

# AFFORDABLE HOUSING QUARTERLY REPORT



FISCAL YEAR 2022 QUARTER 3  
(JANUARY 1 – MARCH 31, 2022)



## OUR GOAL

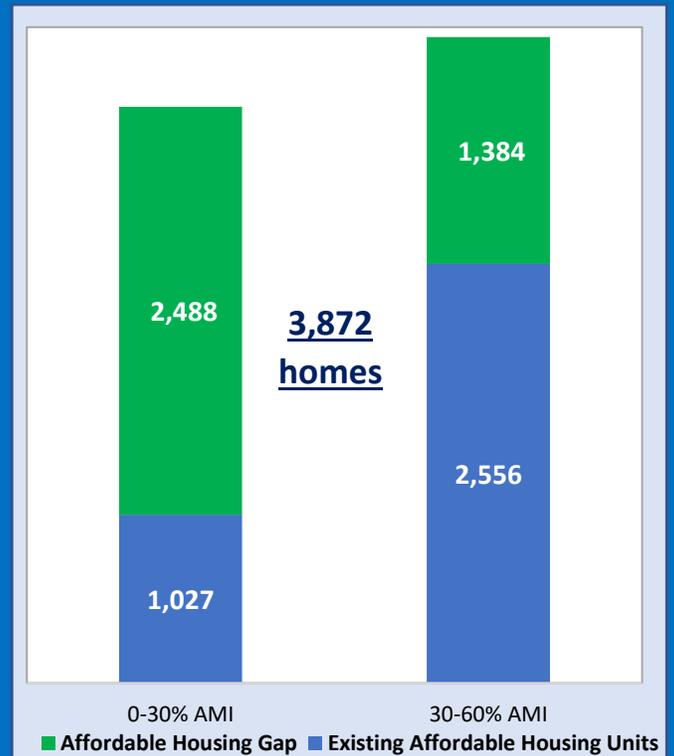
To increase access to housing for residents across a range of incomes, and to constantly strive for more equitable outcomes and opportunities for historically underserved populations.

## COMMUNITY INDICATORS

<p><b>\$5,729,606</b></p> <p>Town Budget for Affordable Housing Strategies</p>	<p><b>\$86,400</b></p> <p>Median Household Income</p>	<p><b>57%</b></p> <p>of Renters spend more than 30% of income on Housing</p>	<p><b>36%</b></p> <p>of Housing Units affordable to households with income at 80% AMI</p>
	<p><b>\$486,733</b></p> <p>Median Home Value</p>	<p><b>22%</b></p> <p>of Homeowners spend more than 30% of income on Housing</p>	<p><b>23,713</b></p> <p>Total housing units in town</p>

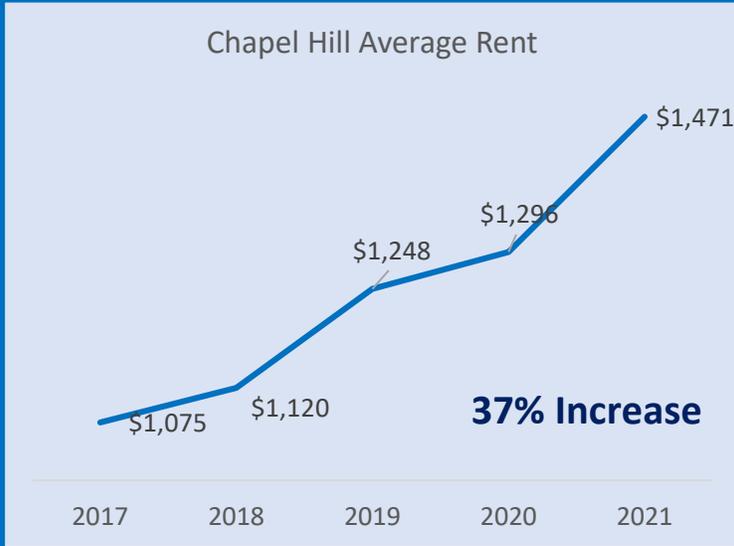
Number and Percent of Households that are Cost-Burdened by Income Level

