGROUND UTILITIES FROM DAMAGE. THE CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING AND PROTECTING ALL UTILITIES. UTILITY LOCATIONS SHOWN ON THIS PLAN ARE APPROXIMATE.
5. TRAFFIC CONTROL IS INCIDENTAL TO THIS WORK. THE CONTRACTOR SHALL PROVIDE TRAFFIC CONTROL AS NEEDED IN ACCORDANCE WITH STATE REQUIREMENTS.
6. CONTRACTOR SHALL ESTABLISH THE CHANNEL WIDTH. ANY BYPASS SHALL BE REMOVED AND THE CHANNEL RESTORED AS NEEDED.
7. CONTRACTOR SHALL PROTECT EXISTING LANDSCAPING. ALL DISTURBED EXISTING LANDSCAPING SHALL BE RESTORED TO EXISTING, SEEDED AND MULCHED AS APPROPRIATE. SEEDING TYPE IS "REBELS TALL FESCUE" IN THIS AREA.
8. ALL WORK SHALL CONFORM TO THE TOWN OF HOLLY SPRINGS ENGINEERING DESIGN AND CONSTRUCTION STANDARDS, NCDOT ROADWAY STANDARD SPECIFICATIONS AND DRAWINGS, AND NCDEQ EROSION AND SEDIMENT CONTROL PLANNING AND DESIGN MANUAL. ANY CONFLICTING STANDARDS OR DETAILS SHALL BE BROUGHT TO THE ATTENTION OF THE ENGINEER FOR DIRECTION. SPRAY APPLIED MORTAR LINING TO BE INSTALLED PER ASTM F3706.
9. INFORMATION SHOWN ON THIS PLAN IS REPRESENTATIVE AND APPROXIMATED FROM TOWN OF HOLLY SPRINGS GIS AND EXISTING AS-BUILTS. NO SURVEY WAS PERFORMED.

EXISTING TREE STUMP TO BE REMOVED AND SLOPE REESTABLISHED WITH SUITABLE FILL. REMOVE AND REPLACE MITERED END SECTION OF PIPE.

PROPOSED LINER REPAIR
EXISTING 3 @ 72" CMP CULVERT
LENGTH = +/- 60'
INV IN = 314.75
SLOPE = 0.5%

CB# 1 & 2
TOP = 325.05
INV = 314.60

CB# 3
TOP = 325.05
INV = 314.40

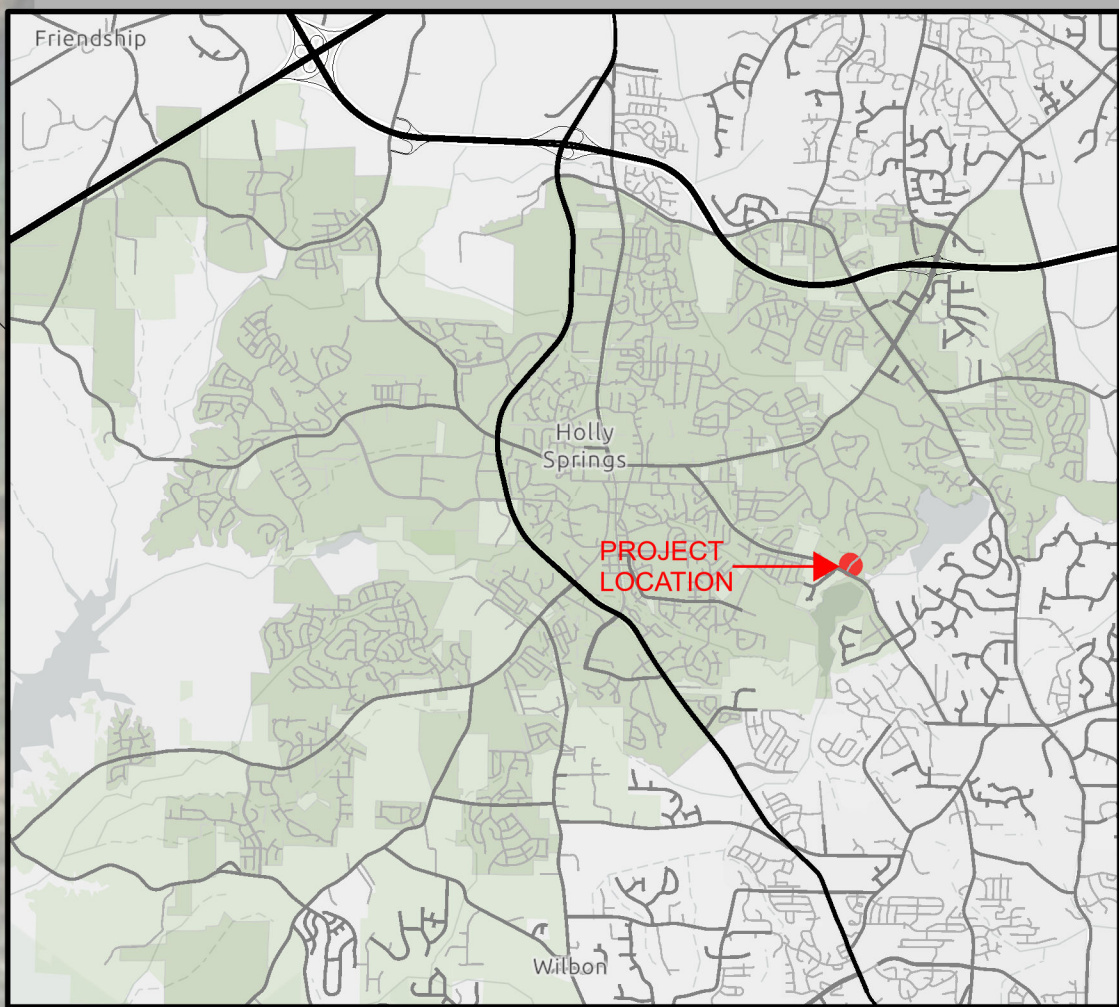
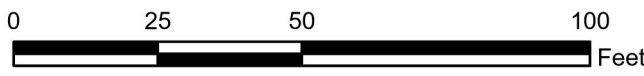
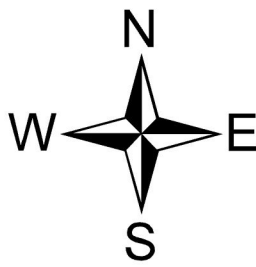


EXHIBIT A
SALEM RIDGE RD
PIPE CULVERT REPAIR
PROJECT # 24-014
PLAN VIEW

- SYMBOLS
- CATCH BASIN
 - ▲ OUTFALL
 - ⊕ FIRE HYDRANT
 - SANITARY SEWER MANHOLE
 - - - STORMWATER DRAINAGE PIPE
 - WATER LINE
 - SANITARY SEWER LINE
 - - - SANITARY SEWER EASEMENT
 - ▭ PARCELS
 - ▨ 1% ANNUAL CHANCE FLOOD HAZARD
 - ▩ FUTURE CONDITION FLOOD HAZARD



1:400

PCS: NAD 1983 StatePlane North Carolina FIPS 3200 Feet

The Town expressly denies any and all responsibility for errors, if any, in the information/data or for the misuse of the information/data by the user or anyone else. The user understands that he or she should verify the accuracy of the information/data before using it.

For More Information Contact:
Town of Holly Springs
Utilities & Infrastructure
128 S Main Street
Holly Springs, NC 27540
www.hollyspringsnc.gov

PREPARED BY: CD
CHECKED BY: DE
DATE: 7/9/2025 11:36 AM

BID RECORD

Digitally signed by Brettany DeVold
Reason: I attest to the accuracy and
integrity of this document
Date: 2026.08.19 16:27:48-04'00'

Solicitation: ITB 26-24014 Salem Ridge Culvert Repair
Date Issued: 6/15/2026

Evaluation Committee: Darin Eyster

Evaluation Date: 8/11/2026

Bidder	Base Bid	Responsive?	Notes
BLD Services, LLC	\$222,215.00	Yes	Apparent low responsive bid
Inliner Solutions, LLC	\$257,040.00	Yes	
Atlantic Pipe Services, LLC	\$272,000.75	Yes	
Nu-Pipe, LLC	\$297,485.00	Yes	
Proshot Concrete, Inc.	\$365,510.00	Yes	
Vortex Services, LLC	\$365,980.00	Yes	
Mid-Atlantic Sewer, LLC	\$434,175.00	Yes	
Turner Asphalt	\$465,319.00	No	Incomplete submission
Groundworks North Carolina, LLC	N/A	No	Partial bid—Injection Grouting only

Detailed unit and extended pricing is provided on the Bid Tabulation worksheet.

Responsiveness determinations are documented on the Responsiveness Review worksheet.

Evaluation Committee comments are documented on the Evaluation Comments worksheet(s).

Standard of Award: The standard of contract award is the lowest responsive, responsible bidder, taking into consideration quality, performance and time.

Award Recommendation: BLD Services, LLC

ATTACHMENT A: DRAFT CONTRACT

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document has been adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

EJCDC C-522 CONTRACT FOR CONSTRUCTION OF A SMALL PROJECT

Prepared by



Issued and Published Jointly by



Copyright © 2016:

National Society of Professional Engineers
1420 King Street, Alexandria, VA 22314-2794
(703) 684-2882
www.nspe.org

American Council of Engineering Companies
1015 15th Street N.W., Washington, DC 20005
(202) 347-7474
www.acec.org

American Society of Civil Engineers
1801 Alexander Bell Drive, Reston, VA 20191-4400
(800) 548-2723
www.asce.org

The copyright for this EJCDC document is owned jointly by the three sponsoring organizations listed above. The National Society of Professional Engineers is the Copyright Administrator for the EJCDC documents; please direct all inquiries regarding EJCDC copyrights to NSPE.

NOTE: EJCDC publications may be purchased at www.ejcdc.org, or from any of the sponsoring organizations above.

CONTRACT FOR CONSTRUCTION OF A SMALL PROJECT

This Contract is by and between _____ The Town of Holly Springs (Owner) and
_____ (Contractor).

Owner and Contractor hereby agree as follows:

ARTICLE 1 - THE WORK

1.01 Work

- A. Work includes all labor, materials, equipment, services, and documentation necessary to construct the Project defined herein.
- B. The Contractor shall complete all Work as specified or indicated in the Contract Documents. The Project is generally described as follows:
 - 1. Installation of Spray Applied Mortar Lining to 282 linear feet of 72" corrugated metal pipes (CMP). The project also includes pipe cleaning of 282 linear feet of CMP, injection grouting and invert mortar repair. All repairs shall be made in accordance with "Standard Practice for In Field Spray Applied Mortar Linings for Large Diameter Stormwater and Sewer Conduits, ASTM Std. F3706-24."
 - 2. The Technical Specifications in Exhibit A provide detailed information on installation methods and measurements.
 - 3. The quantities shown in the Bid Proposal are approximate and are given as the basis for comparison of bids.
 - 4. Warranty: The Contractor shall guarantee materials and workmanship against latent and patent defects arising from faulty materials, faulty workmanship or negligence for a period of twelve months following the date of final acceptance of the work for maintenance and shall replace such defective materials and workmanship without cost to the Town. The Contractor will not be responsible for damage due to faulty design, normal wear and tear, for negligence on the part of the Town, and/or for use more than the design.

ARTICLE 2 - CONTRACT DOCUMENTS

2.01 Intent of Contract Documents

- A. It is the intent of the Contract Documents to describe a functionally complete project. The Contract Documents do not indicate or describe all of the Work required to complete the Project. Additional details required for the correct installation of selected products are to be provided by the Contractor and coordinated with the Owner and Engineer. This Contract supersedes prior negotiations, representations, and agreements, whether written or oral. The Contract Documents are complementary; what is required by one part of the Contract Documents is as binding as if required by other parts of the Contract Documents.
- B. During the performance of the Work and until final payment, Contractor and Owner shall submit all matters in question concerning the requirements of the Contract Documents, or relating to the acceptability of the Work under the Contract Documents to the Engineer.

Engineer will be the initial interpreter of the requirements of the Contract Documents, and judge of the acceptability of the Work thereunder.

- C. Engineer will render a written clarification, interpretation, or decision on the issue submitted, or initiate a modification to the Contract Documents.
- D. Contractor, and its subcontractors and suppliers, shall not have or acquire any title to or ownership rights to any of the Drawings, Specifications, or other documents (including copies or electronic media editions) prepared by Engineer or its consultants.

2.02 Contract Documents Defined

- A. The Contract Documents consist of the following documents:
 - 1. This Contract.
 - 2. Exhibit A: Technical Specifications.
 - 3. The following which may be delivered or issued on or after the Effective Date of the Contract:
 - a. Work Change Directives (EJCDC C-940).
 - b. Change Orders (EJCDC C-941).
 - c. Field Orders.
 - d. Payment Application Forms.
 - e. Project Closeout Forms.

ARTICLE 3 - ENGINEER

3.01 Engineer

- A. The Engineer for this Project is The Town of Holly Springs.

ARTICLE 4 - CONTRACT TIMES

4.01 Contract Times

- A. The Work will be substantially completed on or before **November 1, 2026**, and completed and ready for final payment on or before **December 1, 2026**.

4.02 Liquidated Damages

- A. Contractor and Owner recognize that time is of the essence in the performance of the Contract, and that Owner will incur damages if Contractor does not complete the Work according to the requirements of Paragraph 4.01. Because such damages for delay would be difficult and costly to determine, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty) Contractor shall pay Owner **\$300** for each day that expires after the Contract Time for substantial completion.

4.03 Delays in Contractor's Progress

- A. If Owner, Engineer, or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in the Contract Times and Contract Price. Contractor's entitlement to

EJCDC® C-522, Contract for Construction of a Small Project.

Copyright © 2016 National Society of Professional Engineers, American Council of Engineering Companies,
and American Society of Civil Engineers. All rights reserved. Page 4 of 26

an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.

- B. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delay, disruption, or interference caused by or within the control of Contractor or their subcontractors or suppliers.
- C. If Contractor's performance or progress is delayed, disrupted, or interfered with by unanticipated causes not the fault of and beyond the control of Owner, Contractor, and those for which they are responsible, then Contractor shall be entitled to an equitable adjustment in Contract Times.
- D. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for any delay, disruption, or interference if such delay is concurrent with a delay, disruption, or interference caused by or within the control of Contractor or Contractor's subcontractors or suppliers.

4.04 Progress Schedules

- A. Contractor shall develop a progress schedule and submit to the Engineer for review and comment before starting Work on the Site. The Contractor shall modify the schedule in accordance with the comments provided by the Engineer.
- B. The Contractor shall update and submit the progress schedule to the Engineer each month. The Owner may withhold payment if the Contractor fails to submit the schedule

ARTICLE 5 - CONTRACT PRICE

5.01 Payment

- A. Owner shall pay Contractor in accordance with the Contract Documents, the lump sum amount not to exceed \$_____ for all the work. For the convenience of the parties in determining any future change order(s) or work change directive(s), the following unit prices for each unit of Work completed have been considered in calculating the Base Bid:

Base Bid

6

Item No.	Description	Unit	Estimated Quantity	Unit Price	Extended Price
1	72" Spray Applied Mortar Lining, 1.5" Thick	LF	282	420.00	118,440.00
2	Temporary Traffic Control	LS	1	1,000.00	1,000.00
3	Injection Grouting	GAL	395	145.00	57,275.00
4	Invert Mortar Repair	CY	10	400.00	4,000.00
5	Incidental Grading	LS	1	1,500.00	1,500.00
6	Storm Sewer Cleaning	LS	1	30,000.00	30,000.00
7	Mobilization	LS	1	10,000.00	10,000.00
Total of all extended prices for Estimated Quantities of Work					\$ 222,215.00
Base Bid:		\$222,215.00			

Payment will be made in an amount equal to the total of all extended prices for actual Work completed. The extended price is determined by multiplying the unit price times the actual quantity of that Work item completed. Actual quantities installed will be determined by the Engineer.

ARTICLE 6 - INSURANCE

6.01 Insurance

- A. Before starting Work, Contractor shall furnish evidence of insurance from companies that are duly licensed or authorized in the jurisdiction in which the Project is located with a minimum AM Best rating of A-VII or better. Contractor shall provide insurance in accordance with the following:

1. Contractor shall provide coverage for not less than the following amounts, or greater where required by Laws and Regulations:

- a. Workers' Compensation:

State:	Statutory
Employer's Liability:	
Bodily Injury, each Accident	\$ Statutory
Bodily Injury By Disease, each Employee	\$ Statutory
Bodily Injury/Disease Aggregate	\$ Statutory

- b. Commercial General Liability:

General Aggregate	\$ 10,000,000
Products - Completed Operations Aggregate	\$
Personal and Advertising Injury	\$ 2,000,000
Each Occurrence (Bodily Injury and Property Damage)	\$ 10,000,000

- c. Automobile Liability herein:

Bodily Injury:	
Each Person	\$
Each Accident	\$
Property Damage:	
Each Accident	\$
Combined Single Limit of:	\$

- d. Excess or Umbrella Liability:

Per Occurrence	\$
General Aggregate	\$ 10,000,000

- e. Contractor's Pollution Liability:

Each Occurrence	\$ 5,000,000
General Aggregate	\$ 5,000,000

- B. All insurance policies required to be purchased and maintained will contain a provision or endorsement that the coverage afforded will not be canceled or materially changed or renewal refused until at least 10 days prior written notice has been given to the insured and additional insured.

- C. Automobile liability insurance provided by Contractor shall provide coverage against claims for damages because of bodily injury or death of any person or property damage arising out

of the ownership, maintenance, or use of any motor vehicle. The automobile liability policy shall be written on an occurrence basis.

- D. Contractor's commercial general liability policy shall be written on a 1996 or later ISO commercial general liability occurrence form and include the following coverages and endorsements:
 - 1. Products and completed operations coverage maintained for three years after final payment;
 - 2. Blanket contractual liability coverage to the extent permitted by law;
 - 3. Broad form property damage coverage; and
 - 4. Severability of interest; underground, explosion, and collapse coverage; personal injury coverage.
- E. The Contractor's commercial general liability and automobile liability, umbrella or excess, and pollution liability policies shall include and list Owner and Engineer and the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each as additional insureds; and the insurance afforded to these additional insureds shall provide primary coverage for all claims covered thereby (including as applicable those arising from both ongoing and completed operations) on a non-contributory basis.
 - 1. Additional insured endorsements will include both ongoing operations and products and completed operations coverage through ISO Endorsements CG 20 10 10 01 and CG 20 37 10 01 (together). If Contractor demonstrates to Owner that the specified ISO endorsements are not commercially available, then Contractor may satisfy this requirement by providing equivalent endorsements.
 - 2. Contractor shall provide ISO Endorsement CG 20 32 07 04, "Additional Insured—Engineers, Architects or Surveyors Not Engaged by the Named Insured" or its equivalent for design professional additional insureds.
- F. Umbrella or excess liability insurance shall be written over the underlying employer's liability, commercial general liability, and automobile liability insurance. Subject to industry-standard exclusions, the coverage afforded shall be procured on a "follow the form" basis as to each of the underlying policies. Contractor may demonstrate to Owner that Contractor has met the combined limits of insurance (underlying policy plus applicable umbrella) specified for employer's liability, commercial general liability, and automobile liability through the primary policies alone, or through combinations of the primary insurance policies and an umbrella or excess liability policy.
- G. The Contractor shall provide property insurance covering physical loss or damage during construction to structures, materials, fixtures, and equipment, including those materials, fixtures, or equipment in storage or transit.
- H. If Contractor has failed to obtain and maintain required insurance, Owner may exclude the Contractor from the Site, impose an appropriate set-off against payment, and exercise Owner's termination rights under Article 15.

ARTICLE 7 - CONTRACTOR'S RESPONSIBILITIES

7.01 Supervision and Superintendence

- A. Contractor shall supervise and direct the Work competently and efficiently, devoting such ~~attention thereto and applying such skills and expertise as may be necessary to perform the~~

EJCDC® C-522, Contract for Construction of a Small Project.

Copyright © 2016 National Society of Professional Engineers, American Council of Engineering Companies, and American Society of Civil Engineers. All rights reserved. Page 8 of 26

Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences, safety, and procedures of construction.

- B. Contractor shall assign a competent resident superintendent who is to be present at all times during the execution of the Work. This resident superintendent shall not be replaced without written notice to and approval by the Owner and Engineer except under extraordinary circumstances.
- C. Contractor shall at all times maintain good discipline and order at the Site.
- D. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site shall be performed during regular working hours, Monday through Friday.

7.02 Other Work at the Site

- A. In addition to and apart from the Work of the Contractor, other work may occur at or adjacent to the Site. Contractor shall take reasonable and customary measures to avoid damaging, delaying, disrupting, or interfering with the work of Owner, any other contractor, or any utility owner performing other work at or adjacent to the Site.

7.03 Services, Materials, and Equipment

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start up, and completion of the Work, whether or not such items are specifically called for in the Contract Documents.
- B. All materials and equipment incorporated into the Work shall be new, of good quality and shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable supplier, except as otherwise may be provided in the Contract Documents.

7.04 Subcontractors and Suppliers

- A. Contractor may retain subcontractors and suppliers for the performance of parts of the Work. Such subcontractors and suppliers must be acceptable to Owner.

7.05 Quality Management

- A. Contractor is fully responsible for the managing quality to ensure Work is completed in accordance with the Contract Documents.

7.06 Licenses, Fees and Permits

- A. Contractor shall pay all license fees and royalties and assume all costs incident to performing the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others.
- B. Contractor shall obtain and pay for all construction permits and licenses unless otherwise provided in the Contract Documents.

7.07 Laws and Regulations; Taxes

- A. Contractor shall give all notices required by and shall comply with all local, state, and federal Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither Owner nor Engineer shall be

EJCDC® C-522, Contract for Construction of a Small Project.

Copyright © 2016 National Society of Professional Engineers, American Council of Engineering Companies,
and American Society of Civil Engineers. All rights reserved. Page 9 of 26

responsible for monitoring Contractor's compliance with any Laws or Regulations.

- B. Contractor shall bear all resulting costs and losses, and shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages if Contractor performs any Work or takes any other action knowing or having reason to know that it is contrary to Laws or Regulations.
- C. Contractor shall pay all applicable sales, consumer, use, and other similar taxes Contractor is required to pay in accordance with Laws and Regulations.

7.08 Record Documents

- A. Contractor shall maintain one printed record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, written interpretations and clarifications, and approved shop drawings in a safe place at the Site. Contractor shall annotate them to show changes made during construction. Contractor shall deliver these record documents to Engineer upon completion of the Work.

7.09 Safety and Protection

- A. Contractor shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work.
- B. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:
 - 1. All persons on the Site or who may be affected by the Work;
 - 2. All the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
 - 3. Other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, other work in progress, utilities, and underground facilities not designated for removal, relocation, or replacement in the course of construction.
- C. All damage, injury, or loss to any property caused, directly or indirectly, in whole or in part, by Contractor, or anyone for whose acts the Contractor may be liable, shall be remedied by Contractor at its expense (except damage or loss attributable to the fault of Contract Documents or to the acts or omissions of Owner or Engineer and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor).
- D. Contractor shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.
- E. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor shall act to prevent threatened damage, injury, or loss. Contractor shall give Engineer prompt written notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby or are required as a result thereof. If Engineer determines that a change in the Contract Documents is required because of the action taken by Contractor in response to such an emergency, a Work Change Directive or Change Order will be issued.

7.10 Shop Drawings, Samples, and Other Submittals

- A. Contractor shall review and coordinate the shop drawing and samples with the requirements of the Work and the Contract Documents and shall verify all related field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information.
- B. Each submittal shall bear a stamp or specific written certification that Contractor has satisfied Contractor's obligations under the Contract Documents with respect to Contractor's review of that submittal, and that Contractor approves the submittal.
- C. With each submittal, Contractor shall give Engineer specific written notice, in a communication separate from the submittal, of any variations that the shop drawing or sample may have from the requirements of the Contract Documents.
- D. Engineer will provide timely review of shop drawings and samples.
- E. Engineer's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions or programs.
- F. Engineer's review and approval of a separate item does not indicate approval of the assembly in which the item functions.
- G. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of shop drawings and submit, as required, new samples for review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous submittals.
- H. Shop drawings are not Contract Documents.

7.11 Warranties and Guarantees

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Engineer and its officers, directors, members, partners, employees, agents, consultants, and subcontractors shall be entitled to rely on Contractor's warranty and guarantee.

7.12 Correction Period

- A. If within one year after the date of substantial completion, any Work is found to be defective, or if the repair of any damages to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas used by Contractor as permitted by Laws and Regulations, is found to be defective, then Contractor shall promptly and without cost to Owner, correct such defective Work.

7.13 Indemnification

- A. To the fullest extent permitted by Laws and Regulations, and in addition to any other obligations of Contractor under the Contract or otherwise, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the performance of the Work, provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom but only to the extent caused by any negligent act or omission of Contractor, any subcontractor, any supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for

EJCDC® C-522, Contract for Construction of a Small Project.

Copyright © 2016 National Society of Professional Engineers, American Council of Engineering Companies, and American Society of Civil Engineers. All rights reserved. Page 11 of 26

whose acts they may be liable.

ARTICLE 8 - OWNER'S RESPONSIBILITIES

8.01 Owner's Responsibilities

- A. Except as otherwise provided in the Contract Documents, Owner shall issue all communications to Contractor through Engineer.
- B. Owner shall make payments to Contractor as provided in this Contract.
- C. Owner shall provide Site and easements required to construct the Project.
- D. If Owner intends to contract with others for the performance of other work at or adjacent to the Site, unless stated elsewhere in the Contract Documents, Owner shall have sole authority and responsibility for such coordination.
- E. The Owner shall be responsible for performing inspections and tests required by applicable codes.
- F. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- G. While at the Site, Owner's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed.
- H. Owner shall furnish copies of any applicable Owner safety programs to Contractor.

ARTICLE 9 - ENGINEER'S STATUS DURING CONSTRUCTION

9.01 Engineer's Status

- A. Engineer will be Owner's representative during construction. The duties and responsibilities and the limitations of authority of Engineer as Owner's representative during construction are set forth in this Contract.
- B. Neither Engineer's authority or responsibility under this Article 9 or under any other provision of the Contract, nor any decision made by Engineer in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer, shall create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any subcontractor, any supplier, any other individual or entity, or to any surety for or employee or agent of any of them.
- C. Engineer will make visits to the Site at intervals appropriate to the various stages of construction. Engineer will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work.
- D. Engineer has the authority to reject Work if Contractor fails to perform Work in accordance with the Contract Documents.
- E. Engineer will render decisions regarding the requirements of the Contract Documents, and judge the acceptability of the Work.
- F. Engineer will not supervise, direct, control, or have authority over or be responsible for

EJCDC® C-522, Contract for Construction of a Small Project.

Copyright © 2016 National Society of Professional Engineers, American Council of Engineering Companies,
and American Society of Civil Engineers. All rights reserved. Page 12 of 26

Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.

ARTICLE 10 - CHANGES IN THE WORK

10.01 Authority to Change the Work

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work.

10.02 Change Orders

- A. Owner and Contractor shall execute appropriate Change Orders covering:
 - 1. Changes in the Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive;
 - 2. Changes in the Work which are: (a) ordered by Owner or (b) agreed to by the parties or (c) resulting from the Engineer's decision, subject to the need for Engineer's recommendation if the change in the Work involves the design (as set forth in the Drawings, Specifications, or otherwise), or other engineering or technical matters; and
 - 3. Changes in the Contract Price or Contract Times or other changes which embody the substance of any final binding results under Article 12.
- B. If the provisions of any bond require notice to be given to a surety of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times), the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted to reflect the effect of any such change.

ARTICLE 11 - DIFFERING SUBSURFACE OR PHYSICAL CONDITIONS

11.01 Differing Conditions Process

- A. If Contractor believes that any subsurface or physical condition including but not limited to utilities or other underground facilities that are uncovered or revealed at the Site either differs materially from that shown or indicated in the Contract Documents or is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in Work of the character provided for in the Contract Documents then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except with respect to an emergency) until receipt of a written statement permitting Contractor to do so.
- B. After receipt of written notice, Engineer will promptly:
 - 1. Review the subsurface or physical condition in question;
 - 2. Determine necessity for Owner obtaining additional exploration or tests with respect to the condition;

3. Determine whether the condition falls within the differing site condition as stated herein;
 4. Obtain any pertinent cost or schedule information from Contractor;
 5. Prepare recommendations to Owner regarding the Contractor's resumption of Work in connection with the subsurface or physical condition in question and the need for any change in the Drawings or Specifications; and
 6. Advise Owner in writing of Engineer's findings, conclusions, and recommendations.
- C. After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor regarding the subsurface or physical condition in question, addressing the resumption of Work in connection with such condition, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations, in whole or in part.

ARTICLE 12 - CLAIMS AND DISPUTE RESOLUTION

12.01 Claims Process

- A. The party submitting a claim shall deliver it directly to the other party to the Contract and the Engineer promptly (but in no event later than 10 days) after the start of the event giving rise thereto.
- B. The party receiving a claim shall review it thoroughly, giving full consideration to its merits. The two parties shall seek to resolve the claim through the exchange of information and direct negotiations. All actions taken on a claim shall be stated in writing and submitted to the other party.
- C. If efforts to resolve a claim are not successful, the party receiving the claim may deny it by giving written notice of denial to the other party. If the receiving party does not take action on the claim within 45 days, the claim is deemed denied.
- D. If the dispute is not resolved to the satisfaction of the parties, Owner or Contractor shall give written notice to the other party of the intent to submit the dispute to a court of competent jurisdiction unless the Owner and Contractor both agree to an alternative dispute resolution process.

ARTICLE 13 - TESTS AND INSPECTIONS; CORRECTION OF DEFECTIVE WORK

13.01 Tests and Inspections

- A. Owner and Engineer will have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access.
- B. Contractor shall give Engineer timely notice of readiness of the Work for all required inspections and tests, and shall cooperate with inspection and testing personnel to facilitate required inspections and tests.
- C. If any Work that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Engineer, Contractor shall, if requested by Engineer, uncover such Work for observation. Such uncovering shall be at Contractor's expense.

13.02 Defective Work

- A. Contractor shall ensure that the Work is not defective.
- B. Engineer has the authority to determine whether Work is defective, and to reject defective Work.
- C. Prompt notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor.
- D. The Contractor shall promptly correct all such defective Work.
- E. When correcting defective Work, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.
- F. If the Work is defective or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, then Owner may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated.

ARTICLE 14 - PAYMENTS TO CONTRACTOR

14.01 Progress Payments

- A. The Contractor shall prepare a schedule of values that will serve as the basis for progress payments. The schedule of values will be in a form of application for payment acceptable to Engineer. The unit price breakdown submitted with the bid will be used for unit price work. Break lump sum items into units that will allow for measurement of Work in progress.

14.02 Applications for Payments:

- A. Contractor shall submit an application for payment in a form acceptable to the Engineer, no more frequently than monthly, to Engineer. Applications for payment will be prepared and signed by Contractor. Contractor shall provide supporting documentation required by the Contract Documents. Payment will be paid for Work completed as of the date of the application for payment.
- B. Beginning with the second application for payment, each application shall include an affidavit of Contractor stating that all previous progress payments received on account of the Work have been applied on account to discharge Contractor's legitimate obligations associated with prior applications for payment.

14.03 Retainage

- A. The Owner shall retain 5 % of each progress payment until the Work is substantially complete.

14.04 Review of Applications

- A. Within 10 days after receipt of each application for payment, the Engineer will either indicate in writing a recommendation for payment and present the application for payment to Owner or return the application for payment to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. The Contractor will make the necessary corrections and resubmit the application for payment.
- B. Engineer will recommend reductions in payment (set-offs) which, in the opinion of the Engineer, are necessary to protect Owner from loss because the Work is defective and requires correction or replacement.

- C. The Owner is entitled to impose set-offs against payment based on any claims that have been made against Owner on account of Contractor's conduct in the performance of the Work, incurred costs, losses, or damages on account of Contractor's conduct in the performance of the Work, or liquidated damages that have accrued as a result of Contractor's failure to complete the Work.

14.05 Contractor's Warranty of Title

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment furnished under the Contract will pass to Owner free and clear of (1) all liens and other title defects, and (2) all patent, licensing, copyright, or royalty obligations, no later than seven days after the time of payment by Owner.

14.06 Substantial Completion

- A. The Contractor shall notify Owner and Engineer in writing that the Work is substantially complete and request the Engineer issue a certificate of substantial completion when Contractor considers the Work ready for its intended use. Contractor shall at the same time submit to Owner and Engineer an initial draft of punch list items to be completed or corrected before final payment.
- B. Engineer will make an inspection of the Work with the Owner and Contractor to determine the status of completion. If Engineer does not consider the Work substantially complete, Engineer will notify Contractor and Owner in writing giving the reasons therefor.
- C. If Engineer considers the Work substantially complete or upon resolution of all reasons for non-issuance of a certificate identified in 14.06.B, Engineer will deliver to Owner a certificate of substantial completion which shall fix the date of substantial completion and include a punch list of items to be completed or corrected before final payment.

14.07 Final Inspection

- A. Upon written notice from Contractor that the entire Work is complete, Engineer will promptly make a final inspection with Owner and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work, or agreed portion thereof, is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

14.08 Final Payment

- A. Contractor may make application for final payment after Contractor has satisfactorily completed all Work defined in the Contract, including providing all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, annotated record documents and other documents.
- B. The final application for payment shall be accompanied (except as previously delivered) by:
 - 1. All documentation called for in the Contract Documents;
 - 2. Consent of the surety to final payment;
 - 3. Satisfactory evidence that all title issues have been resolved such that title to all Work, materials, and equipment has passed to Owner free and clear of any liens or other title defects, or will so pass upon final payment;
 - 4. A list of all disputes that Contractor believes are unsettled; and
 - 5. Complete and legally effective releases or waivers (satisfactory to Owner) of all lien

rights arising out of the Work, and of liens filed in connection with the Work.

- C. The Work is complete (subject to surviving obligations) when it is ready for final payment as established by the Engineer's written recommendation of final payment.

14.09 Waiver of Claims

- A. The making of final payment will not constitute a waiver by Owner of claims or rights against Contractor.
- B. The acceptance of final payment by Contractor will constitute a waiver by Contractor of all claims and rights against Owner other than those pending matters that have been duly submitted.

ARTICLE 15 - SUSPENSION OF WORK AND TERMINATION

15.01 Owner May Suspend Work

- A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 60 consecutive days by written notice to Contractor and Engineer. Such notice will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be entitled to an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension.

