

Fiscal Year 2026 Recommended Funding Plan for Local Affordable Housing Funding Program



**Town Council Meeting
September 10, 2025**

Recommended Action

Approve the recommended funding plan for the local affordable housing funding program as outlined in R-4.

Legislative Context

- In January 2025, Council authorized staff to establish and administer a unified local Affordable Housing Funding Program (AHFP)
- Council must approve funding allocations exceeding \$100,000
- Voters approved bond referendums in 2018 and 2024 that include a total of \$25 million for affordable housing

AHFP Allocation Strategy Priorities

- Rental housing for households earning 50% or below of Area Median Income (AMI, ~\$60,000 for family of 4)
- High impact projects
- Shovel ready projects
- Close to frequent public transit
- High leverage
- Environmentally friendly and sustainable design



Funding Plan Highlights

- Allocates \$4.185 Million from 2018 and 2024 bond funding and AHFP
- Supports development of 190 affordable units and acquisition of 4 units
- All units will support households earning 60% AMI or less, including 4 units serving households earning 30% AMI or less
- Leverages about \$60.8 Million in outside funding

FY 2026 Funding Applications

- Released up to \$4 million in local funding on June 26, 2025
- Staff reviewed 4 funding requests totaling \$5.3 million and assembled a recommended funding plan

Fiscal Year 2026 Funding Requests

Organization	Project	Request
Community Home Trust	Rosemary Place Foundation Repair	\$ 50,000
Habitat	Carver Street Townhome Development	\$ 1,065,000
HOPE NC	Affordable Rental Housing Acquisition at Weavers Grove	\$ 185,000
Taft-Mills Group	Hillside Trace Affordable Housing Development	\$ 4,000,000
	Total	\$ 5,300,000

Recommended Funding Plan: Hillside Trace

- Recommendation: \$4,000,000 (\$21,052 per unit)
- Partner: Taft-Mills Group
- Gap financing for construction of 190 apartments
- Affordability: Up to 60% AMI for 50 years



Recommended Funding Plan: Rental Housing Acquisition at Weavers Grove

- Recommendation: \$185,000 (\$46,250 per unit)
- Partner: HOPE NC
- Acquisition of 4 apartments for adults with Intellectual and Developmental Disabilities (I/DD)
- Affordability: up to 30% AMI for 30 years



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