Additional Affordable Housing Units Needed by Income Level

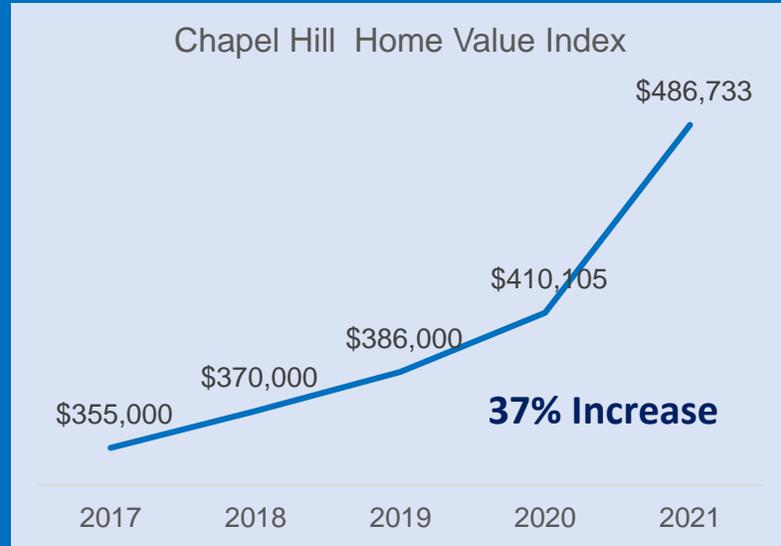


# Housing costs have been rising in Chapel Hill since 2017:

## Rise in Rental Rates

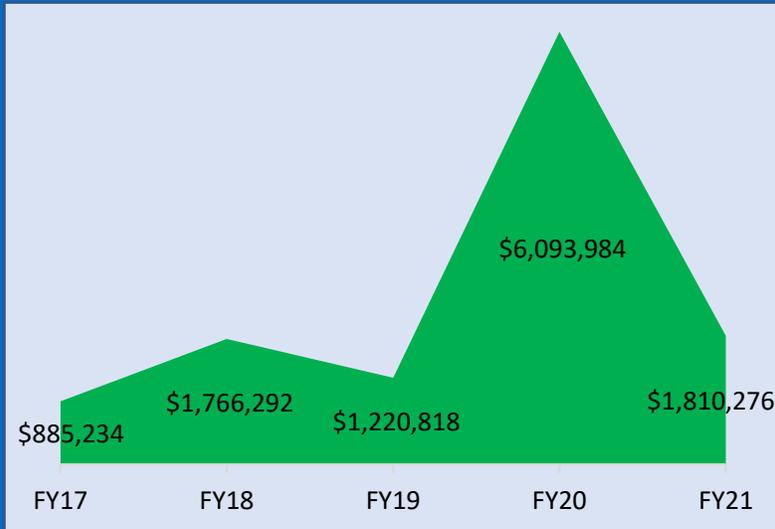


## Rise in Home Values

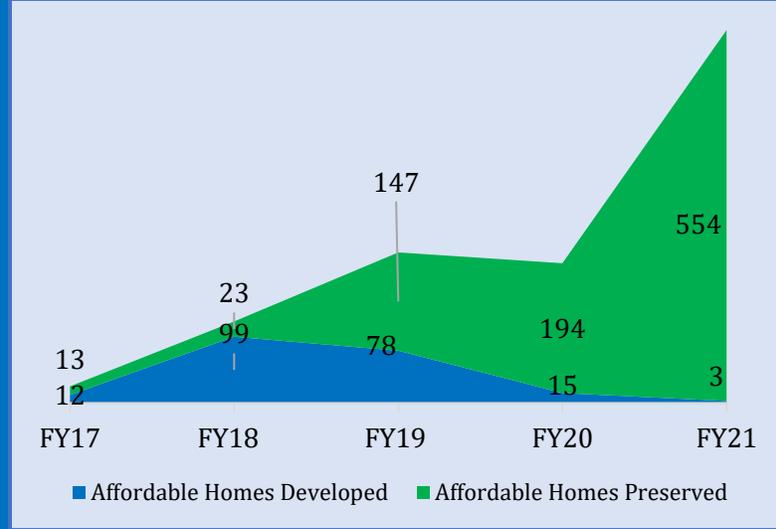


# The Town has increased its support for affordable housing to address housing needs:

## Affordable Housing Funding Allocated to Projects

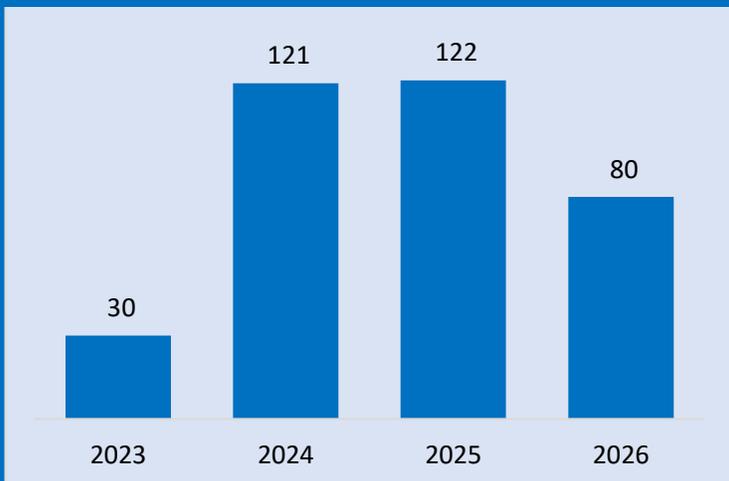


## Development and Preservation Units Completed

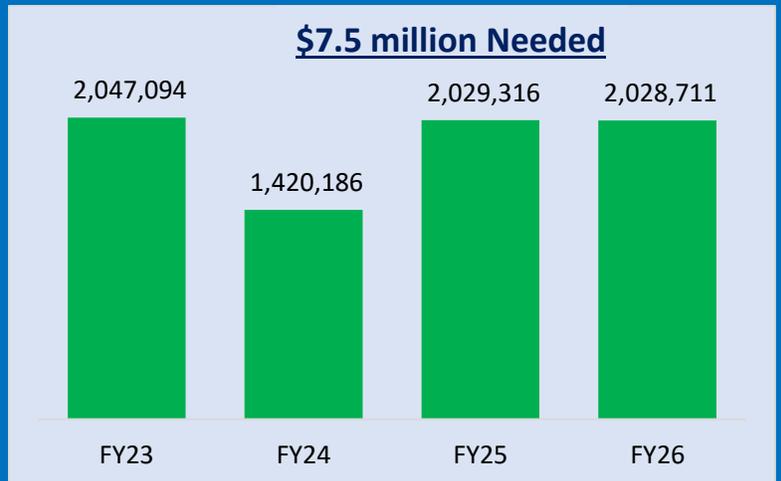


# More affordable housing is planned to be created but funding is still needed:

## Affordable Housing Development Pipeline



## Additional Funding Need to Support Projects

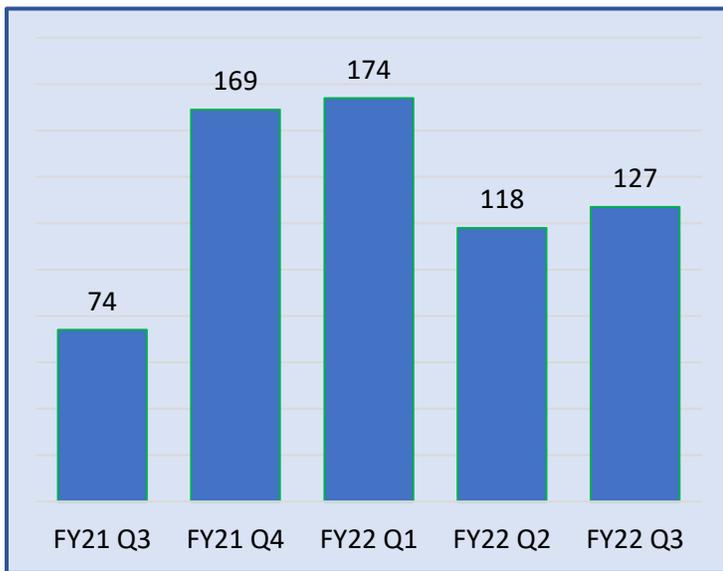