15.02 Owner May Terminate for Cause

- A. Contractor's failure to perform the Work in accordance with the Contract Documents or other failure to comply with a material term of the Contract Documents will constitute a default by Contractor and justify termination for cause.
- B. If Contractor defaults in its obligations, then after giving Contractor and any surety ten days written notice that Owner is considering a declaration that Contractor is in default and termination of the Contract, Owner may proceed to:
 - 1. Declare Contractor to be in default, and give Contractor and any surety notice that the Contract is terminated; and
 - 2. Enforce the rights available to Owner under any applicable performance bond.
- C. Owner may not proceed with termination of the Contract under Paragraph 15.02.B if Contractor within seven days of receipt of notice of intent to terminate begins to correct its failure to perform and proceeds diligently to cure such failure.
- D. Subject to the terms and operation of any applicable performance bond, if Owner has terminated the Contract for cause, Owner may exclude Contractor from the Site, take possession of the Work, incorporate in the Work all materials and equipment stored at the

Site or for which Owner has paid Contractor but which are stored elsewhere, and complete the Work as Owner may deem expedient.

- E. In the case of a termination for cause, if the cost to complete the Work, including related claims, costs, losses, and damages, exceeds the unpaid contract balance, Contractor shall pay the difference to Owner.

15.03 Owner May Terminate for Convenience

- A. Upon seven days written notice to Contractor, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for, without duplication of any items:
 - 1. Completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
 - 2. Expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; and
 - 3. Other reasonable expenses directly attributable to termination, including costs incurred to prepare a termination for convenience cost proposal.
- B. Contractor shall not be paid on account of loss of anticipated overhead, profits, or revenue, or other economic loss arising out of or resulting from such termination.

15.04 Contractor May Stop Work or Terminate

- A. If, through no act or fault of Contractor, (1) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (2) Owner fails for 30 days to pay Contractor any sum finally determined to be due, then Contractor may, upon seven days written notice to Owner, and provided Owner does not remedy such suspension or failure within that time, either stop the Work until payment is received, or terminate the Contract and recover payment from the Owner.

ARTICLE 16 - CONTRACTOR'S REPRESENTATIONS

16.01 Contractor Representations

- A. Contractor makes the following representations when entering into this Contract:
 - 1. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
 - 2. Contractor has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - 3. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
 - 4. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-

related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on:

- a. The cost, progress, and performance of the Work;
 - b. The means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and
 - c. Contractor's safety precautions and programs.
5. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 6. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 7. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
 8. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
 9. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that, without exception, all prices in the Contract are premised upon performing and furnishing the Work required by the Contract Documents.

ARTICLE 17 - MISCELLANEOUS

17.01 Cumulative Remedies

- A. The duties and obligations imposed by this Contract and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract. The provisions of this paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

17.02 Limitation of Damages

- A. Neither Owner, Engineer, nor any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, shall be liable to Contractor for any claims, costs, losses, or damages sustained by Contractor on or in connection with any other project or anticipated project.

17.03 No Waiver

- A. A party's non-enforcement of any provision shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Contract.

17.04 Survival of Obligations

- A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract, as well as all continuing obligations indicated in the Contract, will survive final payment, completion, and acceptance of the Work or termination or completion of the Contract or termination of the services of Contractor.

17.05 Contractor's Certifications

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract.

17.06 Controlling Law

- A. This Contract is to be governed by the laws of the State of North Carolina.

IN WITNESS WHEREOF, Owner and Contractor have signed this Contract.

This Contract will be effective on _____ (which is the Effective Date of the Contract).

OWNER:
SEE SIGNATURE PAGE

CONTRACTOR:

By: _____

By: _____

Title: _____

Title: _____

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest: _____

Attest: _____

Title: _____

Title: _____

Address for giving notices:

Address for giving notices:

License No.: _____
(where applicable)

E-VERIFY AFFIDAVIT

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

AFFIDAVIT OF CONTRACTOR'S
COMPLIANCE WITH E-VERIFY

I, _____(the individual attesting below), being duly authorized by and on behalf of _____ (the "Contractor") after first being duly sworn hereby swears or affirms as follows:

1. Contractor understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).
2. Contractor understands that Contractors Must Use E-Verify. Each Contractor, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS §64-26(a).
3. Contractor is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. (mark Yes or No)
 - a. YES _____, or
 - b. NO _____
4. Contractor's subcontractors comply with E-Verify, and if Contractor is the winning bidder on this project Contractor will ensure compliance with E-Verify by any subcontractors subsequently hired by Contractor.

This ____ day of _____, 20__.

Signature of Affiant

Print or Type Name: _____

State of North Carolina

County of _____

Signed and sworn to (or affirmed) before me, this the _____

day of _____, 20__.

My Commission Expires:

Notary Public

(Affix Official/Notarial Seal)

TOWN OF HOLLY SPRINGS CONTRACT SIGNATURE PAGE

NOTICE TO ALL CONTRACTORS & VENDORS:

Notwithstanding anything to the contrary in your contracts, this Contract is valid and enforceable only on the following conditions: Any language in the attached contract purporting to create an indemnity against the Town is hereby stricken and given no effect. Any provision for forum selection or choice of law other than the situs of this contract (Wake County, North Carolina) is hereby stricken and given no effect. The signatures below are only effective upon the Vendor's acceptance of the foregoing. In the event that you do not accept this notice and notification, inform the Contract Manager/Contact listed below immediately. For contracts obligating a town expenditure exceeding \$2,500, a PO is required.

VENDOR SIGNATURE:

I certify the above language is acceptable. _____

Date: _____ Printed Name & Title: _____

Approved as to form:

John Schifano, Town Attorney

Town Contact/Contract Manager: _____

PURCHASE ORDER NO _____ (If Applicable)

Approved by Brettany DeVold _____ (initials)

This instrument has been pre-audited in the manner described by the Local Government Budget and Fiscal Control Act.

Tina Stroupe Director of Finance
PO Number: _____

TOWN OF HOLLY SPRINGS

By: _____
Randy Harrington, Town Manager

ATTEST:

By: _____
Linda C. McKinney, Town Clerk

(Town Seal)



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 11.

Consent Agenda

Title: Memorandum of Agreement for Delegated Erosion and Sedimentation Control Program

Strategic Priority Area: Organizational Excellence

Staff Resource: Daniel Colavito, Utilities and Infrastructure

Action(s):

Adopt updated Memorandum of Agreement Between The North Carolina Sediment Control Commission and The Town of Holly Springs

Explanation:

- The Town of Holly Springs administers an Erosion and Sedimentation Control (E&SC) Program that delegates authority of enforcement of the NC General Statutes Chapter 113A – Article 4: Sedimentation Pollution Control Act (SPCA) of 1973 from NCDEQ to the Town. The SPCA is North Carolina’s enabling law for managing erosion and sedimentation to protect water quality and allow development, while minimizing environmental harm.
- The Memorandum of Agreement (MOA) outlines which actions the Town must take to maintain its delegation, as well as what assistance the North Carolina Sediment Control Commission will provide to the Town. The MOA was last updated in 2015.
- For a growing community, having locally delegated authority for erosion and sedimentation control puts the review, inspection and enforcement responsibility closer to where development is actually occurring.
- Major benefits of local delegated authority include:
 - Faster, more coordinated development review
 - Local knowledge and decision-making
 - Quicker response to problems
 - Better protection of residents and property
 - Greater accountability for developers
 - More integrated customer service
 - Local control while retaining state oversight
- The updated MOA modernizes and expands the Town's existing agreement, providing clearer expectations for maintaining a locally delegated E&SC program. Key provisions include:
 - Ensuring adequate staffing and resources
 - Meeting defined plan-review timelines
 - Conducting and documenting regular inspections
 - Maintaining clear local enforcement responsibility
 - Continuing State oversight of the delegated program
- Overall, the updated MOA provides greater clarity and accountability while allowing the Town to maintain local control over E&SC administration and enforcement.

Background:

- The Town has operated a locally delegated Erosion and Sedimentation Control (E&SC) Program under the authority of the NC Sedimentation Control Commission, with the current Memorandum of Agreement (MOA) dating to 2015.
- The MOA establishes the responsibilities of both the Town and the Commission and the requirements the Town must meet to retain its delegated program.
- NCDEQ periodically reviews delegated local programs for compliance with the Sedimentation Pollution Control Act and provides recommendations for program administration.
- If deficiencies are identified, the Town is provided an opportunity to take corrective action. Continued failure to adequately administer or enforce the program can result in the State assuming administration and enforcement responsibilities.
- The updated MOA replaces the previous agreement with clearer and more current expectations for program administration, reporting, inspections, enforcement, staffing, and State oversight.
- Approval of the updated MOA allows the Town to continue operating its locally delegated E&SC Program under these updated requirements.

Funding Source(s):

N/A

Attachment(s):

1. MOA for SEC Delegation_TOHS_Council Edition

MEMORANDUM OF AGREEMENT

BETWEEN

The North Carolina Sedimentation Control Commission

AND

The Town of Holly Springs

This MEMORANDUM OF AGREEMENT is entered into between the **North Carolina Sedimentation Control Commission** (hereinafter, “Commission”) and The Town of Holly Springs (hereinafter, “**Local Government**,” collectively, “Parties”) for the purpose of clarifying their roles in the enforcement of the Sedimentation Pollution Control Act of 1973, N.C. Gen. Stat. Ch. 113A Art. 4 and any rules adopted pursuant to the Act (hereinafter collectively, “SPCA.”)

Part I. Local Program Creation.

A. Model Ordinance

The Parties agree that the Commission shall do the following:

1. Per N.C. Gen. Stat. § 113A-54 (d) (1), provide a model erosion and sedimentation control ordinance (hereinafter, “model ordinance”) for adoption by local governments who wish to operate a delegated local erosion and sedimentation control program (hereinafter, “local program.”)
2. Update its model ordinance upon changes in the SPCA.

B. Proposed Ordinance Review

The Parties agree that:

1. Local governments who choose to create and operate a local program may do so by ordinance (hereinafter, “local program ordinance”.) However, the local government must submit the proposed local program ordinance to the Commission for review prior to adoption.
2. North Carolina General Statute § 113A-60(b) requires the Commission to review, approve, approve as modified, or disapprove proposed local program ordinances based upon the minimum requirements of the SPCA.
3. The Commission shall review a local program ordinance submitted and, within 90 days of receipt thereof, shall notify the local government submitting the program that it has been approved, approved with modifications, or disapproved.
4. The local program’s erosion and sedimentation control standards must equal or exceed those of the SPCA.
5. The Local Government has an existing local program and an ordinance approved by the Sedimentation Control Commission.

Part II. Responsibilities and Expectations of the Commission.

A. Local Program Review

The Parties agree that the Commission shall do the following:

1. Review periodically approved local programs for compliance with the SPCA. The results of the reviews shall be presented at the next quarterly meeting of the Commission.
2. If the Commission determines that any local government is failing to administer or enforce an approved erosion and sedimentation control program, it shall notify the local government in writing and shall specify the deficiencies of administration and enforcement.
3. If the local government has not taken corrective action within 30 days of receipt of notification from the Commission, the Commission shall assume administration and enforcement of the program until such time as the local government indicates its willingness and ability to resume administration and enforcement of the program.

B. Training and Education for Local Programs

The Parties agree that the Commission shall provide the following:

1. Educational programs in erosion and sedimentation control directed toward persons engaged in land-disturbing activities, general educational materials on erosion and sedimentation control, and instructional materials for persons involved in the enforcement of the SPCA and erosion and sedimentation control rules, ordinances, regulations, and plans.
2. Manuals and publications to assist in the design, construction and inspection of erosion and sedimentation control measures.
3. Periodic reviews of local erosion and sedimentation control programs and through the reviews provide recommendations to improve program administration.
4. Technical assistance in review of draft erosion and sedimentation control plans for complex activities.

C. Concurrent Jurisdiction

The Parties agree that the Commission shall maintain concurrent jurisdiction with the local government for land-disturbing activities and may take appropriate compliance action if the Commission determines that the local government has failed to take appropriate compliance action.

D. Exclusive Jurisdiction

The Parties agree that the Commission shall maintain exclusive jurisdiction to administer the SPCA for all land disturbing activities that:

1. Are outlined in North Carolina General Statute § 113A-56; or

2. Relate to oil and gas exploration and development on the well pad site.

Part III. Responsibilities and Expectations of the Local Government.

A. Enforcement

The Parties agree that the local government shall administer its own local program ordinances, through the following:

1. Enforce the provisions of the SPCA.
2. Administer the SPCA for all land-disturbing activity within its jurisdiction, including existing sites at the time the local government received program delegation. The Commission may continue to administer the SPCA over specific projects under enforcement action upon mutual agreement with the local government. The local program is not responsible for activities over which the Commission has exclusive jurisdiction.
3. Employ a sufficient number of qualified personnel. Qualified personnel shall be competent to review sedimentation and erosion control plans and conduct inspections of land- disturbing activities.
4. Provide adequate resources for plan review and compliance inspections.

B. Reporting

The Parties agree that the local government shall provide the following reports/information:

1. Monthly activity reports to the Commission.
2. Notification to the appropriate regional office of DEMLR of issuance of Notices of Violation at the time the violator is notified.
3. Current contact information for their local program to the Division of Energy, Mineral, and Land Resources.

C. Sediment and Erosion Control Plans for Land-Disturbing Activity Review

The Parties agree that the local government shall review erosion and sedimentation control plans for land-disturbing activity (hereinafter, “plans”) submitted to its local program under the following standards:

1. Review plans within 30 days of receipt of a new plan and within 15 days of a revised plan.
2. Approve, approve with modifications, or disapprove draft plans in conformance with the basic control objectives contained in 15A NCAC 04B .0106.
3. Notify in writing the person submitting the plan that it has been approved, approved with modifications, or disapproved within 30 days of receipt of a new plan and within 15 days of a revised plan.
4. Include in written notifications of plan approval the following:

- a. reference to NPDES General Stormwater Permit NCG 010000,
 - b. expiration date of the approval,
 - c. the right of periodic inspection, and
 - d. condition the approval upon the applicant's compliance with federal and State water quality laws, regulations, and rules.
5. Enclose with all written permit notifications the Certificate of Approval for posting at the site of the land-disturbing activity.

D. Inspection

The Parties agree that the local government shall inspect all sites undergoing land-disturbing activity under the following standards:

1. Periodically and regularly inspect sites undergoing land-disturbing activity within its jurisdiction. Periodically and regularly means with sufficient frequency to effectively monitor compliance with the SPCA and rules adopted pursuant to the SPCA and the local erosion and sedimentation control ordinance.
2. Document all inspections in writing, including electronic documents.
3. Inspection reports shall include, at a minimum, all information in the model sedimentation inspection report developed by the Commission.
4. Maintain inspection records for active projects in accordance with State and local record retention policies.

E. Enforcement

The Parties agree that the local government shall enforce its local program ordinance under the following standards:

1. Issue Notices of Violation (hereinafter, "NOV") for any significant violation of the SPCA, rules adopted pursuant to the SPCA, or the local erosion and sedimentation control ordinance documented in an inspection report. An NOV shall be issued to the persons responsible for the violations, pursuant to N.C. Gen. Stat. § 113A-61.1.
2. The NOV shall specify the following:
 - a. describe the violation with reasonable particularity
 - b. request that all illegal activity cease
 - c. the actions that need to be taken to comply with the SPCA and the local ordinance
 - d. a date by which the person must comply with the SPCA and the local ordinance
 - e. inform the violator that any person who fails to comply within the time specified

is subject to additional civil and criminal penalties for a continuing violation as provided in G.S. 113A-64 and the local ordinance

3. Undertake appropriate enforcement actions, including injunctive relief, or assessment of civil penalties for an initial penalty or a daily penalty for continuing violations.
4. Require a person who engaged in a land-disturbing activity and failed to retain sediment generated by the activity, as required by G.S. 113A-57(3), to restore the waters and land affected by the failure so as to minimize the detrimental effects of the resulting pollution by sedimentation.

F. Termination of Local Program

1. Should a Local Government decide to end their local program, or portions thereof, and return jurisdiction to the Commission, the Local Government shall provide 120 days written notice of their intent to the Commission and to the Department of Environmental Quality (hereinafter “Department”) to end the local program and transfer existing projects to the Commission, by and through the Department.
2. To terminate all or part of their local program, a Local Government must comply with the following:
 - a. The notice of intent must include a list of all open projects that are anticipated to be transferred.
 - b. Any legal action or existing litigation undertaken by the Local Government under the local program must stay with the Local Government and cannot be transferred to the Department. This does not prevent the Department from taking new actions against violators for new or continuing violations of the SPCA.
 - c. Local Government shall make a good faith effort to resolve any Notices of Violation prior to transferring projects to the Department provided doing such would not adversely affect any enforcement actions or possible litigation.
 - d. At least 90 days prior to the transfer of all or part of their local program, the Local Government shall provide the Department copies of all its local program project files including all applications, inspection reports, and if applicable, enforcement documentation. Staff from the Local Government shall make themselves available to the Department staff to conduct any necessary joint site visits or coordinate joint inspections.
 - e. At least 60 days prior to the transfer, the Local Government shall notify the responsible parties of all open projects that the local program is ending and shall provide contact information for the Department.
 - f. At least 30 days prior to the transfer of all or part of the local program, Local Government must notify DEMLR upon the termination or expiration of any inter-local agreements.
 - g. At least 30 days prior to the transfer of all or part of their local program, the Local Government shall no longer accept applications for new or revised land-disturbing activities within the

jurisdiction they are transferring to the Department and shall redirect such applications to the Department. Written notification of when new or revised applications can no longer be submitted to the Local Government shall be made public at least 60 days prior to the date of transfer to the Department.

- h. Within 14 days prior to the transfer of the local program, Local Government shall provide a written update to the Department of all open projects to be transferred to the Department; including contact information for each project, copies of relevant permits, available photos of the project, descriptions of any enforcement actions taken, and the status of each project.
 - i. Local Government shall demonstrate to the Commission that the Local Government has removed provisions in their local ordinance pertaining to the local program or local jurisdiction for the SPCA.
3. This section only applies to local governments who choose to terminate their local programs or portions of them. In an instance where a local program fails to comply with the terms of this Agreement or fails to satisfactorily administer or enforce the terms of the SPCA as determined under Part II Section A above, the Commission shall establish a schedule for the transfer of the local program to the Department.

IN WITNESS HEREOF, the Parties enter into this Memorandum of Agreement, this the _____ day of _____ 20.____

SEDIMENTATION CONTROL COMMISSION

By: _____
Susan N. White

Commission Chair

Dated: _____

Approved as to Form

Sarah Zambon

Counsel to the Commission

Dated: _____

Approved by the Town Council of Holly Springs at its regular meeting on :

By: _____

Title: Randy J. Harrington, Town Manager

Dated: _____

Approved as to Form

By: _____

Title: John Schifano, Town Attorney

Dated: _____

Appendix I.

NORTH CAROLINA GENERAL STATUTES

Sedimentation Pollution Control Act (Ch. 113A Art. 4)

(selected statutes)

§ 113A-54. Powers and duties of the Commission.

- (1) In implementing the erosion and sedimentation control program, the Commission shall:
- (2) Assist and encourage local governments in developing erosion and sedimentation control programs and, as a part of this assistance, the Commission shall develop a model local erosion and sedimentation control ordinance. The Commission shall approve, approve as modified, or disapprove local programs submitted to it pursuant to G.S. 113A-60.

§ 113A-56. Jurisdiction of the Commission.

- (a) The Commission shall have jurisdiction, to the exclusion of local governments, to adopt rules concerning land-disturbing activities that are:
 - (1) Conducted by the State.
 - (2) Conducted by the United States.
 - (3) Conducted by persons having the power of eminent domain other than a local government, except for an airport authority as set forth in subsection (a1) of this section.
 - (4) Conducted by a local government, except for an airport authority as set forth in subsection (a1) of this section.
 - (5) Funded in whole or in part by the State or the United States
- (a1) An airport authority operating an airport located wholly or in part in a county with a population greater than 250,000 according to the latest certified population totals of the State demographer may elect

to be regulated under the jurisdiction of a local program authorized under G.S. 113A-60. An airport authority to which this subsection applies that is located in more than one county may elect to be regulated under local programs authorized under G.S. 113A-60 in each county for property of the airport authority located in each county. An airport authority making a local program election under this subsection shall be subject to the following requirements:

- (1) The governing board of the local government operating the local program must enact a resolution accepting jurisdiction over the airport authority.
- (2) The airport authority must provide notice to the Commission that includes (i) a certified copy of the resolution required by subdivision (1) of this subsection and (ii) specification of a date not less than 90 days after the date of the notice on which the local program will assume jurisdiction.
- (3) Any existing erosion and sedimentation control permits issued by the Commission shall, despite assumption of permitting authority by a local government, remain under the jurisdiction of the Commission until the airport authority has submitted a permit modification request consistent with this Article to transfer the permit to the local program.
- (b) The Commission may delegate the jurisdiction conferred by G.S. 113A-56(a), in whole or in part, to any other State agency that has submitted an erosion and sedimentation control program to be administered by it, if the program has been approved by the

Commission as being in conformity with the general State program.

- (c) The Commission shall have concurrent jurisdiction with local governments that administer a delegated erosion and sedimentation control program over all other land-disturbing activities. In addition to the authority granted to the Commission in G.S. 113A-60(c), the Commission has the following authority with respect to a delegated erosion and sedimentation control program:

- (1) To review erosion and sedimentation control plan approvals made by a delegated erosion and sedimentation control program and to require a revised plan if the Commission determines that a plan does not comply with the requirements of this Article or the rules adopted pursuant to this Article.
- (2) To review the compliance activities of a delegated erosion and sedimentation control program and to take appropriate compliance action if the Commission determines that the local government has failed to take appropriate compliance action.

(1973, c. 392, s. 7; c. 1417, s. 4; 1987, c. 827, s. 130; 1987 (Reg. Sess., 1988), c. 1000, s. 4; 2002-165, s. 2.5; 2006-250, s.2.)

§ 113A-60. Local erosion and sedimentation control programs.

- (a) A local government may submit to the Commission for its approval an erosion and sedimentation control program for its jurisdiction and may adopt ordinances and regulations necessary to establish and enforce erosion and sedimentation control programs. An ordinance adopted by a local government may establish a fee for the review of an erosion and sedimentation control plan and related activities. The fee shall be, on the option of the applicant, either (i)

calculated on the basis of the number of acres disturbed or (ii) no more than one hundred dollars (\$100.00) per lot developed in the case of a single-family lot that is less than one acre, including such a lot that is part of a larger common plan of development. Local governments are authorized to create or designate agencies or subdivisions of local government to administer and enforce the programs. Except as otherwise provided in this Article, an ordinance adopted by a local government shall at least meet and may exceed the minimum requirements of this Article and the rules adopted pursuant to this Article.

- (a1) Two or more units of local government are authorized to establish a joint program and to enter into any agreements that are necessary for the proper administration and enforcement of the program. The resolutions establishing any joint program must be duly recorded in the minutes of the governing body of each unit of local government participating in the program, and a certified copy of each resolution must be filed with the Commission.
- (b) The Commission shall review each program submitted and within 90 days of receipt thereof shall notify the local government submitting the program that it has been approved, approved with modifications, or disapproved. The Commission shall only approve a program upon determining that its standards equal or exceed those of this Article and rules adopted pursuant to this Article.
- (b1) When a development project contains an approved erosion control plan for the entire development, a separate erosion control plan shall not be required by the local government for development of individual residential lots within that development that disturb less than one acre if the developer and the builder are the same financially responsible person. For review of an erosion control plan for a single-family lot in a

common plan of development under this subsection where the developer and builder are different, the local government may require no more than the following information:

- (1) Name, address, telephone number, and email of owner of lot being developed.
- (2) Street address of lot being developed.
- (3) Subdivision name.
- (4) Lot number.
- (5) Tax parcel number of lot being developed.
- (6) Total acreage of lot being developed.
- (7) Total acreage disturbed.
- (8) Anticipated start and completion date.
- (9) Person financially responsible.
- (10) Signature of person financially responsible.
- (11) Existing platted survey of the lot.
- (12) A sketch plan showing erosion control measures for the lot being developed, but the sketch shall not be required to be under the seal of a licensed engineer, landscape architect, or registered land surveyor unless there is a design feature requiring such under federal or State law or regulation.

(b2) Except as may be required by federal law, rule, or regulation, a local erosion control program under this Article shall provide for all of the following:

- (1) That no periodic self-inspections or rain gauge installation is required on individual residential lots where less than one acre is being disturbed on each lot.
- (2) For a land-disturbing activity on more than one residential lot where the total land disturbed exceeds one acre, the person conducting the land-disturbing activity may submit for approval a single erosion control plan for all of the disturbed lots or may submit for review and approval under subsection (b1) of this section the erosion control measures for each individual lot.

(b3) No development regulation under Chapter 160D of the General Statutes or any erosion and sedimentation control plan under a local program shall require any of the following:

- (1) A silt fence or other erosion control measure to be placed in a location where, due to the contour and topography of the development site, that erosion control measure would not substantially and materially retain the sediment generated by the land-disturbing activity within the boundaries of the tract during construction upon and development of the tract.
 - (2) A wire-backed reinforced silt fence where, due to the contour and topography of the development site, that fence would not substantially and materially retain the sediment generated by the land-disturbing activity within the boundaries of the tract during construction upon and development of the tract.
- (c) If the Commission determines that any local government is failing to administer or enforce an approved erosion and sedimentation control program, it shall notify the local government in writing and shall specify the deficiencies of administration and enforcement. If the local government has not taken corrective action within 30 days of receipt of notification from the Commission, the Commission shall assume administration and enforcement of the program until such time as the local government indicates its willingness and ability to resume administration and enforcement of the program.
- (d) A local government may submit to the Commission for its approval a limited erosion and sedimentation control program for its jurisdiction that grants the local government the responsibility only for the assessment and collection of fees and for the inspection of land-disturbing activities within the jurisdiction of the local

government. The Commission shall be responsible for the administration and enforcement of all other components of the erosion and sedimentation control program and the requirements of this Article. The local government may adopt ordinances and regulations necessary to establish a limited erosion and sedimentation control program. An ordinance adopted by a local government that establishes a limited program shall conform to the minimum requirements regarding the inspection of land-disturbing activities of this Article and the rules adopted pursuant to this Article regarding the inspection of land-disturbing activities. The local government shall establish and collect a fee to be paid by each person who submits an erosion and sedimentation control plan to the local government. The amount of the fee shall be an amount equal to eighty percent (80%) of the amount established by the Commission pursuant to G.S. 113A-54.2(a) plus any amount that the local government requires to cover the cost of inspection and program administration activities by the local government. The total fee shall not exceed one hundred fifty dollars (\$150.00) per acre. A local government that administers a limited erosion and sedimentation control program shall pay to the Commission the portion of the fee that equals eighty percent (80%) of the fee established pursuant to G.S. 113A-54.2(a) to cover the cost to the Commission for the administration and enforcement of other components of the erosion and sedimentation control program. Fees paid to the Commission by a local government shall be deposited in the Sedimentation Account established by G.S. 113A-54.2(b). A local government that administers a limited erosion and sedimentation control program and that receives an erosion control plan and fee under this subsection shall immediately transmit the plan to the

Commission for review. A local government may create or designate agencies or subdivisions of the local government to administer the limited program. Two or more units of local government may establish a joint limited program and enter into any agreements necessary for the proper administration of the limited program. The resolutions establishing any joint limited program must be duly recorded in the minutes of the governing body of each unit of local government participating in the limited program, and a certified copy of each resolution must be filed with the Commission. Subsections (b) and (c) of this section apply to the approval and oversight of limited programs.

- (e) Notwithstanding G.S. 113A-61.1, a local government with a limited erosion and sedimentation control program shall not issue a notice of violation if inspection indicates that the person engaged in land-disturbing activity has failed to comply with this Article, rules adopted pursuant to this Article, or an approved erosion and sedimentation control plan. The local government shall notify the Commission if any person has initiated land-disturbing activity for which an erosion and sedimentation control plan is required in the absence of an approved plan. If a local government with a limited program determines that a person engaged in a land-disturbing activity has failed to comply with an approved erosion and sedimentation control plan, the local government shall refer the matter to the Commission for inspection and enforcement pursuant to G.S. 113A-61.1.

(1973, c. 392, s. 11; 1993 (Reg. Sess., 1994), c. 776, s. 7; 2002-165, s. 2.8; 2006-250, s. 3; 2021-121, s. 5(c); 2021-180, s. 12.10A(b); 2023-108, s. 10.)



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 12.

Consent Agenda

Title: Holly Springs Road Widening (Central) - Duke Energy Utility Relocation Contract (Transportation Bond)

Strategic Priority Area: Vibrant Community
Community Safety

Staff Resource: Tim Athy, Utilities and Infrastructure

Action(s):

Approve Duke Utility Relocation Agreement in the amount of \$600,310 for the permanent relocation of existing Duke Energy utilities associated with the Holly Springs Road (Central) road widening project.

Explanation:

- This utility relocation contract will allow Duke Energy to relocate their existing underground and above-ground utilities as required for the Holly Springs Rd. (Central) road widening project.
- Duke Energy utility relocation is a major early step in the construction process for the Holly Springs Rd. (Central) project and must be completed before any road construction can occur.
- Having Duke Energy relocate their existing utilities prior to road construction will later allow the roadway construction contractor to work in a much larger area of the right of way and reduce onsite space constraints that can complicate construction methods and construction traffic management.
- Staff recommends that Town Council authorize the Duke Energy utility relocation contract to maintain progress toward roadway construction.

Background:

- As part of the 2018 Transportation Bond referendum, the Holly Springs Road Widening (Central) project will widen Holly Springs Road from Main Street to Flint Point Lane.
- The project will widen the existing road to a consistent median-divided, four-lane road with side paths, while increasing road capacity and improving pedestrian, bicycle, and vehicular safety.
- The Duke Energy relocation work is anticipated to begin late fall and take approximately three months, provided Duke Energy resources are not redirected to respond to major weather events or other emergency restoration efforts.
- Staff anticipates bidding for the roadway construction contract in late 2026.

Funding Source(s):

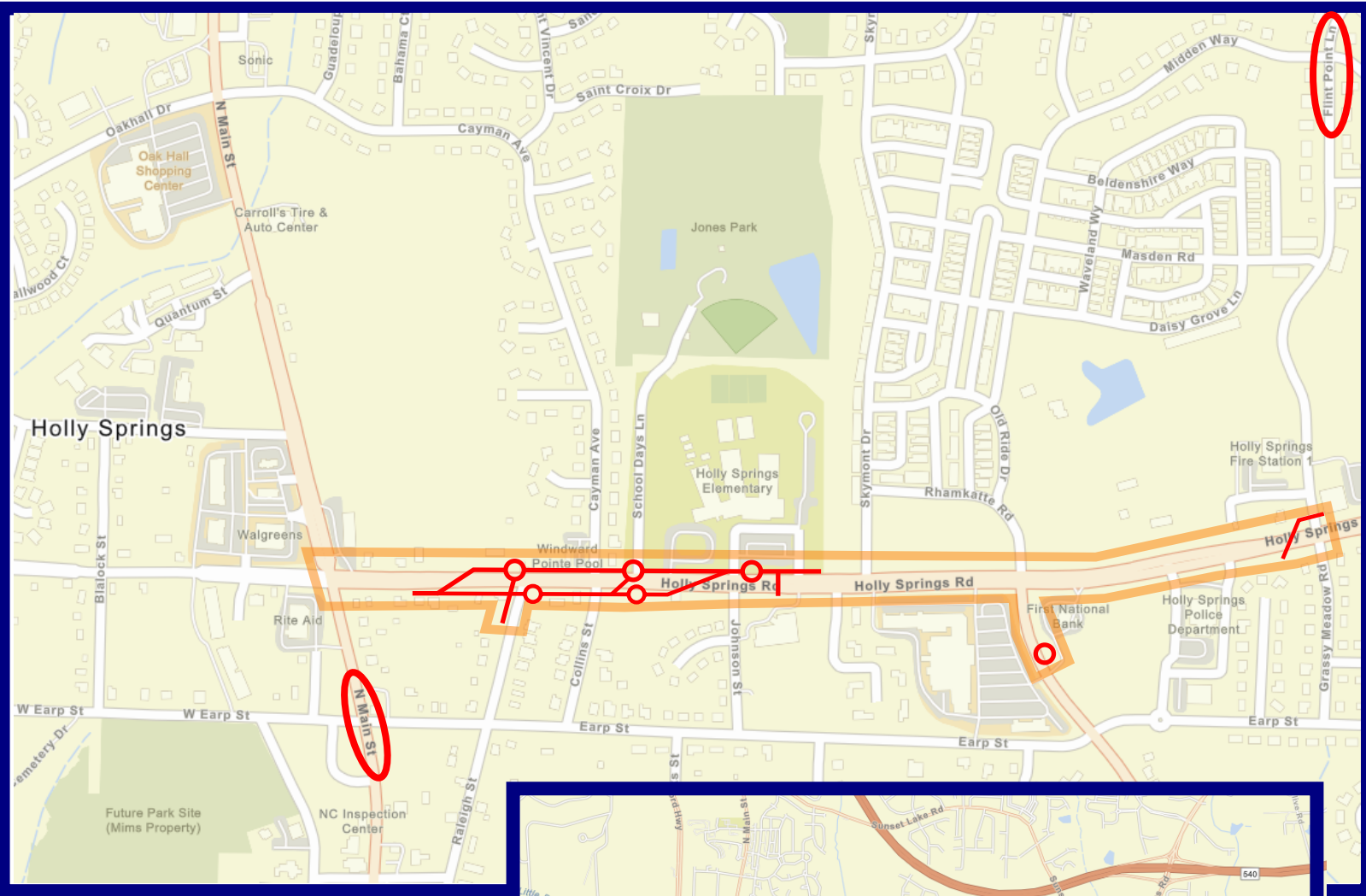
Community Investment Plan - Transportation Bond / LAPP Grant

Town Council Business Meeting
September 15, 2026

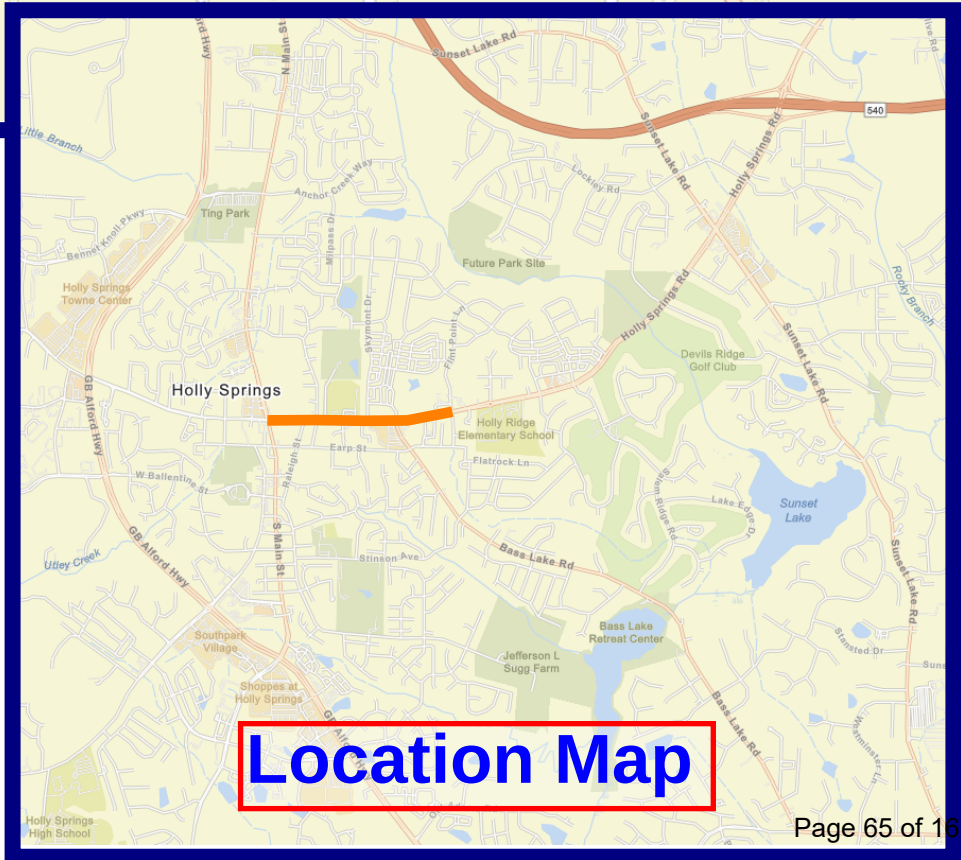
Attachment(s):

1. HSR(central)_Map
2. HSR(Central)_Duke_URA

HOLLY SPRINGS ROAD WIDENING - Central Duke Energy Relocation Map



-  Project Limits
-  Project Boundary Streets
-  Duke Energy Relocates





PUBLIC

Highway Relocation Program
Duke Energy Progress, LLC
4690 Simms Creek Road
Raleigh NC 27616
Highway.Relocation@Duke-Energy.com

June 22nd, 2026

Town of Holly Springs
Attn.: Tim Athy tim.athy@hollyspringsnc.gov
128 South Main Street
Holly Springs, NC 27540

RE: Project: U-6094
Company Project #: PFP934923
County: Wake
Location / State: Holly Springs, NC
Proj Requirements: Utility Relocation Agreement; Actual Cost Billing; Non-Betterment Work
Proj Description: Relocate DE company facilities out of the way of Town of Holly Springs Holly Springs Rd widening project.

