

# AFFORDABLE HOUSING FUNDING PLAN

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## AFFORDABLE HOUSING BOND AND DEVELOPMENT RESERVE

Council Meeting  
June 17, 2020



## Affordable Housing Work Plan FY18-20

PROJECTS	FY 2018				FY 2019				FY 2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>DEVELOPMENT</b>												
Develop Town-Owned Property at 2200 Homestead Road				★			★		★			
Pursue Affordable Housing on Prioritized Town Properties		★		★			★		★			★
Acquire Properties for Affordable Housing Development		★										
<b>PRESERVATION</b>												
Implement Manufactured Home Communities Strategy			★	★			★					
Naturally Occurring Affordable Housing (NOAH) Preservation Strategy												
Acquire and Rehab Properties for Affordable Housing Preservation					★							
<b>POLICY</b>												
Explore the Creation of Employee Housing Incentives			★			★						
Participate in the LUMO Re-Write Project							★					
Develop a Payment-in-Lieu Formula for Rental Housing			★									
Update Payment-in-Lieu for Homeownership Units												
Explore Affordable Housing Incentive Options							★					
<b>FUNDING</b>												

# Implement Investment Plan for Affordable Housing

Manage the Community Development Block Grant Program		★	★	★		★	★	★				
<b>MANAGING TOWN-OWNED HOUSING</b>												
Create and Implement a Public Housing Master Plan		★		★	★		★					
Manage Public Housing Inventory					★							
Manage Transitional Housing Inventory												
<b>MEASUREMENT &amp; REPORTING</b>												
Provide an Affordable Housing Quarterly Report		★	★	★	★	★	★	★	★	★	★	★
Provide an Annual Housing & Community Report	✓				★				★			
Update the County-wide Affordable Housing Database					✓							
Implement the Loans and Grants Tracking Tool			✓									
<b>COLLABORATIONS</b>												
Expand Collaboration with Developers, Providers, and Regional Partners												
Participate in the Affordable Housing Collaborative		★		★				★				★
Engage UNC, the School System, and UNC Health Care												
Serve as a Partner on the Northside Neighborhood Initiative			★									
<b>COMMUNICATIONS</b>												
Implement a Communications and Marketing Strategy				★								



