

# Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund



Town of Chapel Hill Office for Housing and Community

[housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org)

919-969-5079

[www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding](http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding)

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# GENERAL INFORMATION & APPLICATION INSTRUCTIONS

## OVERVIEW

Thank you for your interest in the Town of Chapel Hill's Affordable Housing funding sources! This application is used for funding requests for all of the Town's local funding sources for affordable housing projects (Housing Bond, Affordable Housing Development Reserve, and Affordable Housing Fund). To learn more about each of these sources and eligible uses, see the Attachments Section.

## INCOME ELIGIBILITY

In general, projects for the Town's affordable housing sources must serve households with income below 80% of the area median income as defined by the U.S. Department of Housing and Urban Development, adjusted for family size, though projects may be approved that serve households of higher incomes. Please see the Attachments for additional information about income limits.

## PROJECT REPORTING AND MONITORING

Organizations must submit progress reports to the Town quarterly to monitor progress and performance, financial and administrative management, and compliance with the terms of the performance agreement. Please submit reports using the template linked on the Town website and in the Attachments section electronically to: [housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org).

## ORIENTATION MEETING

Applicants are invited to attend an optional orientation session prior to applying for funding, which will be held once per year and provide an overview of all of the Town's affordable housing sources.

Applicants are also invited to participate in a pre-application meeting, which is a one-on-one session during which applicants can discuss their funding proposal with Town staff. To schedule a pre-application meeting, contact Sarah Vinas at 919-969-5079 or [svinas@townofchapelhill.org](mailto:svinas@townofchapelhill.org).

## SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: [housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org). If you have questions, please contact: Sarah Vinas at 919-969-5079 or [svinas@townofchapelhill.org](mailto:svinas@townofchapelhill.org)

Applications may not be considered for the following reasons:

1. Projects that do not align with the eligibility criteria for the funding source
2. Applicant has demonstrated poor past performance or compliance with funding guidelines
3. Incomplete or late applications

## CHECKLIST OF REQUIRED DOCUMENTATION

### Application:

<input checked="" type="checkbox"/>	<b>Section 1:</b>	<b>Cover Page</b>
<input checked="" type="checkbox"/>	<b>Section 2:</b>	<b>Disclosure of Potential Conflicts of Interest</b>
<input checked="" type="checkbox"/>	<b>Section 3:</b>	<b>Organization Information</b>
<input checked="" type="checkbox"/>	<b>Section 4:</b>	<b>Project Information</b>
<input checked="" type="checkbox"/>	<b>Section 5:</b>	<b>Attachments</b>

**COVER PAGE**

**Organization Contact Information**

Legal Name: Pee Wee Homes Inc

Tax ID Number: 82-2624086

Physical Address: 8410 Merin Rd, Chapel Hill, NC 27516

Mailing Address: Same.

Organization's Website: www.peeweehomes.org

Date of Incorporation: 08/10/2017

Executive Director Name: N/A – Board run organization, no hired staff.

Telephone Number: 919-590-9023

E-Mail: info@peeweehomes.org

**Funding Request**

Project Name: Pee Wee Homes Tiny-plex at Mitchell Ln

Total Number of Units Included in Funding Request: 2

Total Project Cost: \$166,313

Total Amount of Funds Requested: \$55,313

Please specify the **type** and **amount** of funding requested:

- |   |   |                               |
|---|---|-------------------------------|
| <input type="checkbox"/> Affordable Housing Bond: \$_____                                   | <input type="checkbox"/> Grant            | <input type="checkbox"/> Loan |
| <input type="checkbox"/> Affordable Housing Fund: \$_____                                   | <input type="checkbox"/> Grant            | <input type="checkbox"/> Loan |
| <input checked="" type="checkbox"/> Affordable Housing Development Reserve: <u>\$55,313</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |

Proposed Use of Funds Requested (*provide a concise description, not to exceed 100 words*): This funding will help us construct another beautiful Pee Wee Home Tiny-Plex – affordable, accessible, high quality homes in the heart of the Northside Neighborhood to be leased to formerly homeless elders in our community who make less than 30% AML. This project is being 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 will support the construction of these two new units and guarantee that we are able to keep these units permanently affordable to those under 30% AML.

