

# Affordable Housing Funding Plan

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Town Council Meeting



November 16, 2022



# AGENDA

1) Common Funding Application

2) Funding Sources

3) Project Overviews

4) Recommended Funding Plan





# Council Consideration

- **Consider approval of the recommended Affordable Housing Funding Plan**
- **Alternative Options**
  1. Reallocate portions of the HAB Recommended Plan
  2. Refer some requests to CDBG or other funding sources
  3. Allocate Affordable Housing Fund dollars to other requests





# Funding Recommendation Highlights

- Support the development of almost 400 new affordable homes
- Support the preservation of over 50 affordable homes
- Town funding would leverage over \$100 million dollars from outside sources
  - Only 12% of project funds would come from the Town



# Affordable Housing Common Funding Application

- Town releases Affordable Housing Common Funding Application for affordable housing projects annually
- RFP launched in August of 2022
- Town Funding Sources:
  - Affordable Housing Development Reserve (AHDR)
  - Bond
  - American Rescue Plan Act (ARPA)

## 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

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# Affordable Housing Funding Sources

## AH Development Reserve

\$600,395 available

## AH Bond

\$5.35 million available

## ARPA

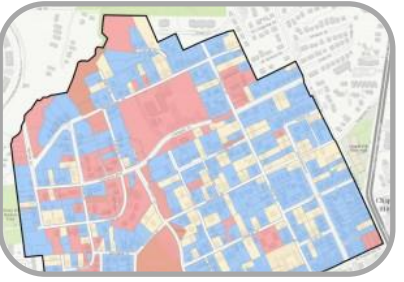
\$2.5 million available



Land Bank & Acquisition



Rental Subsidy & Development



Land Acquisition



Home Repairs & Rehab



Land Acquisition



Home Repairs & Rehab



Development



Development



Homeownership Development & Assistance



Future Development Planning

# Funding Available This Cycle

	<b>Amount</b>
Outside Agencies	\$ 5,278,839
Town-Initiated/Prioritized Projects	\$ 3,175,693
<b>Total</b>	<b>\$ 8,454,530</b>

# Town-Initiated/Prioritized Projects



- Town Council Prioritized Projects
- Two Projects in this Cycle:
  - Trinity Court Redevelopment
  - 9% Low-Income Housing Tax Credit/Prioritized Project (Jay Street, Indigo, etc.)





# Town Initiated/Prioritized Projects Funding



<b>Project</b>	<b>Request</b>	<b>Units</b>
Trinity Court Redevelopment	\$ 1,175,691	54
2023-24 9% LIHTC/Prioritized Project	\$ 2,000,000	~50
	<b>\$ 3,175,691</b>	<b>~104</b>

# Housing Advisory Board (HAB) Evaluation Process

- Council established HAB as review board for funding applications when AHDR was established in 2015
  1. HAB and staff review outside agency applications
  2. Staff conducts initial scoring
  3. HAB reviews and finalizes scoring
  4. HAB recommends funding plan to Council

# Housing Advisory Board Evaluation Criteria

## Scoring Criteria:

1. Income Target – 30 points
2. Financing and Leverage – 55 points
3. Project Feasibility – 25 points
4. Applicant Experience – 20 points
5. Design – 30 points
6. Project Impact – 45 points
7. Social and Racial Equity – 25 points

Category	Sub-category	Criteria	Points	Maximum Points	Notes
1. Income Target	a. The households to be served through the proposed project fall within the household income ranges.	Household Income Range	Points	30	maximum points See Question 7
		0-30% AMI	30		
		31-60% AMI	25		
		61-80% AMI	15		
		> 80% AMI	0		
2. Financing and Leverage	a. The degree to which the proposed project includes other sources of funds.	Percent Funded by Town Source	Points	55	maximum points See Question 6
		41-100%	0		
		21 - 40 %	5		
		11 - 20 %	10		
		0 - 10 %	15		
	b. Total Town Subsidy Per Unit	Less than \$20,000	15	See Question 7	
		\$20,001-\$30,000	10		
		\$30,001-\$50,000	5		
	c. Total Development Cost Per Unit	\$50,001+	0		
		\$200,000 +	0		
\$125,000 - \$199,999		5			
d. Town subsidy will be repaid to the Town	< \$125,000	10			
	No	0			
	Yes, principal only repayment	10			
3. Feasibility	a. The applicant can demonstrate zoning compliance. b. Planning approval already received. c. 50% of other financing has been committed by other sources. d. The project is projected to be completed within 5 years		Points	25	maximum points Information See Question 7 See Attachment- Budget See Attachment - Project Information
			2		
			4		
			15		