- ★ Council Item Scheduled
- ★ Council Item Heard and/or Action Taken



# Council Consideration

- Consider approval of the recommended Affordable Housing Funding Plan



# Agenda

1. Background

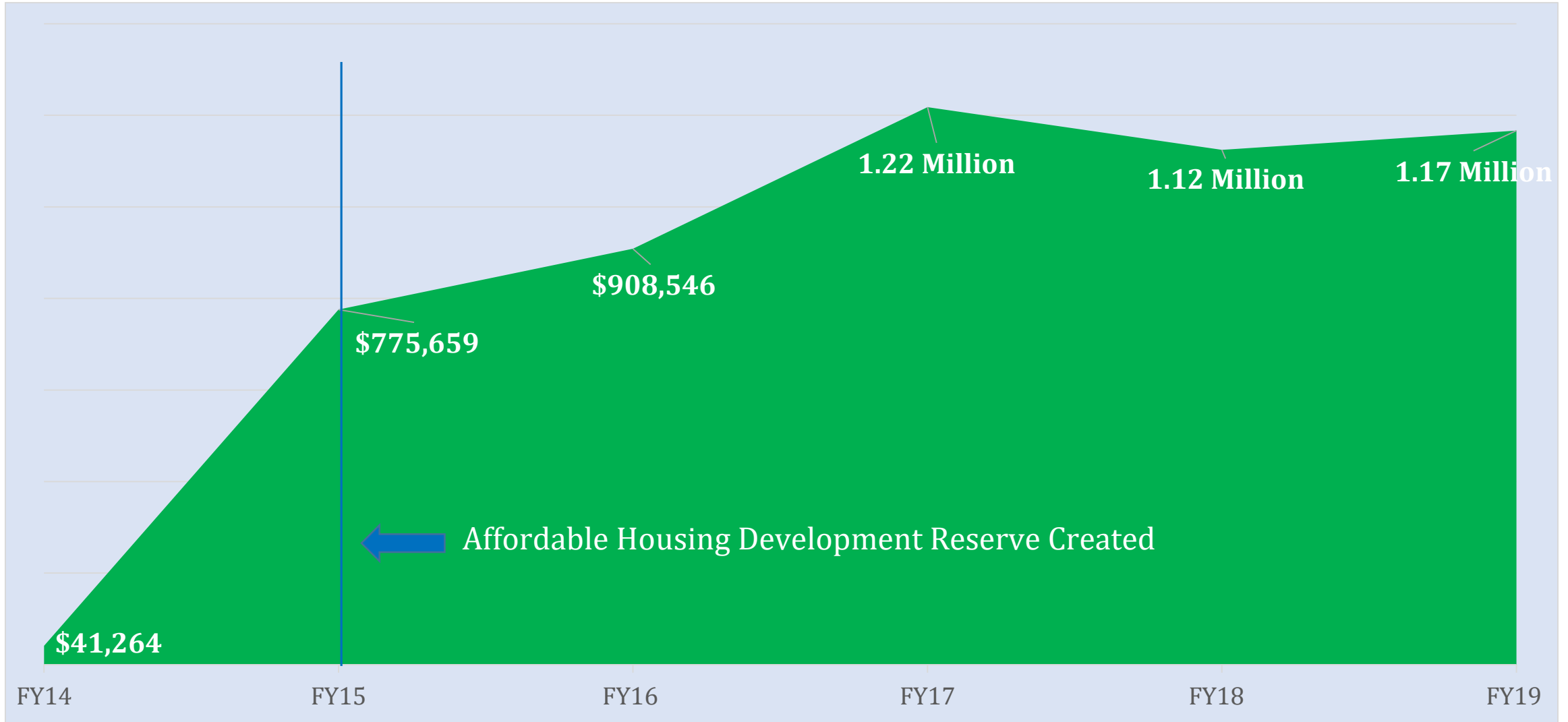
2. Funding Requests

3. Recommended Funding Plan



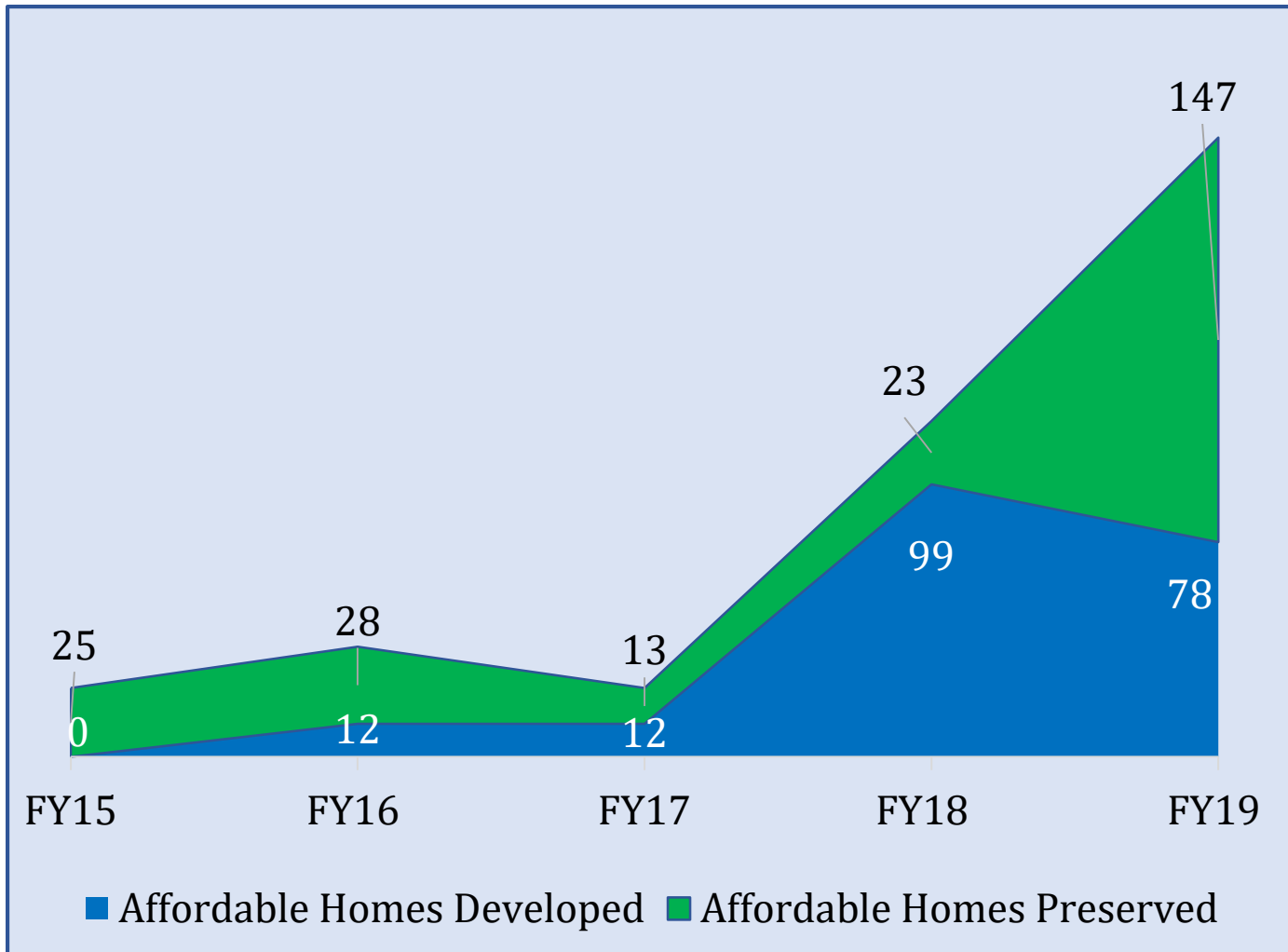
# The Town has increased its support for affordable housing:

