

TOWN AFFORDABLE HOUSING DEVELOPMENT PROJECT UPDATE: TRINITY COURT AND JAY STREET

Council Meeting Presentation
November 17, 2021



Agenda

1. Background

2. Affordable Development Project Updates

3. Financing Update

4. Questions & Discussion

Developing Affordable Housing on Town-Owned Land

Town policies have prioritized affordable housing development on public land:

- Affordable Housing Strategy (2011)
- Affordable Rental Housing Strategy (2014)
- FY21-23 Affordable Housing Work Plan
- Council FY20-22 Strategic Goals
- Public Housing Master Plan (2018)

Strategic Goals and Objectives

FY 2020-2022

Affordable Housing

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

OBJECTIVES

1. Increase availability of affordable housing for all incomes

2. Preserve existing affordable housing stock

INITIATIVES

1. Manage bond and other local affordable housing funding resources

2. Develop affordable housing on Town-owned properties

3. Reduce regulatory barriers and create incentives for affordable housing

4. Using a racial equity lens, identify root causes of affordable housing challenge and address with short, medium and long term approaches

1. Implement Public Housing Master Plan

2. Conduct actions for Public Housing redevelopment

3. Implement Manufactured Home Strategy

4. Implement Affordable Housing

5. Support the

400

Development

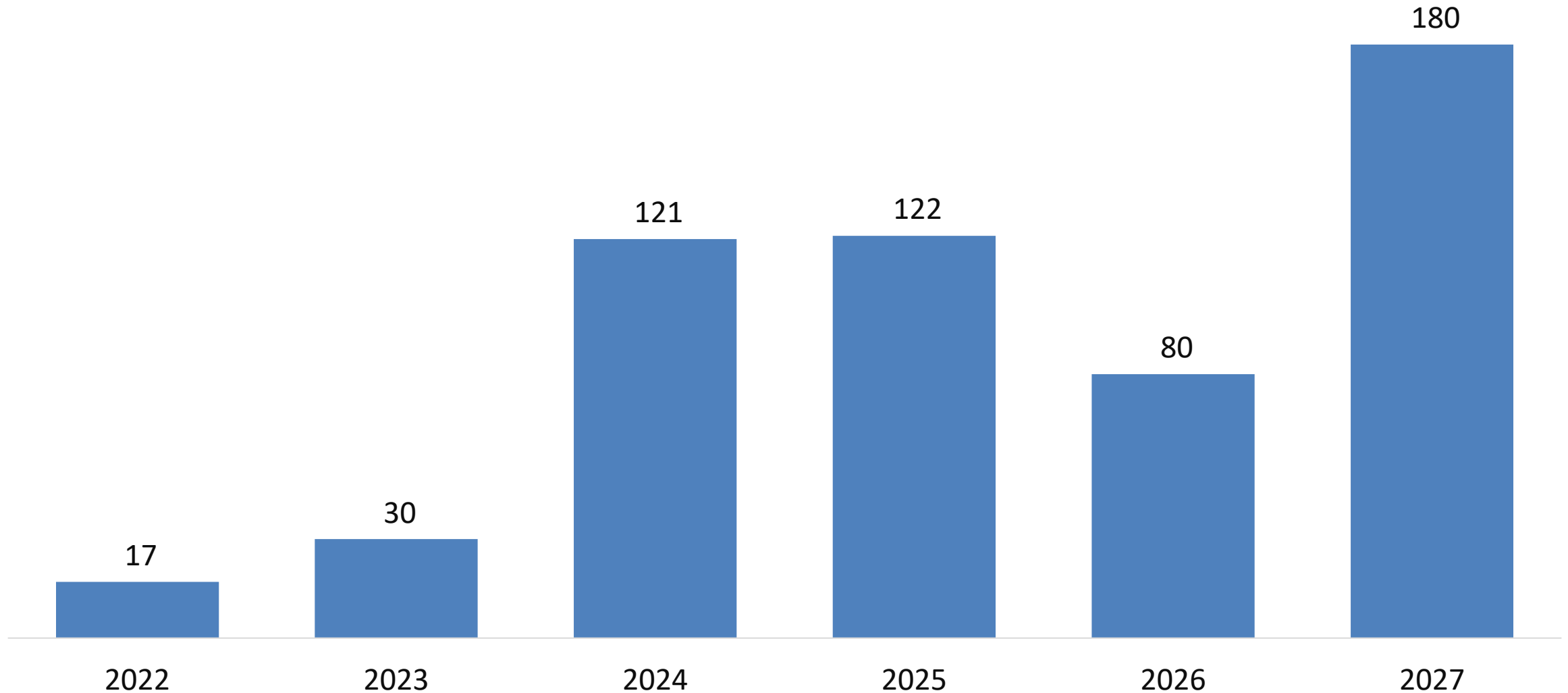


300

Preservation



Affordable Housing Development Pipeline





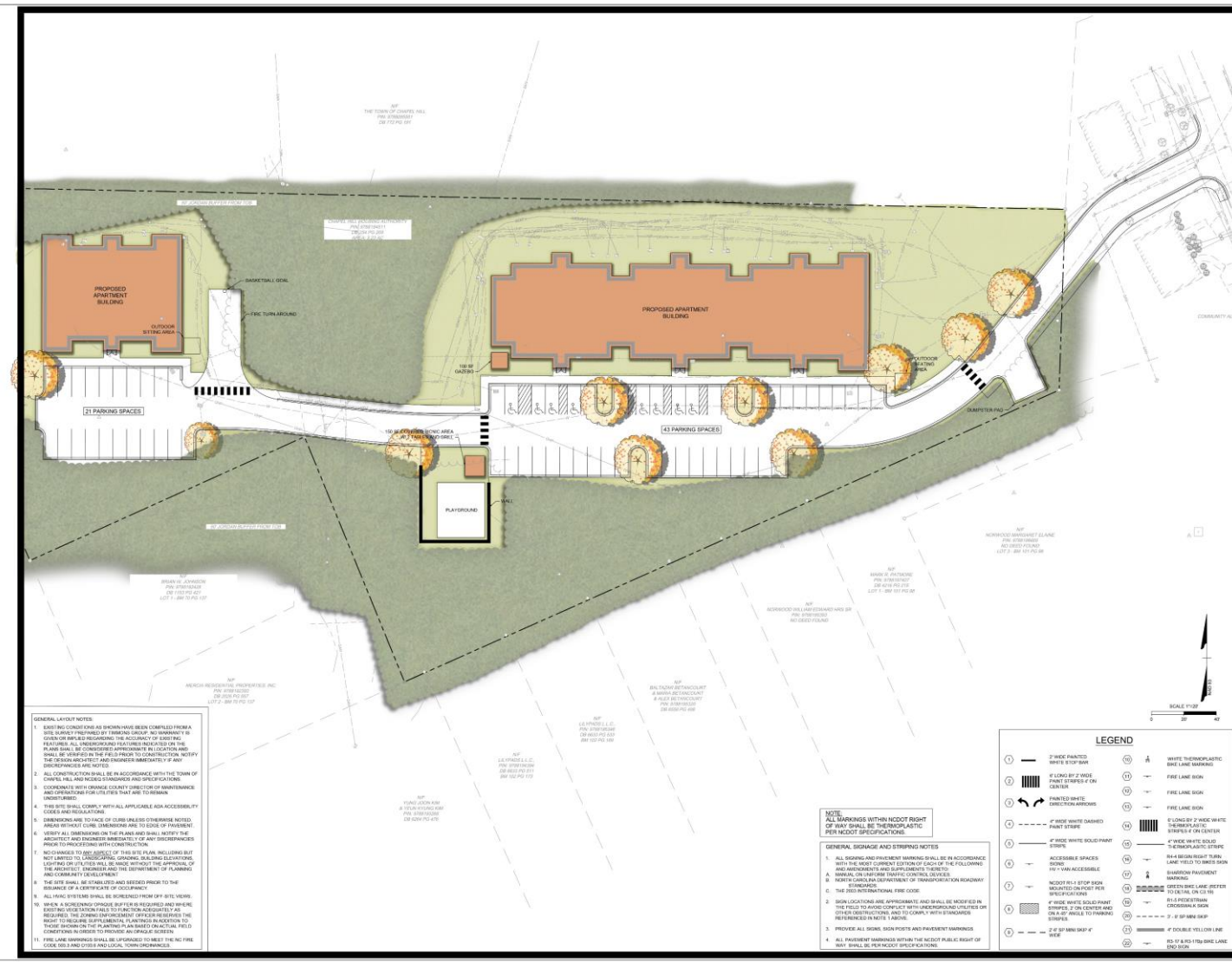
AFFORDABLE DEVELOPMENT PROJECT UPDATES

Trinity Court Background



Trinity Court - Concept Plan

- 54 Affordable Apartments in 3-4 story buildings
- Replaced 40 2 and 3 BR public housing units; adds additional 14 1BR units
- Community room, outside recreation, and gathering spaces
- Bus stop across the street from entrance
- Connectivity to Tanyard Branch Trail