Attached are copies of our detailed estimates in the amount of \$600,309.63 and copies of our relocation design drawings covering our proposed relocation of Duke Energy's facilities in conflict with this project. This estimate is valid for 90 days and is based on the design as shown on the attached drawings. Estimates may be revised due to change in scope or if right of way is not obtained. The estimate will be updated if the authorization to proceed is received after the 90 day deadline.

If you find this estimate in order, please authorize us to proceed with this work and upon completion thereof, to bill the government customer per the project requirements located at the top of this letter. If you have any questions related to this agreement, plans, estimate, or final invoice please contact one of the following:

Robert Butler, Designer at Robert.Butler2@duke-energy.com or 740-404-2630
Matthew Wynne, Lead Engineering Tech at Matthew.Wynne@duke-energy.com or 919 431-4748
Josiah Shackleton, Program Mngr. at Josiah.Shackleton@duke-energy.com or 919-917-5015

Please return the signed agreement to highway.relocation@duke-energy.com.

Sincerely,


Josiah Shackleton
Highway Relocation Program Manager
Duke Energy

JS:JC

Cc. Robert Butler, Designer at Robert.Butler2@duke-energy.com
Matthew Wynne, Lead Engineering Tech at Matthew.Wynne@duke-energy.com

Utility Relocation Agreement

Town of Holly Springs

Customer Project Number U-6094

Duke Energy Progress Project Number PFP934923

County: Wake State: NC

This Utility Relocation Agreement ("Agreement") made this _____ day of _____, 2026, by and between Town of Holly Springs, hereinafter referred to as TOHS and Duke Energy Progress, LLC. hereinafter referred to as the COMPANY. The TOHS and Company acknowledge that this Agreement and any Agreement amendment documents requiring signatures may be transmitted electronically. TOHS and Company stipulate that if this Agreement is transmitted electronically, the electronic transmittal of the original execution signatures shall be treated as original signatures and given the same legal effect as an original.

WITNESSETH:

THAT WHEREAS, TOHS, will submit a project for construction as follows: Relocate DE company facilities out of Town of Holly Springs way for Holly Springs Rd widening project.

WHEREAS, the construction of said project will require certain adjustments to be made to the existing facilities of the COMPANY:

NOW, THEREFORE, In order to facilitate the orderly and expeditious relocation of the said facilities of the COMPANY, TOHS and the COMPANY have agreed as follows:

1. That any work performed under this Agreement shall comply with the NCDOT "POLICIES AND PROCEDURES FOR ACCOMMODATING UTILITIES ON HIGHWAY RIGHT OF WAY", dated January 1, 1975 and such amendments thereto as may be in effect at the date of this Agreement. The work to be performed by the COMPANY shall conform with Federal Highway Administration's Federal-Aid Policy Guide, Subchapter G, Part 645, Subpart A hereinafter referred to as FAPG dated December 9, 1991, and such Agreements thereto as may be in effect at the date of this Agreement. The provisions of said FAPG and amendments thereto are incorporated in this Agreement by reference as fully as if herein set out. Any work performed under this Agreement not in compliance with FAPG shall constitute unauthorized work and TOHS shall be relieved of

participating in the costs of such unauthorized work unless such work is done pursuant to a supplemental Agreement attached to and made a part hereof.

2. That the COMPANY will prepare an estimate, broken down as to estimated cost of labor, construction overhead, materials, and supplies, handling charges, transportation and equipment, rights of way, preliminary engineering and construction engineering, including itemization of appropriate credits for salvage and betterment's, all in sufficient detail to provide TOHS, a reasonable basis for analysis. Unit cost, such as broad gauge units of property, may be used for estimating purposes where the COMPANY uses such units in its own operations. The COMPANY will also prepare plans, sketches or drawings showing their existing facilities, temporary and permanent changes to be made with reference to the TOHS's new right of way using appropriate nomenclature, symbols, legend, notes, color coding or the like. The before mentioned estimate and plans are attached hereto and made a part hereof. There are no costs for changes not necessitated by the construction of the highway project, nor for changes made solely for the benefit or convenience of the COMPANY, or its contractor. The attached estimate is valid for 90 days and is based on design shown in the attached drawings. The estimates will be updated and an amendment to the original Utility Relocation Agreement may be initiated if the scope of the project changes (causing cost to exceed original estimate) or new right of way cannot be obtained (causing a delay in the relocation construction).
3. That TOHS's authority, obligation, or liability to pay for relocations as set forth in the Agreement is based on the COMPANY having a right of occupancy in its existing location by reason of holding the fee, as easement or other real property interest, the damaging or taking of which is compensable in eminent domain.
4. That payment for all work done hereunder shall be made in accordance with the requirements of FAPG unless payment is being made pursuant to a supplemental Agreement attached to and made a part of this Agreement.
5. That the construction work provided for in this Agreement will be performed by the method or methods as specified below:

X BY COMPANY's REGULAR FORCE: The COMPANY proposes to use its regular construction or maintenance crews and personnel at its standard schedule of wages and working hours in accordance with the terms of its Agreement with such employees.

 X BY EXISTING WRITTEN CONTINUING CONTRACT: The COMPANY proposes to use an existing written continuing contract under which certain work as shown by the COMPANY's estimate is regularly performed for the COMPANY and under which the lowest available costs are developed.

 BY CONTRACT: The COMPANY does not have adequate staff or equipment to perform the necessary work with its own forces. The COMPANY proposes to award a contract to the lowest qualified bidder who submits a proposal in conformity with the requirements and specifications for the work to be performed as set forth in an appropriate solicitation for bids.

6. a. It is contemplated by the parties hereto that the construction of this TOHS project is in progress.
b. Based on the best information available at the present time to the COMPANY, indicated applicable paragraph, below:

 Materials are available and it is expected that work will be complete prior to road construction.

 All work will take place during TOHS construction and arrangements for said work will be coordinated with TOHS construction operations at pre-construction conference.

 X Work will begin promptly upon notification by TOHS; however, it is not expected to be complete prior to road construction, any remaining work will be coordinated with TOHS construction operation at pre-construction conference.

 Other (Specify) _____

7. That the method used by the COMPANY in developing the relocation costs shall be as indicated by Paragraph (a), (b), or (c) as follows:
- a. X Actual direct and related indirect costs accumulated in accordance with a work order accounting procedure prescribed by the applicable Federal or State regulatory body.
- b. Actual direct and related indirect costs accumulated in accordance with an established accounting procedure developed by the COMPANY and approved by TOHS.

- c. _____ On a lump -sum basis where the estimated cost to the TOHS does not exceed \$100,000.00, Except where unit costs are used and approved, the estimate shall show such details as man-hours by class and rate; equipment charges by type, size and rate; materials and supplies by items and price; and payroll additives and other overhead factors.

8. Indicate If (a), (b), or (c) applicable:

- a. X That the replacement facility is not of greater functional capacity or capability than the one it replaces, and includes no COMPANY betterments.
- b. _____ That the replacement facility involves COMPANY betterments, or is of greater functional capacity or capability than the one it replaces.
- c. _____ That the replacement facility is other than a segment of the COMPANY'S service, distribution, or transmission lines, such as a building, pumping station, ration plant, power plant or substation, production or transfer of storage facilities and other similar operating units of the COMPANY's physical plant or operating facilities,

If (c) is applicable, set forth credit to the project for the accrued depreciation of the facility being replaced.

9. That the total estimated cost of the work proposed herein, including all cost to the COMPANY less any credit for salvage, to complete the project is estimated to be _____ \$ 600,309.63

The estimated non-betterment cost to TOHS, including all cost less any credits for salvage, betterment and additional work done by the COMPANY will be _____ \$ 600,309.63

The estimated cost to the COMPANY including betterments and any additional work done by the COMPANY will be _____ \$ 0.00

(The above costs shall be supported by attached estimate and plans)

10. That in the event it is determined there are changes in the Agreement's scope of work which require additional work be conducted by COMPANY under this Agreement, then COMPANY's reimbursement shall be limited to all costs covered by either a modification of this Agreement or by a written change order or extra work order approved by TOHS (collectively, a "Change Order"); provided, however TOHS shall not unreasonably refuse its consent to such Change Order.
11. Periodic progress billings of incurred costs will be made by the COMPANY to TOHS not to exceed monthly intervals for no less than \$3,000.00 each; however, total progress billing payments shall not exceed 95% of the approved non-betterment estimate. One final and detailed complete billing of all cost shall be made by the COMPANY to TOHS at the earliest practicable date after completion of work. The statement of final billing shall follow as closely as possible the order of the items in the estimate portion of this Agreement.

12. That TOHS shall have the right to inspect non-reusable materials of the COMPANY recovered on this project prior to disposal by sale or scrap.
13. That TOHS shall have the right to inspect all books, records, accounts and other documents of the COMPANY pertaining to the work performed by it under this Agreement at any time after work begins and for a period of 3 years from the date final payment has been received by the COMPANY.
14. That the COMPANY obligates itself to erect, service and maintain the facilities to be retained and installed over and along the roadway within the roadway right of way limits in accordance with all applicable laws, rules, and regulations as have been or may be validly enacted or adopted, now or hereafter.
15. That if, in the future, it becomes necessary due to roadway construction or improvement to adjust or relocate utilities covered in this Agreement being relocated at the expense of the requesting party that are crossing or otherwise occupying roadway right of way, the non-betterment cost of same will be that of the requestor.
16. That if, at any time, the TOHS shall require the relocation of or changes in the location of the encroaching facilities covered in this Agreement being relocated at COMPANY expense, the COMPANY binds itself, its successors and assigns, to promptly relocate or alter the facilities, in order to conform to the said requirements, without any cost to TOHS.
17. That the COMPANY agrees to relinquish their rights in that portion of right of way vacated by their existing facilities now absorbed within roadway right of way, and agrees to execute such instruments as may be reasonably requested by TOHS evidencing that relinquishment.

IN WITNESS WHEREOF, the parties hereby have affixed their names by their duly authorized officers the day and year first above written.

Town of Holly Springs

By: _____

Name: _____

Title: _____

DUKE ENERGY PROGRESS, LLC.

By: Josiah Shackleton

Josiah Shackleton
HIGHWAY RELOCATION PROGRAM MANAGER



Holly Springs Town Council

Town Council Meeting Agenda Cover Sheet

Agenda Item#: 13.

Public Hearings

Title: Housing Affordability Action Plan - Legislative Public Hearing

Strategic Priority Area: Growth Management & Economic Vitality

Staff Resource: Sarah Sularz, Development Services

Action(s):

- Conduct Legislative Public Hearing.

Explanation:

- In response to strong and sustained population growth in Holly Springs and across the region, the Town undertook the Holly Springs Housing Affordability Study in 2022-2023 to understand current housing affordability trends and identify potential strategies to help address the housing needs of the Holly Springs community.
- Housing has emerged as a high priority for the Town, addressed by the Town's Comprehensive Plan, which identifies increasing home and neighborhood choices and increasing the availability of affordable housing as two themes to transform Holly Springs.
- Residents and workers in Holly Springs consistently express growing concerns about the availability and cost of housing, as those who work in Holly Springs struggle to afford housing and those who have lived in Holly Springs find it increasingly difficult to become homeowners or to find options to age-in-place.
- The Housing Affordability Study provided a toolbox of policy and program options for the Town to implement to help achieve the community's housing affordability goals.
- The Housing Affordability Study did not include an implementation strategy and was not adopted by the Town Council upon completion in 2023.
- This Action Plan will outline the objectives set by the Town Council using recommendations from the Study, with additional recommendations that are updated for the 2026 housing landscape.
- The three Core Areas addressed in the Action Plan are:
 - Advancing Access & Public Outreach
 - Initiating Programs & Policies
 - Building Town Capacity
- The Action Plan provides a series of action items under each core area, with specific implementation items for each action item suggested.
- The Action Plan is intended to be used as a menu of options; individually, each action will incrementally help the Town influence affordable housing goals, a layered selection of actions will have the greatest impact.

Action Plan Updates

Council reviewed the draft action plan at its September 8, 2026, Council Workshop, and Council made the following changes:

- Added "Major Employers" and a potential partner under "Action 1.2 Build a Network of Housing Partners" on page 7.

Background:

- At the February 2026 Mayor & Town Council Annual Planning Retreat, the Council directed staff to draft potential policy and programming directions identified in the Study for the creation of a Housing Affordability Action Plan.
- The Town Council also adopted a Strategic Plan update in 2026 that established Growth Management & Economic Vitality Initiative 4.1: Create a Housing Affordability Action Plan that identifies the policies, programs, and resources necessary to implement near-term efforts through incentive zoning, expedited approval processes, and land-use/regulatory updates to encourage affordability as well as future policy and program considerations to advance a homeowner rehabilitation program.
- At the June 2026 Council Workshop, Town Council was presented with the framework for the Action Plan and directed staff to continue to develop the document for future policy adoption consideration.
- The draft Action Plan was presented to Town Council at the September 8, 2026 Council Workshop and after discussion and feedback, was recommended to move forward for a public hearing at the September 15, 2026 Council meeting.
- The legislative public hearing process is prior to the Planning Board Review and Recommendation. Following the legislative public hearing, the proposed action plan will be forwarded to the Planning Board for review and recommendation.
- The legislative public hearing provides the Town Council the opportunity to provide feedback on the Action Plan with further consideration and potential action anticipated at the October 20, 2026 Council meeting.
- Consideration of the proposed action plan will take place on the following schedule:
 - Tuesday, September 15 - Town Council legislative public hearing
 - Tuesday, September 22 - Planning Board review and recommendation
 - Tuesday, October 20 - Town Council consideration and decision

Funding Source(s):

N/A

Attachment(s):

1. HousingAffordActionPlan_091526_Draft
2. 2023_HollySpringsHousingAffordabilityStudy_NotAdoptedFinal

HOUSING AFFORDABILITY 3-YR ACTION PLAN

ACTIONS TO ADDRESS HOLLY SPRINGS' HOUSING NEEDS

Town of Holly Springs, NC
2026



September 15, 2026
DRAFT

TABLE OF CONTENTS

OVERVIEW.....	3
HOUSING NEEDS & CHALLENGES.....	5
ADVANCING ACCESS & PUBLIC OUTREACH	6
INITIATING PROGRAMS & POLICIES.....	11
BUILDING TOWN CAPACITY.....	21
ACTION PLAN SUMMARY.....	22

OVERVIEW

The Town of Holly Springs experienced strong growth throughout the early 21st century. With factors like rising construction costs, national inflation impacts, and low-density development, housing prices continue to rise greatly. Holly Springs housing stock is 82% single-family dwellings and historically has offered little housing typology diversity. These circumstances have created a housing affordability challenge for existing and future residents who are low- to moderate-income, including seniors and others living on fixed incomes.

The issues were studied in 2023, by consultants HR&A who drafted the [Holly Springs Housing Affordability Study](#) ("Study"); however, the Study was not adopted by Town Council. In 2026, the Town Council renewed focus on housing affordability leading to the creation of this three-year Action Plan ("Plan"). This Plan will outline the objectives set by the Town Council using recommendations from the Study, with additional recommendations that are updated for the 2026 housing landscape.

Holly Springs Housing Timeline

1990 – Holly Springs population 908

2000 – Holly Springs population 9,000

2008 – US Housing Crisis, housing development slows

2010 – Holly Springs population 24,700

2019 – NC continues to experience a population boom

2020 – Holly Springs population 41,400

2023 – Housing Affordability Study completed, not adopted

2025 – Holly Springs population 51,500

2025 – Wake County growth remains high, 11.2% from 2020-2025

2026 Winter – Town Council directs staff to complete Housing Affordability Action Plan

2026 Fall – Town Council votes on Housing Affordability Action Plan

Housing Affordability Action Plan

This Plan translates the Study's findings into a practical roadmap for implementation. While the Study provided an in-depth analysis of local housing conditions, gaps, and

trends, it did not identify the specific actions the Town will take to address housing affordability. The actions identified in this Plan fill that gap by organizing actions into clear categories, outlining specific strategies, and identifying the specific policy tools and partnerships needed to move from research to results. Each action in the following sections ties directly back to the needs, barriers, and opportunities highlighted in the Study, ensuring that the Town's next steps are grounded in data, aligned with long-term goals, and responsive to community priorities.

The Housing Affordability Action Plan is organized into three core areas where the Town Council wants to place focus. Within each core area are the specific actions the Town will take to address housing affordability. This document is intended to be used as a menu of options; individually each action will incrementally help the Town achieve affordable housing goals, a layered selection of actions will return the greatest impact.

ACTION PLAN CORE STRATEGIES:



1. Advancing Access & Public Outreach

Action 1.1: Maintain a User-friendly Housing Resources Webpage

Action 1.2: Build a Network of Housing Partners

Action 1.3: Establish a Housing Advisory Group

2. Implementing Programs & Policies

Action 2.1: Align the Town's Long-Range Plans and Development Ordinances with Housing Affordability Goals

Action 2.2: Create an Affordable Housing Incentive Zoning Policy or Policies

Action 2.3: Create Affordable Housing Expedited Approval Process

Action 2.4: Create a Pilot Program for Owner-Occupied Rehabilitation & Repair (OORR) Assistance

3. Building the Town's Capacity

Action 3.1: Dedicate Staff Resources to Manage Housing Programs

Action 3.2: Provide Dedicated Funding to Support Housing Affordability

HOUSING NEEDS & CHALLENGES

The Study identifies the key housing challenges and housing needs for the community. Holly Springs is experiencing population and economic growth that has intensified housing pressures by outpacing the supply of new homes, leading to rising prices, low rental vacancies, and increased competition for a limited number of units. The local housing stock is dominated by detached single-family homes, limiting affordability and diversity of options for first-time buyers, seniors, and moderate-income workers. Lower-income households, particularly renters earning under \$35,000, face the most severe shortages, and higher-income renters add further strain to limited affordable units.

Homeownership is becoming less attainable as sale prices have risen 59% since 2019, with very few smaller or lower-cost homes available. These trends mirror nationwide housing shortages, where construction has not kept pace with demand, income growth has fallen behind rising housing costs, and many households are priced out of the market.

While Holly Springs has not yet seen widespread displacement, growing cost burdens and increasing demand from higher-income residents place longtime residents at risk, underscoring the need for more diverse housing types and targeted affordability strategies.



ADU Example

Holly Springs is facing growing housing pressures driven by population increases, rising construction and infrastructure costs, and a lack of diverse, affordable housing options. Regulatory hurdles and financing challenges make it difficult to build small-scale or affordable units such as Accessory Dwelling Units (ADUs), infill housing, and missing-middle homes. These barriers are compounded by local factors including an increase in high-wage job opportunities, an aging population, and limited utility capacity. Zoning constraints and community sentiment on growth can further restrict density and multifamily development, prolonging project timelines and reducing feasibility. Altogether, these conditions reduce housing supply, increase development costs, and limit the Town's ability to deliver a broader mix of homes needed to support residents across income levels.



Stacked-Townhome Housing Example

1. ADVANCING ACCESS & PUBLIC OUTREACH

Holly Springs can improve access to housing information and strengthen public engagement with a user-friendly, Americans with Disabilities Act (ADA) compliant housing resources webpage and by establishing partnerships that expand community involvement. These actions enhance transparency, reduce barriers to information, build trust in local government, and promote equitable participation in shaping the Town's housing future. Access to updated information also helps attract the right type of developer and affordable housing projects.

Goals for Advancing Access and Public Outreach:

- Properly educate developers and residents on housing policies through public engagement and online resources.
- Advocate for reliable, dedicated, and coordinated public resources that meet the scale of the housing need.
- Promote equitable access to housing information, need, and opportunity.
- Ensure that goals, policies and programs offered by the Town of Holly Springs facilitate the development of new quality affordable housing stock that meet our community's needs.

Action 1.1: Maintain a User-Friendly Housing Resources Webpage

What it Means:

The Town of Holly Springs maintains a Housing Hub website with housing data, housing resources, and information for the development community. While the information provided is helpful, the Town must place more focus on enhancements that make navigation easier and information more useful to the community.

A user-friendly design with clear navigation, fast loading, and mobile responsiveness means residents can find what they need quickly. Whether looking for rental assistance, application forms, or information about affordable housing projects, if the site is not user-friendly, people may give up and miss out on vital services, even if they are eligible. Features designed for accessibility, such as high color contrast, clear navigation, and text alternatives for media, make the site easier for all users, including the hard of hearing, visually impaired, cognitively disabled, and elderly users.

Why it Works:

An accessible, user-friendly housing page enhances engagement, reduces barriers, and improves every resident's ability to access essential services. When these websites

and mobile apps are not accessible, they can create barriers for residents seeking housing services and developers looking to bring quality housing projects to the community. With the transition to an accessible and equitable website, Holly Springs will optimize staff resources and build trust within the community, showing the Town has a commitment to transparency and inclusivity.

Implementation:

1. Redesign the Housing Hub webpage to provide more resources for residents and developers and to be compliant with accessibility standards. This redesign should include:
 - a. Contact information, data, and resources from housing partners;
 - b. A dashboard to assist residents' and housing developers' ability to understand up-to-date demographic and market conditions in Holly Springs and the surrounding area; and
 - c. Enable user feedback by adding comment forms, conducting periodic surveys, or holding engagement sessions.

Action 1.2: Build a Network of Housing Partners

What it Means:

Focusing on establishing good relationships with affordable housing partners will play a critical role in development outcomes. It is important for Holly Springs to identify and coordinate with developers, stakeholders, and housing groups, with experience in building and financing affordable housing projects, that may be interested in working to advance housing initiatives throughout the area and region. By combining resources, expertise, and a deep understanding of local needs, these collaborations pave the way for more inclusive, sustainable, and economically viable communities.

Understanding and supporting local partnerships in affordable housing is more than building homes, it fosters community development and improves lives.

Stakeholders may include:

- | | |
|--|--|
| • Council of Governments | • Affordable Housing Property Managers |
| • Non-Profit Organizations | • General Real Estate Associations |
| • Low-Income Housing Providers and Authorities | • Chambers of Commerce |
| • Wake County | • Economic Development Groups |
| • Affordable Housing Developers | • Major Employers |
| • State and Local Housing Advocacy Organizations | |

Why it Works:

It is important to create a strong network of housing partners to achieve the housing affordability goals set by the Town. Partnerships are essential in affordable housing because no single entity possesses all the necessary knowledge, best practices, resources, or regulatory tools. Housing challenges are complex, and these partners may best understand the housing needs and challenges specific to our region without the Town duplicating efforts.

Implementation:

1. Identify opportunities to build partnerships and stay updated on local best practices.
2. Establish a regular schedule for coordination with partners to share upcoming affordable housing initiatives, programmatic decisions, and review federal, state, and local legislation changes or updates.

Action 1.3: Establish a Housing Advisory Group

What it Means:

A Housing Advisory Group would guide the Town towards more diversity in affordable housing options. It would be comprised of diverse representatives from local housing advocates and partners, real estate professionals, affordable housing residents, and community members. The group can advise Town leadership on policy and funding priorities related to affordable housing, assist in the creation of an annual housing report to track progress against the goals established in the Study, and support advocacy and education on affordable housing.

Potential Committee Duties:

- Review of goals and objectives in the Plan
- Identify and build relationships with stakeholders
- Advise the Town Council on housing related policy and program recommendations
- Assist with recommendations on methodology/criteria for reviewing affordable housing proposals and project submittals
- Inform when and how future housing plans are created

Why it Works:

Having a Housing Advisory Group creates a structured, community-based forum where evolving housing needs are identified, discussed, and addressed in collaboration with Town staff. By regularly evaluating existing programs, initiatives, and partnerships, the group helps ensure that local housing strategies remain aligned with changing priorities and emerging challenges in Holly Springs. Its involvement in annual community engagement adds another layer of accountability and transparency, helping residents stay informed while giving them meaningful opportunities to shape and understand housing goals.

The Town will establish a clear framework for how the group operates; defining responsibilities, decision-making authority, membership expectations, and meeting frequency. Ensuring that the committee reflects the full diversity of Holly Springs, including residents most affected by housing affordability, strengthens its legitimacy and grounds its recommendations in lived experience. When paired with adequate internal capacity to support the advisory group's work and a clear understanding that the group serves in an advisory role, the structure sets the conditions for a well-informed, community-centered body that can effectively advance the goals of the Study.

Local Case Study Highlight

The Wake County Affordable Housing Advisory Group

The Affordable Housing Advisory Group is composed of nine regular members who represent the diverse viewpoints of community stakeholders on all aspects of affordable housing. They act as an informational resource to support Housing Affordability & Community Revitalization in creating affordable housing in Wake County. Members were recruited from across the County, representative of municipalities and unincorporated areas, to ensure a focused yet diverse group of housing experts.

The group consists of representatives from these industries:

- Education (Higher Education, Wake County Public School System)
- Housing Development Industry
- Service Providers
- Business & Economic Development
- Veteran Services or Affiliated
- Health Care
- Individuals With Experience in Housing Instability
- Financial Services Industry/Lender Institutions

Implementation: A Phased Approach

The Housing Advisory Group will be implemented in 2 phases to ensure success and align priorities. This approach will ensure the group has clear goals and objectives and allows the group to grow in membership and responsibility over time as programs and policies evolve.

1. Phase 1: The Land Use Advisory Committee (LUAC)

The Land Use Advisory Committee (LUAC) will serve as the initial Housing Advisory Group. The committee will outline initial goals and develop criteria for stakeholder participation. Subsequent meetings will evaluate policies and programs and prepare recommendations to the Town Council.

2. Phase 2: Affordable Housing Advisory Committee

Transition to a standalone Affordable Housing Advisory Committee. As the Town's housing affordability programs progress, and the Town has sufficient resources to manage an additional advisory committee, the Town Council can transition the housing advisory responsibilities from the Land Use Advisory Committee to a new committee of appointed residents and stakeholders.



Image of naturally occurring affordable housing in Holly Springs

2. INITIATING PROGRAMS & POLICIES

Holly Springs can help reduce barriers, expand housing choices, and support long-term affordability using various programs and policies that promote housing affordability. As explored in Chapter 5 of the Study, there are several factors that contribute to successful affordable housing projects. These include the cost of construction, interest rates, regional demand, and more. By creating dedicated local programs and policies the Town can help increase funding availability, hard and soft development costs, and certain regulatory tools. Identified best management practices can be used in support of the recommended programs and policies.

Creating more affordable housing in Holly Springs requires a combination of regulatory changes, targeted incentives, partnerships, and strategic investments. While market forces, such as construction costs, interest rates, and regional population growth shape the overall environment, the Town can take a proactive role by adopting programs and policies that improve project feasibility and encourage development aligned with community needs. The following actions reflect best practices across North Carolina and the broader region. Each action represents an opportunity for the Town that, when implemented collectively, can help reduce barriers, expand housing choices, and support long-term affordability.

Goals for Programs & Policies:

- Support long-term residents, preventing displacement due to rising costs or unsafe housing conditions, by reducing barriers to home repair through a mix of grants and loans that address minor repairs, major rehabilitation, and emergency situations.
- Increase the supply and variety of housing options so residents at different income levels can remain in Holly Springs.
- Reduce barriers that currently make affordable housing difficult to build, improving feasibility for both nonprofit and private partners.
- Encourage sustainable homeownership and stability through programs like home repair assistance and similar targeted incentives.
- Align land development policies and processes with housing goals.
- Support more predictable, equitable, and forward-thinking growth patterns and opportunities.
- Ensure the Town can proactively address rising demand rather than reacting to affordability challenges after they occur.

“Affordable Housing in areas of opportunity enhances families’ abilities to improve long-term outcomes and break generational cycles of poverty.”
-Wake County

Action 2.1: Align Town Plans and Development Ordinances with Housing Affordability Goals

What it Means:

The Town must align its town-wide goals, planning documents, and implementation processes to support long-term housing affordability, such as the [Comprehensive Plan](#), [Town Strategic Plan](#), [Unified Development Ordinance](#) (UDO), Water Resource Management Policy, [Community Investment Plan](#), and [Economic Development](#) strategies.

Why it Works:

The Study and Plan highlight a series of action items that require cohesive policy direction across Town policies and planning documents. These actions cannot be effective without a unified framework that integrates housing priorities into the overall goals and plans of the Town. Aligning documents and department work plans will enable the Town to respond proactively to rising costs, limited housing diversity, barriers to homeownership, and emerging displacement pressures, ensuring that its broader policy landscape reinforces, rather than hinders, its housing affordability goals.

Implementation:

1. Update the Comprehensive Plan to explicitly integrate housing affordability goals, including targets for diverse housing types and geographic equity.
2. Review and amend the UDO to reduce barriers to housing affordability in areas such as land use, density, parking, tree preservation and open space, architectural requirements, or other regulations that can streamline approval pathways and allow a broader mix of housing types.
3. Align the Community Investment Plan (CIP) with affordable housing priorities, such as ensuring infrastructure capacity in areas suitable for mixed-income development.
4. Embed housing affordability considerations into departmental work plans, performance metrics, and annual reporting cycles.

Strategic Plan Vision

Holly Springs offers an unmatched quality of life that reflects the joys of small town living in a safe, family-friendly community that residents and businesses are proud to call home.

Action 2.2: Adopt an Affordable Housing Incentive Zoning Policy

What it Means:

Incentivized zoning for affordable housing is a planning tool where local governments grant developers regulatory allowances or exemptions in exchange for including below-market rate units in housing projects. Incentivized zoning aims to offset the cost of providing these units without requiring direct government funding.

Why it Works:

Incentive zoning is a tool for expanding affordable housing opportunities while promoting mixed-income, inclusive neighborhoods. These policies provide clear, predictable affordable housing incentives for housing projects that provide on-site affordable units at targeted income levels, ensuring that incentives align with local housing goals. An equity driven approach emphasizes both geographic distribution and meaningful community benefits.

Implementation:

1. Adopt an Affordable Housing Incentive Policy. The following are elements that should inform the policy:
 - a. Identify policy goals the Town wants to advance through development agreements, such as the types of residential units, the level of affordability using AMI, or other public benefits like sidewalks, tree preservation areas, or open space. *See Figure 2.2a on page 15 for an overview of housing typologies and user suitability. See Figure 2.2b "First-Time Homebuyer Budget" on page 16 for AMI details.*
 - b. Create an Affordable Housing Target Map that identifies targeted areas for additional housing or areas that would qualify for affordable housing financing options. Target areas should include Town-owned properties, areas that would score highly for Low Income Housing Tax Credits (LIHTC), areas with easy access to transit, employment centers, adjacency to adequate public schools, and locations with existing utilities and infrastructure.
 - c. Identify the incentives the Town is willing to offer. Consider fee reimbursements such as having the Town construct infrastructure or reduce fees.
 - Offer tiered financial incentives. Prioritize deeper affordability levels or family-sized units. Recognize the disproportionate housing challenges faced by larger households, seniors, and individuals with disabilities. *See Figure 2.2c on page 17 for more details.*
 - Offer the opportunity for projects that meet housing affordability level and typology goals to receive flexible or reduced water metering fees. The Town

has previously utilized a fee structure based off the meter size instead of by the number of units. The result was a considerable reduction in total metering fees, that would also incentivize the developer not to limit the number of affordable units.

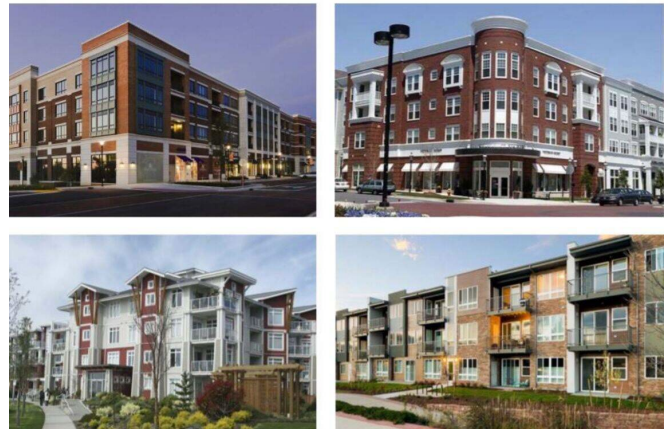
- d. Establish criteria for unit comparability of affordable units to match the quality, size, and integration of market rate units.
- e. Establish a standardized review process and annual monitoring to ensure long-term compliance.

Local Case Study Highlight

Incentive Policy: Density and Height Bonuses

Durham Housing Authority offers increased building heights and unit counts in exchange for dedicating at least 15% of units in new buildings to affordable housing in designated districts. The examples shown to the right are the preferred architecture typologies eligible for a Density Bonus.

Apex enacted an incentive zoning policy allowing greater density, reduced setbacks, and flexibility in development standards if developers include affordable units, backed by a formal application and approval process. The example of affordable rental units at Stone Glen, pictured below, added 164 affordable rental units.



Durham Housing Authority Preferred Housing Typologies



Apex's Stone Glen Apartments

Figure 2.2a MISSING MIDDLE HOUSING OPTIONS

More Choices, Stronger Communities

What is Missing Middle Housing?