# Outside Agency Funding Requests

<b>Organization</b>	<b>Project</b>	<b>Request</b>	<b>Units</b>
St. Paul Nida	St. Paul Village	1,000,000	93
Hope Renovations	Home Preservation	300,000	50
Homestead Collaborative	Homestead Gardens	5,475,000	87
EmPOWERment	PEACH Apartments	1,000,000	10
EmPOWERment	Grant Street	279,000	2
Community Home Trust	Carver Street	70,000	1
Community Home Trust	Master Leasing	129,000	8
Habitat for Humanity	Weavers Grove	1,850,000	101
		<b>\$10,103,000</b>	<b>352</b>

# Habitat for Humanity – Weavers Grove



**Request: \$1,850,000**

- Development Project
- 101 affordable units
- AMI Served: 30-80%
- Previous Town Award: \$1,630,692
- Highest score on rubric: 80%





# Homestead Collaborative – Homestead Gardens

Request: \$5,475,000

## Development Project

- Self-Help: \$975,000 for infrastructure and site development
- CASA: \$1,000,000 for 32 UNC-Horizons apartments
- CASA: \$2,000,000 for 22 work force housing apartments
- Community Home Trust: \$1,500,000 for 21 townhomes

## 87 affordable units

## AMI Served: 0-80%

## Previous Town Award:

\$3,773,395 funding

\$2,484,000 Town- donated land

## Score: 78%





# EmPOWERment – PEACH Apartments



**Request: \$1,000,000**

- Development Project
- 10 affordable units
- AMI Served: 0-30%
- Previous Town Award:
  - \$501,000 funding
  - \$135,000 Town-donated land
- Score: 75%