Jay Street - Background



June 2018

Council Prioritizes Land for Affordable Housing Development



Fall 2019

Council Update, Authorization to Identify Development Partner



Spring 2021

Concept Plan Submitted, Community Engagement Began

2018



Spring 2019

Site Analysis Confirms Development Potential of Site



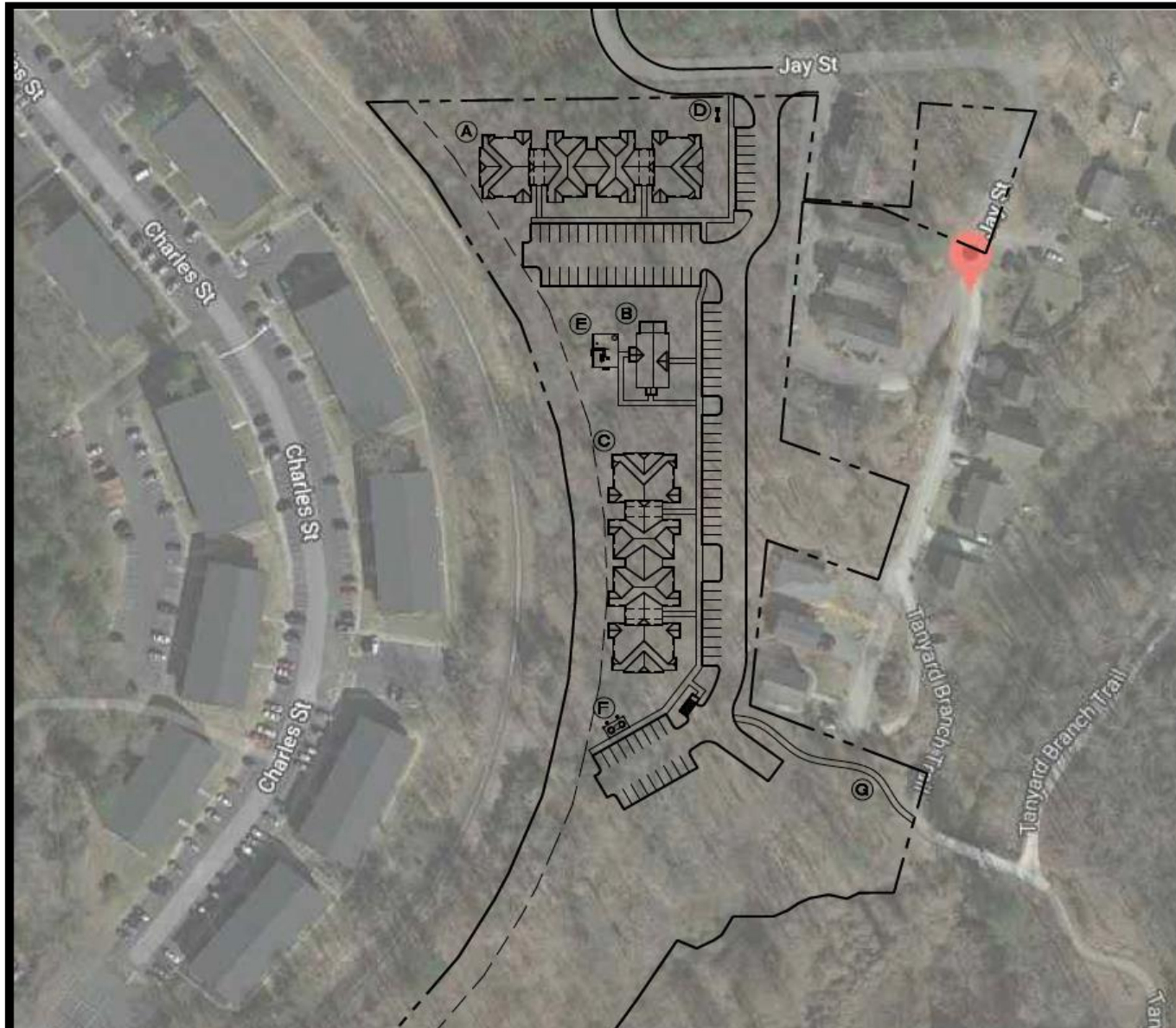
Winter 2021

Execute Agreement w/ Development Partners



2021

Jay Street- Concept Plan



- 48 affordable apartments in 2, 3-story buildings
- Community building including fitness and business center
- 50% of parcel left undisturbed
- Less than 0.1 miles away from a bus stop
- ~1 mile from Chapel Hill downtown
- Connectivity to Tanyard Branch Trail

Trinity Court and Jay Street: Income Levels Served

- Projects will primarily serve households at or below 60% AMI, with a range from 30-80% AMI
- The average income served must be < 60% AMI
- If either project is a 9% deal, at least 25% of units must serve households at or below 30% AMI
- The 40 RAD vouchers at Trinity Court will serve households at or below 50% AMI



FINANCING UPDATE

Financing Update – 9% LIHTC

- After changes to NCHFA rules in 2020-21, both projects *could* now receive a perfect site score
- Could greatly reduce Town subsidy needed, stretch Town funding
- Could increase the number of units serving very low income households

NORTH CAROLINA

HOUSING

FINANCE

AGENCY

Financing Update – 9% versus 4% Tax Credits

	9% LIHTC	4% LIHTC
Competition	Competitive, likely only 1 in Orange County per year	Not typically competitive
Schedule	Tighter deadlines in application process: Jan 21 and May 13	Flexible application period: Jan/May or May-Oct