Missing Middle Housing refers to a range of mixed, multi-unit, or clustered housing types that are compatible in scale with single-family neighborhoods.

These homes provide more options for people at different life stages, income levels, and household sizes; helping create vibrant, inclusive, and resilient communities.



APARTMENT HOME

An apartment home is a self-contained residential unit located within a larger multi-unit building. They often include share amenities such as parking areas, green space, and community rooms; providing residents with convenient, low-maintenance living.



QUADPLEX

Quadplexes are four-unit buildings, also known as a fourplex. Each unit has its own entrance and can range from single-story to multi-level structures. Quadplexes offer more living space compared to a duplex or triplex, making them suitable for larger families.



TRIPLEX

A triplex has three living units stacked on top of one another. Similar to a duplex, triplexes offer residents more privacy due to their individual entrances and can also be used as an investment property with two units rented out while the owner lives in the third unit.



DUPLEX

One of the most common types of multiplex houses is the duplex, which consists of two separate living units that share a common wall or floor. Each unit usually has its entrance, making it ideal for two families or homeowners who desire privacy while still being close to each other.



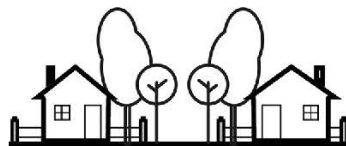
COACH HOME

A coach home, or carriage house, is a smaller secondary dwelling located on the same property as a larger primary residence. These homes are typically attached to the garage and can be used for additional living space or rented out separately.



ACCESSORY DWELLING

An accessory dwelling unit (ADU) is similar to an in-law suite, but it is located in the backyard of a single-family lot. These units are typically self-contained and offer residents more privacy and outdoor space compared to other types of multiplex houses.



COTTAGE HOME

Cottages are typically small, compact, efficient style housing, also known as "tiny-homes." They can be arranged around a shared central courtyard or greenspace, offering privacy and a strong sense of community.



IN-LAW SUITE

An in-law suite, also known as a granny flat, is a smaller secondary living space. These units are typically within the main house, with a separate entry, and can be used for rental income or to accommodate aging family members.

Figure 2.2b FIRST-TIME HOMEBUYER BUDGET

Example for a Holly Springs Resident



Figure 2.2c PURCHASING POWER BY INCOME
2026 Raleigh-MSA / HUD Fact Sheet

2026 Raleigh MSA (4 Person Household)				
2026 Income Limits	Percent AMI	Income	Purchasing Power	Monthly Affordability
Area Median Income	100%	\$132,300	\$435,000	\$3,308
Workforce Housing Range	81-120%	\$105,840 - \$158,760	\$300,900 - \$451,700	\$2,551 - \$3,827
Low Income	51-80%	\$66,150 – \$105,839	\$205,201 - \$300,900	\$1,750 - \$2,550
Very Low Income	31-50%	\$39,690 – \$66,149	\$95,170 - \$205-200	\$810 - \$1,749
Extremely Low Income	30% or less	< \$39,690	< \$95,169	< \$810

AMI is the midpoint of a region's income distribution. Calculated annually by the U.S. Department of Housing and Urban Development, it shows that exactly half of the households in an area earn more than this number, and half earn less. HUD scales the AMI based on household size and uses it to categorize economic brackets. Localities use these income brackets to determine who qualifies for affordable housing programs.

Actual purchasing power will vary based on actual downpayment, debt, and other financial realities. Figures are estimates and to be used for illustrative purposes only.

Action 2.3: Create an Affordable Housing Development Expedited Approval Process

What it Means:

An equity centered expedited review process improves predictability for mission driven developers and reduces barriers that disproportionately impact nonprofit and small-scale builders. Streamlining approvals can significantly reduce development costs and shorten project delivery timelines, making affordable housing more financially viable. A variety of strategies should be used to make this action impactful.

Why it Works:

These measures will enable faster production of lower-cost homes, quality building, and reduce the need for case-by-case interpretation, resulting in more units being delivered efficiently. The Town has already successfully tested this concept with recent economic development projects such as Fujifilm Biotechnologies, Amgen, and Genentech. By replicating similar streamlined review processes, the Town can fast-track affordable dwelling units while still upholding strong standards.

Implementation:

1. Create and define a formal “Affordable Housing Fast Track” review process. Reduce review timeframes from 18 months on average to 12 months.
 - a. Consider guaranteed review timelines and dedicated staff support for qualifying projects.
 - b. Evaluate concurrent rather than sequential reviews for site plans, zoning compliance, and engineering approvals to minimize delays.

Local Case Study Highlight

Expedited Affordable Housing Development Review

The Chapel Hill Town Council approved a policy reducing the affordable housing development review timeline to a maximum of six months by eliminating conceptual plans and reducing advisory board reviews. To qualify, projects must designate 25% of units as affordable, targeting households at or below 60% AMI for rentals and 80% AMI for homeownership. The proposed project below offers 190 units at or below 60% AMI.



Hillside Trace Apartments

- c. Evaluate the engineering study process, such as Traffic Study requirements, to determine whether affordable housing projects should be exempted from certain studies.
2. Create a “Pre-Approved” housing program with pre-approved design plans that can be quickly permitted.
 - a. This program can start with pre-approved Accessory Dwelling Unit designs and expand to primary dwelling unit plans if successful.
3. Evaluate opportunities to modify or reduce certain fees, such as application or development fees, for qualifying affordable housing developments.
4. Utilize the Affordable Housing Target Map from Action 2.2.1b. to identify where these pre-reviewed and approved designs can be located.

Action 2.4: Pilot an Owner-Occupied Rehabilitation & Repair (OORR) Assistance Program

What it Means:

Owner-occupied rehabilitation and repair programs are critical tools for housing preservation, neighborhood stabilization, and equity advancement. This program provides grants or low/no interest loans for essential repairs, ADA accessibility improvements, roof replacement, weatherization, and energy efficiency upgrades. Additionally, it assists homeowners that are at risk of displacement due to rising repair costs, unsafe housing conditions, or code enforcement concerns.

Why it Works:

By focusing on areas with older housing stock, higher concentrations of cost-burdened households, or documented disparities in housing quality this program can help low-income households, residents of historically marginalized communities, and long-term residents, particularly seniors, stay safely in their homes. Any Town funds dedicated have the potential to be matched by applying for the Wake County Rehabilitation and Repair Fund that already exists, thus doubling the potential impact of this program.

Local Case Study Highlight **Cary Healthy Homes**

Healthy Homes Cary is administered by nonprofit Preserving Home. The program assists and supports low- to moderate-income at or below 80% AMI homeowners with crucial home improvements. Nearly 75% of program participants are seniors. The program provides grants up to \$12,500 for improvements to energy efficiency, safety, and accessibility: ramps, hazardous systems, asbestos/lead remediation.

Implementation:

1. Establish a Pilot Owner-Occupied Rehabilitation & Repair Program with Town funding.
 - a. Evaluate which communities and neighborhoods in Holly Springs would benefit from a repair program. Focus should be placed on areas of low-income or experiencing relocation pressures.
 - b. Coordinate with Code Compliance Officers to prioritize eligible properties that do not meet minimum housing code.
 - c. Find programs, like in Wake County, with match grant assistance to amplify investment impacts.
 - d. Establish partnerships with local nonprofits, home repair organizations, and volunteer groups to monitor programs, expand outreach and increase program capacity.



Image of townhome construction in Holly Springs

3. BUILDING TOWN CAPACITY

Aligning resources with the Town's programming responsibilities is essential to delivering the Affordable Housing Action Plan. Implementing new housing programs, managing development activities, coordinating partners, and creating clear reporting mechanisms all require dedicated staffing and consistent internal processes. Strengthening capacity will not only support effective implementation but also improve communication with residents and partners.

Goals for Building Town Capacity:

- Strengthen the Town's ability to implement new housing programs beyond traditional land-use tools, helping Holly Springs respond effectively to rising housing pressures.
- Increase capability to respond, react, and be agile in the services provided based on resident's evolving needs.
- Deliver results efficiently and sustainably, providing excellent service to all residents.



Internal Coordination and Alignment



Community Engagement

Action 3.1: Dedicate Staff Resources to Manage Housing Programs

What it Means:

Development Services is the primary department responsible for carrying out housing affordability strategies, with support from Economic Development and Utilities & Infrastructure depending on the tools pursued. However, the Town currently relies on land-use tools alone and does not have dedicated housing staff, limiting its ability to administer more resource-intensive strategies.

Why it Works:

Partnership coordination with stakeholders, developers, nonprofits, and employers requires significant and ongoing staff involvement. Development agreement negotiations are time-intensive and require specialized skills to ensure long-term

compliance. Administering new programs, such as owner-occupied rehab, and resident information verification and grant/reimbursement maintenance, will require direct Town oversight. Dedicated staff are necessary to:

- Negotiate and execute development agreements.
- Manage and grow external partnerships.
- Oversee and monitor emerging programs, including:
 - Repair and rehabilitation grants;
 - Build internal processes for new policy rollouts; and,
 - Establish workplans for additional vendor contract.
- Track metrics and report progress over time.

Implementation:

1. Identify housing tools the Town intends to pursue first (see Programs and Policies).
2. Reassign tasks or redistribute workload where appropriate within existing positions.
3. Define and request new staff positions where additional expertise and capacity needs are identified.
4. Present an annual Affordable Housing Progress Report to the Mayor and Town Council.

Action 3.2: Provide Dedicated Funding to Support Housing Affordability

What it Means:

A dedicated, reliable housing funding source is essential for Holly Springs because the Town's ability to implement its affordable housing strategies depends heavily on consistent resources, not just land use tools. The Plan makes clear that many of the most impactful strategies, such as owner-occupied rehabilitation & repair programs, development partnerships, land analysis, and incentive zoning require ongoing staff involvement, coordination with developers and nonprofits, and the capacity to administer programs over time.

Why it Works:

A predictable revenue stream allows Holly Springs to support the deeper, resource intensive approaches needed to stabilize long-term and income-restricted residents, address aging housing stock, and improve access to diverse housing types. A dedicated funding mechanism gives the Town the ability to move from conceptual policy recommendations to sustained implementation, ensuring that programs remain stable even as market conditions shift.

In addition, establishing a dedicated housing fund strengthens the Town's internal capacity; a major need identified in this Plan. Over time, this funding would allow Holly Springs to act proactively rather than reactively, build trust and engage with residents, and maintain momentum towards long-term housing affordability.

Implementation:

1. Identify housing tools the Town intends to pursue first (see Programs and Policies).
2. Determine level of investment needed to achieve the program or policy goals.
3. Identify new funding source(s) to ensure program success and establish Town resources to execute Council's priorities.
4. Seek out and apply for housing related grant funding where applicable.



Existing mixed typology of housing in Holly Springs

IMPLEMENTATION SUMMARY

The Town of Holly Springs is experiencing strong population growth, increasing housing costs, and limited housing diversity, resulting in mounting affordability challenges for residents, particularly low-income households, seniors, and first-time homebuyers. With a renewed commitment from the Town Council, the Affordable Housing Action Plan translates the earlier findings from the 2023 Housing Affordability Study into a concrete, actionable framework. It emphasizes the Town's need to expand housing options beyond its predominantly single-family housing stock, reduce regulatory barriers, and respond proactively to rising costs, aging housing, and shifting community demographics.

The implementation of this Plan covers a period of three years, with major initiatives anticipated at different stages in the implementation process and ongoing initiatives occurring over the entire implementation period. Successful implementation will require commitment from the Town Council and Town staff to make continued progress towards housing affordability goals. It will also require the Town to re-evaluate staff capacity and funding sources on an annual basis to ensure Town Council priorities continue to align with dedicated resources. The implementation timeline below outlines the anticipated actions to be taken over the next three years.

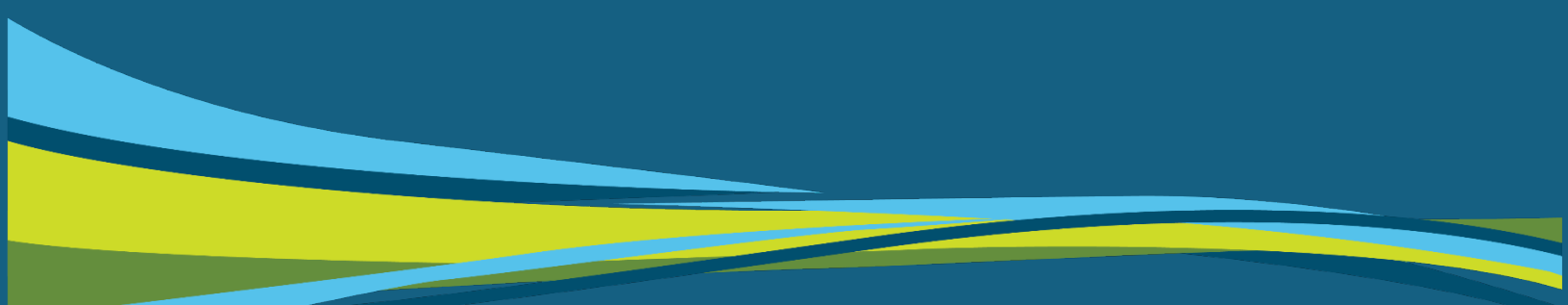
Housing Affordability Action Plan Implementation Timeline

Action	Implementation Timeline		
	Year 1	Year 2	Year 3+
Action 1.1: Maintain a User-friendly Housing Resources Webpage			
Action 1.2: Build a Network of Housing Partners			
Action 1.3: Establish a Housing Advisory Group			
Action 2.1: Create an Affordable Housing Incentive Zoning Policy or Policies			
Action 2.2: Create Affordable Housing Expedited Approval Process			
Action 2.3: Create a Pilot Program for Owner-Occupied Rehabilitation & Repair (OORR)			
Action 2.4: Align the Town's Long-Range Plans and Development Ordinances with Housing Affordability Goals			

Action	Implementation Timeline		
	Year 1	Year 2	Year 3+
Action 3.1: Dedicate Staff Resources to Manage Housing Programs			
Action 3.2: Provide Dedicated Funding to Support Housing Affordability			



Image of a neighborhood in Holly Springs



Town of Holly Springs, NC
2026



Holly Springs Housing Affordability Study

A PATH TO MEETING HOLLY SPRINGS' HOUSING NEEDS
2023

**This document was not adopted by the Town Council*



HR&A

Contents

1. INTRODUCTION..... 2

2. EXECUTIVE SUMMARY 4

3. MARKET CONDITIONS 11

4. HOUSING NEEDS..... 16

5. HOUSING STRATEGIES 22

6. THE ROLE OF PARTNERSHIPS..... 28

7. TOOLS TO MEET GROWING DEMAND 33

8. TOOLS TO PRESERVE AND EXPAND ACCESS TO HOMEOWNERSHIP 42

9. TOOLS TO RETAIN EXISTING RESIDENTS..... 47

1. Introduction

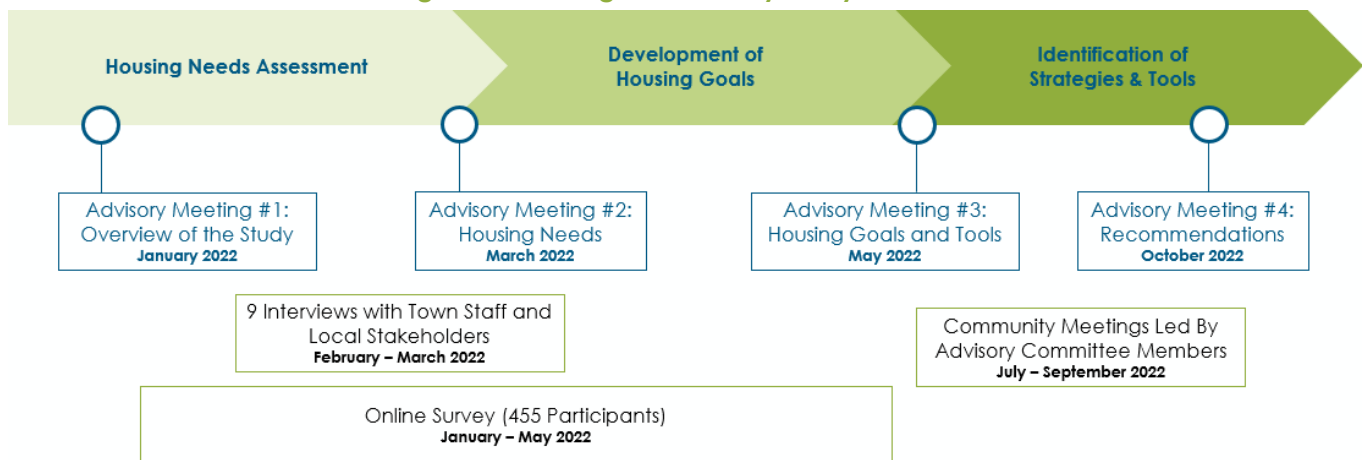
In response to strong and sustained population growth in Holly Springs and across the region, the Town undertook the Holly Springs Housing Affordability Study to understand current housing affordability trends and identify potential strategies to help address the housing needs of the Holly Springs community. Housing has emerged as a top priority for the Town, addressed by the Town's Comprehensive Plan, which identifies increasing home and neighborhood choices and increasing the availability of affordable housing as two themes to transform Holly Springs.¹ Further, residents and workers in Holly Springs consistently express growing concerns about the availability and cost of housing, as those who work in Holly Springs struggle to afford housing and those who have lived in Holly Springs struggle to become homeowners or to find options to age-in-place.

The Housing Affordability Study identifies key housing challenges in Holly Springs, existing barriers to addressing those challenges and a series of strategies for the Town to consider to meet the housing needs of the community.



Image: Holly Springs Farmers Market

Figure 1: Housing Affordability Study Process



¹ Vision Holly Springs Section 1: Land Use & Character Plan, 2019.

Overall Approach

The Housing Affordability Study was developed through data analysis using publicly-available data sources, conversations with local housing market experts and guidance from Town staff, with input from a broad range of community stakeholders. The Study was completed using the following steps:

1. **Housing Needs Assessment:** Data analysis, expert interviews and community engagement to understand current housing market and demographic trends in Holly Springs, identify the primary housing issues exacerbated by those trends and understand who is most impacted by those trends.
2. **Development of Housing Goals:** Engagement with the Housing Advisory Committee, Town Staff and Town Council to prioritize goals based on the needs identified.
3. **Identification and Prioritization of Housing Tools:** Exploration of a range of housing tools based on national and local best practices and prioritization based on the housing goals, the legal, political and financial feasibility of implementation in Holly Springs and the potential impact of the tools. Some tools may be implemented today, while others may require further study.

Community and Stakeholder Engagement Approach

The Housing Affordability Study was guided by stakeholder engagement throughout the process. The Town used multiple forms of community engagement in order to better understand housing needs directly from community members, understand priorities for housing, and identify goals, tools, and strategies unique to Holly Springs.

- **The Housing Affordability Study Advisory Committee**, made up of residents, developers, homeowners, Planning Board Members, Town Council members, and representatives from nonprofit organizations in Holly Springs, guided the Study. The Advisory Committee met 5 times throughout the process and provided input and direction to Town Staff and HR&A Advisors.
- **An online survey** solicited input from residents and workers in Holly Springs about housing issues they have faced and strategies they would support the Town using to address housing needs. The survey was translated in

English and Spanish and was live on the Town's website for three months. Hard copies were also issued to key community groups and apartment complexes. The survey received 455 responses.

- **Individual interviews** with Town Staff, local market rate developers, and local affordable housing developers offered insights into the housing market, the development process and potential strategies for Holly Springs.
- **Three community meetings**, hosted by members of the Advisory Committee, provided an opportunity to share about the study, including draft findings from the Housing Needs Assessment. During community meetings, participants shared the housing needs they've seen or experienced, and provided feedback on draft strategies for promoting housing affordability.
- **Engagement with Town leadership** through Town Council meetings to present the findings of the housing needs assessment, discuss the potential role of the Town and review proposed tools for the Town to prioritize.

Hearing from the Community

22% of survey respondents have had trouble finding the type of housing that meets their family's needs.

"Seniors are being pushed out. Where will our parents go?" – Resident

"It's a shame that our elderly have to choose between paying for their medication and paying their housing costs." – Resident

"I am a teacher and single parent, working in Holly Springs. I want to live here in Holly Springs with my family, but I can't afford it." – Holly Springs Teacher

"We just built a massive hospital, and most of those workers are commuting in from other Towns." – Resident

"There should be more condos because that is the only typology that sells for less than \$300k in the Town." – Resident

"The town should help assist by any means possible, but NOT while using taxpayer dollars." – Resident

"There are many non-profits that can help with these issues. This isn't something the town should use taxpayer dollars for." – Resident

2. Executive Summary

Rapid Regional Growth

Holly Springs' **population has grown by 66%** since 2010 to 42,000 residents.² The Town has also committed to economic growth by **recruiting companies like Amgen and Fujifilm Diosynth Biotechnologies** to locate here.

Price Impacts in Holly Springs

This regional and local growth has led to **almost unlimited demand for housing** in Holly Springs, which puts pressure on the local housing market.

The median Holly Springs home price in 2010 was \$259,000. **In 2022, home prices increased to \$545,000, marking a 109% increase** since 2010. Rents have grown by 56% in the same time period.

Figure 2: Current and Planned Jobs in Holly Springs, 2022

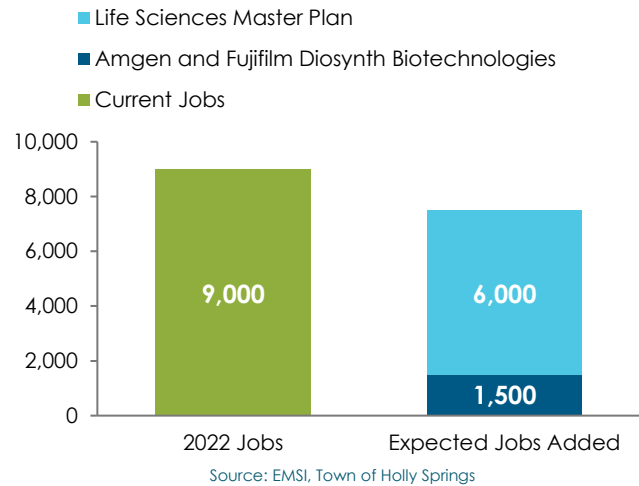
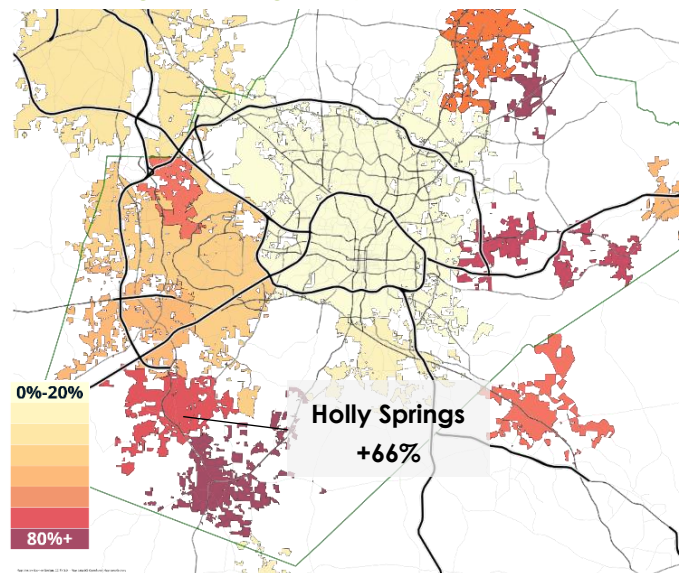


Figure 3: Change in Population, 2010-2020



² US Census 2010, 2020.

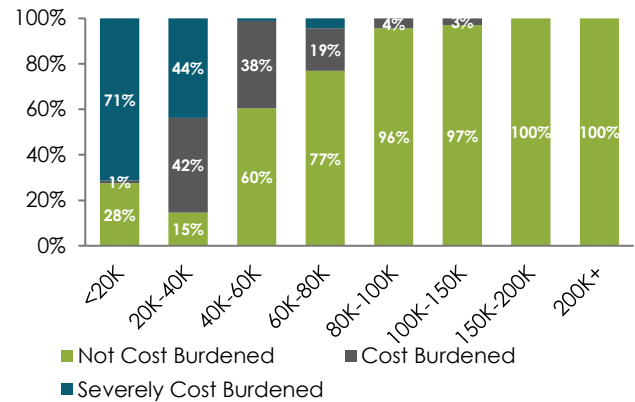
Housing Affordability in Holly Springs

Affordability is a growing challenge in Holly Springs, as households are impacted by rising prices across the region and wages have not kept pace for all residents. **Thirty percent of renters in Holly Springs are cost burdened or severely cost burdened.**³ Forty percent of renter households that make less than \$60,000 are cost burdened or severely cost burdened, making them particularly vulnerable.

In Holly Springs, a family of four household making 60% of Area Median Income (AMI) can afford monthly rent not to exceed \$1,662 (Figure 5).

A family in Holly Springs now needs to earn at least \$80,500 annually to afford the median rent, compared to \$66,000 in 2019.

Figure 4: Renter Cost Burden by Income, 2019



Source: ACS 2019 5-year Estimates, U.S. Census, HR&A Advisors.

Figure 5: Holly Springs Household Incomes and Affordable Rents

AMI Limit	Holly Springs Households at or Below AMI Limit	Income	Affordable Rent
30%	3,400	\$33,240	\$831
50%	6,500	\$55,400	\$1,385
60%	8,500	\$66,480	\$1,662
80%	12,500	\$88,640	\$2,216

In response to these trends, the Housing Advisory Committee developed the following goals for Holly Springs:



Meet growing demand for a range of housing types.



Preserve and expand **access to homeownership**.



Retain existing residents and prevent displacement.

³ Cost-burdened, as defined by the U.S. Department of Housing and Urban Development, is a term for when a household's housing costs exceed 30% of their income. Households that pay over 50% of their income on housing are severely cost-burdened.

The Role of the Town

The Town can only impact a portion of the factors that drive affordability, through the following types of tools:

Land Use: Use municipal regulations and zoning authority to increase supply of housing.

Investment: Through public or private resources, provide below-market rate loans, grants, or other resources to close the gap between what a household can afford and the costs of housing.

Tenants' Rights: Preserve housing affordability and stability using laws and regulations that protect current occupants.

The tools recommended for consideration in this report are organized across these three categories and aligned with the housing goals set by the Advisory Committee.

Figure 6: Recommended Housing Tools by Type

Tools	Land Use	Investment	Tenants' Rights
1. Pursue Land Partnerships (page 30)		X	
2. Offer Economic Incentives for Employer-Assisted Housing Programs (page 31)		X	
3. Dedicate Staff Capacity (page 32)	X	X	X
4. Create a Standardized Development Negotiation Strategy (page 35)	X		
5. Pilot an ADU Demonstration Program (page 37)	X	X	
6. Zone for Attached and Multifamily Housing (page 38)	X		
7. Create a Utility Allocation Ordinance (page 40)	X		
8. Offer Down Payment Assistance and Homeowner Counseling (page 44)		X	
9. Pilot an Owner-Occupied Rehab Program (page 48)		X	X
10. Provide Funding for Legal Counsel and Services (page 50)		X	X
11. Invest in a Community Land Trust (CLT) (page 51)	X	X	

The Town of Holly Springs is part of a broader housing ecosystem that can help address housing needs in the town, and partnerships will be essential to increasing the capacity of the Town to implement the recommendations in this Study and other strategies that emerge over time.

The Town can focus on the areas where it has influence over housing affordability, such as land use regulations, and pursue strategic partnerships with public, non-profit and development partners to leverage resources and expertise to meet broader housing needs.

Currently, **Holly Springs is only using land use tools to address affordability** and relying on the State of North Carolina and Wake County to provide subsidy-based tools. The Town can consider piloting subsidy-based programs to demonstrate their success before committing additional funds. For more details about potential pilot programs, see

Figure.

Figure 7: Roles and Responsibilities of Public Agencies

Agency	Responsibilities
Town of Holly Springs	• Design and enforce zoning and land use in alignment with the Town's strategic goals • Manage community planning • Design and implement historic preservation • Grant development approval and work with developers to deliver projects that meet the Town's strategic goals • Pursue and oversee partnerships to deliver housing and programs to meet the community's housing needs • Build support for and secure a local funding source in order to expand the capacity of the Town to meet housing needs
Wake County Housing Authority	• Offer subsidized public housing • Administer rental housing vouchers for seniors, low-income families and veterans
North Carolina Housing Finance Agency	• Distribute tax credits to fund affordable housing development • Fund local governments and community partners to provide a variety of housing programs for renters and homeowners
Wake County	• Provide gap funding for affordable housing projects • Fund a variety of housing programs for renters and homeowners

The Role of Partners

The Town can help residents and the development community take advantage of County and State housing programs. Simultaneously, the Town can foster partnerships with other public agencies, non-profit partners and the development community. This requires dedicating staff time to implementation.

Figure 8: Holly Springs Housing Affordability Ecosystem

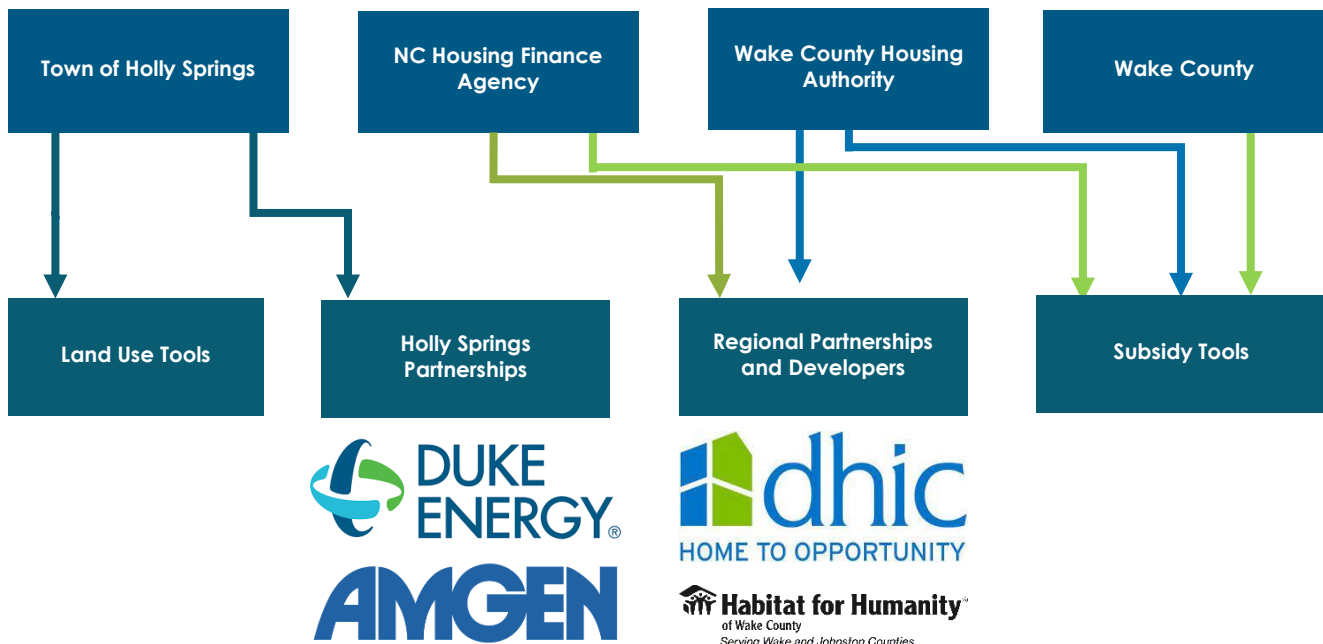


Figure 9: Housing Toolbox for Holly Springs

Tools	Description	Return on Investment	Metrics	Key Partners
Establish Partnerships				
1. Land Partnerships (page 300)	The Town can partner with existing landowners to leverage existing land for increased affordability.	High	Number of housing units supported through public and partner-owned land.	Landowners
2. Offer Economic Incentives for Employer-Assisted Housing Programs (page 31)	Through the Town's current economic incentive programs, the Town can prioritize incentives for employers that offer down payment assistance programs for their employees or offer land for affordable housing development.	Medium	Homeownership rate	Holly Springs Companies
3. Dedicate Staff Capacity (page 32)	Fully implementing the Housing Affordability Study requires dedicated staff time.	Medium	Development timeline, units supported through new partnerships.	Town Staff, Town Council

Immediate Next Steps

- Compile a reference list of companies and organizations that own land in the Town, including private firms such as Duke Energy, and government institutions such as Wake County and the State of NC.
- Identify tools that the Town is most interested in pursuing and necessary staff capacity to advance those goals.

Tools	Description	Return on Investment	Metrics	Key Partners
Tools to Meet Growing Demand				
4. Create a Standardized Development Negotiation Strategy (page 355)	The Town should use the development approvals process to prioritize residential development that includes housing that supports affordability.	High	Share of housing stock that is deed restricted; share of housing stock that is detached dwelling homes; average size of new homes.	Developers
5. Pilot an ADU Demonstration Program (page 37)	The Town can provide standardized renderings and drawings of allowed Accessory Dwelling Units (ADUs) to make it easier for homeowners to develop ADUs. Cost Estimate: Upfront ~\$100,000 investment to create demonstration program.	Low	Number of ADUs constructed.	Local architect

6. Zone for Attached and Multifamily Housing (page 38)	The Town should zone more land for attached and multifamily housing or increase the capacity of areas that are already zoned for this housing type.	High	Share of housing stock that is detached dwelling homes; Rental supply gap for households making less than \$60k.	N/A
7. Utility Allocation Plan (page 40)	The Town should implement a Utility Allocation Plan to prioritize housing projects that increase affordability and protect the Town's valuable utility resources.	Mid	Number of new units affordable to households making 60% or less of AML.	N/A

Immediate Next Steps

- Identify policy goals the Town wants to advance through development agreements, such as the types of residential units, the level of affordability or other public benefits like sidewalks or open space.
- Establish housing affordability requirement to earn points under the Town's utility allocation policy.
- Identify incentives the Town is willing to offer, such as having the Town construct infrastructure or reduce fees.
- Assess which of those services the Town is willing to codify in the zoning ordinance to make available without a development agreement.
- Identify existing or future residential nodes where multifamily development would increase walkability and consolidate development, particularly where the Town is focused on attracting new business campuses.

Tools	Description	Return on Investment	Metrics	Key Partners
-------	-------------	----------------------	---------	--------------

Tools to Preserve and Expand Access to Homeownership

6. Zone for Attached and Multifamily Housing (page 38)	See above.	High	See above.	See above.
8. Offer Down Payment Assistance and Homeowner Counseling (page 444)	The Town would commit local funding and provide grants or forgivable loans to income-qualified moderate-income homebuyers to reduce the up-front costs of purchasing a home. Cost Estimate: \$20,000 per unit (Comparisons: Wake County and Raleigh).	Medium	Homeownership rate	Wake County, Local non-profit to administer funds and counseling.
5. Pilot an ADU Demonstration Program (page 37)	See above.	Low	See above.	See above.