## Affordable Housing Funding Available for Projects

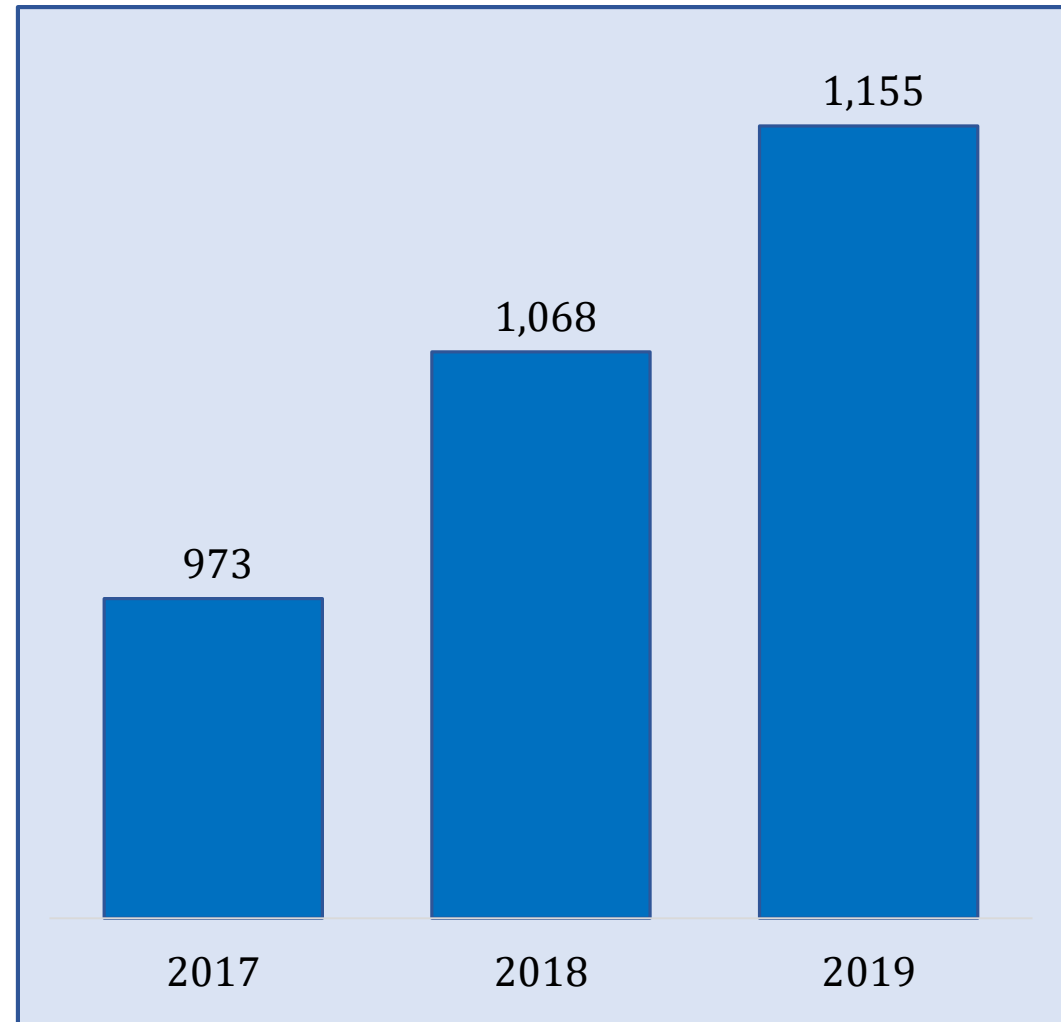


# Increased support has increased our impact:

## Increase in Units Developed and Preserved



## Increase in Number of Subsidized Units



# Affordable Housing Bond

- Approved by Chapel Hill residents in November 2018
- **\$10 million**: Development and Preservation of Affordable Housing



**A PLACE FOR EVERYONE**

**AFFORDABLE HOUSING BOND REFERENDUM**

This fall, Chapel Hill voters will decide on a proposed \$10 million in general obligation bonds to build and preserve housing for persons of low and moderate income.

**VOTING DATES**  
Sept. 7–Oct. 30: Absentee Ballots  
Oct. 17–Nov. 3: Early Voting  
Tuesday, Nov. 6: Election Day

[www.chapelhillaffordablehousing.org/bond](http://www.chapelhillaffordablehousing.org/bond)

TOWN OF CHAPEL HILL



**A PLACE FOR EVERYONE**

Chapel Hill voters will consider the 2018 Affordable Housing Bond Referendum on the following dates:

**Absentee Ballots**  
SEPT. 7 – NOV. 6

**Early voting**  
OCT. 17 – NOV. 3

**Election Day**  
NOV. 6

The referendum asks voters to decide on proposed \$10 million in general obligation bonds. The funds will be used to build and preserve housing for persons of low and moderate income in Chapel Hill.

**What would the \$10 million be used for?**

- Construction of new affordable housing
- Preservation of existing affordable housing
- Acquisition of property to be used for affordable housing

**What is affordable housing?**

- A home that costs no more than 30% of a household's income.
- Affordable housing typically serves households below 80% of the Area Median Income, which for a family of four in Chapel Hill is \$64,500 a year.

**What is a Bond Referendum?**

- A voting process that gives voters the power to decide if a municipality should be authorized to raise funds through the sale of bonds.
- Payment on the bonds would require an estimated tax increase of a penny per \$100 of property value.

