

Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund

American Rescue Plan Act (ARPA)



Town of Chapel Hill Office for Housing and
Community

housingandcommunity@townofchapelhill.org

919-969-5079

www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding

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, Affordable Housing Fund, and ARPA). 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.

FINANCING ASSUMPTIONS

Applicants may apply for loans or grants. Town staff will analyze the financials for any project approved for funding and determine the proposed financing structuring. When determining the structure and terms of funding, Town staff will review project financials for accuracy and reasonableness according to the following underwriting assumptions (**unless applicant notes otherwise**):

Rental Projects

- Vacancy allowance: 7%
- Annual rent escalation: 2%
- Annual operating expense escalation: 3%
- Replacement reserves: minimum of \$250/year/unit for new construction
- The income/rent mix should be structured such that a minimum of a 1.15 debt coverage ratio is maintained. Debt Coverage Ratio will be calculated annually by dividing the project's Cash Flow for Debt Service by the Debt Service Payment(s). The Town's ideal range for the Debt Coverage Ratio is between 1.15 and 1.3.

Homeownership Projects

Will consider factors such as estimated sale proceeds, funding sources, and mortgage structure.

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.

FUNDING DISBURSEMENT

Funding is typically issued to funded agencies on a reimbursement basis. The funded agency shall invoice the Town for eligible project expenses as defined by the terms of a performance agreement to be executed with the Town. The funded agency must provide the Town with appropriate documentation of expenses.

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 Nate Broman-Fulks at 919-969-5077 or nbfulks@townofchapelhill.org.

SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: housingandcommunity@townofchapelhill.org. Note that the Project Financials attachment asks for an Excel document, or similar file format, rather than a PDF. If you have questions, please contact Nate Broman-Fulks at 919-969-5077 or nbfulks@townofchapelhill.org

Applications may not be considered for the following reasons:

1. Projects are not located within the Town limits or the Town Extra-Territorial Jurisdiction
2. Projects do not have site control (if applicable)
3. Projects do not align with the eligibility criteria for the funding source
4. Incomplete or late applications

CHECKLIST OF REQUIRED DOCUMENTATION

Application:

- Section 1: Cover Page
- Section 2: Disclosure of Potential Conflicts of Interest
- Section 3: Organization Information
- Section 4: Project Information
- Section 5: Attachments

COVER PAGE

Organization Contact Information

Legal Name: Community Home Trust

Tax ID Number: 56-2141179

Physical Address: 105 Conner Dr Suite 1000, Chapel Hill, NC 27514

Mailing Address: P.O. Box 2315 Chapel Hill, NC 27515

Organization's Website: communityhometruster.org

Date of Incorporation: 05/11/1999

Executive Director Name: Kimberly Sanchez

Telephone Number: 919-967-1545
cvoliveira@communityhometruster.org

E-Mail: ksanchez@communityhometruster.org /

Funding Request

Project Name: Carver

Total Number of Units Included in Funding Request: 1

Total Project Cost: \$315,00

Total Amount of Funds Requested: \$70,00

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

- | | | |
|---|---|-------------------------------|
| <input checked="" type="checkbox"/> Affordable Housing Bond: up to <u>\$70,000</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input checked="" type="checkbox"/> Affordable Housing Fund: up to <u>\$70,000</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input type="checkbox"/> Affordable Housing Development Reserve: \$_____ | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input checked="" type="checkbox"/> American Rescue Plan Act: up to <u>\$70,000</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |

****New this year. If you are NOT requesting a loan, please describe your reasoning:
This project aims to acquire a newly renovated property that will provide affordable housing to many diverse families in the Northside Neighborhood. CHT homes are permanently affordable, allowing subsequent buyers to take advantage of the initial grant.**

CHT uses the grant funds to reduce the cost of the home to the buyer by providing a no-interest, no-payment 2nd mortgage. Utilizing the funds as a grant allows CHT to roll over this subsidy from buyer to buyer, keeping it affordable for multiple generations.

Note: the Town will analyze project financials to determine the project’s ability to support a loan, regardless of the type of funding requested. Staff will use the project’s Debt Coverage Ratio as the key tool in determining the project’s recommended funding structure.