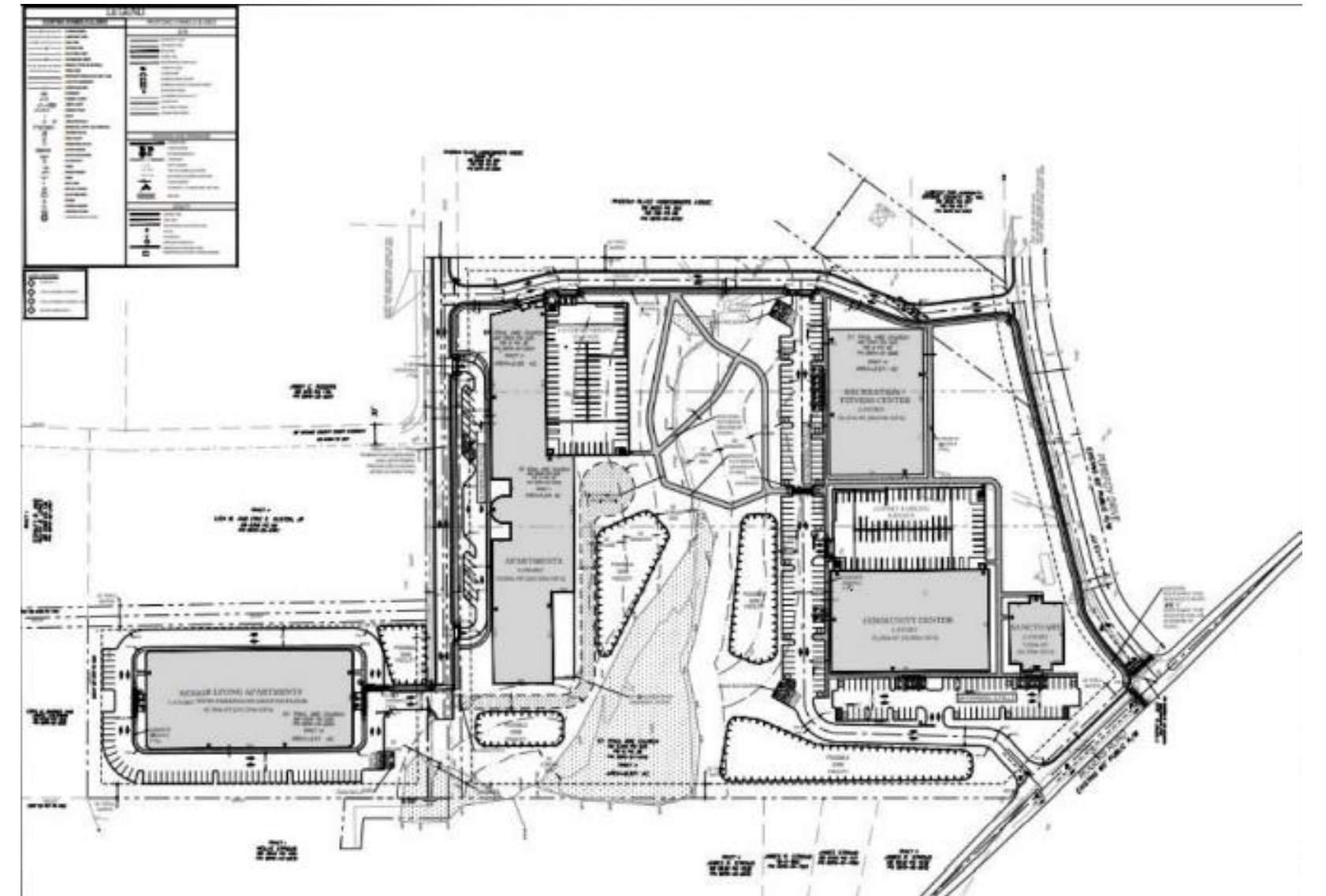


EAST ELEVATION

# St. Paul NIDA – St. Paul Village

**Request: \$1,000,000**

- Development Project
- 93 affordable units
- AMI Served: 30-80%
- Previous Town Award: \$0
- Score: 74%



# EmPOWERment – Grant Street



**Request: \$279,000**

- Acquisition and Rehab
- 2 affordable units
- AMI Served: 0-60%
- Previous Town Award: \$0
- Score: 65%





# Hope Renovations – Home Preservation for Seniors and Disabled Adults



**Request: \$300,000**

- Owner-occupied rehab
- 50 affordable units
- AMI Served: 0-80%
- Previous Town Award: \$0
- Score: 61%





# Community Home Trust – Master Leasing

**Request: \$129,000**

- Rental housing subsidy
- 8 affordable units
- AMI Served: 0-30%
- Previous Town Award: \$237,000
- Score: 61%





# Community Home Trust – Carver Street

Request: \$70,000

- Acquisition
- 1 affordable unit
- AMI Served: 60-80%
- Previous Town Award: \$0
- Score: 60%





# Application Scoring

Scoring Category	Maximum Score	Weavers Grove	Homestead Gardens	Peach Apartments	St. Paul Village	Grant St	Home Preservation for Seniors and Adults	Master Leasing	204 Carver
1. Income Target	30	22	24	30	19	28	25	30	15
2. Financing and Leverage	55	15	5	0	30	0	15	5	5
3. Feasibility	25	20	21	21	15	19	15	0	15
4. Experience	20	17.5	19	17.5	0	20	10	20	20
5. Design	30	30	30	30	20	20	15	10	25
6. Impact	45	45	45	30	45	25	20	0	25
7. Social Equity	25	25	25	25	25	25	25	25	25
8. Bonus Points	20	10	10	20	10	10	0	20	5
<b>TOTAL</b>	230	185	179	174	164	147	125	110	135
<b>Percentage</b>	100%	80%	78%	75%	74%	65%	61%	61%	60%

\*Each project's percentage score is based on the maximum score the project could receive. Some aspects of the scoring criteria may not be applicable to an individual project and are not counted in their maximum score.

