

2023 Low-Income Housing Tax Credit Project Funding Plan

Tanyard Branch Trace

Draft



Council Meeting Presentation
April 26, 2023



AGENDA

1) Background

2) Application Overview

3) Recommended Funding Plan



Chapel Hill



Council Consideration

- Consider adopting the resolution approving up to \$1.95 million to Taft Mills Group for the Tanyard Branch Trace (formerly Jay Street) affordable housing development project



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Background

- In November 2022, Council approved \$2 million for a LIHTC project and/or Priority Project

Affordable Housing Funding Plan			
Project	Organization	Request	Council Approved Plan
Homestead Gardens	Homestead Collaborative	\$ 5,475,000	\$ 3,028,839
2023-24 9% Low-Income Housing Tax Credit/Prioritized Project	Town of Chapel Hill	\$ 2,000,000	\$ 2,000,000
Weavers Grove	Habitat for Humanity	\$ 1,850,000	\$ 1,850,000
Trinity Court	Town of Chapel Hill	\$ 1,175,691	\$ 1,175,691
PEACH Apartments	EMPOWERment, INC	\$ 1,000,000	\$ 1,000,000
Master Leasing Program	Community Home Trust	\$ 129,000	\$ 129,000
	Total Request	\$ 13,278,691	\$ 9,183,530

Tanyard Branch Trace

Request: \$1,950,000

- Development Project
- 48 affordable units
- Area Median Income Served: 60% and less
- Previous Town Award: \$0
- High score on rubric: 86%



Affordable Housing Scoring Rubric



Scoring Category	Maximum Score	Project Score
1. Income Target	30	27
2. Financing and Leverage	55	25
3. Feasibility	25	17
4. Experience	20	10
5. Design	30	30
6. Impact	45	45
7. Social Equity	25	25
8. Bonus Points	20	10
TOTAL	230	189
Percentage	100%	86%

Application Scoring

Scoring Category	Maximum Score	Trinity Court	Tanyard Branch Trace (Jay St)	Weavers Grove	Homestead Gardens	Peach Apartments	St. Paul Village	Grant St	Home Preservation for Seniors and Adults	Master Leasing	204 Carver
1. Income Target	30	25	27	22	24	30	19	28	25	30	15
2. Financing and Leverage	55	30	25	15	5	0	30	0	15	5	5
3. Feasibility	25	21	17	20	21	21	15	19	15	0	15
4. Experience	20	10	10	17.5	19	17.5	0	20	10	20	20
5. Design	30	30	30	30	30	30	20	20	15	10	25
6. Impact	45	45	45	45	45	30	45	25	20	0	25
7. Social Equity	25	25	25	25	25	25	25	25	25	25	25
8. Bonus Points	20	10	10	10	10	20	10	10	0	20	5
TOTAL	230	196	189	185	179	174	164	147	125	110	135
Percentage*	100%	89%	86%	80%	78%	75%	74%	65%	61%	61%	60%

*Each project's percentage score is based on the maximum score the project could receive. Some aspects of the scoring criteria may not be applicable to an individual project and are not counted in their maximum score.

Tanyard Branch Trace LIHTC Update

- Developer submitted preliminary 2023 9% LIHTC application, final application due May 12
- Project received perfect site score, only application in Orange County
- Project will leverage nearly 90% of budget from outside sources



LIHTC Application – What is needed from the Town?

- Round 1 Application submitted January 2023
 - ✔ Demonstrated site control, with option to ground lease agreement approved by Council in January 2022
- Round 2 Application Deadline: May 12, 2023
 - ✔ Required zoning in place, as of April 2022
 - ***Letter of Town funding commitment***

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Recommended Funding Plan

- Fully fund the project at \$1,950,000,
- Funding commitment will be contingent on the project receiving 9% LIHTC award in 2023



Council Consideration

- Consider approval of the Recommended Affordable Housing Funding Plan
- Approve Resolution R_



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