## FY22 Q3 Highlights

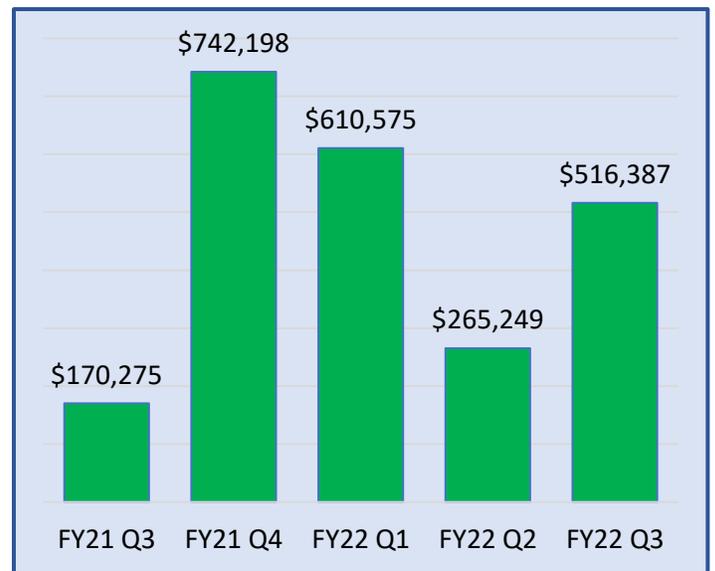
- One new affordable home was added to the inventory of affordable homes in Town.
- Trinity Court and Jay Street Affordable Housing Development Projects completed advisory board review and had their Public Hearing with Council in March.
- The first Town employee received homeownership assistance through the new program guidelines approved by Council for our Employee Housing Program.
- The Town has continued to focus on COVID-19 response and recovery efforts. This quarter, 127 Chapel Hill households received assistance through the County-wide Emergency Housing Assistance Program. This assistance is reflected in the total units preserved.