# Housing Advisory Board Funding Recommendation

Project	Organization	Request	Recommendation
Weavers Grove	Habitat for Humanity	\$ 1,850,000	\$ 1,850,000
Homestead Gardens	Homestead Collaborative	\$ 5,475,000	\$ 1,799,839
PEACH Apartments	EMPOWERment, INC	\$ 1,000,000	\$ 1,000,000
St. Paul Village	St. Paul NIDA Inc	\$ 1,000,000	\$ 300,000
Home Preservation for Seniors and Adults	Hope Renovations	\$ 300,000	\$ 200,000
Master Leasing Program	Community Home Trust	\$ 129,000	\$ 129,000
Grant Street	EMPOWERment, INC	\$ 279,000	\$ -
Carver	Community Home Trust	\$ 70,000	\$ -
<b>Total Request</b>		<b>10,103,000</b>	<b>5,278,839</b>

# Total Funding Recommendation

Project	Organization	Request	Recommendation	Affordable Units
Weavers Grove	Habitat for Humanity	\$ 1,850,000	\$ 1,850,000	101
Homestead Gardens	Homestead Collaborative	\$ 5,475,000	\$ 1,799,839	87
PEACH Apartments	EMPOWERment, INC	\$ 1,000,000	\$ 1,000,000	10
St. Paul Village	St. Paul NIDA Inc	\$ 1,000,000	\$ 300,000	93
Home Preservation for Seniors and Adults	Hope Renovations	\$ 300,000	\$ 200,000	50
Master Leasing Program	Community Home Trust	\$ 129,000	\$ 129,000	8
Grant Street	EMPOWERment, INC	\$ 279,000	\$ -	0
Carver Street	Community Home Trust	\$ 70,000	\$ -	0
Trinity Court	Town of Chapel Hill	\$ 1,175,000	\$ 1,175,691	54
9% LIHTC/Prioritized Project	Town of Chapel Hill	\$ 2,000,000	\$ 2,000,000	50
<b>Total Request</b>		<b>\$ 13,278,000</b>	<b>\$ 8,454,530</b>	<b>453</b>



# Recap of Recommendation Highlights

- Support the development of almost 400 new affordable homes
- Support the preservation of over 50 affordable homes
- Town funding would leverage over \$100 million dollars from outside sources
  - Only 12% of project funds would come from the Town



# Other Eligible Funding Sources

<b>SOURCE</b>	<b>AMOUNT</b>
Affordable Housing Opportunity Fund	\$229,000
Affordable Housing Fund	\$500,000
CDBG Neighborhood Revitalization	\$202,784
FY24 CDBG	~\$270,000
FY24 HOME	~\$400,00
HOME-ARP	\$1.37 million
<b>TOTAL</b>	<b>\$2.57 million</b>

**\*Sources that could be applied for in FY23**





# Council Consideration

- **Consider approval of the recommended Affordable Housing Funding Plan**
- **Alternative Options**
  1. Reallocate portions of the HAB Recommended Plan
  2. Refer some requests to CDBG or other funding sources
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# Affordable Housing Funding Plan

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**November 16, 2022**



## OVERVIEW OF ELIGIBLE USES BY FUNDING SOURCE

Uses	CDBG	HOME	AHF	AHDR	BOND/ ARPA	HOME- ARP**
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	✓	✓	✓	✓	✓	✓

\*\*HOME-ARP funds are to be used only for projects serving the following Qualifying Populations:

- Homeless
- At-risk of homelessness
- Fleeing or attempting to flee domestic violence, human trafficking
- Veterans