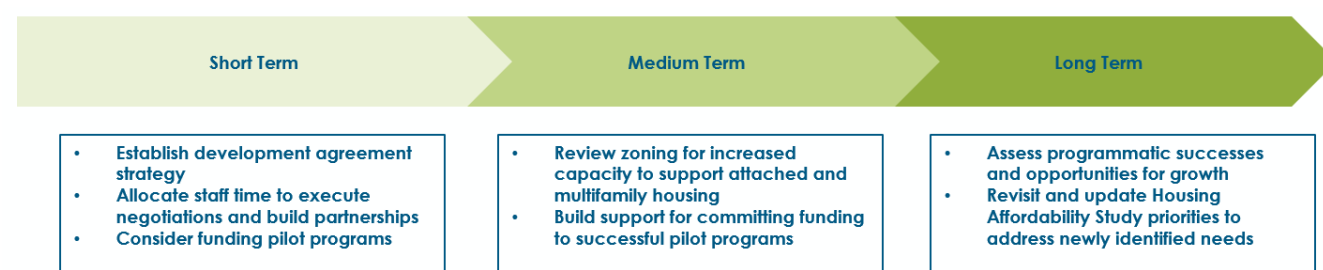
Immediate Next Steps

- Identify potential funding sources for a pilot down-payment assistance and ADU demonstration program.
- Define the objectives of the down payment assistance program, including specific groups eligible for down payment assistance, financing structure, source of funds.
- Collaborate with Wake County to ensure that homeownership programs are complementary.

Tools	Description	Return on Investment	Metrics	Key Partners
9. Pilot an Owner-Occupied Rehab Program (page 48)	The Town can offer grants for income-qualified homeowners for home repairs or energy retrofits to maintain affordability. Cost Estimate: \$15,000 per unit for limited repairs, \$90,000 per unit for substantial repairs (Comparison: Raleigh)	Medium	Stabilize the decline in households making ~60% of Area Median Income.	Wake County, Local non-profit to administer funds and make repairs.
10. Provide Funding for Legal Counsel and Services (page 500)	The Town could dedicate funding to counsel for low-income renters without adequate representation for housing-related legal disputes. Cost Estimate: \$5,000 per household served	Medium	Stabilize the decline in households making ~60% of Area Median Income.	Local non-profit to administer support.
11. Invest in a Community Land Trust (CLT) (page 51)	The Town can work with partners to dedicate land or funding for a new CLT. Cost Estimate: Pursue land contributions as subsidy through publicly owned or partner-owned land	Medium	Number of long-term affordable units created.	New or existing local community land trust.
5. Pilot an ADU Demonstration Program (page 37)	See above.	Low	See above.	See above.

Immediate Next Steps

- Build support for and dedicate a stable funding stream for the housing affordability programs.
- Identify qualified private and nonprofit housing providers and pre-approve contractors to implement an owner-occupied rehabilitation program.
- Identify town-owned land that can be dedicated to a CLT.



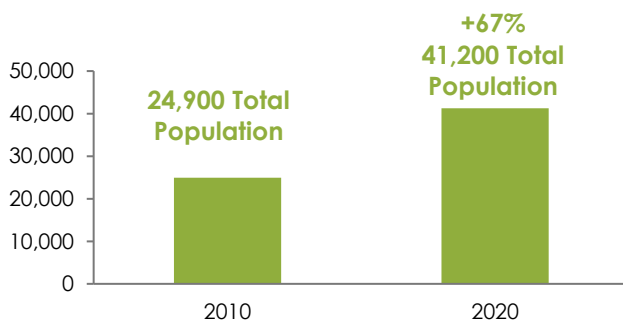
3. Market Conditions

Population Growth

The Triangle region, a nine-county region named for the region centered around the cities of Raleigh, Durham, and Chapel Hill, has experienced significant and sustained **population growth** in the past decade, as new residents flock to the region for its strong economy and high quality of life. The Raleigh Metropolitan Statistical Area (MSA), which includes all of Wake County, added approximately 280,000 residents from 2010 to 2020 and added 130,000 jobs over the same period (American Community Survey (ACS) 2010 and 2020, EMSI). North Carolina is one of the fastest growing states in the nation, and Wake County is the fastest growing county in North Carolina (U.S. Decennial Census, 2010 and 2020). This growth has been particularly concentrated in the Towns surrounding Raleigh, such as Apex, Cary, Fuquay-Varina, and Holly Springs. These towns have experienced anywhere from 40% to 80% population growth since 2010 (Figure 11).

Holly Springs' **population has increased by 67%**, or 16,300 people, since 2010 (Figure 10). This is in-line with similar trends in the Towns surrounding Raleigh (Figure 11). The Raleigh Metropolitan Statistical Area (MSA), which includes all of Wake County, added 130,000 jobs from 2010 to 2020, marking a 27% increase in total jobs (EMSI).

Figure 10: Total Population Growth in Holly Springs, 2010-2020



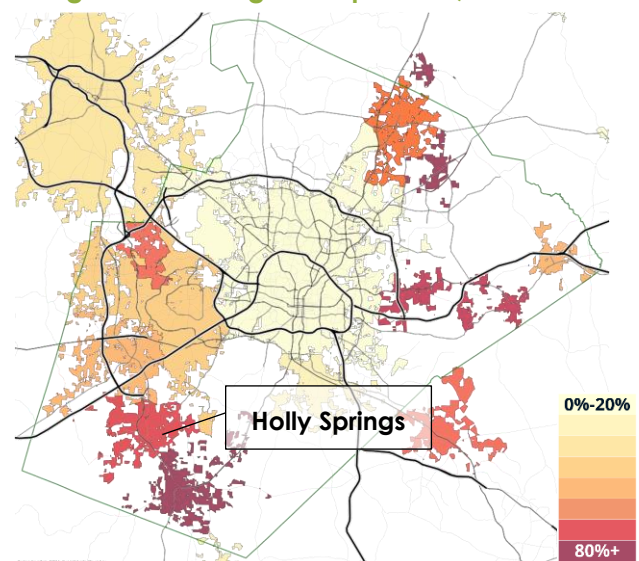
Source: U.S. Census 2010 and 2020

How is Holly Springs Different?

Holly Springs contributes to this regional trend, having added over 2,000 jobs over the same time-period (EMSI). **While some of the overall increase in demand for housing is attributable to job growth in Holly Springs, it is largely driven by regional job and population growth.** Holly Springs accounts for 1.5% of all jobs in the Raleigh MSA and 1.7% of jobs added in the Raleigh MSA since 2010 (EMSI). In other words, while Holly Springs is experiencing significant job growth, it comprises a small share of job growth in the region. Job growth in the region will impact population growth in Holly Springs, even if those jobs are created in neighboring towns.

Some of the households moving to the region for jobs choose to live in Holly Springs, even if they work elsewhere; (2,900 people aged 25 to 55 have moved to Holly Springs between 2010 and 2020, ACS 2010 and 2022). The town has also nearly doubled its population of middle- and retiring-aged individuals since 2010, who are drawn to Holly Springs for its quality of life. This also contributes to the increased demand for housing in the town.

Figure 11: Change in Population, 2010-2020



Source: ACS, 5-Year Estimates 2010-2020

The overall increase in households in Holly Springs specifically has largely been driven by households making over \$100,000 a year (Figure 12), which has driven up the median household income in Holly Springs to \$110,800 (ACS 2020). Lastly, while the

town has experienced population increases across all racial and ethnic groups, Asian and Hispanic/Latino households comprise a larger share of the population now than they did in 2010 (Figure 14).

Figure 12: Households by Income Bracket, 2010 vs. 2020

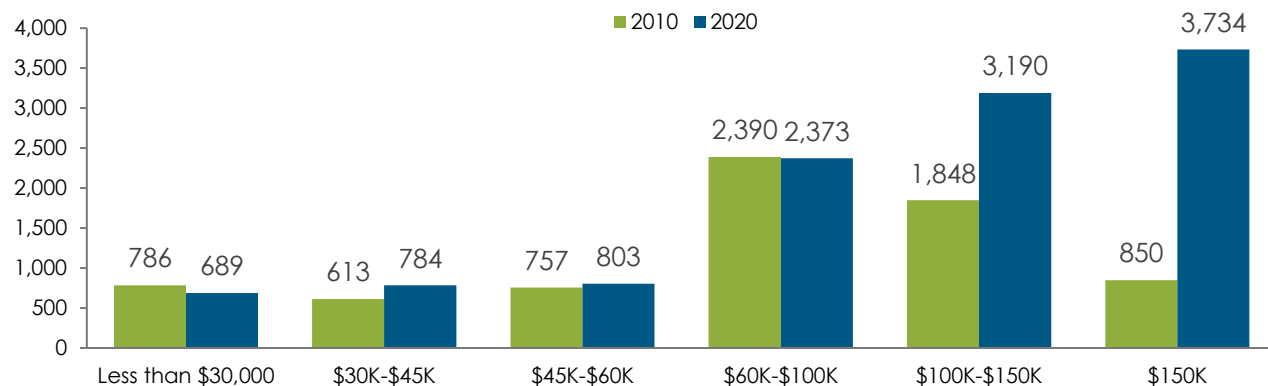
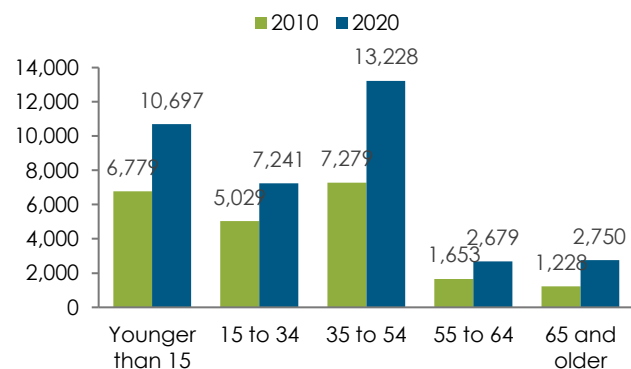


Figure 13: Population by Age, 2010 vs. 2020



As Holly Springs grows, residents benefit from more services and amenities, such as new restaurants and increased access to groceries and healthcare. Additionally, new residents bring new tax dollars, allowing the Town to invest in existing infrastructure and schools. Sustained growth also brings challenges. For example, growth puts pressure on Holly Springs' housing stock and helps drive significant **increases in rent** and **sales prices**. This puts pressure on existing households, who generally have lower incomes than new residents. For example, households making between \$100,000 and \$150,000 comprise a greater share of homeowners added since 2010 than the overall population

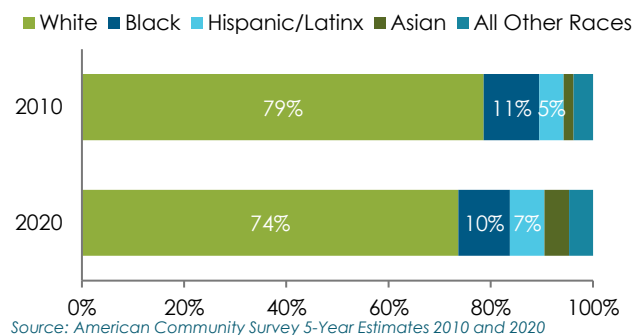


Figure 14: Population Share by Race/Ethnicity, 2010 vs. 2020

Figure 15: Homeowners by Income Bracket, 2020

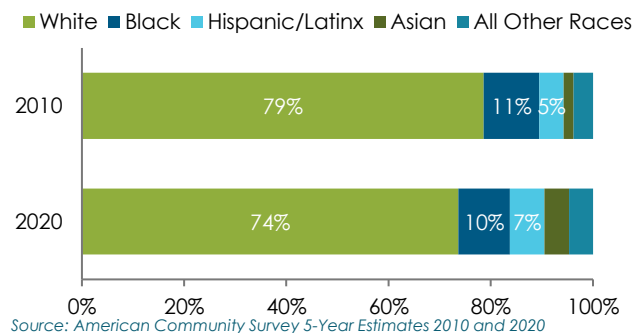
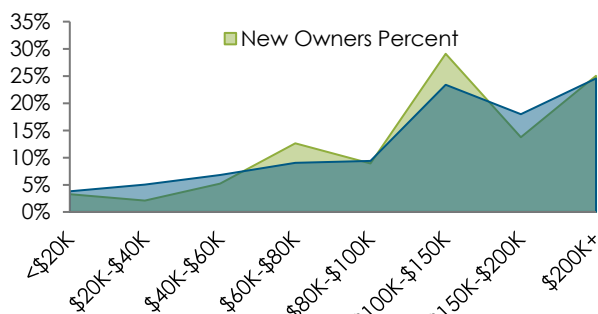


Figure 15: Homeowners by Income Bracket, 2020



Source: American Community Survey 5-Year Estimates 2020

Growth in Households Making Over \$100,000

In line with state trends, **population growth in Holly Springs has almost entirely been driven by households making more than \$100,000 per year**, and particularly those making more than \$150,000. This is particularly driven by households from high-income cities, such as Los Angeles and New York, moving to Wake County (Figure 6).

Figure 16: Top Ten Origin of Households Moving to Wake County, 2020

Rank	City	Average Income
1	Los Angeles, CA	\$124,457
2	Brooklyn, NY	\$95,246
3	Chicago, IL	\$131,124
4	Fairfax County, VA (DC MSA)	\$106,534
5	Long Island, NY	\$82,661
6	Fort Lauderdale, FL	\$73,042
7	San Jose, CA	\$178,668
8	Queens, NY	\$64,851
9	New York, NY	\$134,481
10	Miami, FL	\$58,181

Source: Internal Revenue Service, 2022

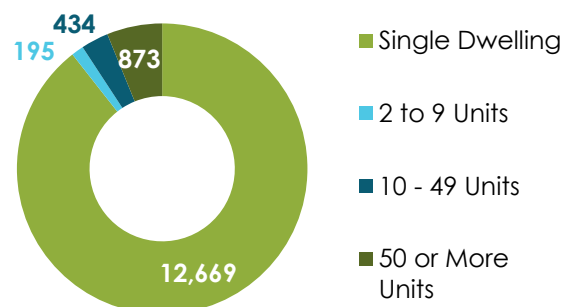
Additionally, households making between \$60,000 and \$100,000 declined from 2010 to 2020. The decline of these households is due to both increases in incomes of existing residents and households relocating to lower cost markets.

Housing Supply

As demand for housing grows, adding housing supply to meet that demand is crucial to ensuring that prices don't quickly rise. Holly Springs' overall housing supply has increased steadily since 2010, including 908 apartments between 2020 and 2021 (CoStar). Holly Springs has added more housing, including multifamily housing, in the past couple of years than ever before, which leaves the share of detached dwelling housing at about 86% (Figure 7).⁴

Despite the recent influx of housing units, there are still housing gaps in Holly Springs, particularly for households making under \$100,000, prospective first-time home buyers and those hoping to age in place in Holly Springs. Low and very low income renters (less than \$35,000 annually) face an acute need for rental housing they can afford. These community members are often priced out of the market by higher-income households that make up the majority of the population growth.

Figure 17: Existing Housing Inventory in Holly Springs, 2022



Source: ACS 2010-2019 5-year Estimates, U.S. Census, CoStar 2020-2021, Town of Holly Springs

Housing Price Growth

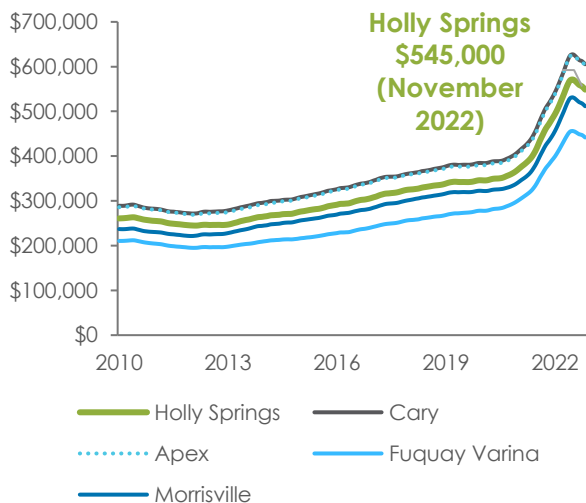
Supply has lagged population growth due to job creation and the increase in retiring-age households both within Holly Springs and across the region. Since 2010, the Town has added 6.5

⁴ This chart includes 908 multifamily units delivered and under construction in 2019, 2020 and 2021.

people for each new job created, indicating job growth is just one trend impacting overall population growth (EMSI). For example, Holly Springs has doubled their 65 and older population (ACS 2010 and 2020).

The recent population growth has been accompanied by a steady increase in home prices, which have increased by 59% since 2019, accelerating affordability concerns (Figure 18). Since the beginning of the COVID-19 pandemic, home prices have risen rapidly, increasing by 48% since January 2021 (Figure 18). In other words, a home that cost \$350,000 in January 2021 would cost over \$517,000 in November 2022.

Figure 18: Average Sale Price, 2010-2022



Source: Zillow

This rapid increase in prices aligns with the rest of the Research Triangle region (Figure 18). Since 2010, Wake County has added nearly 250,000 residents. This has been particularly felt in towns outside of Raleigh, with population increases ranging from 40% to over 80% in places such as Apex, Cary, and Fuquay-Varina. This population growth has put pressure on the housing market, particularly since COVID-19. Towns such as Apex, Cary, Fuquay-Varina, and Holly Springs have experienced 59% increases in housing prices since January 2020 (Figure 8, Zillow).

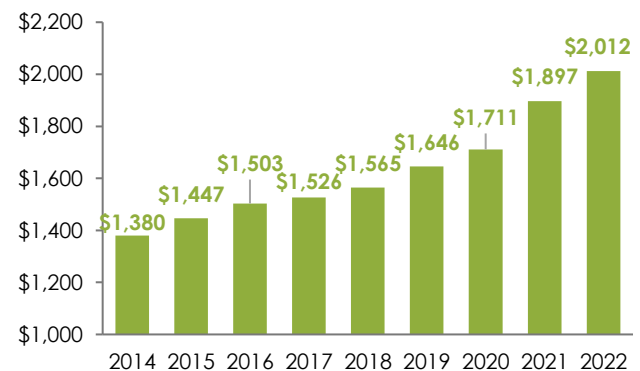
Rental Price Growth

Rents have also grown steadily since 2014 and surged during COVID-19, with 22% growth in rent from 2019 to 2022 (Figure 19). The median rent is now over \$2,000, compared to \$1,650 in 2019.

A family in Holly Springs now needs to make at least \$80,500 to afford the median rent, compared to \$66,000 in 2019.

By 2020 there was already a gap in rental housing units available to households making less than \$35k, or units priced at \$875 per month and less. Housing gaps occur when there are not enough houses for households at certain income levels. When households cannot find housing at their income level, they end up moving into units that rent for more than they can afford. These households then become cost-burdened.

Figure 19: Average Rents in Holly Springs, 2014-2022

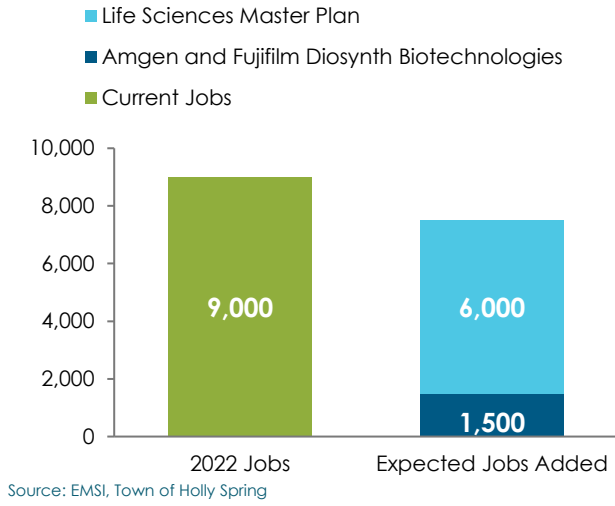


Source: Zillow

Job Growth in Holly Springs

Holly Springs has committed to economic growth and the benefits it can bring. The Town has actively recruited companies to move to Holly Springs, using development agreements and economic incentives to attract companies such as Amgen and Fujifilm Diosynth Biotechnologies. Additionally, the Town has prioritized identifying available land for large employment campuses.

Figure 20: Current and Planned Jobs in Holly Springs, 2022



The continued push for job growth will continue to contribute to population growth of higher income households in Holly Springs. Amgen and Fujifilm Diosynth Biotechnologies alone will add **1,500 new jobs**, with average salaries ranging between \$113,000 and \$120,000. Additionally, a master planned Life Sciences community will add an estimated 6,000 jobs (Figure 0). While some of these jobs will be filled by Holly Springs residents, the added jobs will put more pressure at the higher end of the market as higher income households outbid each other for limited housing. ([Urban Institute](#))

While this contributes to population growth, it pales in comparison to the effects of regional job growth. The Town cannot control the level of interest in the region but can strategically accommodate this growth and invest in infrastructure to support a high quality of life.

4. Housing Needs

The trends described impact housing affordability in Holly Springs and, coupled with local land use and regulations, create a range of housing needs for those who live and work in Holly Springs. Based on public engagement, data analysis and conversations with local housing stakeholders, Holly Springs' most pressing housing needs can be understood in three major categories: limited housing supply, rising barriers to accessing homeownership, and increasing displacement pressure.

Limited Housing Supply

In Holly Springs, there is not enough housing supply to meet demand, in particular for households making lower wages (less than \$35,000 annually). In Holly Springs, overall housing inventory growth has lagged population growth between 2016 and 2020, contributing to growth in housing prices (Figure 8). When there is not enough housing to meet demand, households compete for an increasingly limited supply of housing, driving prices up overall.

+130,000 jobs added in Raleigh MSA since 2010

+124% increase in population of individuals aged 65 and older in Holly Springs

Source: EMSI, ACS 2010-2020 5-year Estimates, U.S. Census

Homes in this region are turning over quickly, meaning there is a much higher demand for housing units than supply. Between June 2021 and June 2022, homes in Wake County stayed on the market only 19 days, compared to an average of 27 days across other U.S. Metro areas (Redfin). Multifamily rental units in Holly Springs have an average vacancy rate of 3.5%, which is one of the lowest in the region; multifamily rental units in Wake County (4.9%), Morrisville (4.9%), Fuquay Varina (5.5%) and Cary (4.5%) have higher

average vacancies than Holly Springs (CoStar, multifamily apartments built before 2020). Vacancy rate is a helpful metric to understand existing demand for housing.

Holly Springs also lacks diverse housing options to meet different housing needs. An "adequate" housing supply should serve a range of households through detached dwelling, attached, multifamily, for-sale, and rental units at different price points. With limited variety in new housing supply, market pressures can displace low- and moderate-income residents from "naturally affordable" market-rate housing, such as older or smaller homes in Holly Springs. Diverse housing typologies, like townhomes, attached homes, detached dwelling homes, and multifamily apartment buildings, meet housing needs of different types of households, especially "soft density" housing, which can be built at a lower cost (Figure 1 **Error! Reference source not found.**).

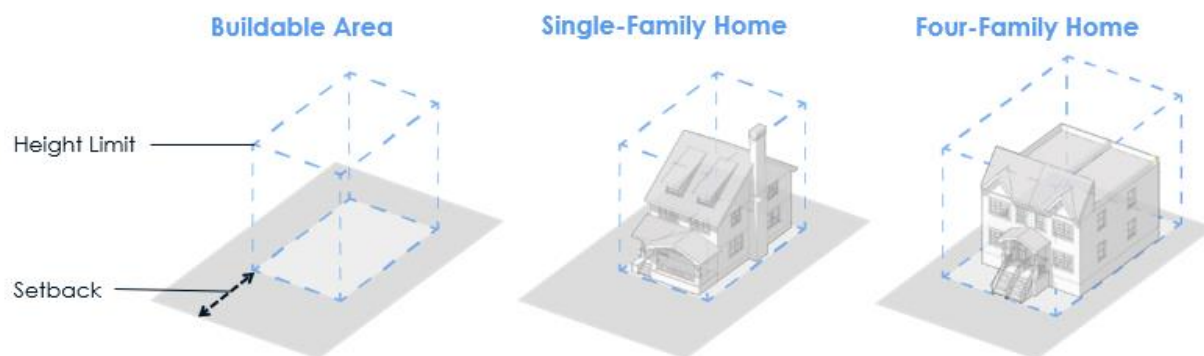
Benefits of Soft Density Housing

Multifamily housing rents and sells at a lower price point than detached dwelling housing units.

Multifamily units cost less per unit to construct than detached dwelling homes because their footprint is typically smaller and land cost is shared between multiple units, rather than just one detached dwelling home. A lower cost of construction means the unit can rent or sell for less per unit than a detached dwelling home.

Creating a larger supply of housing units at a variety of price points will put less pressure on infrastructure, like schools and roads. Adding multifamily units at a higher density than detached dwelling homes means fewer roads need to be built in order to serve those new units. Additionally, adding more households increases tax revenues, which can support additional funding for local schools. Similarly, fewer miles of water, electrical, and sewer infrastructure can serve more units if those units are spread across fewer acres of land.

Figure 21: Soft Density Housing Types



The housing inventory in Holly Springs is currently 86% detached dwelling and 14% multifamily.⁵ (Figure 22), a higher share of detached dwelling homes than nearby Towns like Cary (60%), Apex (69%) and Wake County (59%).⁶

Diversifying typology and tenure (renter-occupied versus owner-occupied units) helps to serve a range of Holly Springs residents. Holly Springs has a very high homeownership rate of 82% (ACS 2010-2020 5-year Estimates, U.S. Census, CoStar, Town of Holly Springs). Some lower income households cannot afford a down payment and are limited to rental housing options. Further, there are over 700 renter households in Holly Springs making more than \$100,000 annually who rent by choice or who also struggle to afford the rising cost of homeownership. These high income renter households compete for the same supply of rental housing as lower income renters, exacerbating supply issues (Figure 23). As Holly Springs continues to grow, and the number of service jobs increases to support overall Town growth, more rental options will provide housing units affordable to the workers and families filling those service jobs.

Who does this impact?

Everyone in Holly Springs is impacted by the limited number of units and lack of diversity in housing typology. A limited number of units drives up the cost of housing as the Town grows and demand for housing increases. Older homeowners are forced out of the community because the

competition for smaller units is high, and they struggle to downsize in Holly Springs.

Lack of diversity in housing types drives up infrastructure costs for the entire town since detached dwelling homes incur a higher Town services cost per unit (police department, fire department, etc.) and infrastructure cost per unit, as homes are more spread out across a greater land area. The entire Town is also impacted by traffic since lower-income workers cannot find housing units at lower price points and are forced to commute into Holly Springs from surrounding areas.

What is the scale of need?

Over 86% of the housing stock in Holly Springs is detached dwelling homes (Figure 22). The Town lacks diverse housing typologies, such as attached housing and multifamily buildings, which can be delivered at a lower price point and meet housing needs for different households at different phases of life.

By 2020, there was supply gap of about 460 units for renter households making less than \$35,000 annually, exacerbating the issue of cost burden for Holly Springs renters and for service workers who are meeting the growing demand for services from high income households moving in. There is also an imbalance at higher income levels, or renters making more than \$100,000 annually (Figure 23). Over 700 households making more than \$100,000 are choosing to rent and are renting

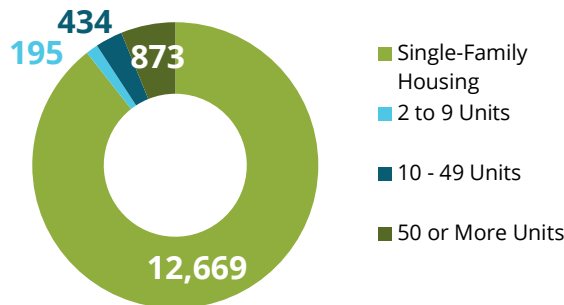
⁵ ACS 2010-2019 5-year Estimates, U.S. Census, CoStar 2020-2022, Town of Holly Springs

⁶ ACS 2010-2020 5-year Estimates

units that are affordable to moderate income groups, exacerbating demand pressure for lower cost units and driving the high cost burden rate (40%) for renter households making up to \$60,000.

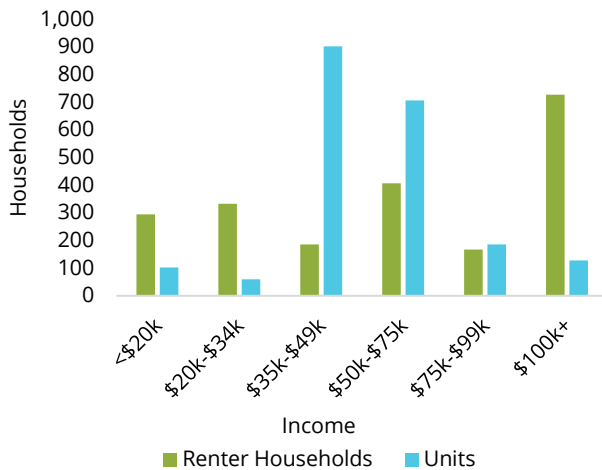
As prices have soared recently, more renter households are competing for an increasingly limited supply of rental housing in Holly Springs, and this gap has likely grown substantially since 2020 as a result. By increasing the diversity of housing types in Holly Springs, the Town can move towards its target of reducing the number of cost-burdened households and increase the amount of long-term affordable housing.

Figure 22: Existing Housing Stock by Number of Units in Structure, 2022



Source: ACS 2010-2019 5-year Estimates, U.S. Census, CoStar, Town of Holly Springs

Figure 23: Holly Springs Rental Supply Gap, 2020



Source: 2015-2020 ACS 5-year Estimates

What are the barriers?

Many low and very low-income households simply don't make enough money to afford rents given high local costs. To support these households, the Town can focus on strategies to reduce total development costs and increase the diversity of housing types that can be built. A significant

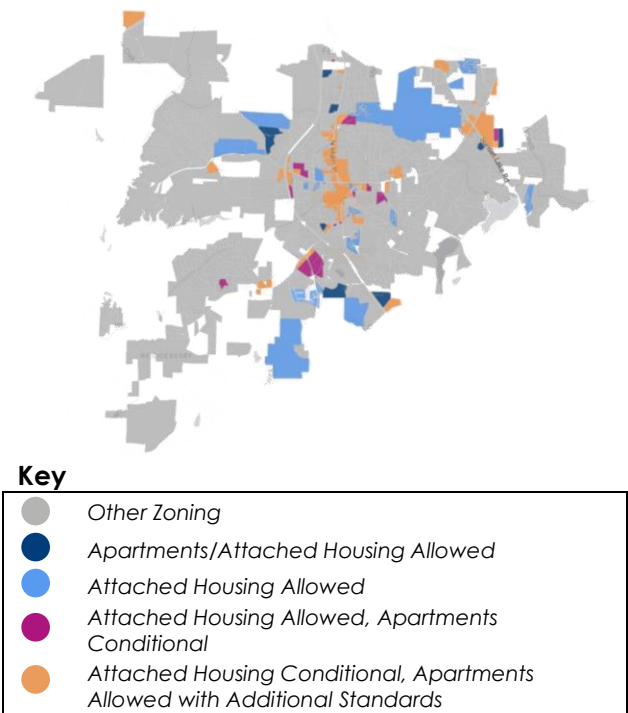
portion of land in the town is zoned for detached dwelling homes. Creating more zoned areas for attached housing requires an amendment to zoning regulations and the zoning map.

The development approvals process in Holly Springs requires Council approval, which increases time and uncertainty for developers. As the development approvals process lengthens, holding costs for developers increase, increasing the total cost of development. Higher development costs translate into higher rents or sale prices. When the approvals process is unpredictable, developers are also less incentivized to propose interesting or unique development projects.

The Town's utility meter connection requirements increase the cost of development by requiring each housing unit to have its own utility meter, even for large multifamily developments. This significantly increases the cost of development, discouraging Developers from pursuing new housing projects in Holly Springs.

Lastly, while most survey respondents believe the Town should take steps to support housing affordability, some respondents stated they did not support the creation of new neighborhoods. This is a common barrier for small and large towns alike, particularly in growing towns.

Figure 24: Holly Springs Zoning Map



Access to Homeownership

Homeownership is a key wealth building tool, enabling families to save for retirement, save for college, or start a business. When homeownership is unaffordable and ownership rates decrease, households struggle to prosper.

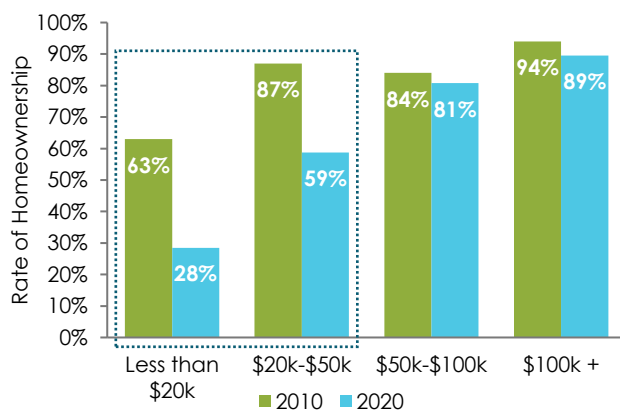
Holly Springs has historically been affordable to first-time homebuyers, but over time prices have increased while renter incomes have stayed stagnant, making it more difficult for renters to become homeowners.

Who does it impact?

In line with regional trends, Holly Springs has a high share of homeowners. However, homeownership is increasingly out of reach for households with incomes lower than \$75,000 and elderly populations.

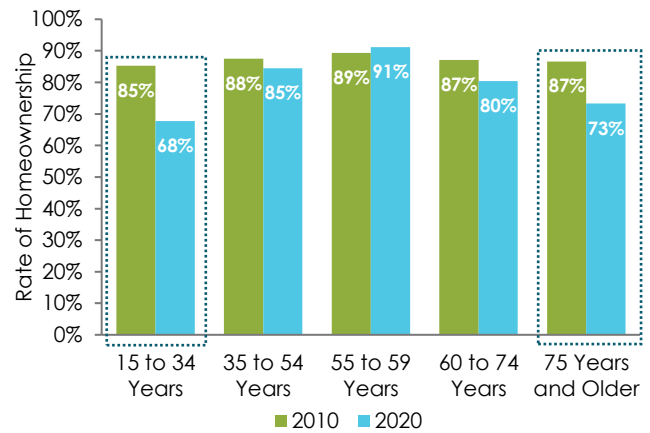
In line with national trends, the homeownership rate in Holly Springs has decreased to 82% in 2020, but is still notably higher than Cary, 67%, and the United States, 64%, overall. The rate of homeownership in the Town has declined across all racial and ethnic groups, and most sharply for lower income households making less than \$50,000 per year (Figure 25), elderly households 75 years and older, and households age 15 to 34 (Figure 26).

