**About SCAD – Affordable Housing**

This is the third of a number of short pieces pointing out problems with SCAD. This one will be devoted to SCAD’s proposed solutions to Durham’s housing affordability problem. Called “PATH” by SCAD’s proponents, these SCAD provisions are essentially window-dressing and provide developers with substantial benefits with very little in the way of affordable housing in return

What is SCAD? It is a developer-proposed re-write of Durham’s zoning code or “UDO.” The SCAD acronym was coined by the developers to stand for “Simplified Codes for Affordable Development.” Of course, this naming is strategic because it is meant to make us think SCAD is about affordable housing. While there are a couple of things in SCAD that are directed to affordability, the vast majority of SCAD’s provisions have nothing to do with housing affordability. Instead, they are designed to make redevelopment of Durham more profitable for the development community – usually at the expense of Durham’s existing residential communities.

“PATH” is another acronym coined by SCAD’s proponents. It stands for “Progressing Affordably Toward Housing,” It is intended to make us think that SCAD is about affordable housing, but SCAD’s PATH program really doesn’t do that at all.

 Durham has had an affordable housing density bonus for many years. It offers developers more market units in exchange for a few affordable units. Developers have never been interested, however, because our zoning rules already allow them to build all the market units they want. The bonus has no incentive value.

PATH would make the bonus idea much more attractive to developers by giving a two-to-one bonus while all but eliminating the requirement for affordable housing in return. SCAD’s PATH rules would allow a more intense residential development with a significant market unit bonus unit bonus if 25% of the units are affordable for people who make 60% of area median income for rental units and 80% for for-sale units.

It sounds good, but it is not what it seems. First, the affordable rental units would have an unacceptably short affordable life – just five years. Normally we want affordable units to be affordable for fifteen to 30 years. After SCAD’s five years, however, the units would become market units and the families benefitting from affordable rents will have to pay up or move out. Second, under SCAD, the for-sale units need to be affordable only for the first sale. After that they become market units. The units’ affordable life could be less than week. What keeps the developer from gaming the project by lining up buyers the units for that first sale? Finally, under SCAD, the affordable units could all be accessory dwelling units. Under SCAD’s PATH rules, the market units could be big, but the affordable units could be small ADUs. This is not consistent with Durham’s approach to integrating affordable housing into the community.

 SCAD also contains another PATH program which would free a project with 100% affordable for-sale units from most dimensional requirements like minimum lot sizes, setbacks, building spacing, and height requirements. Don’t people who live in affordable housing deserve at least some of the same planning protections for space and environment as those lucky enough to afford a home in the marketplace?

SCAD’s PATH program is great for developers, but offers little in the way of affordable housing in return. Non-profits involved in creating and maintaining long-term affordable housing are not very interested. PATH does not fit their model. Ironically, SCAD’s bonus of a significant increase in market units makes redevelopment of Durham’s existing affordable housing in low-wealth neighborhoods attractive. In exchange for a few affordable units for five years, the neighborhood would be changed forever. What is labelled as an affordability program becomes instead an engine for accelerated gentrification and displacement.

Do we need to look at how we incentivize affordable housing in Durham? Yes we do. Our current bonus programs do not work because our code already offers alternatives and workarounds that permit developers to build market-rate units without having to trade affordable units for them. The discussion surrounding regulatory incentives for affordability needs to involve all stakeholders, not just the development stakeholders. SCAD’s unilateral PATH program is not the answer.