



Recommended Funding Plan Overview

Affordable Housing Bond and Affordable Housing Development Reserve





This document summarizes staff's Recommended Funding Plan for Town-initiated and outside agency projects for funding requests received in May of 2020.

Organization	Request	Recommendation	Previous Award	Future Funding Request	Total	Units	Subsidy Per Unit	Total Project Cost	% Funded by Town	Cost Per Unit	Leverage from Outside Sources
CASA	438,995	438,995	551,810	-	990,805	48	20,642	9,504,934	10%	198,019	8,514,129
EmPOWERment	350,000	-	101,000	-	451,000	8	56,375	2,256,000	20%	282,000	1,805,000
Habitat for Humanity	1,500,000	1,255,692	375,000	1,500,000	3,375,000	100	33,750	25,348,548	13%	91,182*	21,973,548
Pee Wee Homes	55,313	55,313	-	-	55,313	2	27,657	166,313	33%	83,157	111,000
Town of Chapel Hill	3,500,000	3,500,000	226,836	1,499,000	5,225,836	120	43,549	21,339,051	24%	177,825	16,113,215
Total	\$5,844,308	\$5,250,000			\$10,097,954	278	\$36,394	\$58,614,846	17%		\$48,516,892

Funding Requests Breakdown

*Cost Per Unit includes the costs to develop all units in the project

Project Overviews and Recommendations

	<p><u>Merritt Mill Apartments Affordable Housing Development</u> Recommendation: \$438,995 Request: \$438,995</p> <p>CASA plans to develop a 48-unit rental community of 1 and 2-bedroom apartments on the border between Chapel Hill and Carrboro. 24 of these units will be in Chapel Hill. In addition to Town funding, CASA intends to fund the project using 4% Low-Income Housing Tax Credits and bond funds issued by Orange County. Nine units will be set aside for persons with disabilities who are under 30% of the area median</p>	
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income (AMI). These tenants will have a rental subsidy. All units will serve households under 60% of AMI. CASA will prioritize persons who are homeless and will accept rental subsidies in all units.

Johnson Street Apartments Affordable Housing Development

Recommendation: \$0

Request: \$438,995

The Town approved \$101,000 in Affordable Housing Development Reserve funding in January 2020 for this project to support the acquisition of one of the parcels planned to be developed. The Housing Advisory Board and staff are not recommending additional funding for this project at this time, but would like Empowerment to come back with an Affordable Housing Development Reserve or Affordable Housing Fund application package after the project is further along in the planning process and EmPOWERment has gained site control for total area planned to be developed.

EmPOWERment plans to construct eight ADA-compliant rental units in a highly energy efficient building shell. All units will be furnished with Energy Star appliances. The project will address a specific rental gap that continues to go unmet: families earning less than 60% AMI. EmPOWERment has initiated the planning process and begun conversations with Town staff on the possibility of gaining site control of an adjacent Town-owned property that would be developed on for this project.



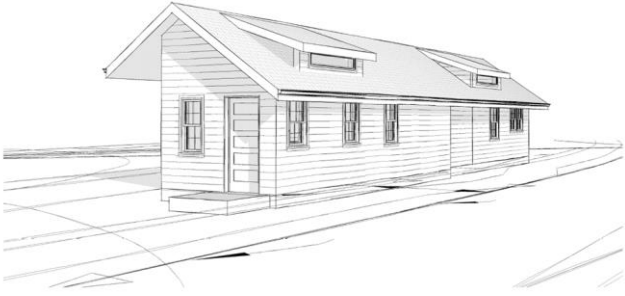
Weavers Grove Affordable Housing Development

Recommendation: \$1,255,692

Request: \$1,500,000

Habitat for Humanity proposes to use funding from the Town to assist with infrastructure and site improvement costs for Weavers Grove, Habitat's future development of 100 affordable homes off Sunrise Road. Habitat anticipates construction the homes from 2022-2027. Habitat also plans to sell 136 finished lots to market-rate builders to develop entry-level homeownership opportunities. Their vision is for a mixed-income community of homes that are architecturally integrated and energy efficient.



	<p><u>Tiny Duplex at Mitchell Lane Development</u> Recommendation: \$55,313 Request: \$55,313</p> <p>Pee Wee Homes proposes to use Town funding to assist in the construction of a tiny home duplex on Mitchell Lane. Pee Wee Homes plans to build an affordable and accessible duplex in the heart of the Northside Neighborhood. The homes will be leased to formerly homeless elders in the community who make less than 30% of AMI.</p> <p>The project is planned to be completed in partnership with the Northside Neighborhood Initiative, a broad-based collaborative led by Self-Help and the Jackson Center in partnership with UNC and the Town of Chapel Hill. Funds would support the construction of the two new units and guarantee that the homes would remain permanently affordable to those under 30% AMI.</p>	



2200 Homestead Road Mixed-Income Community

Recommendation: \$3,500,000

The Town of Chapel Hill proposes to use Town funding to develop a mutually supportive mixed-income community with a range of housing types. This community will increase the availability of homeownership and rental housing for households with a range of incomes up to middle income, provide housing for vulnerable populations, ensure long-term affordability, and leverage funding from outside sources.

The funds recommended will be used for development of the site to prepare individual parcels for the Homestead Housing Collaborative (Self-Help, CASA, Community Home Trust, Habitat for Humanity of Orange County) to begin construction of affordable housing units. Site development includes demolition of the existing building, site grading and paving, installing water, sewer, and stormwater infrastructure, and construction of community amenities, such as the greenway, open spaces, sidewalks, outdoor seating, community garden, basketball half-court, and landscaping throughout the site.