For more about the Chapel Hill affordable housing bond referendum:  
[www.chapelhillaffordablehousing.org/bond](http://www.chapelhillaffordablehousing.org/bond)

Information about Voting:  
[http://www.orangecountync.gov/departments/board\\_of\\_elections/](http://www.orangecountync.gov/departments/board_of_elections/) or 919-245-2350

TOWN OF CHAPEL HILL [TOWNOFCHAPELHILL.ORG](http://TOWNOFCHAPELHILL.ORG)

# Affordable Housing Targets

400

Development



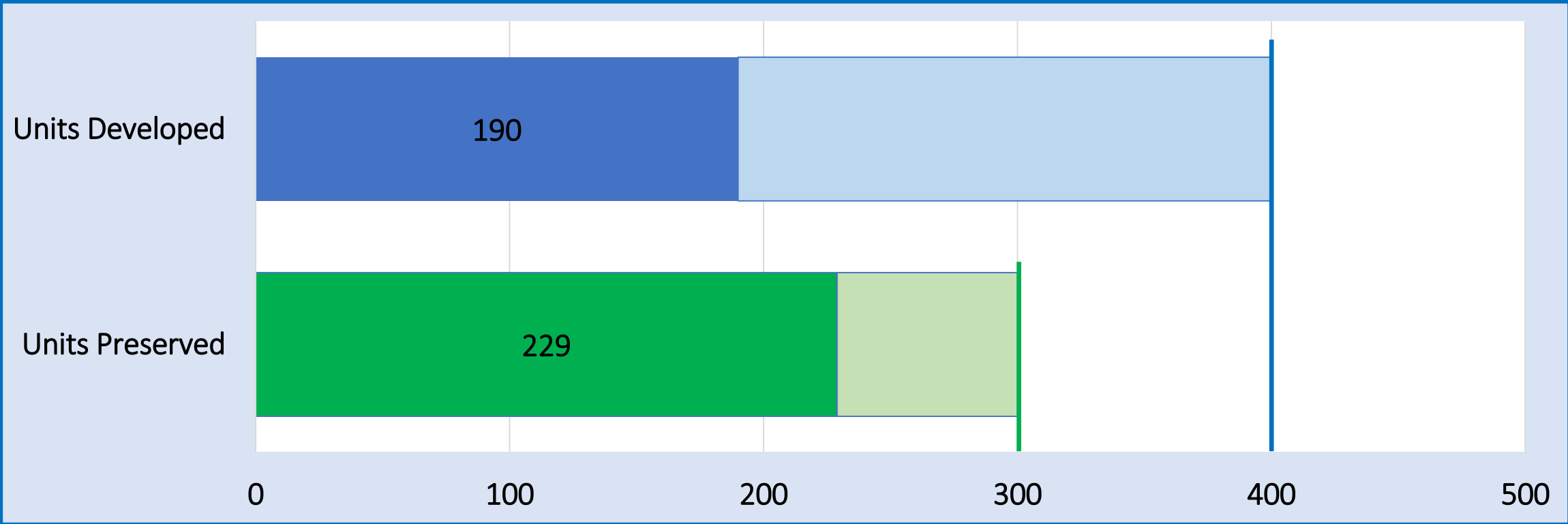
300

Preservation





# Progress Towards Our Affordable Housing Targets



# Bond Funding for First Cycle

- \$5.25 million made available, including AHDR funding
- \$1.75 million Request for Proposal Process for outside agencies
  - HAB review and recommendation
- 3.5 million available for Town initiated projects



A PLACE FOR EVERYONE

**AFFORDABLE HOUSING  
BOND REFERENDUM**

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 [www.chapelhillaffordablehousing.org/bond](http://www.chapelhillaffordablehousing.org/bond)

The poster features a photograph of an elderly couple standing in front of a modern house with a white railing. The text is arranged in a clean, professional layout with a blue header and footer.

