

## 05-04-2022 Town Council Meeting Responses to Council Questions

### **ITEM #4: Receive the Third Quarter Fiscal Year (FY) 2022 Affordable Housing Report**

#### **Council Question:**

Great news about the first employee housing program home buyer! Could you please share how many more eligible applicants there are and if the current funds will meet the demand?

#### **Staff Response:**

*Staff have seen a great response from employees on the updates to the Employee Housing Program.*

- *2 employees have qualified for rental assistance and will be signing leases this month to move in this June.*
- *Community Home Trust, who handles the applications and determining eligibility for the program, is currently working with a number of applicants to collect documentation and complete financial counseling.*
- *Staff also anticipate the newly released HUD income limit increases will allow more employees to be eligible for assistance.*

*Staff are monitoring the budget on an ongoing basis and anticipate needing to identify additional resources next fiscal year.*

#### **Council Question:**

I understand why the EHA households are being included in the preservation category but it ends up mixing units with households/families. I wonder if we need to revise the title of that category or add a new one to accurately capture the impact of the EHA and similar programs and also demonstrate the diversity of reach and impact of the department's work?

#### **Staff Response:**

*The Town has historically defined preservation projects as those that maintain affordability of existing housing stock, including homebuyer subsidy for existing units, housing rehabilitation, and rental and utility assistance. While it is an industry standard to consider Emergency Housing Assistance as a preservation strategy, in response to feedback we received previously on this point, staff pulled out EHA to show those numbers separately to better highlight that program's results. When we revisit the report structure going into next fiscal year, we will look more closely on how to best display this information to give a full sense of what is being accomplished on the preservation side of the Town's work.*

## 05-04-2022 Town Council Meeting Responses to Council Questions

### **Council Question:**

Transitional housing program - where is the new house? What is the application and selection process for the program?

### **Staff Response:**

*The new home added to the Town's Affordable/Transitional Housing Program is at The Union Chapel Hill. The Union committed to providing 5 units to the Town as part of their rezoning approval. The Town is filling these units with a combination of Public Housing residents moving to the Town's Transitional Housing Program and Town employees. We anticipate completing the move-in process for the remaining two units by early June.*

### **Council Question:**

What is and is not included in the report's funding gap - is that as of today, meaning potential funding sources, such as bond funds, ARPA funds, etc. are not factored in?

### **Staff Response:**

*The funding gap referenced on page 2 of the Quarterly Report was a snapshot of the projected funding gap at the beginning of the fiscal year. It was created for and included in the Town's 5-Year Budget Strategy. The funding sources included are:*

- *Affordable Housing Fund*
- *Affordable Housing Development Reserve*
- *Bond*
- *Community Development Block Grant (CDBG)*
- *HOME*

*Staff compared the amount of funding available for the sources listed above with the funding needs for the projects currently in or projected to be in the affordable housing pipeline in Chapel Hill. It does not include ARPA funding.*

*As Council is aware, there have been significant construction cost increases over the last several months, as well as a variety of other factors that will affect the funding need for projects in the pipeline (including which projects receive 9% Low Income Housing Tax Credits). We plan to update the funding gap projections this summer, once the 9% LIHTC awards are announced. We anticipate the projected subsidy gap for projects will increase significantly unless additional resources are made available to support future projects.*

## 05-04-2022 Town Council Meeting Responses to Council Questions

**Council Question:**

Should Trinity Court be removed from the number of subsidized units chart?

**Staff Response:**

*We have continued to show Trinity Court units in the subsidized units chart because these units are still part of the Town's inventory but have been taken off-line temporarily while a plan for redevelopment was developed. To account for this, when Trinity Court is redeveloped we will report 44 preservation units and 10 new units.*

**Council Question:**

For 2200 Homestead, which are the first two phases of project construction?

**Staff Response:**

*The Homestead Gardens development team has submitted two Zoning Compliance Permits for the first two phases of construction.*

- 1. Construction of a community garden at the north end of the site and demolition of the existing gym (after asbestos abatement has been complete)*
- 2. Completion of all site work needed prior to beginning building construction*

**Council Question:**

Could you please provide more detail on the status of the Plant and Bennett Road efforts?

**Staff Response:**

*Town staff are conducting a preliminary site analysis, including test fit drawings, to determine the type and density of affordable housing development that could occur on the Plant Road site. The intent of this analysis is to be prepared to move forward with a project, if feasible, once the site is no longer needed for Parks and Recreation operations.*

*For Bennett Road, staff have outlined a development planning process designed to work with a consultant partner to first assess development scenarios and financial feasibility before engaging the Council on those findings. As a next step, based on those findings and Council feedback, staff and our consultant partner could conduct project visioning with the Council and community. Staff are awaiting further direction to move forward with the proposed planning process.*

**Council Question:**

Re. MH Community outreach plan to provide housing resources and information about upcoming affordable housing developments to manufactured home residents - what will the

## 05-04-2022 Town Council Meeting Responses to Council Questions

context be for this outreach? Why is it happening now? I am concerned with the message this could send and don't want to cause panic or worry.

**Staff Response:**

*Staff have continued to work with our partners to engage manufactured home residents since 2018, deliberately focusing on using a strategic approach that is authentic, relationship-based, and rooted in what residents have identified as key interests and concerns. Through our engagement efforts, our goal is to limit confusion and to not heighten already existent fears among residents. Most recently, we partnered with EmPOWERment, Inc. to coordinate a homeownership education course and received resident feedback on the Draft County-Wide Manufactured Home Action Plan from select households.*

*We created the housing resource guide in response to input we received directly from manufactured home residents through Building Integrated Communities and other resident engagement efforts. The initial feedback we have received on the new resource guide from community partners and residents has been very positive. Staff anticipate folding the sharing of the housing resource guide into broader outreach efforts in manufactured home communities that may include discussions about prioritization of the strategies identified in the County-Wide Manufactured Home Action Plan, food distribution and summer programming, and/or resident leadership development efforts. Staff are hoping to secure private foundation resources that would allow us to hire a bilingual English-Spanish staff person to lead these outreach efforts.*

**Council Question:**

It would be helpful if this report could also include the affordable housing units that we are obtaining through new development, e.g., Aura, University Place.

**Staff Response:**

*In response to Council raising this as an interest previously, we included the number of units developed in our Affordable Housing and Community Connections [annual report](#)<sup>1</sup>. Going forward, we will also incorporate this data point into our quarterly affordable housing report.*

**Council Question:**

On pg. 28, under Implement MH Communities Strategy, the creation of an outreach plan for housing resources is shown. While this is in the plan, there are many other elements to the plan. Is this the only thing staff is currently doing in implementing the plan?

**Staff Response:**

*The Work Plan Highlights section of the report is intended to provide one or two key updates for the projects in our Affordable Housing Work Plan. We chose to highlight the creation of the*

---

<sup>1</sup> <https://www.townofchapelhill.org/home/showpublisheddocument/49439/637629099718870000>

## **05-04-2022 Town Council Meeting Responses to Council Questions**

*outreach plan because that is one of our key next steps. Staff are also working on implementing many aspects of the Action Plan, including working with the Preservation Coalition to better address home repair needs, creating an early warning system, collaborating with the Affordable Housing Coalition's Manufactured Homes Committee, continuing to explore options for ROC conversion, and more.*