**1. Type of Activity.** Please check the category under which your project falls.

- Acquisition
- Predevelopment activities
- Infrastructure/site improvements
- Rental housing subsidy
- New construction for homeownership
- New construction for rental housing
- Second Mortgage Assistance
- Other (*specify*): \_\_\_\_\_

**To the best of my knowledge and belief all information and data in this application is true and current. The document has been duly authorized by the governing board of the applicant.**

Signature:   
Executive Director Board Chair

4-30-2020  
Date

**DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST AND NON DISCRIMINATION CLAUSE**

Are any of the Board Members or employees of the organization which will be carrying out this project, or members of their immediate families, or their business associates:

YES NO


- a) Employees of or closely related to employees of the Town of Chapel Hill?
- b) Members of or closely related to members of the governing bodies of the Town of Chapel Hill?
- c) Current beneficiaries of the program for which funds are being requested?
- d) Paid providers of goods or services to the program or having other financial interest in the program?

If you have answered YES to any question, **please provide a full explanation below.**

**NON-DISCRIMINATION**

Provider agrees as part of consideration of the granting of funds by funding agencies to the parties hereto for themselves, their agents, officials, employees and servants agree not to discriminate in any manner of these basis of race, color, gender, national origin, age, handicap, religion, sexual orientation, gender identity/expression, familial status or veterans status with reference to any activities carried out by the grantee, no matter how remote.

**To the best of my knowledge and belief all of the above information is true and current. I acknowledge and understand that the existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded.**

Signature:   
Executive Director-Board Chair

4-30-2020  
Date

## ORGANIZATION INFORMATION

**1. Organization Mission** *(no more than a few sentences):*

Pee Wee Homes builds, manages, and supports affordable, accessible, small (less than 400 sq. ft) homes: homes that individuals with fixed income like Pee-Wee, our namesake, can afford; homes that allow older individuals to age in community; homes that a single individual earning minimum wage can afford; and, importantly, homes that support independence within the context of community.

**2. Organization Staff:** Please provide names of staff, contractors, and/or volunteers that will be involved with the project. Describe their responsibilities with the project and track record in successful completion of similar projects in the past.

The construction will be managed by the Pee Wee Homes construction committee and the Northside Neighborhood Initiative (NNI), led by Self-Help and the Jackson Center, which has built or renovated over 25 units of affordable housing in Northside and Pine Knolls over the last five years. The primary leaders of the effort from the NNI and Pee Wee Homes for this project include:

**Greg Rockett:** Residential Construction Manager at Self-Help Development Corporation with decades of construction experience and Founding Board of Directors member of Pee Wee Homes. Greg has overseen the construction of hundreds of quality affordable housing units across the country and has helped oversee the previous 5 units of Pee Wee Homes. He will be coordinating the construction team, managing the timeline, and ensuring the quality of the build within the project budget.

**Dustin Rawlings:** Independent Contractor for Self-Help with a dozen years of experience in commercial and residential construction, remodeling and rehab. He is the lead contractor in the Northside Neighborhood Initiative, constructing and preserving affordable housing in the Northside neighborhood of Chapel Hill. Dustin is responsible for managing permitting and oversight of the construction team for 506 Mitchell Ln.

**Sarah Howell:** Architect, AIA LEED AP, lead architect designing and constructing efficient, beautiful, customized homes for reconstruction in the Make It Right Foundation effort post-Hurricane Katrina. Her design plans and specifications were used to build the first five Pee Wee Homes and are being used for this duplex as well. Sarah is also a founding board member of Pee Wee Homes.

**Hudson Vaughan:** Founding Board of Directors member of Pee Wee Homes. He has gained significant experience in affordable housing projects through his role at the Northside-based Marian Cheek Jackson Center. He will be coordinating the partners on the project and ensuring continued community involvement and feedback as the project moves forward. He will also assist the Tenancy committee with resident applications, selection, and support.

**Cherie Rosemond:** Cherie is the Director of UNC's Partnerships in Aging and helped facilitate Orange County's Master Aging Plan. Cherie will provide training and support for the graduate students who will be linked to the residents in this home and will assist with final design planning

**Pee Wee Homes Tenancy Committee,** made up of professional social workers and several homeless programs service providers, will be responsible for identifying tenants, managing leasing and other property management, as well as connecting with service providers to support the project's tenants.