# Funding Requests

	Organization	Project	Request	Units
	CASA	Merritt Mill	438,995	48
	EmPOWERment	Johnson Street	350,000	8
	Habitat for Humanity	Weavers Grove	1,500,000	100
	Pee Wee Homes	Mitchell Lane Tinyplex	55,313	2
	Town of Chapel Hill	2200 Homestead Road	3,500,000	120
<b>Total</b>			<b>\$5,844,308</b>	<b>278</b>

# Recommended Funding Plan

	Organization	Project	Request	Recommendation	Units
	CASA	Merritt Mill	438,995	438,995	48
	EmPOWERment	Johnson Street	350,000	-	-
	Habitat for Humanity	Weavers Grove	1,500,000	1,255,692	100
	Pee Wee Homes	Mitchell Lane Tinyplex	55,313	55,313	2
	Town of Chapel Hill	2200 Homestead Road	3,500,000	3,500,000	120
<b>Total</b>			<b>\$5,844,308</b>	<b>\$5,250,000</b>	<b>270</b>

# EmPOWERment, Inc. Johnson St.



- Request: \$350,000
- Recommended Amount: \$0 at this time
  
- ❑ 8 affordable homes
  
- ❑ AMI Served: 0-60%
  
- ❑ % Funded by Town: 20%
  
- ❑ Subsidy Per Unit: \$56,375



# Habitat for Humanity Weavers Grove

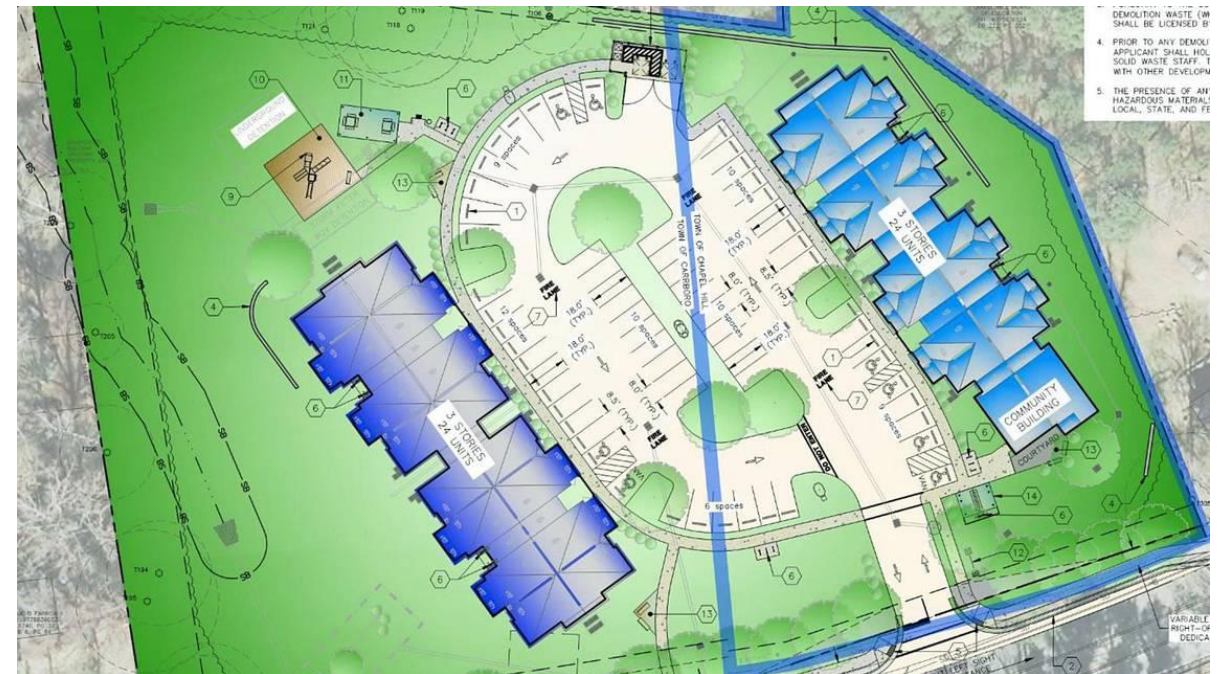


- Request: \$1,500,000
  - Recommendation: \$1,255,692
- 
- ❑ 100 affordable homeownership homes
  - ❑ AMI Served: 31-80%
  - ❑ % Funded by Town: 13%
  - ❑ Subsidy Per Unit: \$33,750



