

09-28-2022 Town Council Meeting Responses to Council Questions

ITEM #13: Receive the Fiscal Year (FY) 2022 Affordable Housing Annual Report

Council Question:

Could you please provide more detail on the funding gap noted in the slide deck. What is - and is not - included in that figure (for instance, the manufactured housing plan, early warning system/land bank plan, PEH asks)?

Staff Response:

The Affordable Housing and Homeless Services funding gap compares all anticipated available funding to the anticipated funding need for development and preservation projects, implementation of the Town's Preservation Strategy, and support for ongoing initiatives the Town is currently funding.

- **Development and Preservation Projects:** *Includes all projects currently in the pipeline that anticipate needing funding support over the next three years. We have made projections based off current data to project funding need past the next three years.*
- **Preservation Strategy Framework:** *Includes implementation of strategies in the Framework, including an early warning system and a preservation loan fund to assist with acquisition of existing affordable housing. The gap does not include specific funding for manufactured homes, but the strategies in the Framework align with the strategies in the Manufactured Home Action Plan and could be used for manufactured home initiatives.*
- **Ongoing Initiatives:** *Includes funding for initiatives the Town is already funding such as Community Home Trust's and IFC's interlocal agreement, Northside Neighborhood Initiative, HOME Consortium, Partnership to End Homelessness and SOHRAD. It does not include funding for additional positions at the County or any new programs for homelessness or other services.*

As we anticipate Council allocating the remaining Affordable Housing Bond and ARPA funds this fall, we are in the process of creating an updated Affordable Housing Investment Plan, which will be shared with the Housing Advisory Board and Council as part of the 5-Year Budget conversations later this fall.

Council Question:

Is the \$7.5 million funding shortfall cited in the report just for projects in the pipeline?

Staff Response:

All data shown in the Community Indicators section of the Annual Report, including the \$7.5

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million funding shortfall, is from the beginning of FY22 (July 2021). We will update all of the data in the Community Indicators section for the FY23 Q1 report.

The affordable housing and homelessness services funding gap shown in the presentation slide and referenced in the response above is based on the recently updated data we will be using to update the Community Indicators section of the FY23 Quarterly Report.

Council Question:

What is the status of/plan for the future of the NNI, given that repayment of the loan from UNC is due?

Staff Response:

UNC's loan to Self-Help for the NNI Land Bank goes through spring 2025, so there are no immediate changes on the horizon for this element of the NNI work. Self-Help and the Jackson Center will be continuing discussions with UNC about the possibility of extending their loan beyond 2025. The Town has continued to provide operating support to the NNI, in the amount of \$1.29 million since 2015.

Council Question:

The report states that staff is awaiting direction before proceeding on Bennett Place - is that direction from Council? If so, when will we discuss?

Council Question:

The Town's Bennett Rd. and Jay St. properties were designated by Council for AH at the same time. What is the status of Bennett Rd. and why does it seem to be so far behind Jay St.?

Staff Response:

Based on the direction from Council at the September 18, 2019 [Council Work Session](#)¹, staff moved forward with identifying a development partner for Jay Street as the key next step before designing a development planning process for Bennett Road.

Affordable Housing and Community Connections staff have outlined a proposed development planning process for Bennett Road designed to work with a consultant partner to first assess development scenarios and financial feasibility before engaging the Council on those findings. As a next step, based on those findings and Council feedback, staff and our consultant partner could conduct project visioning with the Council and community. Staff is ready to move forward with the first phase of the development planning process if Council gives direction to do so.

¹ <https://chapelhill.legistar.com/MeetingDetail.aspx?ID=710187&GUID=9BD37D6A-CF09-48B5-BD86-70F6E6CD8D98&Options=info|&Search=>

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Staff are actively analyzing development opportunities on the Town-owned Plant Road and Legion Road sites. An interdepartmental work group along with Summit Engineering are conducting a preliminary site analysis for Legion Road, including test fit drawings, to determine the type and density of park space, affordable housing, and possibly commercial development. Council will receive an update on this exploration at their October 3rd Work Session. Staff are also conducting a similar analysis for the Plant Road site. The intent of this analysis is to be prepared to move forward with a project, if feasible, once the site is no longer needed for Parks and Recreation operations.

As shown in our funding gaps analysis, a key factor impacting our ability to move these efforts forward is funding. There is a significant funding gap for already approved projects in the pipeline initiated by the Town and our partners. If it is a priority of Council to move these potential future projects forward, focused discussions on our affordable housing investment plan and opportunities for resourcing Council's development and other affordable housing priorities are recommended.

Council Question:

How are we engaging with the County on these issues and needs? What is the status of the plan for development of a county-wide affordable housing plan?

Staff Response:

Town staff work with Orange County staff on many of these issues and needs, including through regular and frequent meetings of staff from all county jurisdictions. Staff have discussed and started exploring the opportunity to create a county-wide affordable housing plan. It is one of the priorities identified by the group for this fiscal year and will be brought to the Local Government Affordable Housing Collaborative this fall.

Council Question:

The report shows 123 AH units approved in FY 2022. How many units were delivered during that period?

Staff Response:

In FY2022, eleven new affordable homes came online in Chapel Hill.

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Council Question:

In terms of Emergency Housing Assistance, what have been the longer-term results? What proportion of those receiving assistance were able to stay in their homes through now and what proportion ultimately had to leave?

Staff Response:

The County is drafting an evaluation of the program that will detail the results achieved. This is planned to be shared with all of the elected boards later this fall.