**Graduate/professional Students in Northside Residential Fellowship Program:** The NNI has developed a "living learning" community for graduate and professional students focused on community engagement, with a special focus on being linked to elderly residents in the neighborhood who desire ongoing support

to age in place. These students will be linked to the Pee Wee Homes tiny-plex to provide relationship-based support.

# of FTE – Full-Time Paid Positions: 0

# of FTE Part-Time (less than 40 hours/wk) Paid Positions: 1 starting in May

3. **Agency Track Record:** Please provide a brief description of your organization’s past achievements in carrying out similar projects and evidence of successful record of meeting proposed budgets and timetables (*in 100 words or less*).

Pee Wee Homes has completed five beautiful, quality tiny houses of permanently affordable rental housing over the last three years. Two of these homes are located in Northside and three at the Church of the Advocate. Both projects have been incredibly successful communities so far, with five residents who have all made transitions out of homelessness (four over the age of 55!) and are receiving site based support from neighbors, Pee Wee Homes board members, and church members. The model has been working: tenants are paying between \$200-\$333 depending on their income, gaining equity, and sustaining their transitions into permanent housing (our tenants at Northside are now in year 3!).

For all projects for which you have received Town funding within the last 5 years, please provide the information below. If you have not received Town funding within the last 5 years, or ever, please complete for comparable projects.

	<i>Insert responses here.</i>
Project Name	<b>Pee Wee Homes TinyPlex on Craig Street</b>
Total Project Cost	<b>\$137,379</b>
Amount of Town Funding Award	<b>\$60,521</b>
Funding Source	<b>Affordable Housing Development Reserve</b>
Date of Funding Award Approval	<b>Fall, 2017</b>
Date of Project Completion	<b>January, 2018</b>
Project completed within projected schedule:	
	<input type="checkbox"/> X <b>Yes</b>
	<input type="checkbox"/> <b>No</b>
Project completed within original budget:	
	<input type="checkbox"/> X <b>Yes</b>
	<input type="checkbox"/> <b>No</b>
<i>If no, how much over or under budget was the project?</i>	\$
Notes:	
	<i>Insert responses here.</i>
Project Name	<b>Pee Wee Homes at the Advocate</b>
Total Project Cost	<b>\$162,175</b>
Amount of Town Funding Award	<b>\$70,000</b>
Funding Source	<b>Affordable Housing Development Reserve</b>
Date of Funding Award Approval	<b>Fall, 2016</b>
Date of Project Completion	<b>May, 2019</b>
Project completed within projected schedule:	
	<input type="checkbox"/> <b>Yes</b>
	<input type="checkbox"/> X <b>No</b>

Project completed within original budget:	
	<input type="checkbox"/> X Yes
	<input type="checkbox"/> No
<i>If no, how much over or under budget was the project?</i>	\$
Notes: This project was significantly delayed due to complex zoning challenges with the Town of Chapel Hill for building on church land and changing interpretations of commercial and residential code, and, as a result of these delays, the loss of our original general contractor. We eventually partnered with Habitat volunteers for much of the build, which was a significant bonus (and budget saver) but took more time as well.	

**\*Copy and paste chart as needed to reflect additional projects that have received funding within the last 5 years.**

**PROJECT INFORMATION**

**4. Project Description:** Please provide a general overview of your project, including what you are planning to produce and how you are planning to carry out the project. *(in 100 words or less).*

The Pee Wee Homes Tiny-plex is part of a broader grassroots, community-based effort to build tiny homes for individuals transitioning out of homelessness in Orange County. It is also part of the Northside Neighborhood Initiative and an effort to help a broad range of seniors age in community who otherwise would not be able to live in the heart of this Town. This particular site is located on Mitchell Lane in the heart of Northside. The property is set on a beautiful 1/3 acre of land, directly on the Chapel Hill bus line, across the street from Hargraves Community Center (which has weekly gatherings for seniors), two blocks from downtown, and a block from the neighborhood’s elementary school. While the site is large, the buildable footprint is just 580 square feet because of sewer and stormwater easements. It is also a difficult footprint to build within. This duplex design is an innovative way to maximize the density on the site and its affordability for tenants. Additionally, we currently have a student living learning household whose focus is to support neighborhood seniors; this house is just two blocks away. The Pee Wee Homes Tiny-plex will serve individuals who are either currently experiencing homelessness or who have a history of chronic homelessness; it will also prioritize seniors. The needs of these individuals will be served through the development of quality rental housing that is available at rates affordable to extremely low-income households and support from a host of partners and neighbors.