Figure 25: Homeownership by Income Level, 2010 and 2020



Source: ACS 2010 and 2020 5-year Estimates, U.S. Census

Figure 26: Homeownership Rate by Age, 2010 and 2020

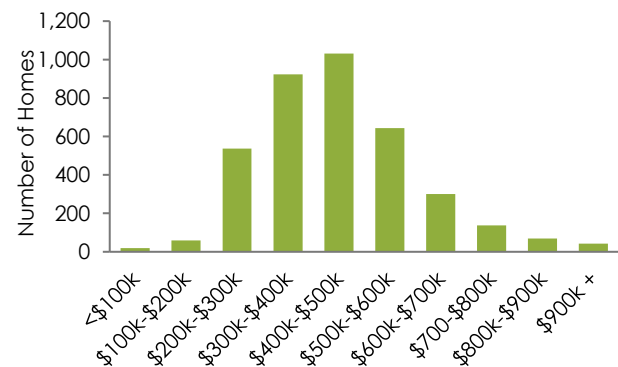


Source: ACS 2010 and 2020 5-year Estimates, U.S. Census

What is the scale of need?

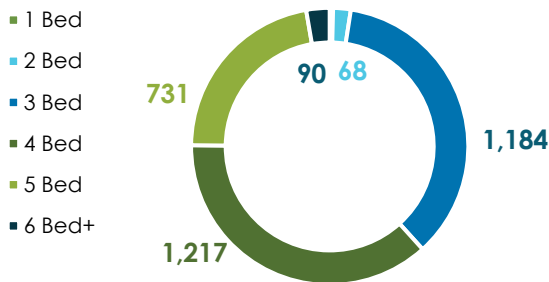
The median renter in Holly Springs can afford to purchase a \$340,000 home. Only 978, or 26% of the total, homes were sold within the last two years at a price point affordable to the median renter. Only 81 homes, or 2% of total homes sold, were 1- or 2-bedrooms, which are most desired by first-time homebuyers (Zillow, Figure 27 Figure, Figure8).

Figure 27: Homes Sold by Price, 2020-2022



Source: Zillow, Last 2 Years; National Association of Home Builders, Characteristics of New and First-Time Home Buyers

Figure 28: Units Sold by Unit Size, 2020-2022



Source: Zillow, Last 2 Years; National Association of Home Builders, Characteristics of New and First-Time Home Buyers

What are the barriers?

Barriers to accessible homeownership include lack of funding, constraining design standards, and housing types. The Town is lacking direct assistance programs for homeownership, which help bridge the gap between what renters can afford to pay, and the high purchase price of homes. Design standards can also increase the cost of constructing new homes, which causes sale prices to increase. The Town can consider efforts to adjust design standards, such as changing rear-alley and site dimension requirements, to reduce the cost of construction. The current housing stock is mostly 3-bedrooms, 4-bedrooms, and 5-bedroom homes, which are larger than the typical home first-time homebuyers are looking to purchase.

Emerging Displacement Pressure

Displacement is generally referred to as a forced or involuntary movement from a household's place of residence and can take several different forms, including forced displacement, such as eviction, and pressured displacement caused by factors such as unaffordable rents or poor or unsafe living conditions. Other examples of forced displacement include extreme rent increase, foreclosure, threats or malicious actions, or disaster. Examples of pressured displacement include housing cost burden, poor housing quality, or unsafe neighborhood conditions.

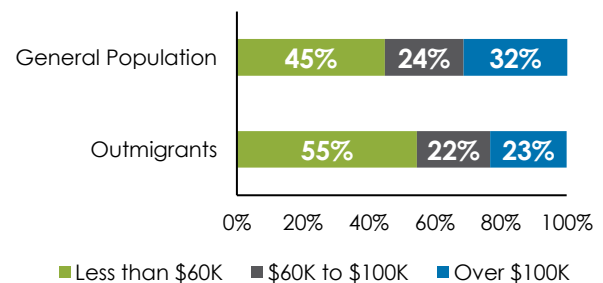
Who does it impact?

Pressured displacement is an emerging issue in Holly Springs, as cost burden continues to increase, and as long-term homeowners struggle to afford

necessary improvements to their homes or to move to a different unit. During a community meeting, a longtime Holly Springs resident shared, *"In our area, all I can do is upkeep on my house. I cannot afford to move anywhere else."* Data suggests that there is not yet widespread displacement, but as higher income households continue to move to the Town, moderate and low-income and older residents will become vulnerable to displacement over time.

In Wake County as a whole, households making less than \$100,000, and particularly less than \$60,000, are moving out to other more affordable counties. Essential workers and Town employees typically fall into this category, meaning they are disproportionately impacted by emerging displacement pressures (Figure 29).

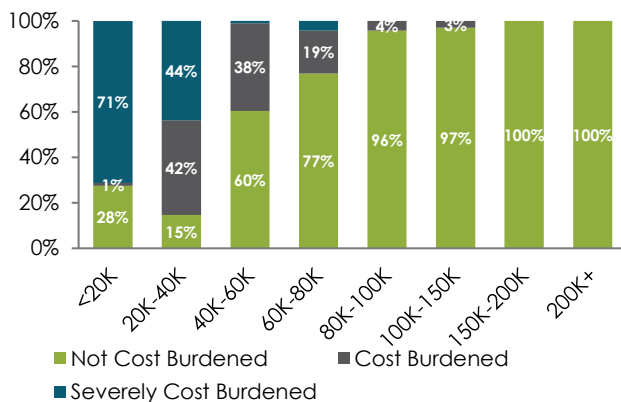
Figure 29: Households Moving Out of Wake County to Other NC Counties by Income, 2019



Source: ACS 2019 5-year Estimates, U.S. Census

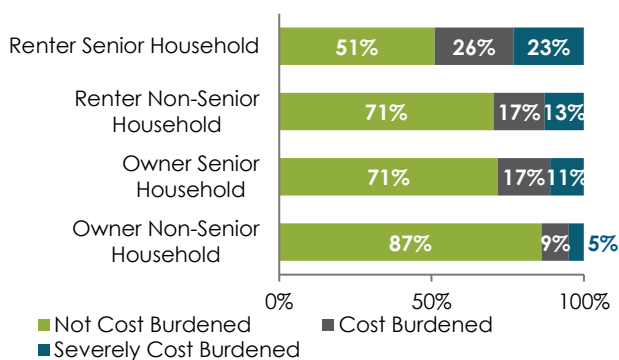
Renters and elderly households are increasingly cost-burdened and lack housing options that they can afford. Holly Springs has a high share of homeowners: 82% (ACS 2020 5-year Estimates), and a high share of owner-occupied units, meaning that renter households must compete for a smaller pool of units. Similarly, elderly households are competing for a limited supply of units to downsize and age in place (Figure 1).

Figure 30: Renter Cost Burden by Income, 2019



Source: ACS 2019 5-year Estimates, U.S. Census, HR&A Advisors.

Figure 31: Cost Burden for Seniors, 2019



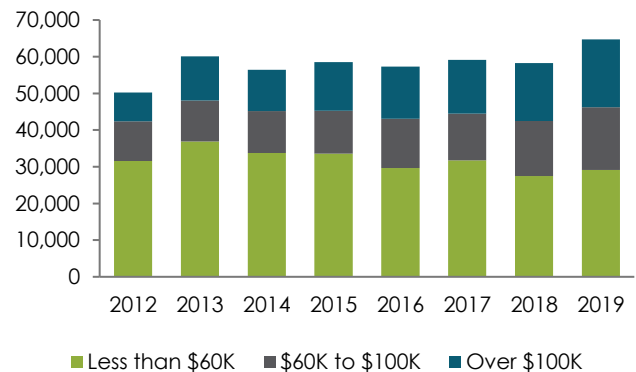
Source: ACS 2019 5-year Estimates, U.S. Census, HR&A Advisors.

What is the scale of need?

Thirty percent of renters in Holly Springs are cost burdened or severely cost burdened, which can lead to displacement. Sixty-four percent of renter households that make less than \$60,000 are cost burdened or severely cost burdened, making them particularly vulnerable (ACS 2019 5-year Estimates, U.S. Census). Cost burden for households making less than \$35,000 is in part due to a rental unit supply gap at these income levels.

Emerging displacement pressure is demonstrated in Wake County by significant outmigration since 2012 (Figure 2). On average since then, more than 58,000 households have moved to other counties in North Carolina (excluding Durham and Mecklenburg, other high-cost counties).

Figure 32: Outmigrant Households by Income, 2012-2019



The households described in this chart are households that moved out of Wake County to a different NC county, excluding Durham or Mecklenburg (other high-cost counties).

Source: 2019 5-year Public Use Microdata Sample (PUMS). PUMS data reflects a broader area beyond Holly Springs Town limits.

What are the barriers?

One barrier to curbing displacement pressure is a lack of affordable rental housing options for households making less than \$35,000. For this income group, there is a significant unit supply gap, forcing renters into homes they cannot afford, and increasing cost burden.

Growth in the Town is expected to continue, particularly with recent new employers coming to Holly Springs, the construction of NC 540, and other economic development initiatives. The construction of the highway impacts both existing and future residents. Some existing residents have been forced to relocate to make way for the construction of the highway, while other existing residents will encounter indirect impacts as the highway attracts increased development interest. Additionally, as highway construction concludes, new housing development will bring more people to Holly Springs. The Town will need to identify strategies to accommodate those households to prevent significant traffic increases and infrastructure strain.

The Town of Holly Springs can implement housing strategies to adapt for future growth and limit displacement pressure going forward.

5. Housing Strategies

To begin to address the housing needs described in Section 3, **Holly Springs should focus on three housing goals:**

1. **Meet growing demand;**
2. **Preserve and expand access to homeownership; and,**
3. **Retain existing residents.**

Meet Growing Demand

Both the regional and local economy are growing, which increases demand for both housing and local services. To help reduce the price pressures of increased demand and to meet household needs for different types of housing, the Town can take a proactive approach to the development approval process that prioritizes housing developments that support affordability.

Preserve and Expand Access to Homeownership

Traditionally, Holly Springs has been a place that is affordable for first-time homebuyers in the region. Helping create affordable homeownership opportunities is an important tool to ensure that seniors can age in place, to reduce racial wealth disparities and racial segregation, and to ensure that those who work in Holly Springs can live in Holly Springs.

The Town can help preserve opportunities for first time homebuyers by providing down payment assistance and working with employers to support homeownership. Additionally, the Town can help increase the supply of smaller houses that are naturally affordable to first time homebuyers. Lastly, the Town can support owner-occupied rehabilitation to help existing homeowners remain in their home.

Retain Existing Residents

Pressured displacement is an emerging housing issue in Holly Springs. Creating permanently affordable rental and homeownership

opportunities, and providing support to residents at risk of displacement, can help to ensure that this issue doesn't grow in Holly Springs as it has in much of the region.

The Benefits and Challenges of Growth

Holly Springs has committed to economic growth and the benefits it can bring. The Town has secured Amgen and Fujifilm Diosynth Biotechnologies, bringing significant employment and population growth. Combined, these two companies will add approximately 1,500 new jobs. Additionally, Holly Springs expects a life sciences community that will bring an additional 6,000 jobs. These new jobs are expected to pay salaries ranging between \$113,000 and \$120,000. The new jobs will create additional, lower paying service jobs in the community, which will increase the demand for housing across all income groups.



Image: Amgen Groundbreaking

Growing the Town's economy requires that the Town continue to attract businesses to Holly Springs. When new businesses move to Holly Springs, it not only adds the jobs from those businesses, but also the jobs of other businesses that expand to support new businesses. The

service industry also grows, as new households create demand for retail, restaurants, and services.

When workers cannot afford to live in Holly Springs, service businesses may hesitate to move to Holly Springs as they struggle to find employees, which reduces the overall services available to existing residents. If service industries decide to locate in Holly Springs, their workers may live outside the Town, increasing overall traffic. New companies can help alleviate these pressures by committing funding to support housing affordability or by helping employees purchasing houses. The Town also can support new housing for these households by allowing for smaller and more affordable housing types.

Additionally, as the Town grows, it will incur more fiscal costs to fund increased infrastructure needs, such as water and sewer, parks and open space, and transportation improvements. If the Town neglects these improvements, local roads, parks, and sewer systems may become overburdened. However, the increased tax revenue from new development can support intentional planning efforts that efficiently concentrate amenities to reduce the burden on infrastructure. For example, by encouraging mixed-use development and higher density zoning, the Town can encourage more walkability and concentrate infrastructure in targeted areas, lowering the relative cost of infrastructure improvements. An example of a successful mixed-use project is Main Street Square, a place where people can live, access health and



Image: Holly Springs Farmers Market

dental care, get a cup of coffee, and other services.

Additionally, the Town can work with companies moving to Holly Springs to have them contribute to necessary infrastructure upgrades and affordable housing. The Town has regularly negotiated development agreements in the past, such as the Village Gate development agreement, where the developer made improvements to roadways and sidewalks. The Town can deploy a strategy in which it uses the development agreement process to prioritize residential projects that have affordable components, either through below market rate units or through smaller housing types like one- and two-bedroom homes and attached houses that are less expensive to build.

The Role of the town

Many factors impact housing affordability. These include the cost of construction, interest rates, regional demand, and more. While the Town

cannot influence all these factors, it can influence some, including land costs, funding availability, hard costs, and soft development costs.

Figure 33: Drivers of Affordability
(see Figure 34 for definitions)

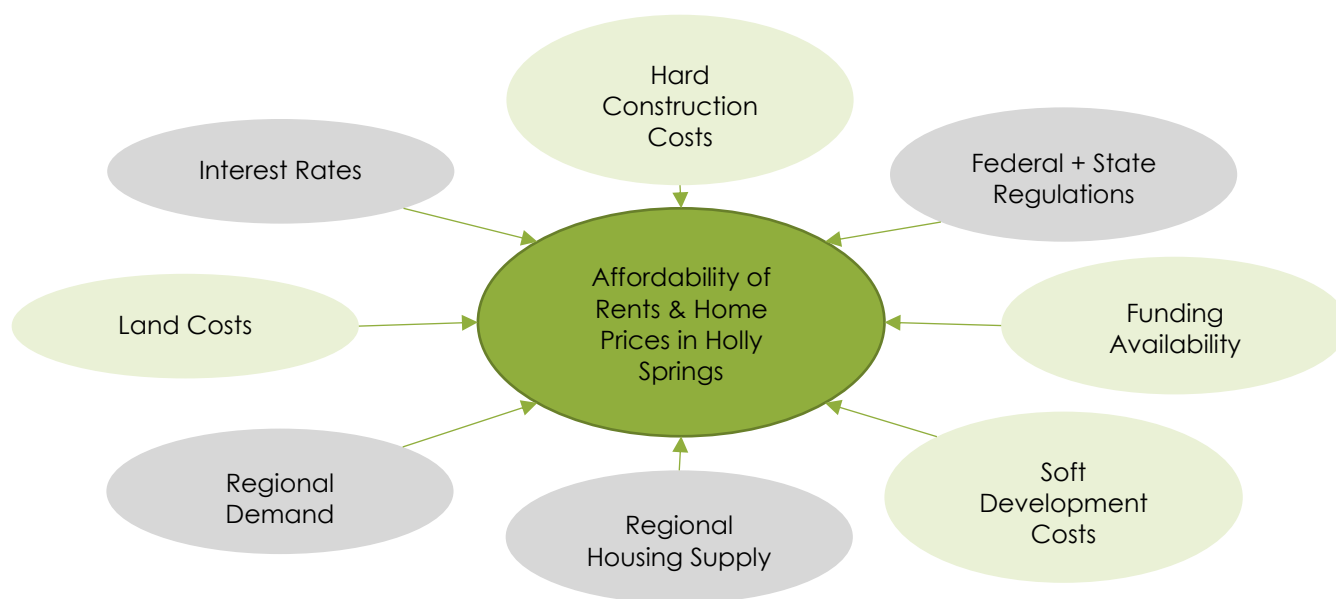


Figure 34: Defining Drivers of Affordability

Hard Construction Costs	Cost of construction materials and contractors. The Town can support reduced construction costs by allowing for diverse housing types.
Federal and State Regulations	Government regulations indirectly impact the cost of development as developers are required to meet certain requirements.
Funding Availability	Includes availability of private financing from banks and public investment from local, state, and federal governments.
Soft Development Costs	Construction costs that facilitate development, including architects, engineers, permitting fees, and lending fees.
Regional Housing Supply	When overall supply is low, high-income households compete with lower income households to find housing. Large housing supply does not guarantee housing affordability.
Regional Demand	As more people desire to live in a region, they will pay more for housing options.
Land Costs	Many factors influence land costs. Proximity to desirable uses and the overall supply of land are two prominent factors.
Interest Rates	Banks will raise or lower interest rates to account for the amount of risk they are willing to incur based on economic conditions. The Federal Reserve plays a significant role in influencing base interest rates.

The Town has two primary pathways it can pursue. First, Holly Springs can prioritize leveraging land use standards to influence land and construction costs. By doing so, the Town can increase affordability for moderate income households. The tradeoff is that land use tools do not increase housing for the lowest income households. On the other hand, the Town can prioritize building support to dedicate funding for housing, which would support more funding for the most vulnerable households but would utilize taxpayer dollars. In the short-term, the Town can pilot subsidy tools and pursue partnerships to start supporting low-income households.

Development Approval Process

In Holly Springs, nearly every residential development requires Town Council approval, even if the proposal complies with the existing zoning regulations, lengthening the time of development. Many jurisdictions allow projects that comply with the zoning to be approved by staff instead of requiring Town Council approval. While maintaining the land use planning process, Holly Springs can shorten project approval times by condensing some parts of the development approvals process.

Additionally, unpredictable development approval processes increase risk for developers, discouraging them from pursuing new projects. The Town can increase certainty by providing clear timeline standards and clarifying zoning regulations with clear language and illustrations.

Land Use Tools

Another important type of housing tool is land use and density rules. These regulations define and enforce what types and sizes of structures can be built in specific locations. When it comes to housing, density standards limit the number of units that can be built in a particular portion of land. Holly Springs is mostly detached dwelling only zoning but has allowed for more attached and multifamily in recent years. Allowing more duplexes, triplexes, and multifamily units decreases the relative cost of land and helps stabilize housing costs.

One general advantage to land use tools is that they can help support broad affordability without dedicated public investment. Land use tools are a means of allowing private developers to increase the stock of housing in the Town. However, land

use tools rely on market rate development. Because of this, housing production declines in weak markets and recessions. Additionally, even in healthy markets, market rate development typically does not produce very low-income units.

Figure 35: Land Use Tools Pros and Cons

Pros	Cons
• Do not require public investment to induce private development • Increases the overall supply of housing • Channels stakeholder input towards overall zoning regulations and away from individual development projects	• Typically, does not create housing for very low-income households • Community opposition to land use changes can limit the ability to enact meaningful change

Public Investment

To help meet the housing needs of low and very-low-income households, the Town can make investments to support housing affordability both directly to households and through non-profit partners who can administer programs in collaboration with the Town.

Local, county and state governments can provide direct assistance to households struggling to access rental or homeownership opportunities or those who already have housing but may be at risk of displacement due to rising costs or maintenance needs.



Image: Holly Springs Neighborhood

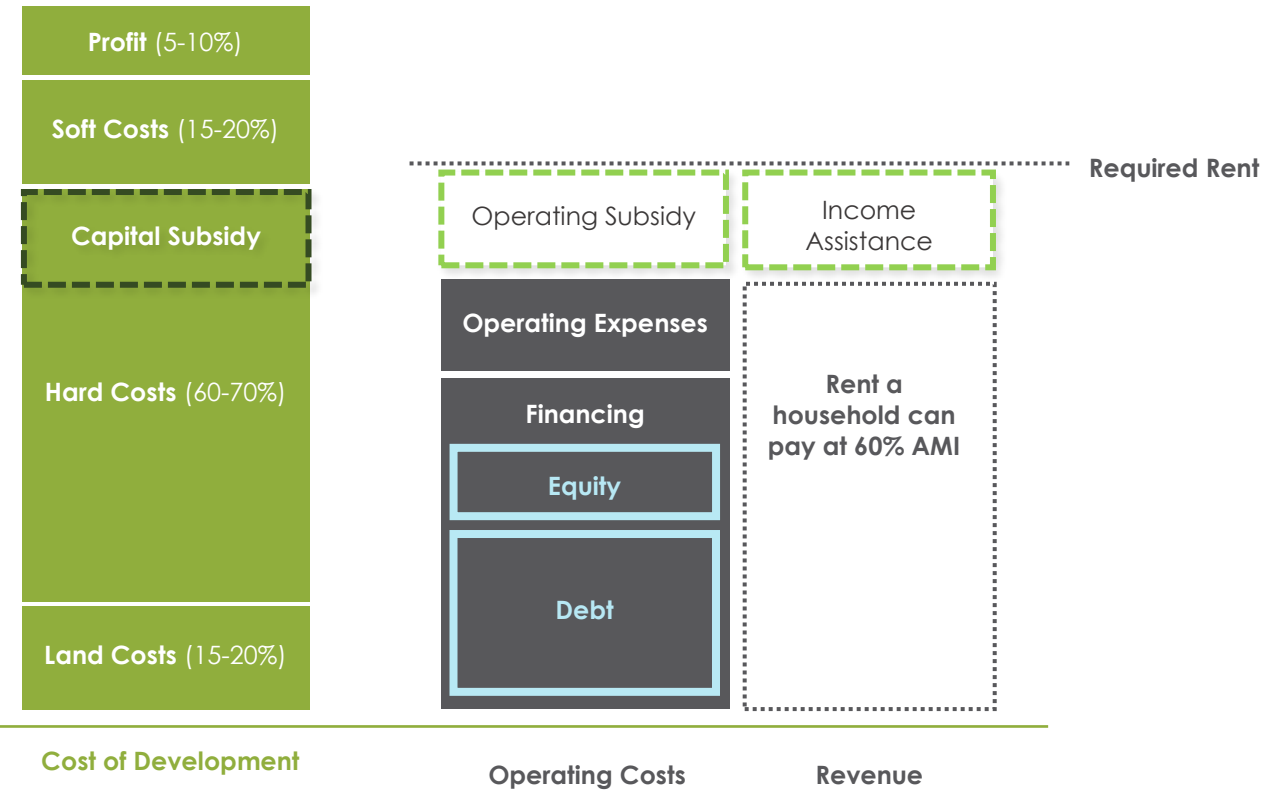
The Town can also provide funding to developers of affordable housing. There are two primary forms of funding for developers: capital subsidies and operating subsidies. **Capital subsidies** fill funding gaps for developers, allowing them to acquire the amount of funding necessary to develop, while requiring units to remain affordable. For example, providing low-interest loans can allow developers to prioritize more affordable housing. This type of financing gets paid back to the government over time. Additionally, the Town could reimburse certain development fees to reduce the cost of development. **Operating subsidies and income assistance** can also provide ongoing payments to the property owner or tenant to supplement lower, affordable rent. The most common form of operating subsidies are housing vouchers, which allow property owners to receive typical rental revenue, while reducing the cost to individual households.

Figure 36: Public Investment Tools Pros and Cons

Pros	Cons
• Directly creates housing with affordability restrictions • Most effective type of tool to serve the lowest income households	• Identifying source of the funds • Often requires large amounts of capital from governments and philanthropies, or tax increases

In order to pursue the design and deployment of some of the housing tools described in this Study, the Town would need to build support for and dedicate local funding.

Figure 37: Economics of Rental Housing Development: Public Investment



Tenants' Rights

Tenants' rights tools seek to preserve existing affordable housing by protecting the occupants of affordable housing. Tenants' rights tools take two primary forms: Tools to enforce existing rights typically relate to the availability and affordability of legal services (e.g., right to counsel, mandatory mediation), and tools to expand tenants' rights help tenants stay in their homes by limiting the actions that landlords can take. (e.g., foreclosure intervention, just cause eviction).

Tenants' rights tools are highly limited in North Carolina and are primarily advanced by non-profit partners. The Housing Affordability Study recommends funding for legal counsel as the primary way to address tenants' rights.

Figure 38: Tenants Rights Tools Pros and Cons

Pros	Cons
• Particularly important for housing stability and preventing displacement • May increase affordability for current tenants • Pressures exploitative landlords to act in current and future tenants' interests	• North Carolina laws limit potential • None of the tools create new affordable units or directly increase unit affordability • Laws and regulations only have impact if there is supporting enforcement mechanisms

6. The Role of Partnerships

Immediate Next Steps

1. Compile a reference list of companies and organizations that own land in the Town, including private firms such as Duke Energy, and government institutions such as Wake County and the State of NC.
2. Identify tools that the Town is most interested in pursuing and necessary staff capacity to advance those goals.

Partnerships are the foundational piece of successfully implementing the recommendations of the Housing Affordability Study. They are essential to both administer housing programs and leverage additional County, State, Federal, and Philanthropic funds. The tools outlined throughout the Housing Affordability Study should be viewed through the lens of the partnerships necessary to effectively implement the programs.

The Town can partner with local organizations in various ways, such as providing operating funds or capital contributions to partner organizations, and by establishing regular channels of communication and coordination. There are several partner organizations within Wake County that meet substantial housing needs that the Town does not have the capacity or funding to address.

Key potential partners in Holly Springs include:

- **Wake County:** The County has [several programs](#) designed to support increased affordable housing options that the Town can participate in and partner with. Additionally, the Wake County Housing Authority provides funding to support housing and direct funding for low-income families. The Town can work with the County to stay up to date on their available programs and communicate that information to Holly Springs residents who could benefit from the County's offerings. For example, the County has an owner-occupied rehabilitation program for aging households that Holly Springs residents could qualify for.
- **Non-Profit Organizations:** There are several non-profit organizations in the region who provide a range of services to address housing affordability. Some non-profits are focused on supporting individual households such as Western Wake Crisis Ministry that provide meals

for low-income households. Other nonprofits, such as DHIC, specialize in affordable housing development. Habitat for Humanity does both, constructing new houses and identifying families who can afford to purchase those homes. The Town can proactively seek out relationships with these organizations and ensure they remove any barriers that prevent them from working in Holly Springs. If the Town is able to dedicate local funding, the Town can collaborate with partner organizations to pursue strategies described in this Study, such as down payment assistance and owner-occupied rehabilitation. The Town can also promote their work, pointing residents to services made available by non-profit organizations.

- **Developers:** While the Town wants to retain certain levers over development, Town leadership should continue working with developers to identify barriers to development and alleviate those pressures, particularly with nonprofit affordable partners such as DHIC, Habitat for Humanity, and CASA that specialize in affordable housing development. Additionally, the Town can incentivize developers to provide housing at lower price points through development agreements (see Tool #1 Create a Standardized Development Agreement Negotiation Strategy).
- **Residents:** Changes such as increased density and housing units at lower price points are often met with hesitancy from nearby residents concerned about the impact on their property values. Housing affordability is an issue that requires collaboration from all Holly Springs residents and ongoing engagement with the community. The Town should continue to engage residents by establishing a permanent housing affordability advisory committee that meets regularly to make recommendations on

policies to address housing affordability in Holly Springs. The committee would also support coordination with the County, non-profit organizations, developers, and local employers.

- **Local Employers:** New and existing Holly Springs businesses can support the implementation of the Housing Affordability Study by leveraging existing land they own or by contributing to programs that helps their

employees access housing. The Town will need to work with existing and new employers to identify strategies to support increased affordability.

In particular, the Town should pursue **land partnerships and employer assisted housing programs**. The Town will also need to assess existing staff capacity to facilitate these relationships

Figure 39: Local Housing Nonprofits and Developers

Habitat for Humanity of Wake County	DHIC
Raleigh Area Land Trust (RALT)	Wake County Housing Authority
Triangle Family Services	InterAct of Wake County
CASA	Passage Home
Families Together	Salvation Army of Wake County
Family Promise of Wake County	Urban Ministries of Wake County
Healing Transitions	Western Wake Crisis Ministry

Figure 40: The Role of Partnerships, Public Investment Required, Level of Impact

Potential Tools & Strategies	Public Investment Required	Return on Investment
Land Partnerships	Low	High
Economic Incentives for Employer-Assisted Housing Programs	Medium	Medium
Staff Capacity	Medium	High

Key


 Low → High

1. Land Partnerships

Overview

The Town can partner with existing landowners to leverage existing land for increased affordability. Once the Town has identified prominent landowners, they can coordinate partnerships between them and potential developers to advance the project. The Town can then provide support throughout the development approvals process, ensuring they advance in a timely manner and negotiating certain requirements and fees in-line with the Town's development agreement strategy.

Existing companies like Duke Energy own land in and near Holly Springs that could be leveraged for increased affordability. Particularly as new firms, such as Amgen and Fujifilm Diosynth Biotechnologies, move to the region and acquire land, it will be important to build relationships to support strategies that increase affordability.

Because landowners are unlikely to sell land at below market prices, these types of land partnerships are most likely to happen during a zoning approval process where a landowner needs flexibility from the Town. That said, the Town should be ready to take advantage of these opportunities as they arise to address housing affordability.

Current Context

One of the largest barriers to development in Holly Springs is the cost of land. This drives up the cost of housing and prevents developers and the Town from acquiring new land. The Town has already worked with Wake County to provide land for DHIC to develop new apartments with affordable rents. Duke Energy is an example of a company that owns substantial land in Holly Springs, providing a potential partnership opportunity.

Next Steps

1. Compile a reference list of companies and organizations that own land in the Town, including private firms such as Duke Energy, and government institutions such as Wake County and the State of NC.
2. Assess which landowners the Town has existing relationships with and which are likely to engage in joint development strategies.
3. Develop a set of requests for land partnerships to guide discussions and negotiations. For example, the Town could request developers donate lots in new subdivisions to a non-profit. In exchange, the Town could reduce open space requirements, or allow the donated lots to not be counted against the density requirements.

Guidelines

Affordability Goals: Required density to allow for target number of units; waived requirements to required target level of affordability

Location: Proximity of existing land to jobs and services

Key Actors: Development Services, Town Council, local landowners

Case Study: Holly Springs

Holly Springs worked with Wake County and DHIC, a non-profit affordable housing developer based in Raleigh, to advance a new development on Main Street. This development came about after Wake County's Department of Housing Affordability and Community Revitalization issued a request for proposals (RFP) to develop a parcel of County-owned land. Wake County selected DHIC to construct housing on the site. Following the Town's development review process and approval by the Holly Springs Town Council, The County then executed a memorandum of agreement (MOA) to sell the parcel to DHIC, allowing them to begin construction.

Source: Town of Holly Springs

2. Economic Incentives for Employer-Assisted Housing Programs

Overview

Large employers—such as universities, hospitals, and private corporations—have an interest in helping their employees live in safe and affordable housing close to work. Due to the high cost of land, an employer-assisted down payment assistance program would expand wealth-building and housing stability through homeownership for more Holly Springs residents.

There are two primary ways to structure employer-assisted housing programs. First, the Town can simply provide a scoring boost to companies that provide employer-assisted housing in their criteria for offering tax incentives. Under this scenario, the employer would be completely responsible for designing and managing the program. The Town would be responsible for monitoring the program to ensure compliance.

Alternatively, the Town could establish a pool of funding that provides “matching” funds to employer-assisted housing programs. Under such a program, an employer could opt-in to providing employer-assisted housing, and in return the Town would match the funding committed by that employer, up to a certain amount. The Town would also need to monitor the program to ensure Town funds were directly benefiting the employees.

These programs can be attractive to employers because they improve worker retention and community relations. The program could potentially match public and private investment, both amplifying the impact of public dollars (Wake County’s down payment assistance program) by leveraging private contributions and help employers better retain workers.

Current Context

Holly Springs has provided economic development incentives for companies making significant investments in the Town but has not previously asked companies to prioritize employer-assisted housing. Holly Springs is uniquely positioned to leverage private dollars through economic incentives for housing, due to its strong history of attracting private companies, most recently Amgen and Fujifilm Diosynth Biotechnologies.

Next Steps

1. The Town should decide if it wants employers to be solely responsible for establishing programs or if it wants to establish a fund for employers to make contributions.
2. Encourage major employers to create or contribute to employer-assisted housing programs if offering economic incentives.
3. The Town should identify large employers with the capacity and interest to support a down payment assistance program for employees, educate leaders about the costs and benefits of such programs.
4. Work with the Economic Development Department to define objectives for the program.
5. Establish a set of priorities as guidelines for negotiating with companies looking to locate in Holly Springs.

Guidelines

Eligibility: Employees

Level of Assistance: Determine per household maximum

Key Actors: Economic Development, Town Council

Case Study: Yale Homebuyer Program

The Yale Homebuyer Program was established in 1994 to support Yale employees, including faculty and permanent staff, with \$30,000 to \$35,000 in (pre-tax) benefits over ten years, to be used towards a home purchase. Participants must commit to owning and residing in the home for at least two years from the date of closing, and the benefit ends when occupancy ends. Therefore, to receive the full \$30,000 to \$35,000, participants must reside in the home for ten years. Between 1994 and 2015, the Homebuyer Program supported 1,134 new homeowners.

Source: Yale University

3. Dedicate Staff Capacity

Overview

Fully implementing the recommendations included in the Housing Affordability Study requires dedicated staff time. In particular, staff capacity is necessary to support robust negotiations with developers through the Town's development agreement strategy. Additionally, the Town will rely on staff to build new and existing partnerships. Some of the tools described in the Study can be pursued using existing staff capacity, while others may require new staff capacity.

Current Context

The Development Services department is primarily responsible for the implementation of the Housing Affordability Study. Other departments, including Economic Development, Public Works, and Utilities and Infrastructure will need to be consulted as various tools are implemented.

Next Steps

1. Identify tools that the Town is most interested in pursuing.
2. Assess existing staff that are best positioned to implement selected tools, balancing with their other responsibilities.
3. Assign staff new responsibilities to implement selected tools. Add new staff as necessary.

Guidelines

Target Tools: Required staff capacity depends on the tools selected to advance

Existing Staff Capacity: Do existing staff have the capacity to add additional responsibilities?

Case Study: Tax Rebate Partnership, Charlotte, NC

Tax rebate programs are an example of how local governments can partner with the private sector to advance housing affordability when there are limited tools to support the creation of deep affordability. Tax rebates are an efficient way to ensure the preservation of affordable housing serves households with the deepest need through public-private partnerships.

Under such partnerships, a local government partners with a housing developer that commits to support housing affordability. The housing developer dedicates 15-20% of units to the program and relies on a local nonprofit to connect tenants to the program. The local government assigns 100% of property-tax revenue generated at the apartment community to the nonprofit which funds the difference between market rents and 30% of a tenant's income, all without tapping into existing taxpayer dollars. The primary Town resource necessary to implement such a program is staff time to facilitate public-private partnerships and oversee the program.

Tax rebates are being used at the Lake Mist Apartments in Charlotte, NC. Ascent Housing, an owner of affordable housing focused on naturally occurring affordable housing (NOAH), is partnered with the City of Charlotte, Mecklenburg County, and Socialserve to provide 22 units (15.3%) to households between at 30% AMI with Synthetic Vouchers. During the 20-year contract at Lake Mist, Ascent Housing offers one of every five available units to Socialserve for the program until all 22 units are filled. Every month, Socialserve pays the difference between 30% of a tenant's income and Fair Market Rent to Ascent Housing. 61% of the cost of the program is covered by the County with 39% covered by the City, in line with the relative millage rates of each jurisdiction.