# CASA Merritt Mill

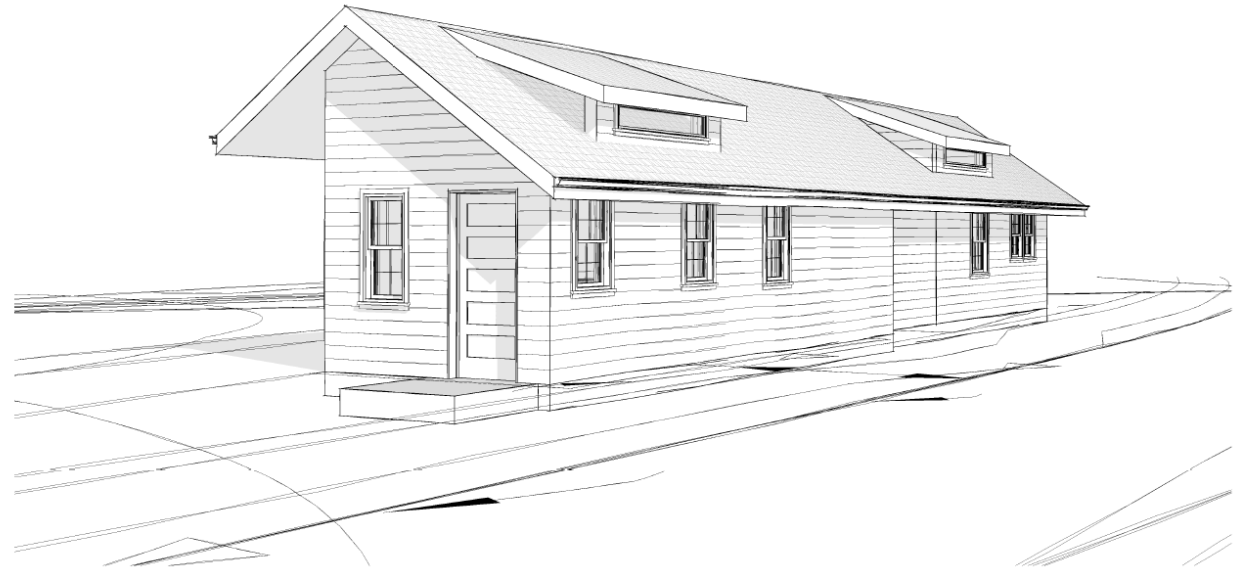
- Request: \$438,995
  - Recommendation: \$438,995
- 
- ❑ 48 affordable rental homes
  - ❑ AMI Served: 0-60%
  - ❑ % Funded by Town: 10%
  - ❑ Subsidy Per Unit: \$20,642



# Pee Wee Homes Mitchell Lane Tiny Duplex



- Request: \$55,313
- Recommendation: \$55,313
  
- ❑ 2 affordable rental homes
  
- ❑ AMI Served: 0-30%
  
- ❑ % Funded by Town: 33%
  
- ❑ Subsidy Per Unit: \$27,656





# Town Project: 2200 Homestead Road



- Recommendation: \$3,500,000
  - ❑ 120 affordable rental and homeownership homes
  - ❑ AMI Served: 0-115%
  - ❑ % Funded by Town: 25%
  - ❑ Subsidy Per Unit: \$43,549