## Emergency Housing Assistance

Number of Payments Made



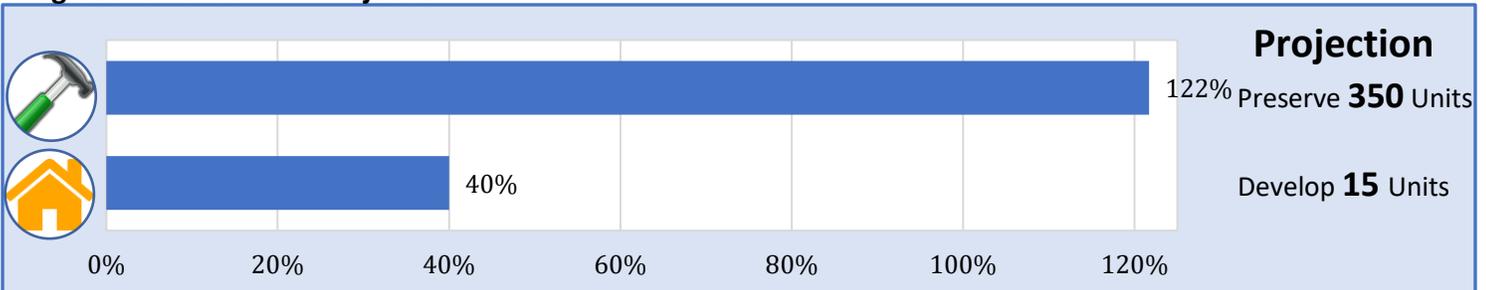
Amount of Assistance Provided



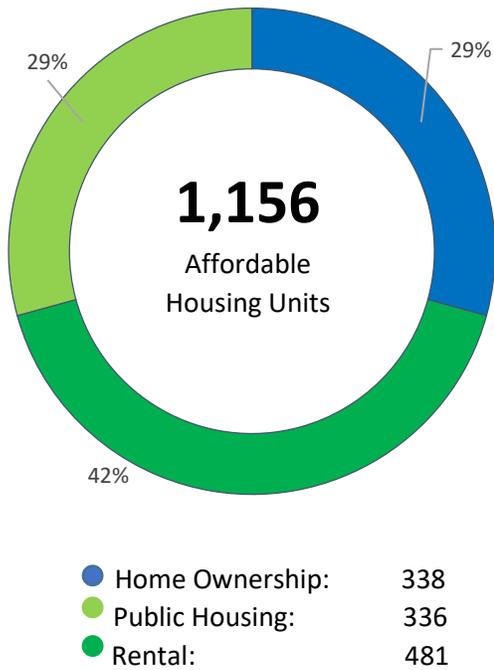
## FY22 Town Performance-to-Date



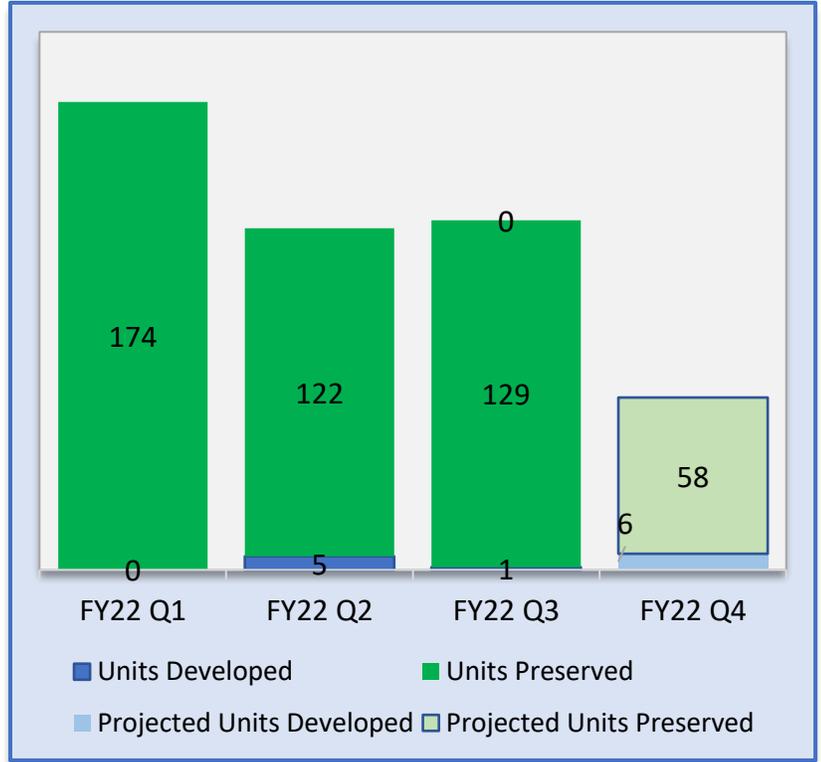
## Progress Towards FY22 Projection



### Number of Subsidized Units in Town



### Units Developed and Preserved by Quarter



### Affordable Housing Projects Underway Supported by the Town

Project Type	Provider	Project Name	Number of Units	Projected Completion	Status
	Self-Help/Empowerment Inc.	Grisham Cottages/Lindsay St Duplex	2	FY22 Q2	✓
	Town of Chapel Hill Public Housing	Oak Avenue Furnace Replacement and Fire Repair	3	FY22 Q2	✓
	Self-Help/Empowerment Inc.	Gomains St Duplex Acquisition	2	FY22 Q2	✓
	Pee Wee Homes	Mitchell Lane Tiny-plex	2	FY22 Q4	●
	Town of Chapel Hill	Employee and Transitional Housing Program Master Leasing	5	FY22 Q4	●
	Town of Chapel Hill	Transitional Housing at Umstead Road	1	FY22 Q4	●
	Town of Chapel Hill Transitional Housing	Ashley Forest Renovation	1	FY22 Q4	●
	Self-Help	Northside Housing Rehab	4	FY22 Q4	●
	Self-Help	Northside Acquisition and Development	4	FY22 Q4	●
	Orange County Preservation Coalition	Homeowner Rehab	3	FY22 Q4	●
	Orange County	Emergency Housing Assistance	300	FY22 Q4	●
	CASA	Perry Place at Merritt Mill	24	FY23 Q4	●
	EmPOWERment, Inc.	Gomains St House Move	1	FY23 Q4	●