At Lake Mist, the agreement to provide housing at 30% AMI is funded with 20 years of projected property tax revenue by the County and City and requires Ascent Housing to enter into an agreement with Socialserve to refer tenants and serve as the City and County's fiscal agent.

Source: HR&A Advisors

7. Tools to Meet Growing Demand

Immediate Next Steps

1. Identify policy goals the Town wants to advance through development agreements, such as the types of residential units, the level of affordability or other public benefits like sidewalks or open space.
2. Establish housing affordability requirement to earn points under the Town's utility allocation policy.
3. Identify incentives the Town is willing to offer, such as having the Town construct infrastructure or reduce fees.
4. Assess which of those services the Town is willing to codify in the zoning ordinance to make available without a development agreement.
5. Identify existing or future residential nodes where multifamily development would increase walkability and consolidate development, particularly where the Town is focused on attracting new business campuses.

Challenge | There is substantial new demand for housing in Holly Springs, and the housing added is not sufficiently meeting diverse housing needs

Solution | Grow the supply of homes, increase the diversity of the types of homes that can be built and invest in infrastructure to support new households.

More people—a lot more people—are coming to Wake County and the region regardless of whether Holly Springs allows another home to be built there or not. The Town can help reduce the pressure created by these new residents on the quality of life through traffic, housing cost, and other impacts and instead have new residents increase the tax base, attract more interesting retail, and support local businesses if it is intentional in where and what type of housing it allows to be built. **The Town should focus on both increasing the total number of new houses built and diversifying the existing housing stock.**

By doing so, the Town can support increased quality of life and reduce the per-household impact on infrastructure services. For example, the Town can prioritize locating new housing near schools and employment centers, which will minimize traffic as fewer households have to drive to access education and workplaces. Second, adding soft density units creates more property tax revenue and requires less per unit infrastructure costs, because developers can consolidate infrastructure to serve more units in less space. Similarly, increasing housing stock diversity encourages more households without children to move to the area, increasing the number of

households contributing to the costs for school. Lastly, concentrating households in a small area can increase consumer spending as households have increased access to goods and services.



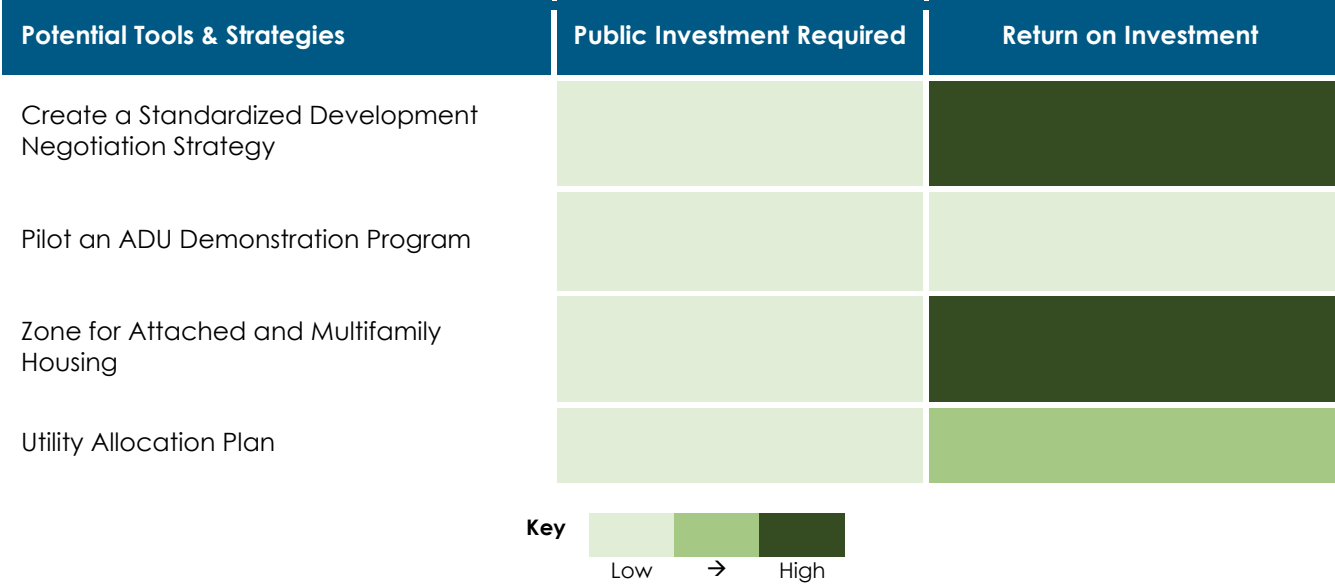
Image: The Block on Main, Holly Springs

The Town can **support affordability** by providing clear guidance on what types of development are favored, for example, setting a goal for a share of homes in new subdivisions to be less than 2,000 square feet or deed restricted. Having a clear understanding of what structure can be built allows developers to construct new housing more quickly. The Town can be willing to negotiate on requirements and development costs to allow for more units to be built in exchange for affordability.

Additionally, the Town needs to **diversify the housing stock** by allowing for more increased soft density (attached units, duplexes, triplexes, and multiplexes) and multifamily units along commercial corridors and near employment centers throughout the Town. Doing so will align housing needs with economic development efforts by allowing for more dense development near employment campuses and commercial centers. Holly Springs has already done this by locating Holly Springs Place (a multifamily community) next to Holly Springs Towne Center. This supports the businesses in Holly Springs Town Center because residents and employees from the adjacent community can walk to restaurants and services in the Town Center. Additionally, it supports a thriving community where residents can easily access goods and services.

Lastly, as the Town grows, it needs to continue balancing the infrastructure needs associated with population growth. In particular, by adjusting land use standards to allow for soft density and multifamily development along commercial corridors, the Town can support improved walkability, which will ease the pressure on transportation facilities, and reduce the relative cost. Increasing mixed-use development and walkability alleviates the increased stress on roads and transportation systems, while providing new residents an attractive place to live. Furthermore, mixed-use development supports efficient use of utilities, as the Town can concentrate construction of new utilities in smaller locations, rather than developing miles of infrastructure outward as the Town sprawls.

Figure 41: Meet Growing Demand, Tools, Public Investment Required, Level of Impact



4. Create a Standardized Development Negotiation Strategy

Overview

The Town should clearly articulate and publicize affordability level and housing types preferred for new development in Holly Springs and prioritize those projects in the approvals process, both through a utility allocation ordinance and through the overall development review process.

This will create a “points-based” system in which the Town can prioritize approval for projects that score highest. Specific details such as preferred housing type (detached dwelling, soft density, or multifamily), affordability level (share and depth of affordability), infrastructure requirements, and mixes of uses will provide certainty to the development community, which will foster more development. The Town can then clearly communicate which incentives it will provide in exchange for these targets.

Development agreements provide one method to facilitate these incentives. Development agreements are legal agreements between developers and local governments that provide development flexibility not typically achievable through zoning ordinances. They allow for alterations to the zoning requirements of a specific parcel of land, typically in exchange for public benefits. For example, local governments may allow zoning concessions in exchange for infrastructure improvements from developers. Additionally, development agreements can be leveraged to incentivize housing affordability, economic benefits, and other public benefits.

The primary challenge with development agreements is that each new agreement starts a new negotiation, which can be time intensive and create uncertainty for developers. While there will always be a need for negotiations, a clear framework will streamline the process and provide clear guidance to developers on the types of projects desired by the Town.

By standardizing the priorities and strategies when using development agreements, the Town can clearly communicate expectations to developers and spend less time negotiating agreements, allowing them to spend more time conducting the work of local government. Without a standard strategy and set of priorities, development agreements can create

uncertainty for developers and increase burden on Town staff.

Current Context

Development agreements are allowed in the State of North Carolina and are a strategy the Town has employed, particularly with larger developments that have increased impacts. In particular, the Town negotiated a development agreement with DHIC where the Town agreed to construct sewer infrastructure to ensure DHIC could construct affordable units.

Next Steps

1. Identify policy goals the Town wants to advance through development agreements, such as the types of residential units, the level of affordability or other public benefits like sidewalks or open space.
2. Establish housing affordability requirement to earn points under the Town's utility allocation policy.
3. Identify incentives the Town is willing to offer, such as having the Town construct infrastructure or reduce fees.
4. Assess which of those services the Town is willing to codify in the zoning ordinance to make available without a development agreement.
5. Create a utility allocation ordinance for the Town of Holly Springs.

Guidelines

Town priorities: Identify what types of concessions are favorable and meet Town needs and what benefits the Town wishes to gain from development agreements

Affordability requirements: Develop criteria to determine what affordability levels should be targeted when using development agreements

Infrastructure needs: Balance concessions with Town infrastructure needs

Staff Capacity: Development agreements require monitoring over time to ensure compliance. The Town should account for staff time to administer these agreements over time

The Town should ask for:	The Town can be willing to negotiate on:
• Mixed detached dwelling developments: a portion of subdivisions should be developed as attached housing or smaller detached dwelling units (less than 2,000 square feet). • Affordability: a portion of new detached dwelling or multifamily developments should be affordable for households making less than 80% of AMI. • In North Carolina, the standard length of affordability for rental units is 30 years. • For-sale units often have a shorter requirement (10-15 years), enabling existing homeowners to build wealth.	• Fees: parks and water/sewer fees can be deferred or reduced. • Development approval: review can be expedited for plans that include affordability or mixed housing types. • Increased density: when asking for affordability, the Town can offer increased density. • Lot size decrease: when asking for smaller detached dwelling homes, the Town can offer smaller lot size requirements. • Design standards: reduce expensive requirements like rear alleys, wall length, etc. • Utility allocation: incorporate housing affordability in scoring for projects to receive utility services under the Town's utility allocation policy.

Case Study: Asheville Hotel Overlay

The City of Asheville put a temporary pause on construction of hotels in 2019 after several years of significant hotel development. The moratorium provided the City time to assess its needs and planning approach for future hotel development.

After a two-year study in collaboration with the Urban Land Institute (ULI), the hotel moratorium was lifted and a new policy was implemented. Under this new policy, Asheville established a new hotel overlay district. The overlay district implemented a points system for developers who wanted to construct hotels. Developers can earn points by:

1. Pitching a hotel project that revamps and reuses a historic building
2. Donating to the city's affordable housing or reparations fund
3. Agreeing to pay workers a higher, livable wage
4. Contracting with women or minority-owned businesses

The city focused its scoring system on prioritizing projects that address affordable housing, requiring that at least half of the developer's points come from contributing to housing affordability. As reported in the Charlotte Observer, "A 100-room hotel in downtown Asheville would need to either contribute \$400,000 to either the Housing Trust Fund or a Reparations Fund, or build 10 affordable for sale housing units, plus choose from a menu of other benefits such as supporting a Business Inclusion Program or providing living wages in order to get approval at the staff level."

The overlay district has shown signs of success in meeting community needs. The Asheville Citizen-Times reported that the new hotel policy has raised over \$1 million for the City's reparations and affordable housing funds. Additionally, over half the approved projects provide a mix of uses, adding a total of 164 residential units.

Source: Charlotte Observer

5. Pilot an ADU Demonstration Program

Overview

Accessory Dwelling Units (ADUs) are secondary units on detached dwelling property lots, independent from the primary home. They can be attached to the primary structure or detached. The Town should dedicate funding for a demonstration program, which would create renderings and drawings of allowed ADU structures based on the zoning standards.

Towns and cities may allow for ADUs to increase the overall housing stock, but simply allowing for ADUs does not guarantee they will be built. In markets where ADUs have not traditionally been allowed, builders may not know what ADU design standards are allowed or feasible on certain sites.

As part of the ADU demonstration program, the Town may even create full development plans that a developer can take and immediately implement, knowing the construction will comply with existing zoning. By doing so, the Town can increase certainty for developers, which increases the overall feasibility of development.

Current Context

The Town currently allows for ADUs in residential districts but has limited uptake of ADUs. For instance, homeowners may be hesitant to build an ADU because of uncertainty regarding cost and challenges navigating the design process. The Town does not have an ADU demonstration program.

Next Steps

1. Develop a request for proposals (RFP) to solicit firms who can develop renderings of allowable ADU designs.
2. Create diagrams of the ADU development process and timeline.
3. Identify and remove additional zoning barriers to ADU development.

Guidelines

Design Standards: What types of design standards should be prioritized in ADUs?

Program Administration: Determine whether Town staff should develop standard ADU plans or to work with an outside organization

Town Priorities: ADUs can take many forms, including attached or detached, and can range in number and size. The Town should account for their housing priorities when establishing ADU design standards



Case Study: Boston ADU Loan Program

In 2017, Boston launched their ADU pilot, with the intent of reducing barriers to entry for homeowners interested in building an ADU. To meet this goal, the city provided design clarifications, streamlined their permitting process and released an online ADU "Toolkit." The Boston Home Center offers loans that provide gap funding for qualified program participants, to make the construction process more affordable. The Home Center ADU loan is a zero percent interest deferred payment loan of up to \$30,000 for home renovations. These loans have no monthly payments and do not come due for repayment until the owner sells, transfers ownership, or undertakes a cash-out refinancing of the home. To qualify for a loan, applicants must be approved for an ADU Permit.

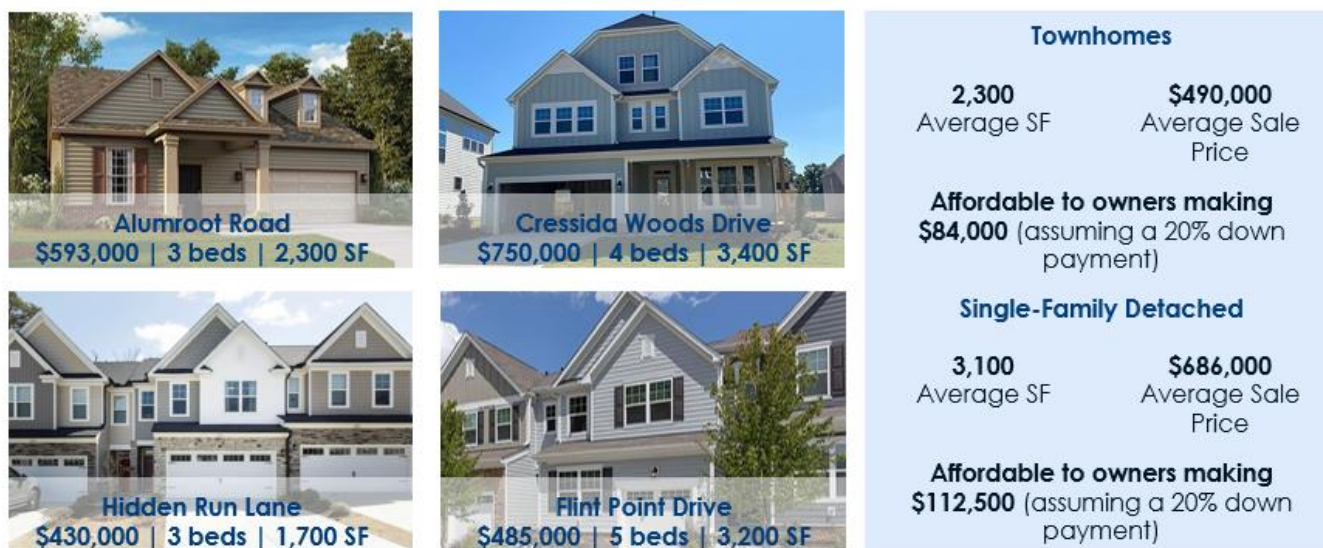
6. Zone for Attached and Multifamily Housing

Overview

Attached housing, or soft density, as well as multifamily housing can efficiently increase the supply and affordability of housing in Holly Springs.

Attached housing, such as townhomes, duplexes, and triplexes, can accommodate more households in smaller units, which can be built at a lower price point, without significantly changing the character of housing or neighborhoods. Multifamily housing (structures with at least five units) allows more housing units to be built on a site and serves more households at a lower price point than detached dwelling housing. It also expands the tax base and commercial vitality of an area, allows for more housing to be built in desirable areas with greater employment opportunities, and meets demand for rental housing, which otherwise might be met through the conversion of for-sale detached dwelling houses to rental units.

Figure 42: Townhome Purchase Prices in Holly Springs



Current Context

Detached dwelling homes and attached housing already exist in Holly Springs, but very few areas in Holly Springs permit them by right. Current zoning regulations limit the development of multifamily development and generally require Town Council approval. For instance, only nonresidential buildings less than 40,000 square feet and subdivisions with four or fewer lots are allowed by-right. Parcels that are zoned for multifamily or attached housing can still be rejected in the development approvals process in Holly Springs. Increasing attached and multifamily housing can accommodate more households and provide smaller units, which are generally built at a lower price point than detached dwelling homes.

Currently, 86% of Holly Springs' housing stock is detached dwelling. The predominance of detached dwelling zoning limits the type and supply of new housing. Additionally, this style of housing creates higher sale prices compared to allowing for attached and two-to-four-unit structures on the same parcel. When developers can construct more units on a single parcel of land, it decreases the per unit cost of development, which allows them to decrease the sales price of each unit.

Similarly, allowing for more multifamily development reduces the cost of rents as developers can fit more units on the site.

Next Steps

1. Identify existing or future residential nodes where multifamily development would increase walkability and consolidate development, particularly where the Town is focused on attracting new business campuses.
2. Publicize sites the Town is willing to rezone to attached and multifamily to provide certainty to potential developers.
3. Identify parcels where attached and small multifamily sites, such as duplexes, triplexes, and multiplexes, are appropriate and rezone them.
4. Update UDO to increase housing typologies and locations where allowed.

Guidelines

Geographic targeting: Some or all detached dwelling neighborhoods, in particular those that are proximate to planned employment centers like The Yield and Friendship Innovation Park (Figure 43)

Systemic affordability: Reduce price pressures on new development by allowing increased density

Resource efficiency: High degree of local control, and no public investment required

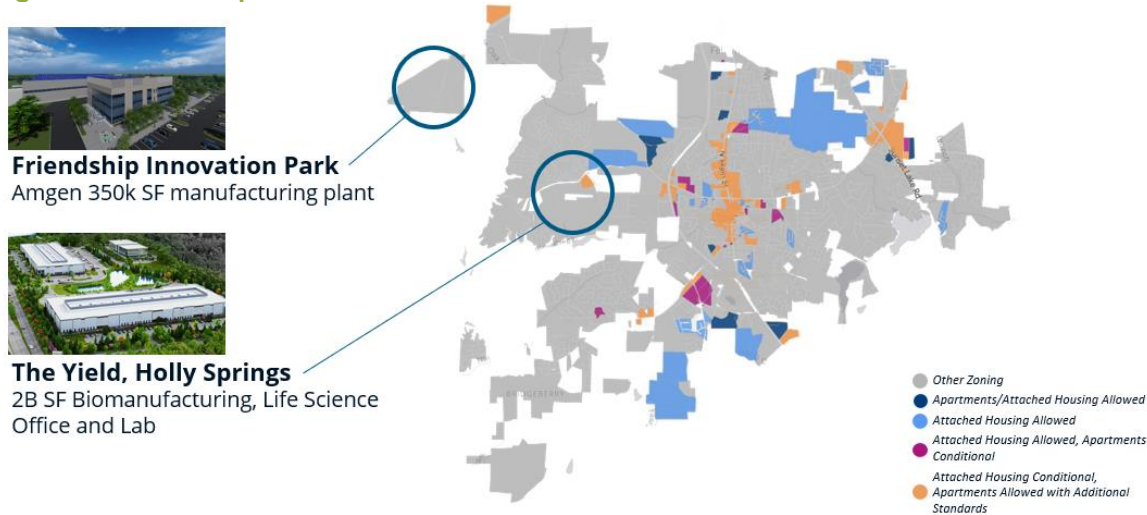
Political feasibility: E.g., resistance to zoning reform by existing homeowners in detached dwelling neighborhoods

Format: Regulations (increase by-right density in areas that allow multifamily, zone more areas for multifamily); processes (streamline entitlements & review processes)

Specifications: Evaluate target areas

Staff Capacity: Requires staff capacity to develop and analyze recommended changes

Figure 43: Friendship Innovation Park and The Yield



Case Study: Fairfax County, VA

Fairfax County, VA rezoned areas around transit stations and commercial corridors to allow housing supply to keep pace with population growth while avoiding contributing to traffic congestion. This nearly doubled the allowable housing, contributing to more efficient use of land and increased housing supply ([Local Housing Solutions](#)).

7. Utility Allocation Plan

Overview

Utility Allocation Plans allocate utility allowances to development projects according to the priorities set by the Town to manage limited resources. Towns can consider allocation requests on a prioritized basis, for example, prioritizing affordable housing projects or housing projects located near job centers.

Utility allocation plans are often used to incentivize more commercial and industrial development. However, utility use can be one of several evaluation criteria in the allocation plan. Other criteria for utility allocation can include alignment with the Town's housing goal to meet the growing demand for housing.

Current Context

Holly Springs does not have a utility allocation plan in place, however, in recent years, other towns in North Carolina have adopted similar plans, including Beaufort, Concord, Fuquay Varina, Knightdale, and Zebulon.

Next Steps

1. Draft a utility allocation plan that prioritizes housing developments that include affordable housing as well as projects located near current and future jobs in Holly Springs.
2. Implement the utility allocation plan.

Guidelines

Town Priorities: Identify specific housing priorities and other priorities to include in the utility allocation plan

Program Administration: The utility allocation process will be managed by the Development Services department as part of the project approval process

Case Study: Town of Knightdale Municipal Water Allocation Policy

In 2008, the Town of Knightdale, NC implemented their first Water Allocation Policy, in an effort to conserve limited and valuable water resources and promote diversity of housing available in the Town. The goals of the policy are:

- Ensure a diversified tax base and housing supply
- Promote diversity of housing available to a wide cross section of citizens of diverse socio-economic backgrounds
- Promote economic viability and sustainability by providing for retail and other commercial development
- Achieve a tax base of 60% residential and 40% commercial/industrial
- Encourage construction of dwellings in Knightdale of an appraised tax value approaching averages found in other communities across Wake County

Proposed projects shall complete a water allocation worksheet, which determines a set of points based on the project use, infrastructure improvements, green development standards, gateway and transit improvements, and amenities for residential projects.

Evaluation and Monitoring

Increasing the supply and diversity of housing types to meet the broad range of housing needs in Holly Springs requires regular monitoring by Town staff. The following metrics are helpful indicators for tracking progress on this goal. The following

targets were developed in collaboration with Town staff and will need to be reassessed annually based on current demographic and housing market trends.

Figure 44: Meet Growing Demand, Evaluation Metrics

Metric	Current Metric	2032 Target
Average time to approve development	18+ months	<12 months
Share of housing stock that is detached dwelling homes	86% detached dwelling housing (share of total housing inventory)	80%
Ratio of new homes built to new jobs added, last 2 years	Not currently monitored	1:1

8. Tools to Preserve and Expand Access to Homeownership

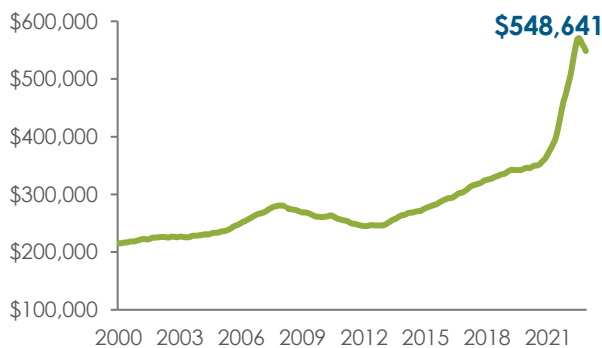
Immediate Next Steps

1. Identify potential funding sources for a pilot down-payment assistance and ADU demonstration program.
2. Define the objectives of the down payment assistance program, including specific groups eligible for down payment assistance, financing structure, source of funds.
3. Collaborate with Wake County to ensure that homeownership programs are complementary.

Challenge | Holly Springs has traditionally been affordable to first-time homebuyers, but homeownership is becoming increasingly out of reach.

Since 2019, sale prices have spiked 59% in Holly Springs, making homeownership less attainable (Figure 45).

Figure 45: Average Sale Price, 2000-2022

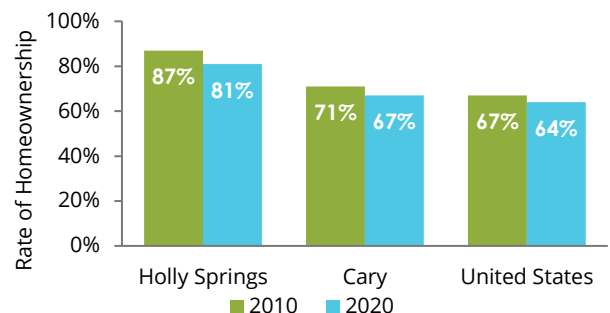


Source: Zillow

The median renter in Holly Springs can afford to purchase a home for \$340,000, where the median home sale price has increased to \$545,000 in November 2022, which is out of reach for most renters (Figure 45). Homeownership is a key wealth building tool, enabling families to save for retirement, save for college, or start a business. When homeownership is unaffordable and ownership rates decrease, households struggle to prosper.

Holly Springs' homeownership rate is 81% which is notably higher than the national average, and slightly higher than neighboring Towns in the Triangle region (Figure 6, ACS 2020 5-year Estimates, U.S. Census). Nonetheless, the Town should seek to preserve the current homeownership rate and expand access to homeownership to households currently priced out.

Figure 46: Rate of Homeownership, 2010 and 2020



Source: ACS 2020 5-year Estimates, U.S. Census

Solution | Create affordable homeownership opportunities through land use changes that reduce the cost of housing and direct assistance to households.

There are two primary methods the Town can use to help create affordable homeownership

opportunities in Holly Springs: land use tools and direct assistance tools.

The **land use** regulations in Holly Springs set the regulatory environment in which developers and property owners make investment decisions and influence housing affordability by impacting the amount, type, location, and cost of new development. There are two ways that land use and regulatory tools can support affordability:

1. Direct tools support the creation of affordable housing through incentives or requirements for the production of affordable units. (e.g., expedited review for affordable housing projects, inclusionary or incentive zoning).
2. Indirect tools increase the overall supply of housing and lower the cost of new housing. (e.g., multifamily by-right zoning, accessory dwelling units). In Holly Springs, indirect tools should be implemented to create more opportunities for homeownership. For example, permitting more attached housing, smaller lot sizes, or using development agreements to encourage a mix of uses within a single development can incentivize smaller unit types, which are generally more affordable to low-to-middle income households. During Community Meetings as part of the Study,

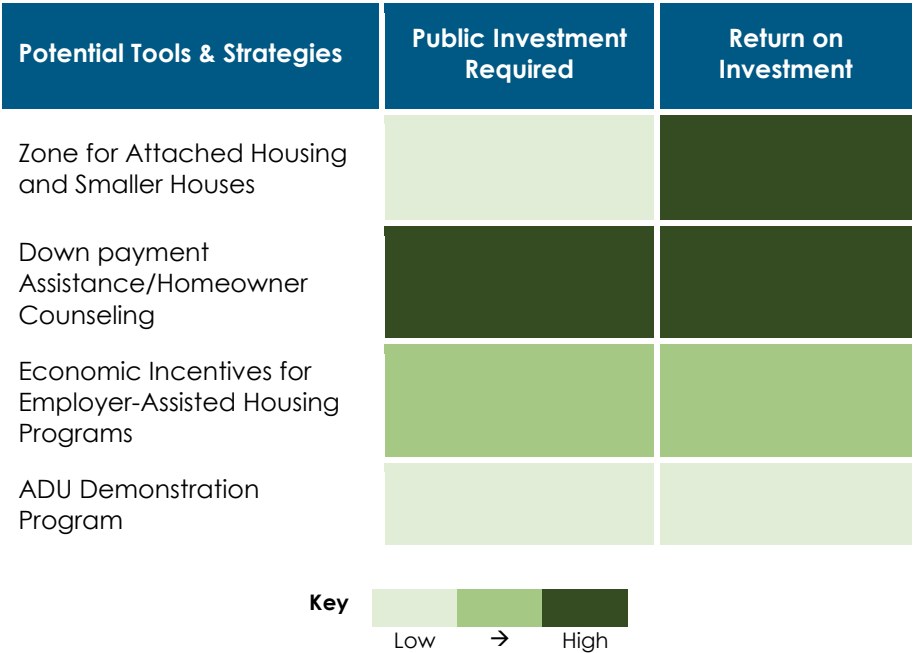
Holly Springs residents expressed a desire for more attached condo units, "There should be more condos because that is the only typology that sells for less than \$300k in the Town." Land use tools, such as attached housing or multifamily housing allows developers to build more, smaller units at a lower price point without significantly changing the character of housing or neighborhoods.

Direct assistance provides direct funding to households in order to support a purchase of a home the household otherwise could not afford.

Holly Springs can plan for and deploy the following tools to preserve and expand access to homeownership.

- Permit More Attached Housing and Smaller Houses
- Down Payment Assistance and Homeowner Counseling
- Economic Incentives for Employer-Assisted Housing Programs
- ADU Demonstration Program

Figure 47: Preserve and Expand Access to Homeownership, Tools, Public Investment Required, Level of Impact



8. Offer Down Payment Assistance and Homeowner Counseling

Overview

Down Payment Assistance programs provide funding in the form of a grant or forgivable loan to reduce the up-front costs of purchasing a home. To increase impact, assistance programs can be paired with counseling for first-time homebuyers. Many first-time homebuyer households have incomes to support monthly mortgage payments but do not have the assets required for the upfront down payment and closing costs. Homeownership counseling helps existing or prospective homeowners to plan for the costs of homeownership.

Housing Counseling may include services such as:

- Identify affordable purchase prices and evaluate mortgage options
- How to choose a home, a real estate agent, insurance, etc.
- Navigating inspections, home purchase, and closing
- Planning for full costs of homeownership including maintenance needs
- How to avoid discrimination & predatory lenders
- Financial planning assistance
- Foreclosure prevention

Typically, down payment assistance programs contribute \$35,000-\$40,000 per household, primarily benefitting low- and moderate-income homebuyers (50%-80% AMI, equivalent to incomes of approximately \$48,000-\$77,000 for a family of four).

Current Context

Holly Springs does not have a down payment assistance program or partner with an organization to provide homeownership counseling. Wake County launched the Affordable Homeownership Program in 2021 to provide down payment assistance to households. Their program provides up to \$20,000

in assistance per households. HUD limits the purchase price of homeowners using this program to \$308,000 in the Raleigh MSA. A household making 60% AMI can afford a home between \$272,000 and \$379,000, depending on the down payment. If a household can only offer a 3% to 5% down payment, they still have a \$5,000 to \$15,000 gap after accounting for the \$20,000 received from Wake County. This \$5,000 to \$15,000 gap can be met by the Town if it dedicates funding to a down payment assistance program.

Next Steps

1. Define the objectives of the program, including specific groups eligible for down payment assistance, financing structure, source of funds.
2. Collaborate with Wake County to ensure the programs are complementary.

Guidelines

Program Scale: Extent of funding will directly correlate to the extent of impact

Eligibility: Determine target households (e.g., households at 80% AMI, older households, veterans, etc.)

Buyer Financing: Structure financing structure, considering loan forgiveness, reduced interest rates, etc.

Level of Assistance: Determine per household maximum

Price Cap: Consider max sales price eligibility

Key Actors: Development Services, Wake County, private lenders and funders, nonprofit partners

Administration: The Town can contract with outside partners to support the program. Staff capacity will need to be dedicated to oversee partner organizations

Case Studies:

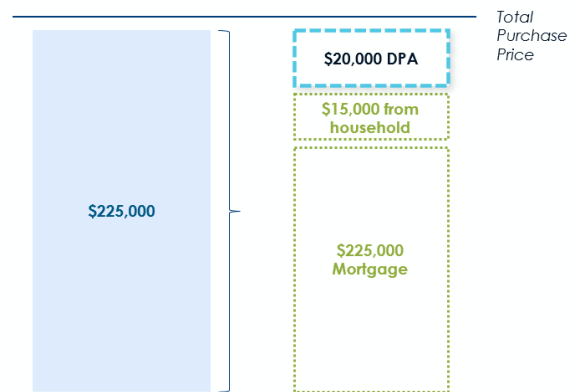
Raleigh's Homebuyer Assistance program

offers zero-interest loans up to \$20,000 to help with down payment and closing costs or a gap in financing. Loan payments are not due until the home is sold or the owner no longer lives there. Qualified homeowners must make less than the specified household income limit, which varies by household size. Applicants are required to attend homebuyer counseling courses with DHIC.

Durham's Down Payment Assistance Program

aids low-income residents for the purchase of a home. The program also provides homebuyer education and counseling along with financial assistance, to help households acquire and sustain homeownership. Eligible applicants must be first-time homebuyers with household income less than 80% of AML.

Figure 48: Example Down Payment Assistance



Evaluation and Monitoring

Preserving and expanding homeownership access in Holly Springs requires regular monitoring by Town staff. The following metrics are helpful indicators for tracking progress on this goal. The following

targets were developed in collaboration with Town staff and will need to be reassessed annually based on current demographic and housing market trends.

Figure 49: Preserve and Expand Access to Homeownership, Evaluation Metrics

Metric	Current Metric	2032 Target
Homeownership rate for households with seniors present (75+).	67%, with a 20% decline since 2010	Stabilize the decline in homeownership for this demographic group.
Number of units in new construction affordable to the median renter or first-time homebuyers.	26% of homes sold in the last 2 years were affordable to the median renter, 2% were 1-2 bedroom units.	30% affordable to median renter, 5% 1-2 bedroom units.

9. Tools to Retain Existing Residents

Immediate Next Steps

1. Build support for and dedicate a stable funding stream for the housing affordability programs.
2. Identify qualified private and nonprofit housing providers and pre-approve contractors to implement an owner-occupied rehabilitation program.
3. Identify town-owned land to sell at a discount to a Community Land Trust.

The Town can deploy public investment tools to combat growing displacement pressure and help existing residents remain in their homes. However, in order to use these types of tools and strategies, the Town would first need to build support to dedicate local funding to address housing issues. In the meantime, the Town can focus on **piloting subsidy-based programs** at a small scale.

Public investment in the form of capital subsidies and operating subsidies are critical for meeting the housing needs of low- and very low-income households. **Capital subsidies** are low- or no-interest debt and grants to reduce the cost to develop or acquire housing. Capital subsidies are crucial for creating permanent affordable housing in an expensive housing market like Holly Springs. Examples of capital subsidies include gap

financing, down payment assistance, and public land disposition.

Operating subsidies and income assistance are ongoing payments to the property owner or tenant to supplement lower, affordable rent. Operating subsidies and income assistance are the primary way to make rent affordable for households that do not make enough to pay local housing costs, for example, housing vouchers.

Tenants' rights tools help low-income renters hold power over their housing and counter predatory and unjust practices. These tools serve to cushion market pressures on existing tenants to increase housing stability. For example, legal counsel or funding for legal services helps existing residents stay in their homes when faced with pressures that often lead to displacement.