**5. Long-Term Affordability.** Is the proposed project permanently affordable (*99 year affordability term*)?

X Yes

No

If no, what is the affordability term of the proposed project?

Briefly describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, and deed restrictions.

Tenants living in Pee Wee Homes will pay a monthly rent amount in the range of \$200-\$300 per month, depending on income and estimated utility expenses. Additionally, 10% of each tenant’s on-time rental payment is held in escrow for the tenant – assisting tenants in building equity during their residency through their residency. The tenant will be able to use these escrow deposits as a cushion in emergencies or to transition to their next home. In addition to building equity for the tenant, rental payments will help to

perpetuate the model and provide for maintenance costs to ensure that dwellings remain high-quality, safe places to call home. The property will have a legal agreement for permanent affordability per Town AHDR requirements.

- 6. Leverage:** How much funding is committed at the time of submission of this application? \$111,000  
 What percentage of funding for the proposed project would be leveraged from sources other than the Town? 67% (Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).  
Current funding:  
 \$60,000 from Carol Woods (received for project);  
 \$51,000 committed from Self-Help via Oak Foundation and NNI  
 \$111,000 committed out of \$166,313 = 67%

**7. Project Profile** *Insert project information below*

<b>Location</b> <i>(insert address if available)</i>	506 Mitchell Ln, Chapel Hill NC 27516				
<b>Size</b> <i>(insert acreage of development site)</i>	<u>.29</u> acres				
<b>Total Number of Units</b>	<b># of Total Housing Units</b>	<b># of Bathrooms</b>	<b>Square Footage</b>	<b>Proposed Rent or Sale Price Per Unit</b>	<b>Projected Cost Per Unit Including Utilities</b>
	2	2	580 total	~\$240	30% of renter's income estimated between \$733-\$1,000/month = \$220-\$333/month
<b>Studios</b>					
<b>One-bedroom</b>	<u>2</u>				
<b>Two-bedroom</b>					
<b>Three-bedroom</b>					
<b>Four-bedroom</b>					
<b>Area Median Income Served</b> <i>(insert # of units by AMI)</i>					
<b>&lt;30%</b>	<u>2</u>				
<b>31-60%</b>					
<b>61-80%</b>					
<b>81-100%</b>					
<b>&gt;100%</b>					
<b>Target Population</b> <i>(check all that apply)</i>					
<b>Families</b>	<input type="checkbox"/>				
<b>Older Adults (Age 55+)</b>	<input checked="" type="checkbox"/>				
<b>Disabled</b>	<input type="checkbox"/>				
<b>Homeless</b>	<input checked="" type="checkbox"/>				
<b>Veterans</b>	<input type="checkbox"/>				
<b>Other</b> <i>(specify)</i>	<input type="checkbox"/>				
<b>ADA Accessibility</b> <i>(insert # of total units)</i>	0 (both have universal design features and one will have increased accessibility features but not total ADA compliance because of size of unit)				
<b>Per Unit Subsidy</b>	\$ 27,657 / unit from Town (Total of \$83,157 total grant funding per unit)				
<b>Town Planning Approvals Received</b> <i>(as of the date of application)</i>	<input type="checkbox"/> Yes, in part – we have received approvals for an earlier version on the site, including board of adjustment approvals for the adjusted setbacks. We will have to resubmit the final site plans to planning for final review based on recent changes to design				



- No
- NA

**8. Energy Efficiency:** Will the proposed project meet the standards and requirements of [Energy Star 2.0](#) as verified by an independent, third party expert?