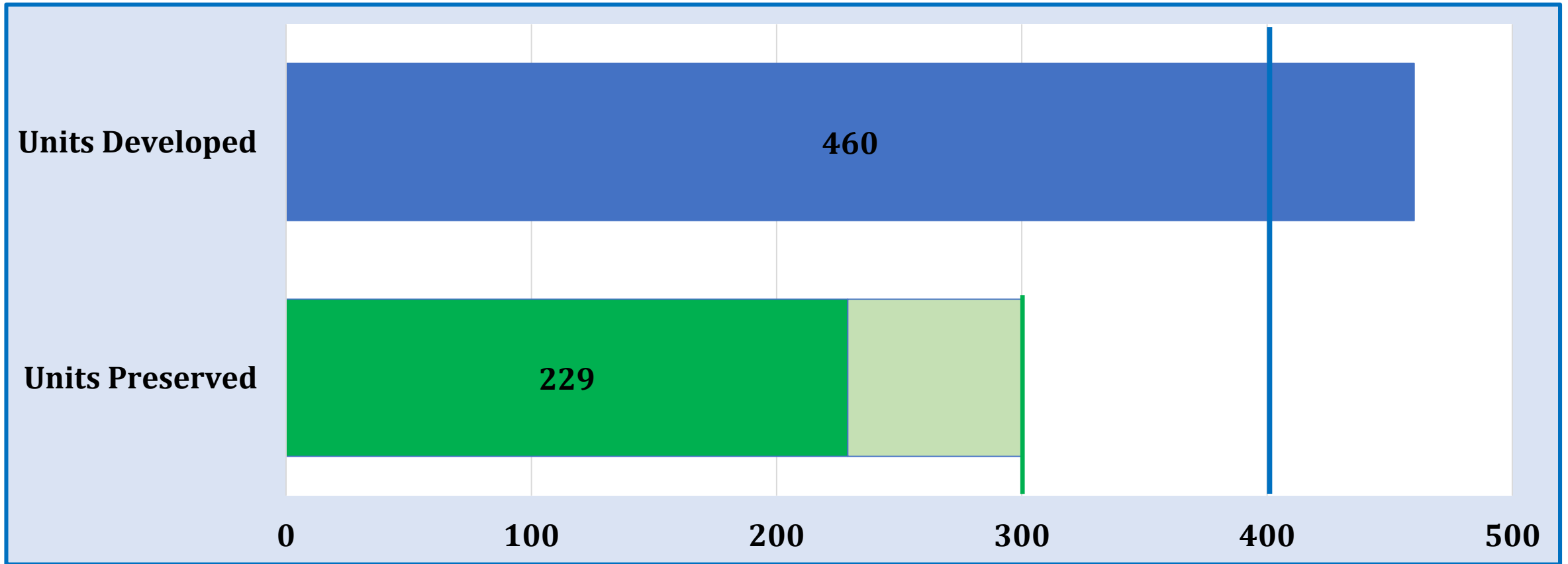
# Recommended Affordable Housing Funding Plan

## Bond Priority Highlights

- Support the development of 270 new affordable housing units
  - 194 serving households below 60% AMI
- Town funds would leverage \$46 million dollars from outside organizations
- Housing located near transit services
- Long-term affordable housing

	Organization	Project	Recommendation	Units
	CASA	Merritt Mill	438,995	48
	Habitat for Humanity	Weavers Grove	1,255,692	100
	Pee Wee Homes	Mitchell Lane Tinyplex	55,313	2
	Town of Chapel Hill	2200 Homestead Road	3,500,000	120
	<b>Total</b>		<b>\$5,250,000</b>	<b>270</b>

# Progress Towards Our Affordable Housing Targets



# Council Consideration

- Consider approval of the recommended Affordable Housing Funding Plan
- Approve Resolution R-4



# AFFORDABLE HOUSING FUNDING PLAN

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## AFFORDABLE HOUSING BOND AND DEVELOPMENT RESERVE

Council Meeting  
June 17, 2020