	Town of Chapel Hill	2200 Homestead Road	120	FY24 Q2	
	EmPOWERment, Inc.	PEACH Apartments	10	FY24 Q2	
	Town of Chapel Hill	Jay Street	48	FY25 Q2	
	Town of Chapel Hill	Trinity Court	54	FY25 Q2	
	Habitat for Humanity	Weavers Grove	100	FY28 Q2	

**Legend:**

- ✓ : The project has been completed
-  : The project is on track to meet its project scope and schedule
-  : The project has been delayed in meeting its previous quarter project scope and schedule
-  : The project has stalled and may not be completed
-  : Development Project
-  : Preservation Project

## Affordable Housing Work Plan Highlights

Project	Progress Update
<b>DEVELOPMENT</b>	
<b>2200 Homestead</b>	<ul style="list-style-type: none"> <li>Council approved the development agreement with Self-Help for site development.</li> <li>The development team submitted a Zoning Compliance Permit (ZCP) application in March for the first two phases of project construction.</li> </ul>
<b>Jay Street</b>	<ul style="list-style-type: none"> <li>The development team presented the project at a Council Legislative hearing on March 23. Council will consider approval of the Conditional Zoning application for the project at the April 27 regular meeting.</li> <li>The project received a perfect site score for its 9% LIHTC application. The development team is preparing to submit its final application in May.</li> </ul>
<b>Trinity Court</b>	<ul style="list-style-type: none"> <li>The development team presented the project at a Council Legislative hearing on March 23. Council will consider approval of the Conditional Zoning application for the project at the April 27 regular meeting.</li> <li>The project received a perfect site score for its 9% LIHTC application. The development team is preparing to submit its final application in May.</li> </ul>
<b>Bennett Road</b>	<ul style="list-style-type: none"> <li>Staff are finalizing a proposed visioning process designed to engage the Council and community and assess development options.</li> </ul>
<b>Plant Road</b>	<ul style="list-style-type: none"> <li>Staff have begun to conduct a preliminary review of the site to explore possible affordable housing opportunities.</li> </ul>
<b>PRESERVATION</b>	
<b>Implement Manufactured Home Communities Strategy</b>	<ul style="list-style-type: none"> <li>Chapel Hill and Carrboro Town Council and Hillsborough Board of Commissioners have endorsed the County-wide Manufactured Home Action Plan.</li> <li>Staff creating outreach plan to provide housing resources and information about upcoming affordable housing developments to manufactured home residents.</li> <li>Staff finalized a housing resource guide for distribution to manufactured home residents and completed translation into Spanish.</li> </ul>
<b>Affordable Housing Preservation Strategy</b>	<ul style="list-style-type: none"> <li>The Town continues to participate in the County-wide Emergency Housing Assistance (EHA) program.</li> <li>The EHA partnership was selected by <a href="https://www.changelabsolutions.org/">ChangeLabSolutions</a><sup>1</sup> to participate in their Housing Solutions Collaborative peer learning cohort to evaluate EHA program success and sustainability. Staff from each jurisdiction and Empowerment are serving on that team.</li> <li>Staff is conducting additional research on implementation options for the Preservation Strategy based on Council’s feedback.</li> </ul>