- Yes
- X No

If not, please briefly describe the energy efficiency features included in the proposed project:

**ENERGY EFFICENCY MEASURES**

- Lighting Fixtures – all LED fixtures
- Envelope Improvements
  - o Air seal attics, crawlspace, sill/top plate; all windows, doors, etc.
  - o Insulation: attic (R-40);
  - o Crawlspace sealed with conditioned air provided
- Appliances – Energy Star Qualified Units
- Windows, Doors – Energy Star Qualified
- HVAC
  - o Programmable Thermostat
  - o Ductwork Improvements – sealing
  - o Energy Star Qualified Unit, 14 SEER
- Plumbing
  - o Water Sense toilets
  - o Energy Star water heater

**9. Universal Design:** Please briefly describe the universal design features included in the proposed project:

- Clear door opening widths for all entrance doorways and interior doorways
- 1:20 max ramps
- slab on grade construction
- zero threshold showers
- ADA compliant bathroom in unit 2
- natural light and cross ventilation
- Adjustable height shelves in wall cabinets
- Single-lever water controls on plumbing fixtures
- Electrical outlets 18” minimum height

**10. Involvement of Beneficiaries:** Please describe how you have involved the intended beneficiaries of the proposed project in the planning and design process (*in 100 words or less*).

The current residents of the Pee Wee Homes have provided feedback on their experiences in their Pee Wee Homes to provide guidance on design adaptations and livability of the units. The Pee Wee Homes Board includes two formerly homeless individuals, one of whom is a current tenant in a Pee Wee Home and another who is lives in one of the homes managed by the Northside Neighborhood Initiative and has provided ongoing support for tenants. Both have been involved in the planning and visioning of these units. Finally, the Northside Compass Group, which includes 22 residents from every section of the Northside community, made the decision that this was the best use of 506 Mitchell – especially to prioritize older individuals and find ways to provide affordable rents accessible to extremely low-income tenants.

**11. Alignment with Town Goals and Strategies.** Please explain how the proposed project aligns with the [Town Council Goals](#) and adopted [affordable housing strategies](#).

This project aligns with several Town Council Goals, including 1) increasing availability of affordability of affordable housing for all incomes (Goal 3: Objective 1); 2) improving connections and partnerships with historically disengaged and marginalized populations (Goal 5; Objective 2); and 3) Increasing collaboration, innovation, and learning (Goal 7, Objective 1).

It also helps fulfill goals from the Affordable Housing Strategy, including all three of the major goals - to help provide housing options along the continuum of need, to support a sustainable community, and to utilize creative partnerships. Specifically, it helps address the following objectives:

1c: by providing two new affordable rental units (“focus on development of affordable rental housing for a range of lifestyles”),

1d: by reusing a vacant town property that has extreme complexities and otherwise would remain vacant (“support the reuse or development of property that can be developed into affordable housing”),

1f: by providing affordable housing for senior citizens (“allow senior citizens to transition to affordable housing”),

And 2f by supporting the Northside Neighborhood Initiative and resident’s work to preserve the future of this historic community.

## ATTACHMENTS

### Description of Required Attachments

**1. Financial Audit**

A recent financial audit that should cover **CY 2017**, for calendar year agencies, and **FY 2017-18**, for fiscal year agencies. For organizations with prior year revenues totaling \$500,000 or more a financial audit, prepared by a certified public accountant is required. Agencies with prior year revenues of less than \$500,000 may submit a completed [Schedule of Receipts and Expenditures](#) form (see application materials), in lieu of an audit/report. Agencies with a certified audit/report do not need to complete the form.

**2. Organization Budget**

Please complete the Organizational Budget Template or submit your own budget file (as long as it contains the same information as the template).

**3. Project Budget**

Please complete the Project Budget Template or you submit your own budget file (as long as it contains the same information as requested in the provided template).

**4. Articles of Incorporation**

**5. List of Board of Directors**

Provide the following information about each board of director's member: name, occupation or affiliation of each member, and officer positions.

**6. Pro Forma**

If you are developing rental housing, please attach a 20-year operating pro-forma showing estimated income, expenses, net operating income, debt service, and cash flow.

**7. Project Information**

For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project.