Subsidy	Typically provides 70% subsidy, minimizes need for Town \$	Typically provides 30% subsidy, projects would require Town \$
Affordability	Point given for if 25% of units at 30%AMI Must average to <60% AMI	Scoring not relevant Must average to <60% AMI

9% LIHTC – What is needed from the Town?

- Round 1 Application Deadline: January 21, 2022
 - Must demonstrate site control, as evidenced by an option, contract, or deed

- Round 2 Application Deadline: May 13, 2022
 - Required zoning in place
 - Binding letter of commitment for Town funding, if needed

9% LIHTC – Documentation of Site Control

- Option to Lease Agreement
 - 99 years
 - Nominal lease amount (\$1/year)
 - Includes termination date and default remedies
- Ultimately, ground lease will be conditional upon:
 - Receipt of all required governmental approvals
 - Council approval of separate development agreement
 - Award of anticipated funding sources, including tax credits
- Currently drafting agreements, will seek Council authorization in January

Key Project Milestones

Dec 2021

- CZ app submissions
- Public Information Meetings

Jan - Feb 2022

- ★ Council consider authorizing site control agreements
- Submit Round 1 9% application (Jan 21)
- Staff complete application review
- Advisory Board Review

Mar - May 2022

- NCHFA announces round 1 application scores
- ★ Council consider AH Bond allocation
- ★ Public Hearings, and Council vote on CZ applications
- ★ Council considers development agreements
- Submit final 9% application (May 13)

Jun - Sep 2022

- Announcement of 9% Awards (Aug)
- Consider submitting 4% tax credit application (Sep or earlier)

Questions?



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