Loan Terms Requested, if applicable, (provide a concise description, including interest rate, term length, amortization schedule): N/A

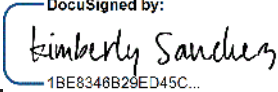
Proposed Use of Funds Requested (*provide a concise description, not to exceed 100 words*): **The funds will be used to purchase a renovated home from Self-Help as part of the Northside Neighborhood Initiative. CHT will then sell the home to an eligible buyer earning under 80% AMI at an affordable price (costs not to exceed 30% of their gross monthly income). The project budget is attached. Renovations include:**

- removing paneling from walls in bedroom,
- renovating the bathroom down to it’s studs,
- replacing ceiling tile in all rooms
- replacing cabinets
- removing window blinds and awnings on the exterior of the windows
- removing trees overhanging the house
- installation of a retaining wall in front of the house
- remove debris from the crawlspace and adding a vapor barrier
- replacing the rear foundation footing and wall
- replacing the existing deck
- installing new R-19 insulation in the crawlspace
- replacing HVAC and ductwork

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

- Acquisition
- Predevelopment activities
- Infrastructure/site improvements
- New construction for homeownership
- New construction for rental housing
- New construction of emergency shelter
- New construction of transitional/supportive housing
- Rental housing subsidy
- Homeownership assistance
- Owner-occupied rehabilitation
- Rental rehabilitation
- 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

9/30/2022
_____ 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:
DocuSigned by:

1BE8346B29ED45C...
 EXECUTIVE DIRECTOR

 9/30/2022

 Date

ORGANIZATION INFORMATION

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

Community Home Trust delivers housing affordability to diverse populations in partnership with our communities.

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.

Kimberly Sanchez – Executive Director

Kimberly Sanchez grew up in Central Florida, completing her undergraduate degree in Public Relations at the University of Florida and law degree at the University of Miami. She has been a nonprofit leader for over 15 years, having come to CHT as the former CEO of Community Legal Services of Mid-Florida (CLSMF), a non-profit law firm and legal aid organization, headquartered in Orlando, Florida. Kimberly has primarily practiced housing throughout her career and is passionate about affordable housing and its impact on the health of our communities. Kimberly oversees the organization.

Caroline Veloso Oliveira – Deputy Director

She holds a Bachelor's degree in Nutrition as well as a Master of Science in Applied Clinical Nutrition. Caroline also holds a Project Management Professional (PMP) credential. She has experience in planning and hosting large conferences and seminars across the state of North Carolina, as well as working on large projects. Caroline is an active member of multiple committees that promote education and affordable housing opportunities. Having gone through the experience of purchasing a home in North Carolina herself, Caroline is very passionate about affordable housing as she believes housing to be a basic human need.

As Deputy Director, Caroline leads our property management team and is the second in command in our organization. She is in charge of program planning, operations, and human resources, and works closely with our financial department. Caroline acts as a liaison between Self Help and CHT, and oversees the Sales and Property Management functions.

Lori Woolworth - Finance Director

Lori has worked in non-profit accounting for over 20 years, with 13 years in affordable housing. Lori oversees the finances of the organization. She is also an Accredited Financial Counselor, Certified HUD housing counselor, and licensed Realtor®, serving as our Broker-in-Charge. Oversees finances.

Deja Gilmore - Program Coordinator

She obtained a degree in social work from North Carolina Agricultural and Technical State University. She purchased a home as a first-time home buyer in 2020. Deja has worked in the housing industry for seven years. Deja Provides financial and homebuyer education to potential buyers to prepare them for homeownership.

Amy Slaughter - Sales Manager

Amy has a degree in Business Administration/Marketing and then obtained her real estate license in 2010. She worked as a Realtor® in Johnston County for five years before relocating to Orange County. She has been with Community Home Trust for over 7 years. She works with buyers after they go under contract to help through the home buying process, including working with lenders and attorneys.