<sup>1</sup> <https://www.changelabsolutions.org/>

POLICY	
<b>Implement Employee Housing Program</b>	<ul style="list-style-type: none"> <li>Staff have started implementing the program under the new guidelines approved by Council in the fall and seen increased interest.</li> <li>The first \$7,500 in homeownership assistance was provided to an employee to purchase a home within the 5 mile radius of Town Limits in March. This employee would not have been eligible for the assistance without the updates approved in October.</li> </ul>
<b>Housing Petition Response</b>	<ul style="list-style-type: none"> <li>Staff are implementing the work plan created in response to the <a href="#">September 22, 2021</a> housing petition.</li> <li>Staff have conducted research and facilitated discussions with neighboring municipalities, local and regional affordable housing developers to help inform the development of an expedited review process for affordable housing development projects.</li> <li>Staff are scheduled to present our findings and preliminary recommendations at the May 4<sup>th</sup> Council Work Session</li> </ul>
FUNDING	
<b>Implement Investment Plan for Affordable Housing – Affordable Housing Bond</b>	<ul style="list-style-type: none"> <li>Staff initiated the Bond RFP process for 9% Low Income Housing Tax Credit projects.</li> <li>The Town received one application for DHIC’s project at Carraway Village (The Indigo) requesting \$1.35 million. The HAB reviewed that application at their April 12<sup>th</sup> meeting and recommended fully funding the project’s request.</li> <li>Staff continuing to explore eligible uses of ARPA funds and how other communities are using ARP to support affordable housing efforts.</li> </ul>
<b>Manage Funding Programs</b> <ul style="list-style-type: none"> <li>▪ <b>Affordable Housing Fund (AHF)</b></li> <li>▪ <b>Development Reserve (AHDR)</b></li> <li>▪ <b>CDBG</b></li> </ul>	<ul style="list-style-type: none"> <li>Staff developed plan for excess fund balance to fill funding gaps and address unmet needs; following Council’s approval of \$500,000, staff are now implementing the funding plan.</li> <li>The Local Government Affordable Housing Collaborative reviewed HOME applications and made funding recommendations at their March meeting. The proposed funding plan is scheduled to be approved on June 8<sup>th</sup>.</li> <li>The CDBG application review committee reviewed applications in March and staff presented their recommended funding plan at the April 6<sup>th</sup> Public Forum. Council is scheduled to approve the plan on June 8<sup>th</sup>.</li> </ul>
MANAGING TOWN-OWNED HOUSING	
<b>Transitional Housing Program</b>	<ul style="list-style-type: none"> <li>Staff in the process of completing lease up process for remaining Union tenants, including 2 Town employees.</li> <li>Staff completing deferred maintenance to additional units on our portfolio using excess fund balance funding approved by Council.</li> <li>Renovations of Umstead Rd house underway.</li> </ul>

## Notes & Citations

- The percentage of renters and homeowners that pay more than 30% of their income on Housing, the number and percentage of cost-burdened housing, and total occupied housing units in town data source is U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates
- HUD defines cost-burdened families as those who pay more than 30% of their income for all housing-related expenses and may have difficulty affording necessities such as food, clothing, transportation, and medical care.
- Staff calculated the need for affordable housing units by income level by comparing the number of households with incomes that fall within the specified AMI levels to the number of affordable units available to households at those income levels. The data source for household income level was the American Community Survey. The unit count data was pulled from the Co-Star Naturally Occurring Affordable Housing database and the Orange County Subsidized Affordable Housing Inventory.
- The median household income data source is the HUD 2021 Median Family Income Estimates based on American Community Survey data for the Durham-Chapel Hill Metropolitan Statistical Area.
- The median home value data source is Zillow.com and average rent rate is from Co-Star data.

- The total budget this fiscal year for affordable housing strategies captures all Town expenditures for affordable housing. This includes the Affordable Housing Fund, CDBG Funds, and operating funds, among others.
- The percentage of housing units that are affordable to households with income under 80% AMI includes naturally occurring affordable housing and units subsidized by the Town. The data source for this metric and corresponding chart is the commercial real-estate research firm Co-Star and the County-wide data inventory created through the Orange County Affordable Housing Coalition.
- The percent-of-budget allocated metric displays the percentage of the Town budget for affordable housing projects allocated as of the date of the quarterly report.
- The data source for the number of units subsidized by the Town is the County-wide Data Inventory created through the Orange County Affordable Housing Coalition.
- The data source for subsidized housing unit development projections is the County-wide data inventory created through the Orange County Affordable Housing Coalition.