For development and renovation projects, please submit the following:

- Site map showing lot boundaries, locations of structure(s), and other site features
- General location map (at least ½ mile radius)
- Floor plan(s)
- Elevation(s)
- Property Appraisal
- Evidence of zoning compliance
- Map showing proximity to bus stops, grocery store, schools and other amenities (including distance in miles from project site and amenities)

## Non-Profit Corporations:

### 8. IRS Federal Form 990

A copy of the organization's most recent Form 990 is required for nonprofit applicants. The specific form depends upon the organization's financial activity. Review the IRS' table guide, for more details. For Form 990-N (e-postcard) filers, include a copy of the postcard, with the organization's application materials.

### 9. NC Solicitation License

A copy of the organization's current solicitation license is required. Organizations that solicit contributions in North Carolina, directly or through a third party, must renew their licenses annually. For more details, refer to the NC Secretary of State's licensing website and its Frequently Asked Questions Guide (PDF), about exemptions. If exempt per N.C.G.S. § 131F-3, include a copy of the exemption letter with the organization's application materials.

### 10. IRS Federal Tax-Exemption Letter

A copy of the organization's **current** IRS tax-exempt letter that confirms its nonprofit status is required. An organization can request a copy of its letter from the [IRS' Customer Account Services](#).

## For-Profit Corporations:

### 11. Tax Returns

Most recent two years of corporate tax returns.

### 12. YTD Profit and Loss Statement and Balance Sheet

### 13. Tax Returns

Most recent two years personal tax returns and financial statements for all persons who have more than 19.9% ownership interest in the organization

### 14. References

Two business references with name, address, and telephone number

### 15. Signed "Authorization to Release Information" for each person who has more than 19.9% ownership interest in the organization

### 16. Completed W-9 Form



## OVERVIEW OF AFFORDABLE HOUSING FUNDING SOURCES

**Purpose:** This document is intended to provide a summary of the Town’s affordable housing funding sources available to assist in creating a vibrant and inclusive community. The Overview includes a brief description of each funding source, as well as the eligible uses of each source.

### TOWN FUNDING AVAILABLE FOR AFFORDABLE HOUSING PROJECTS FISCAL YEAR 2020:

SOURCE	AMOUNT
Affordable Housing Bond	\$1,500,000
Affordable Housing Fund <i>(funding available varies based on receipt of payments in lieu from developers of affordable housing projects)</i>	\$456,000
Affordable Housing Development Reserve	\$250,000
Community Development Block Grant (CDBG)* <i>(Federal Funding - amount is approximate and varies year-to-year, based on Federal Budget)</i>	\$250,000
HOME* <i>(Federal Funding Process lead by Orange County – amount is approximate and varies year-to-year, based on federal budget)</i>	\$350,000
<b>TOTAL</b>	<b>\$11,760,395</b>

*\*\*CDBG and HOME use a separate funding application. See below for additional information.*

### **AFFORDABLE HOUSING BOND:**

On November 6, 2018, voters approved the Affordable Housing Bond Referendum. Voter approval of the Bond gives the Town Council authority to issue up to \$10 Million in bonds to support affordable housing projects in the community.

#### **Eligible Uses:**

1. Land Acquisition
2. Home Repairs and Comprehensive Rehabilitation
3. Construction of New Affordable Housing Units

#### **Threshold requirements:**

1. The applicant can demonstrate site control (if applicable).
2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the eligible uses for Bond funding approved by the Town.
4. The application is complete and submitted by the established deadlines.
5. The proposed project includes at least 10 homes/units.

6. The proposed project must draw funding awarded within three years of the approval of funding award by the Town.

**Application Process:** The Town will periodically announce a request for proposals for Bond funds via the Town's website and other communications channels. Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on Affordable Housing Bond funds, visit the Town's [Affordable Housing Website](#).

### **AFFORDABLE HOUSING FUND (AHF):**

In 2002, the Town Council established the AHF to preserve owner-occupied housing in Chapel Hill for affordable housing purposes.

**Application Process:** Funds are available through the AHF on a rolling basis, with applications being accepted at any time. Applicants are evaluated by the Town Manager, with Council approval required for requests for housing renovation or homeownership assistance above \$40,000.