Ian Morse - Property Manager

Responsible for working with homeowners and homeowner associations to keep Community Home Trust developments and homes well maintained. Ian tries to help homeowners feel empowered when it's time to make repairs. Ian holds a master's degree in Sustainability and Environmental Management from The Harvard Extension School and a Certificate in Non-Profit Management from Duke University. He works with buyers to perform walkthroughs of the property and makes sure all repairs have been completed.

of FTE – Full-Time Paid Positions: 10

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

- 3. Agency Track Record:** Briefly describe three relevant and substantially similar affordable housing development or preservation projects completed by the organization in the last 10 years (preferably 5 years). The project description should include:
- Location
 - Scope and scale of project
 - Total development budget and financing sources
 - Indication of whether the projects were completed on budget and on time. If not completed on budget and on time, please describe why.
 - Photos/illustrations of completed project

We have worked in conjunction with the Northside Neighborhood Initiative for over 5 years, acquiring and renovating homes to provide affordable homeownership opportunities in Northside and Tin Top which are increasingly being gentrified. As a result, CHT owns 15 homes in these neighborhoods. All of the homes become part of our homeownership program keeping the property permanently affordable by use of a 99-year ground lease.

For all projects for which you have received Town funding within the last 5 years, please provide the information below.

Project Name	Project Type	Amount of Funding Approved	Is the Project Completed? (Yes/No)	Was the project completed on schedule and within budget? If not, why?
Everam Court (2 units)	Property Acquisition	\$20,000	Yes	Yes
201 N Graham St	Property Acquisition	\$50,000	Yes	Yes
306 Brooks	Property Acquisition	\$55,000	Yes	Yes
230 N Graham St	Property Acquisition	\$60,000	Yes	Yes
Greenway Landing (2 units)	Property Acquisition	\$100,000	Yes	Yes
1000 Shagbark	Property Acquisition	\$20,000	Yes	Yes
Chandler Woods (5 units)	Property Acquisition	\$120,000	Yes	Yes

310 Lindsay	Property Acquisition	\$20,000	Yes	Yes
Resale Subsidy	Homebuyer Assistance	\$30,000	Yes	Yes

***Add rows as needed to reflect additional projects that have received Town 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).*

In collaboration with Self Help and the Marion Cheek Jackson Center, the home at 204 Carver in the Northside Neighborhood will be purchased, renovated and sold to an eligible buyer who is excited to live in this neighborhood. The single-family home was built in 1958, and has three bedrooms and one bathroom, encompassing 918 square feet. The renovations will fix a cracked foundation, replace the HVAC unit, completely renovate the bathroom and update the kitchen and bedrooms.

The porch will be redone allowing for the new homeowners to engage and interact with this unique community from their porch and providing sought after outdoor space. The home will be sold to buyers earning under 80% AMI (a three person household making less than \$68,800).



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

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.

To ensure that our properties remain affordable we enforce a 99-year ground lease for all homeowners. The ground lease gives the buyer(s) the rights and responsibilities of a homeowner and any subsidy used in the home remains with the property for future buyers to take advantage of.

The ground lease requires that the property be the homeowner’s primary residence and any future re-sale must be managed by Community Home Trust in order to ensure permanent affordability for the next buyer. Community Home Trust homes are never subject to the private market and homeowners are not allowed to sell their homes on the private market.

- 6. Leverage:** How much funding is committed at the time of submission of this application? **\$60,000 (Oak Foundation)** What percentage of funding for the proposed project would be leveraged from sources other than the Town? **78%** (Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).

7. Project Profile *Insert project information below*

Location <i>(insert address if available)</i>	204 Carver Street, Chapel Hill, NC				
Size <i>(insert acreage of development site)</i>					
Total Number of Units	<u>1</u>				
	# of Total Housing Units	# of Bathrooms	Square Footage	Proposed Rent or Sale Price Per Unit	Projected Cost Per Unit Including Utilities
Studios					
One-bedroom					
Two-bedroom					
Three-bedroom	<u>1</u>	<u>1</u>	918 sq ft	<u>\$135,000</u>	<u>\$1,388</u>
Four-bedroom					
Area Median Income Served <i>(insert # of units by AMI)</i>					
<30%	<u>0</u>				
31-60%	<u>0</u>				
61-80%	<u>1</u>				
81-100%	<u>0</u>				
>100%	<u>0</u>				
Target Population <i>(check all that apply)</i>					
Families	<input checked="" type="checkbox"/>				
Older Adults (Age 55+)	<input checked="" type="checkbox"/>				
Disabled	<input checked="" type="checkbox"/>				
Homeless	<input type="checkbox"/>				
Veterans	<input checked="" type="checkbox"/>				
Other <i>(specify)</i>	<input type="checkbox"/>				