Figure 50: Retain Existing Residents, Tools, Public Investment Required, Level of Impact

Potential Tools & Strategies	Public Investment Required	Return on Investment
Owner-Occupied Rehab		
Funding for Legal Services		
Community Land Trust		
ADU Demonstration Program		

Key 

9. Pilot an Owner-Occupied Rehab Program

Overview

Owner-Occupied Rehabilitation programs help maintain the affordability of homeownership by ensuring that income-qualifying homeowners can make necessary repairs to make their homes safe and age in place. Owner-occupied rehabilitation works to repair existing naturally occurring affordable housing (NOAH) stock. Rather than targeting multifamily homes, owner-occupied rehab typically targets detached dwelling homes. Qualifying repairs often include structural repairs, modernization, repairs to heating and plumbing systems, weatherization, and accessibility improvements to help seniors age in place. Cosmetic improvements are typically not eligible costs.

Owner-occupied rehab typically benefits low- and moderate-income homeowners and particularly senior homeowners who have lived in Holly Springs for a long time. Programs are typically structured such that homeowners can receive owner-occupied rehab funds through grants, loans, or tax abatements.

4. Engage non-profit partners to coordinate with Wake County's program managers so that participants can layer the program with the County's when appropriate.
5. Coordinate with partner organizations to ensure that Holly Springs residents know about and can apply for Wake County funding.
6. Reevaluate the program on an ongoing basis to set terms that are complementary to Wake County's programs.

Guidelines

Eligibility: Determine target households (e.g., detached dwelling homeowner households at 80% AMI, older households, veterans, etc.)

Key Actors: Wake County, Development Services, non-profit partners

Administration: The Town can contract with outside partners to support the program. Staff capacity will need to be dedicated to oversee partner organizations

Current Context

Holly Springs does not have an owner-occupied rehabilitation program. Wake County offers grants for home repairs for homeowners making 50% or less of Area Median Income. Holly Springs can create its own pilot program, and layer funding on top of the County's to make the programs more feasible in high-cost areas.

Next Steps

1. Build support for and dedicate a stable funding stream for the program.
2. Identify qualified private and nonprofit housing providers and pre-approve contractors to make repairs.
3. Periodically evaluate annual allocation of owner-occupied program funds.

Case Studies:

Wake County offers several owner-occupied rehabilitation programs to support residents with home repairs. These programs are applicable to specific homeowner groups (see Figure 51).

Raleigh offers two different owner-occupied rehabilitation programs, which layer on top of Wake County's programs. The Homeowner Rehabilitation Program helps elderly or disabled homeowners finance the cost of major repairs to homes when a threat to life, safety, or health of the occupants is present. The Limited Repair Program helps with specific repairs when the resident's life, safety, or health is threatened (see Figure 51).

Figure 51: Owner Occupied Rehab Program Case Studies

Program	Funding or Financing Mechanism	Description	Population Served
Wake County Elderly and Disabled Homeowner Grants	Grants	Modest home repairs to assist with mobility or retrofits.	Elderly and disabled homeowners making up to 50% of Area Median Income (AMI).
Wake County Emergency Grant Program	Grants	Home repairs including heating, well/septic, roof, and electrical hazards.	Homeowners earning up to 40% of AMI.
<u>Raleigh Homeowner Rehabilitation Program</u>	0% interest loan, forgiven after 5 years	Major repairs to home that address issues presenting a threat to the life, safety, or health of the occupants.	Elderly (62 years) or disabled owner-residents for at least 5 years. Eligible applicants must not exceed the specified income limits, which vary by household size.
<u>Raleigh Limited Repair Program</u>	Loans, discounted 20% every year and forgiven after 5 years	Repairs for roof, heating and cooling systems, electrical, plumbing, or structural problems threatening the life, safety, or health of occupants.	Homeowners with incomes below the specified limits, which vary by household size.

10. Provide Funding for Legal Counsel and Services

Overview

Legal counsel or funding for legal services provides counsel for low-income renters without adequate representation for legal disputes, including those involving housing, such as evictions or landlord/tenant disputes. Funding for nonprofits and other agencies that provide legal services to tenants facing eviction, landlord disputes, and other housing problems makes efforts towards mitigating the negative consequences of displacement for low-income families facing increasing rent burdens.

Current Context

North Carolina state law prevents the Town from mandating a right to counsel in eviction cases. However, the Town can provide funding for tenants facing eviction to access legal services such as mediation or representation in court.

Next Steps

Key Next Steps:

1. Create a fund to support counsel for eviction cases.
2. Identify pro bono representation to supplement City-funded support.
3. Design a suite of supporting services that help tenants stay in housing and out of court long-term, such as funding for mediation or court appearances.

Guidelines

Program Scale: Town-wide

Eligibility: Determine target households (e.g., households at 80% AMI)

Key Actors: Development Services, Planning Board, Town

Case Study: Durham Eviction Diversion Program

In response to the COVID-19 pandemic, Durham County provided funding to support a partnership between the Durham Department of Social Services, Legal Aid of North Carolina, and Duke Law's Civil Justice Clinic to support households at risk of eviction. The program provides a mixture of education, legal advocacy, and rental assistance to prevent evictions for low-income renters in Durham.

To be eligible, households must meet the following criteria:

- Client's household income must be below 125% of the Federal Poverty Threshold;
- Client must have received a late rent notice; or
- Client must have fallen significantly behind in rent; or
- Client has been served with an eviction court proceeding (Summary Ejectment)

Source: Legal Aid of North Carolina, Durham Evictions Mapping Project

11. Invest in a Community Land Trust

Overview

Community Land Trusts (CLTs) preserve long-term affordability of homes and provide access to wealth creation for low- and moderate-income residents. CLTs create opportunities for perpetual, affordable homeownership for low-income households by selling homes at a reduced cost to income-qualified buyers. Restrictions are also placed on the resale price of the properties. A CLT is an alternative to a public-private land bank.

A community-based organization, such as a local housing nonprofit or community development corporation, makes an upfront investment of funds to "buy" the affordability of homes in perpetuity for low- to moderate-income residents. CLTs operate under a shared equity model, whereby the CLT retains ownership of the land and households purchase the structure. After the property is purchased, the community-based organization will build or rehabilitate the home and sell to an income-qualified household. Because the homeowner only purchases the home and not the land it sits on, this purchase price is typically more affordable.

The Town and partner organizations can layer down payment assistance to help increase affordability. If the owner chooses to sell the home, they must sell it at a specified price, to maintain affordability in perpetuity.

Current Context

Home prices in Holly Springs have increased 65% since 2019 to \$578,100 on average (Zillow). The median renter in the Town can afford a home for only \$360,000 (ACS 2010-2019 5-year Estimates, HR&A). As costs continue to rise, homeownership becomes increasingly out of reach for renters in the Town.

The typical cost per home in Wake County, after Town Contribution through a CLT, is \$40,000-\$65,000. Primary beneficiaries of a CLT structure are low- and moderate-income potential homeowners.

There is not currently a CLT in Holly Springs, but the Raleigh Area Land Trust (RALT) is a new CLT looking to expand community ownership in the region.

Next Steps

1. Build support for funding and create a budget for an annual CLT allocation program.
2. Identify town-owned land to sell at a discount.
3. Determine objectives for the CLT including level of subsidy and affordability level.
4. Release a Request for Proposals to existing CLTs to apply for land in Holly Springs.

Guidelines

Key Actors: Raleigh Area Land Trust or newly established land trusts, Development Services

Case Study: Community Home Trust, Chapel Hill, NC

Community land trusts can be an effective tool in neighborhoods with high displacement risk. Community Home Trust (CHT) is a community land trust that already exists in Chapel Hill. CHT was created to support affordable homeownership in Chapel Hill, with over 330 permanently affordable homes in their existing inventory. Their portfolio includes a mixture of rental and for-sale properties that serve households making 60% area median income (AMI) and below. As of 2021, the average income of CHT homeowners at the time of purchase was \$41,820. Additionally, the average purchase price of a CHT home was \$120,500 compared to a median price of \$475,000 in Chapel Hill overall. Additionally, CHT provides homebuyer counseling, including courses on home maintenance. They also accept housing vouchers for tenants of their rental units.

Source: Community Home Trust



Image: Detached dwelling home sold by CHT

Figure 52: Community Land Trust Structure

Traditional Purchase



In traditional Real Estate Transactions, the homeowner owns the house and the land it sits on

CLT Purchase



A CLT structure separates ownership of land from the buildings that sit on it. The CLT maintains ownership of the land, and leases it to the homeowner.

Evaluation and Monitoring

Preventing displacement in Holly Springs requires regular monitoring by Town staff. The following metrics are helpful indicators for tracking progress on this goal. The following targets were developed

in collaboration with Town staff and will need to be reassessed annually based on current demographic and housing market trends.

Figure 53: Retain Existing Residents, Evaluation Metrics

Metric	Current Metric	2032 Target
Households paying at least 30% of their income on housing by income level: - Renters making \$20K to \$40K - Renters making \$40K to \$60K	86% of renters making between \$20k and \$40k are cost burdened. 38% of renters making between \$40k and \$60k are cost burdened.	<60% of renter households making between \$20k and \$40k. <20% of renter households making between \$40k and \$60k.
Decline in households making less than 60% of Area Median Income.	-4% from 2010 to 2019	Stabilize the decline in households in this demographic groups.
Number of long-term affordable units created and preserved.	128 units since 2010	20% of new rental and homeownership units affordable to 80% AMI or less, 10% of new rental units affordable to 60% AMI or less.

APPENDIX

Study Preparation

HR&A Advisors, Inc. (HR&A) helps create more equitable, resilient, and dynamic communities. Our work turns vision into action through rigorous analysis, strategy development, and implementation planning.

We have offices in New York, Atlanta, Dallas, Los Angeles, Raleigh, and Washington DC; a presence that allows us to serve clients all over the world. Through its 40 years of history, HR&A has advised local governments, developers, philanthropies,

advocates, and community stakeholders on how to develop and implement effective housing policies and development projects.

Holly Springs Town Staff played an integral and advisory role in this Study by offering input on housing analysis and draft strategies and facilitating portions of the community engagement effort. Departments involved include Development Services and Economic Development.

Acknowledgements

This Study is the result of a 10-month planning process led by Town of Holly Springs and conducted in collaboration with a broad group of local stakeholders, including residents, elected leaders, Town staff members, Advisory Committee members, and members of the public who were instrumental to this process and provided invaluable insight and feedback.

Holly Springs Housing Advisory Committee

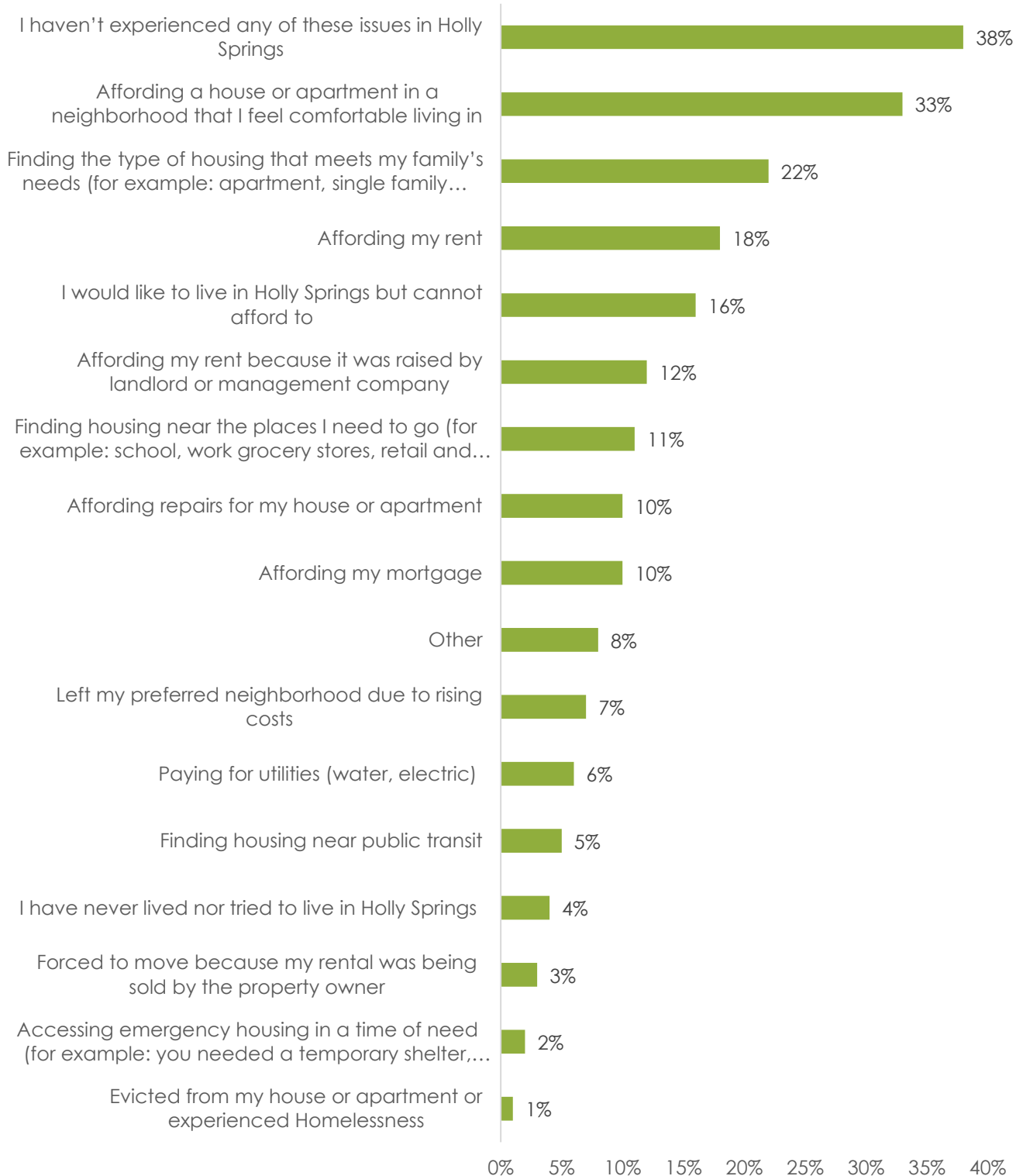
Jeremiah Casewell, Western Wake Crisis Ministry
Devin Cofield, Holly Springs Resident
Chris Deshazor, Planning Board Alternate
Tim Forrest, Town Council Alternate
Joel Geniesse, Holly Springs Homeowner
Joanna Holder, Planning Board
Brooke Little, Holly Springs Resident
Frances Perkins, One Wake
Sherry Presnall, Western Wake Crisis Ministry
Jacob Rogers, Home Builders Association
Kimberly Sanchez, Holly Springs Homeowner
Sandra Stanislaus, Holly Springs Homeowner
Phaedra Watkins, Realty One Group Promise
Aaron Wolff, Town Council

Holly Springs Town Council

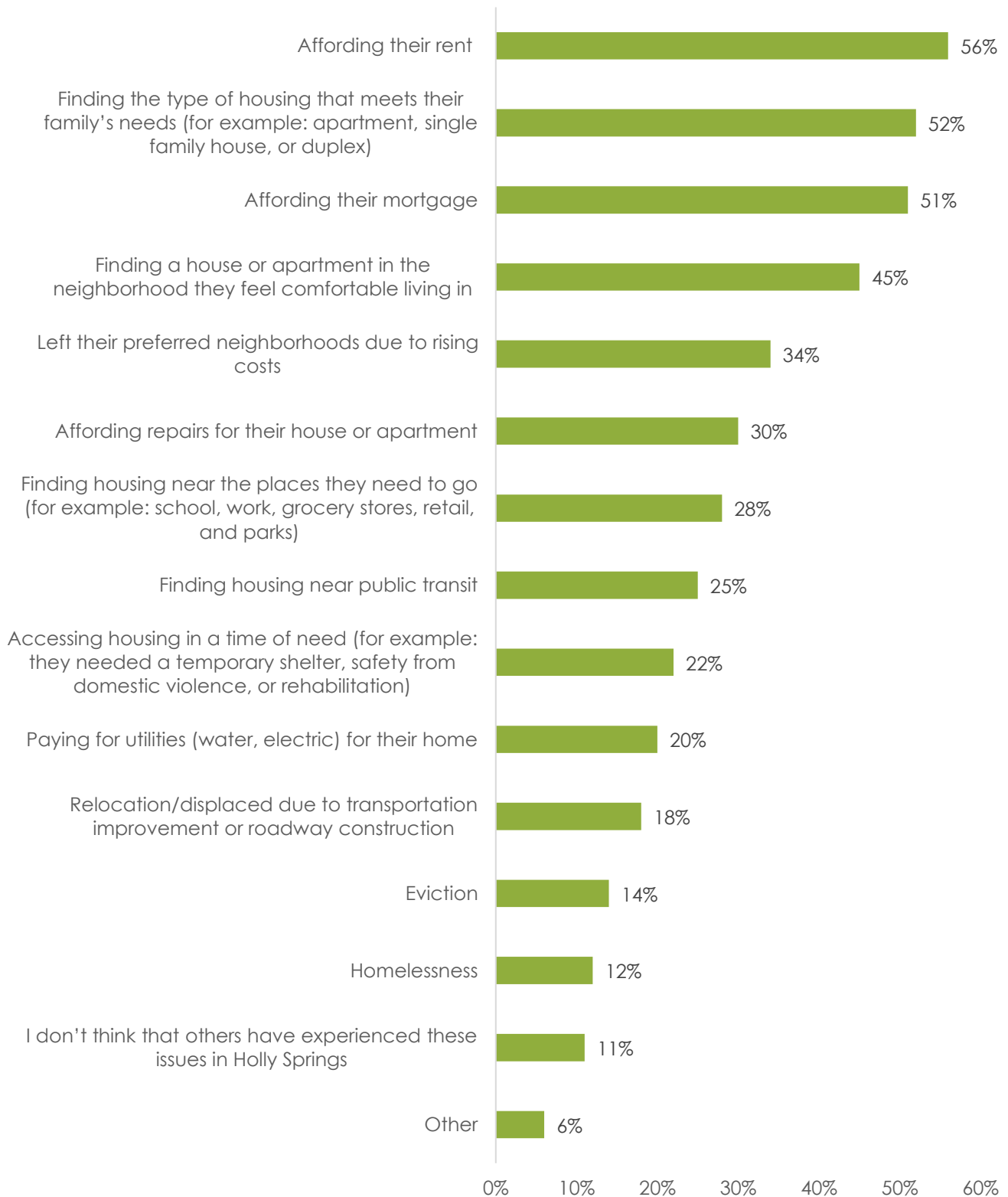
Sean Mayefskie, Mayor
Daniel H. Berry, Mayor Pro Tempore
Kristia Bennett
Timothy Forrest
Shaun McGrath
Aaron Wolff

Community Survey Results

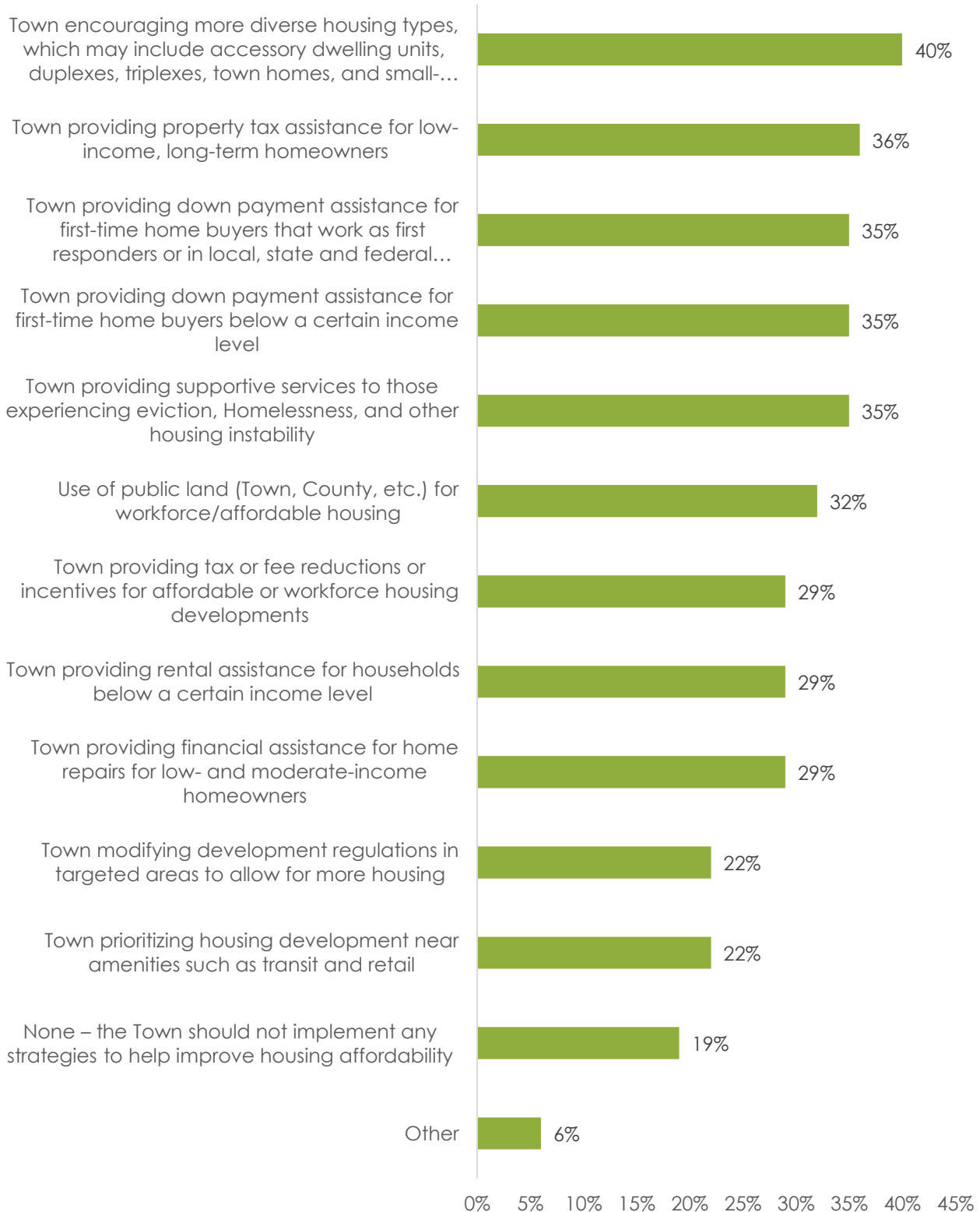
What housing challenges, if any, have you experienced in Holly Springs? Select all that apply.



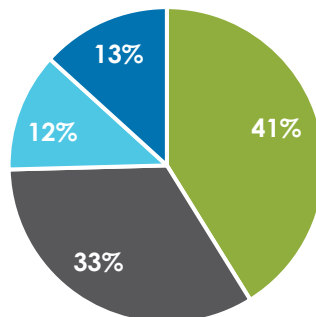
What housing challenges do you think others experience in Holly Springs? Select all that apply.



Using the list below, select the strategies you would support the Town using taxpayer dollars to address housing affordability within Holly Springs.

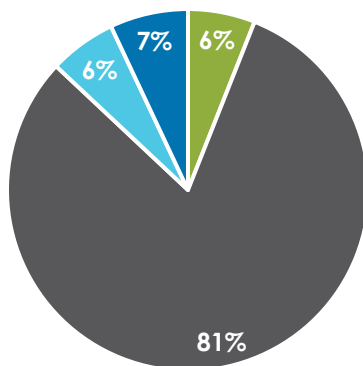


To what extent should the Town be involved in ensuring there are affordable or workforce housing opportunities in Holly Springs?



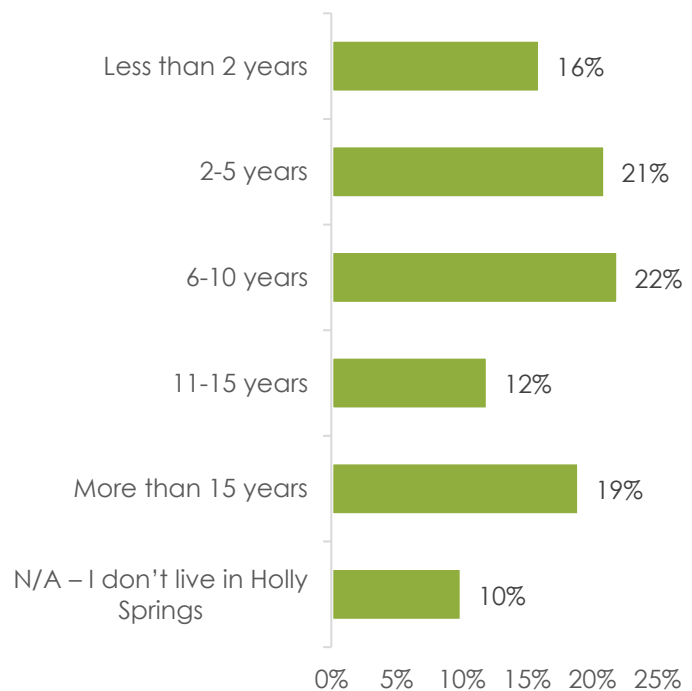
■ Very involved ■ Somewhat involved ■ Not very involved ■ Not involved at all

What zip code do you live in within Holly Springs?

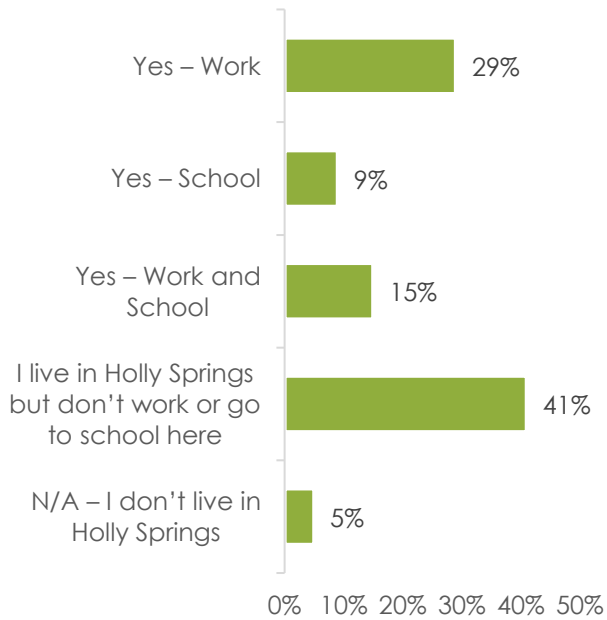


■ 27539
 ■ 27540
 ■ I used to live in Holly Springs but don't now
 ■ I have never lived in Holly Springs

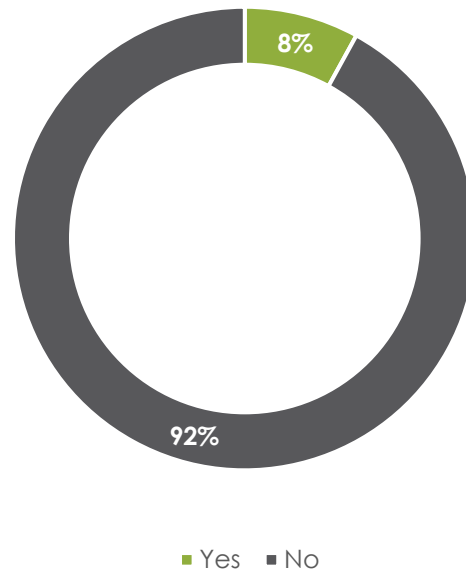
How long have you lived in Holly Springs?



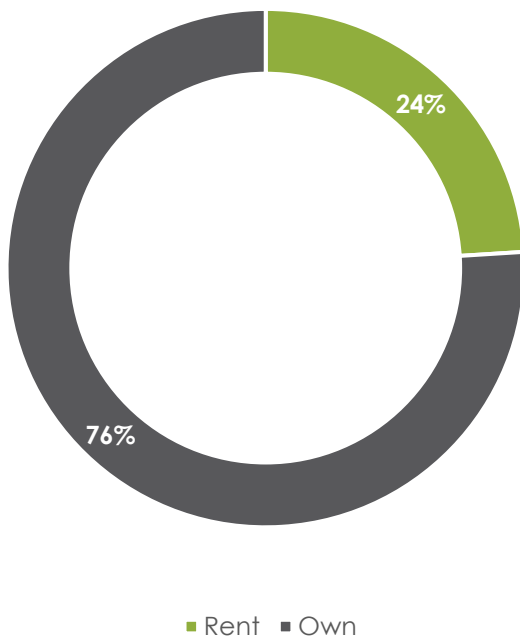
Do you work and/or go to school in Holly Springs?



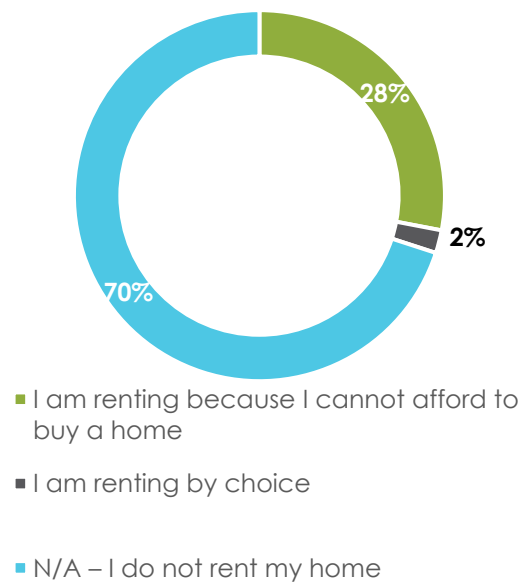
Are you a Town of Holly Springs employee?



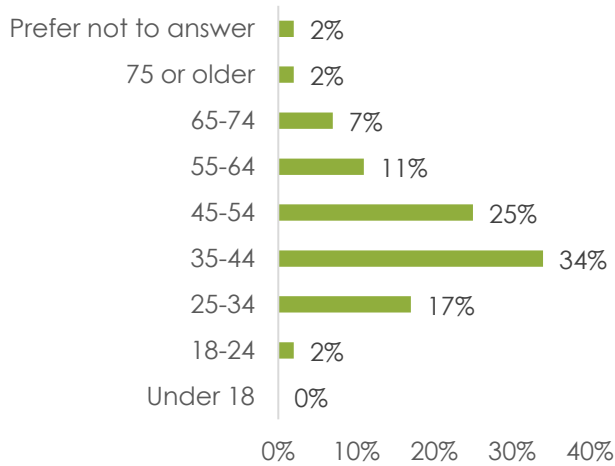
Do you rent or own your home?



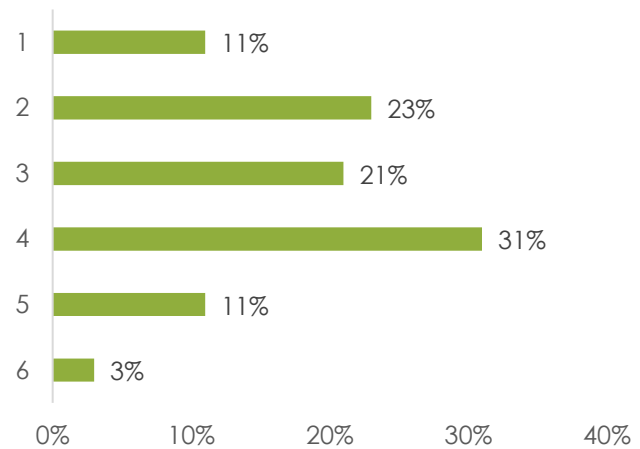
If you selected "Rent", why do you rent your home?



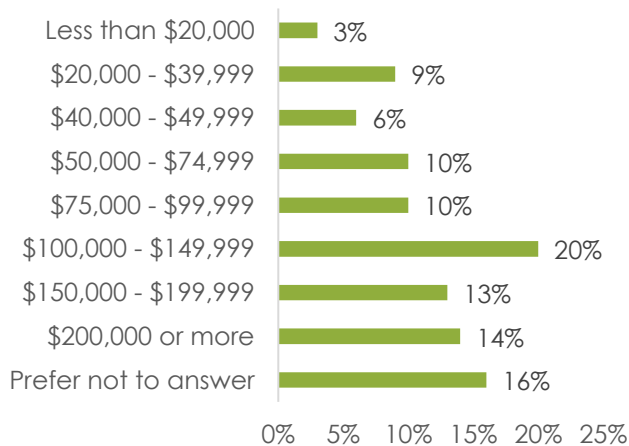
How old are you?



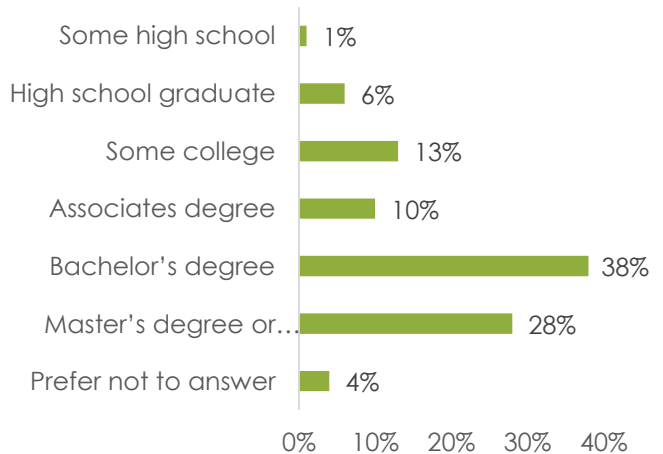
How many people live in your household, including you?



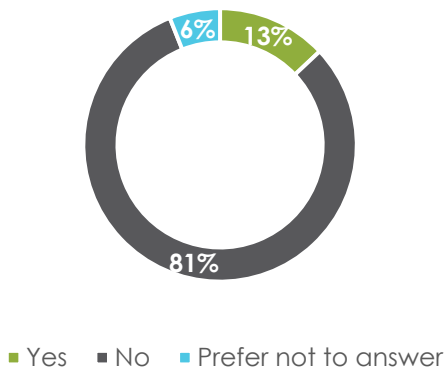
What is your approximate annual household income?



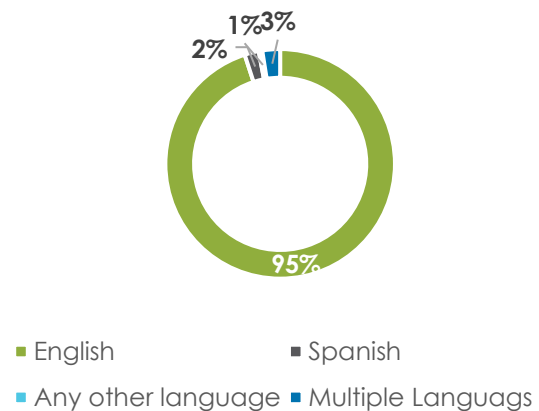
What is your highest level of education?



Do you or anyone in your household have a disability?



Which language(s) do you speak at home?



Which categor(y)(ies) best describes you? Select all that apply.