**Eligible Uses:** The AHF has a variety of eligible uses, including:

1. Preservation of owner-occupied housing
2. Land acquisition
3. Renovation
4. Affordable housing construction
5. Rental and utility assistance

For more information on the Affordable Housing Fund, visit the [Town's website](#).

### **AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR):**

In fiscal year 2014-15, the Town Council allocated over \$688,000 for affordable housing and approved an allocation strategy for this funding, establishing an Affordable Housing Development Reserve (AHDR).

**Eligible Uses:** The AHDR is dedicated exclusively to the development and preservation of affordable housing. Priority project areas are:

1. Land bank and land acquisition
2. Rental subsidy and development
3. Homeownership development and assistance
4. Future development planning.

**Threshold requirements:**

1. The applicant can demonstrate site control (if applicable).

2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the priority project areas identified by the Town.
4. The application is complete and submitted by the established deadlines.

**Application Process:** AHDR applications are accepted three times per year (~ every 4 months). Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on the Affordable Housing Development Reserve, visit the [Town's website](#).

## **Federal Funding Sources Not Covered By This Application**

### **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)**

The CDBG Program was created by the U.S. Congress in 1974 and is administered by the Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income peoples.

**Eligible Uses:** [CDBG eligible activities](#) include, but are not limited to: Acquisition of Real Property, Relocation and Demolition, Rehabilitation, Public Facilities and Improvements, and Public Services. Ineligible activities include Political Activities, Certain Income Payments, Construction of New Housing, or buildings for the General Conduct of Government.

**Application Process:** Applications are accepted once a year and reviewed by an Application Review Committee, which makes a recommendation for funding to the Chapel Hill Town Council for final approval.

For more information about the CDBG program, visit the [Federal CDBG website](#) and the [Town website](#).

### **THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)**

In 1990, Congress enacted the HOME Investment Partnerships Act in an effort to provide a new approach to housing assistance at the federal level. This federal housing block grant affords state and local governments the flexibility to fund a wide range of housing activities.

**Eligible Uses:**

1. Projects that expand the supply of decent, safe, sanitary and affordable housing, with emphasis on rental housing, for very low- and low-income citizens
2. Projects that strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing
3. Projects that encourage public, private and nonprofit partnerships in addressing housing needs.

**Application Process:** Applications are accepted once a year and reviewed by a committee coordinated by Orange County.

For more information about the HOME program, visit the [Federal HOME website](#) and the [Town website](#).

### OVERVIEW OF ELIGIBLE USES BY FUNDING SOURCE

Uses	CDBG	HOME	AHF	AHDR	BOND
Acquisition	✓	✓	✓	✓	✓
New Construction		✓	✓	✓	✓
Demolition	✓			✓	✓
Future Development Planning				✓	
Homebuyer/Second Mortgage Assistance	✓	✓	✓	✓	
Land Banking				✓	
Redevelopment/ Reconstruction	✓	✓	✓	✓	✓
Rehabilitation/Renovation	✓	✓	✓	✓	✓
Housing Relocation	✓	✓		✓	
Rental Assistance	✓	✓	✓	✓	✓
Rental Subsidy			✓	✓	
Site Improvements	✓	✓	✓	✓	✓
Rental & Utility Assistance			✓	✓	



# 2019 INCOME LIMITS

## US Department of Housing and Urban Development (HUD)

Durham-Chapel Hill Metropolitan Statistical Area  
(Durham, Orange, and Chatham Counties)

<b><i>Income Level</i></b>	<b>1 person</b>	<b>2 people</b>	<b>3 people</b>	<b>4 people</b>	<b>5 people</b>	<b>6 people</b>	<b>7 people</b>	<b>8 people</b>
<b>30% area median income</b>	\$17,850	\$20,400	\$22,950	\$25,750	\$30,170	\$34,590	\$39,010	\$43,430
<b>50% area median income</b>	\$29,700	\$33,950	\$38,200	\$42,400	\$45,800	\$49,200	\$52,600	\$56,000
<b>80% area median income</b>	\$47,500	\$54,300	\$61,100	\$67,850	\$73,300	\$78,750	\$84,150	\$89,600

Source: U.S. Department of Housing and Urban Development (HUD) 2019