ADA Accessibility (<i>insert # of total units</i>)	1
Total Development Cost Per Unit	
Per Unit Subsidy	\$ _____ / unit
Debt Coverage Ratio (DCR)	Lowest DCR _____ Highest DCR _____
Town Planning Approvals Received (<i>as of the date of application</i>)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA

8. Energy Efficiency: Will the proposed project meet the standards and requirements of [Energy Star 3.0](#) or standards outlined in the latest [NCHFA QAP](#) as verified by an independent, third party expert?

- Yes
 No

If not, please briefly describe all of the energy efficiency features included in the proposed project:
New energy efficient HVAC, new roof, addition insulation in the attic, energy star rated appliances.

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

The home provides one level living.

10. Social Equity

a. The Town encourages projects not to discriminate based on a tenant's income source. Is your project subject to any policies that restrict any external funding sources for rent, security deposits, and/or other tenant costs (e.g., Emergency Housing Assistance, Housing Choice Vouchers, Rapid Re-Housing, family contributions, etc.)? If yes, please explain what will not be accepted and why.

i. Will the project accept all types of housing vouchers (i.e., HCV, EHV, RRH, PSH, etc.)? If not, which type(s) of housing voucher do you not accept and why?

Yes, the project can accept housing choice homeownership vouchers if applicable.

b. 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 collaboration created for this project includes the work of the Marian Cheek Jackson Center and a group of neighborhood residents whom identify homes that may be subject to gentrification, work with the homeowners to sell to Self Help and then determine the best use of the property for the community.

When a homeownership opportunity is identified, CHT is brought in to work with the collaborative partners to discuss moving forward. The Jackson Center heavily engages the community in both the acquisition and sale of the property to maintain the original communities vibrance and vitality.

c. How has your organization incorporated racial equity goals into your organizational goals?

Our organization is committed to serving diverse populations and the organization’s strategic plan identifies this as a specific objective by increasing the number of clients eligible for housing by reducing barriers, with an emphasis on reaching minorities through education and outreach.

Our organizational values are:

Dedication to our mission: We care about our homeowners, tenants, and the community we share. We seek out new and innovative opportunities and solutions to partner and serve.

Focus on inclusion: We want our organization to reflect our community, and we hold ourselves accountable to building a diverse and inclusive organization. We promise to act on that commitment and respect each other in the process.

Commitment to positive culture: We are committed to excellence in our work, and we invest in each other and our team. Our community and our workplace are safe, encouraging, equitable spaces, and we always support each other. We are open to criticism if it makes us better.

d. Please fill in the below questions and provide any additional context on the racial composition of the organization and board leadership:

- i. % of staff that are people of color: **45%**
- ii. % of board that are people of color: **45%**
- iii. % of staff that have attended racial equity training: **72%**

e. Please describe any additional activities your organization is doing to address racial equity.

We encourage an environment that is open, respectful and curious. We have weekly staff meetings that incorporate team building tools in an effort to facilitate conversations between staff member that help encourage a safe environment for challenging conversations. CHT is working to revise its homeowner selection policies and internal policies through a racial equity lens in order to make sure no one is “left out”.

People of color share similar barriers with other historically marginalized groups such as people with low income, people with disabilities, LGBTQ communities, women, older adults and young people. But people of color tend to experience those barriers more deeply due to the pervasive and systemic nature of racism, which is magnified in housing. By addressing the barriers experienced by people of color, we hope to also identify solutions and remove barriers for other affected groups. CHT hired a consultant from Build from the Heart to work with staff in group discussion and reflection regarding racial equity issues. CHT staff and board members also participated in a moderated book discussion on White Fragility.

ATTACHMENTS

Description of Required Attachments

1. Financial Audit

- a. Please include your organization’s most recent financial audit. 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

- a. Please submit an organizational budget. Among other relevant revenue and expenditure information, please include line items on any government grants or loans by jurisdiction. If your organization has run a deficit, please include that information here.

3. Project Financials

- a. Please submit the following information about the project in a Microsoft Excel document or similar format, as relevant:
 - Project Budget/Development Costs
 - Sources and Uses
 - Operating pro forma (rental projects):
 - must show 20+ year cash flow projections that includes documentation of key operating assumptions, estimated rental income, operating expenses, net operating income, and any anticipated debt service, including a separate line item for any debt service (principal and/or interest) associated with Town loans requested as part of this application. Pro forma should project expenses far enough out to show when debt service ends (i.e., more than 20 years if necessary). Applicants may use the attached template or a similar version of their own.
 - Rental Income Breakdown: must show rent and utilities by bedroom size and AMI level, using the attached template or something similar.
 - Housing Affordability and Sale Proceeds (homeownership projects): must show sales price by bedroom size and AMI level and mortgage sources and amounts, using the attached template or something similar. If the applicant is the lender, also include the mortgage amortization schedule.

4. Articles of Incorporation

5. List of Board of Directors

- a. Provide the following information about each board of director's member: name, occupation or affiliation of each member, officer positions, gender, race/ethnicity. We don't gather this information.

6. Project Information

- a. For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project. Please include when you plan to expend the Town's funding for the project. For ARPA funding applications, project funding must be expended by 12/31/26.

Timeline for renovation: 3 to 5 months.

Marketing and sale: 60 days or less

Expected completion date by June 30th 2023.

- b. Please submit the rental income policy that will be used for the project
- c. Please submit the background check policy that will be used to screen potential tenants
- d. 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:

1. 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.

2. 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.

3. 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:

1. Tax Returns

- a. Most recent two years of corporate tax returns.

2. YTD Profit and Loss Statement and Balance Sheet

3. Tax Returns

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

4. References

- a. Two business references with name, address, and telephone number

Marian Cheek Jackson Center

George Barrett
Executive Director
Marian Cheek Jackson Center
Pronouns:he, him, his
512 W. Rosemary St. Chapel Hill, NC 27516
919-960-1670

Self Help

Graham Smokoski
(he/him)
Senior Project Manager
Real Estate Team
Durham, North Carolina
o: 919.956.4614 | c: 347.306.1670

5. **Signed “Authorization to Release Information”** for each person who has more than 19.9% ownership interest in the organization

6. **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 2022-23:

SOURCE	AMOUNT
Affordable Housing Bond	\$4,002,944 - 5,352,944*
American Rescue Plan Act (ARPA)	\$2,500,000
Affordable Housing Fund <i>(funding available varies based on receipt of payments in lieu from developers of affordable housing projects)</i>	\$450,000
Affordable Housing Development Reserve	\$688,395
Community Development Block Grant (CDBG)** <i>(Federal Funding - amount is approximate and varies year-to-year, based on Federal Budget)</i>	\$524,237
HOME** <i>(Federal Funding Process lead by Orange County - amount is approximate and varies year-to-year, based on federal budget)</i>	\$439,392
TOTAL	\$8,604,970 - 9,954,970

Amounts listed are budgeted amounts as of July 1, 2022

**Amount available depends on whether a previously awarded project receives 2022 9% Low Income Housing Tax Credits*

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

AFFORDABLE HOUSING BOND and American Rescue Plan Act (ARPA):

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/ARPA
Acquisition/Land Banking*	✓	✓	✓	✓	✓
New Construction		✓	✓	✓	✓
Demolition	✓			✓	✓
Future Development Planning				✓	
Homebuyer/Second Mortgage Assistance	✓	✓	✓	✓	
Redevelopment/ Reconstruction	✓	✓	✓	✓	✓
Rehabilitation/Renovation	✓	✓	✓	✓	✓
Housing Relocation	✓	✓		✓	
Rental Assistance	✓	✓	✓	✓	✓
Rental Subsidy			✓	✓	
Site Improvements	✓	✓	✓	✓	✓