

## 10-27-2021 Town Council Meeting Responses to Council Questions

### **ITEM #17: Approve the Housing Advisory Board's Recommended Funding Plan for the Affordable Housing Development Reserve**

#### **Council Question:**

For the Habitat request, what is the timeline for identifying funding for this acquisition opportunity? Will Habitat lose the opportunity to purchase this property without this funding? Could we consider using AHF or ARP funds for this or one of the other requests in order to come closer to fully funding the requests?

#### **Staff Response:**

*Staff reached out to Habitat and received the following response. "We do have an anonymous donor investing \$100k of their own funds to help with the purchase of the property. Given the generosity of the donor as well as the landowner who is selling this property for a reasonable price, we need to move on this quickly. It is our intent to close on the purchase of this property before the end of the calendar year."*

*Yes, these requests are eligible to be funded through the Affordable Housing Fund.*

#### **Council Question:**

The HAB recommended \$300,000 to CASA for 2200 Homestead and lists it as supporting 117 units. However, the more detailed material shows the CASA component as 32 units. Is the \$300,000 supporting the total project or just the CASA units? I think it would be helpful for Council to see the total Town subsidy for the entire project (including value of land donated) so that we can understand the total subsidy and total subsidy per unit.

#### **Staff Response:**

*The \$300,000 to CASA for 2200 Homestead is specifically being requested to support the development of 32 of the units CASA will be developing. These units are planned to be master leased to the UNC Horizons program. CASA has been awarded a \$3 million grant from the Oak Foundation, which requires a 10% match (\$300,000).*

*While CASA is requesting funding specifically for these units, the application was scored by the HAB based on the overall 2200 Homestead Road development project. Attached you can find the scoring rubric, including financial evaluation of the overall project. This evaluation shows a total project subsidy per unit of \$48,181 (previous funding allocations + current request + anticipated future requests / # of total project units). Consistent with how the HAB has evaluated requests in the past, this does not include the value of the land. If the value of the land is included, it would equal a \$69,000 per unit subsidy. If Town Council approves this*

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*request but not future requests, it would be a \$33,000 per unit subsidy not including the value of the land, or a \$54,000 per unit subsidy if the value of the land is included.*

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### **ITEM #17: Approve the Housing Advisory Board's Recommended Funding Plan for the Affordable Housing Development Reserve**

**Council Question:**

For the HAB funding recommendation, is the \$300k going towards only the CASA units in the 2200 Homestead project? Or will it subsidize all the units in the project? What is the total Town subsidy to date for the 2200 Homestead project?

**Staff Response:**

*The \$300,000 to CASA for 2200 Homestead is specifically being requested to support the development of 32 of the units CASA will be developing. These units are planned to be master leased to the UNC Horizons program. CASA has been awarded a \$3 million grant from the Oak Foundation, which requires a 10% match (\$300,000) to access.*

*The total Town subsidy to date for the project is \$3.6 million in funding and a land donation value of \$2.48 million. The project is anticipated to leverage \$19.5 Million from other sources.*

**Local Affordable Housing Funding Sources Scoring Criteria**

**Threshold Requirements**

1. The project is located within the Town of Chapel Hill city limits or ETJ.
2. The applicant can demonstrate site control (if applicable).
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.

			CASA 2200 Homestead	Community Home Trust - Graham St	Empowerment - Lindsay	Empowerment - Gomains	Habitat - Weiner St
<b>1. Income Target</b>	<b>30 maximum points</b>						
a. The households to be served through the proposed project fall within the household income ranges.							
	<b>Household Income Range</b>	<b>Points</b>					
	0-30% AMI	30	8		15		
	31-60% AMI	25	8		13	25	19
	61-80% AMI	15	6	15			4
	81-100% AMI	10	0				
	100-120% AMI	0	0				
<b>2. Financing and Leverage</b>	<b>55 maximum points</b>						
a. The degree to which the proposed project includes other sources of funds.							
	<b>Percent Funded by Town Source</b>	<b>Points</b>					
	41-100%	0			0		
	21 – 40 %	5	5	5		5	
	11 – 20 %	10					10
	0 – 10 %	15					
b. Total Town Subsidy Per Unit		See Question 7					
	Less than \$10,000	15					
	\$10,000-\$20,000	10					10
	\$20,001-\$30,000	5					
	\$30,001+	0	0	0	0	0	
c. Total Development Cost Per Unit							
	\$200,000 +	0	0			0	
	\$125,000 - \$199,999	5					5
	< \$125,000	10			10		
d. Town subsidy will be repaid to the Town							
	No	0	0	0	0	0	0
	Yes, principal only repayment	10					
	Yes, principal and interest repayment	15					
<b>3. Feasibility</b>	<b>10 maximum points</b>						
a. The applicant can demonstrate zoning compliance.	2	See Attachment - Project Information	2	2	2	2	2
b. Planning approval already received.	4	See Question 7	0	4	4	4	0
c. 50% of other financing has been committed.	4	See Question 6	0	0	4	4	0
<b>4. Experience</b>	<b>20 maximum points</b>						
a. Experience of the applicant in carrying out projects of comparable scope and nature.		See Question 3					
	The applicant has successfully completed 3+ comparable projects.	10	10	10	10	10	10
	The applicant has successfully completed 1-2 comparable projects	5					
	The applicant has successfully completed no comparable projects.	0					
b. Applicant has successful record of meeting project budgets and schedules with projects funded by the Town.		See Question 3					
	All projects funded by the Town completed on schedule, within budget, and without any major performance issues.	10	NA	10	10	10	10
	Some projects funded by the Town completed on schedule, within budget, and without any major performance issues.	5					
	No projects funded by the Town completed on schedule, within budget, and without any major performance issues.	0					
<b>5. Design</b>	<b>30 maximum points</b>						
a. The proposed project utilizes energy efficiency principles.		See Question 8					
	Meets Energy Star 3.0 or QAP Standards and Requirements.	10	10				10
	Does not meet Energy Star 3.0 or QAP Standards but includes some energy efficiency measures.	5		5	5		
	Does not include any energy efficiency standards.	0					
b. The proposed project utilizes the principles of Universal Design.		See Question 9					
	Includes many universal design features.	10	10				10
	Includes some universal design features.	5		5	5		
	Does not include any universal design features.	0		0			
c. The proposed project is accessible to needed services for the population to be served, such as healthcare, schools, and public transportation.	10	See Attachments	10	10	10	10	10
<b>6. Impact</b>	<b>45 maximum points</b>						
a. The proposed project includes provisions to ensure long-term affordability.		See Question 5					
	<b>Development Projects:</b>						
	Less than 30 years	0					
	30-98 years	15					
	Permanent (99 years)	25	25	25	25	25	25
	<b>Preservation Projects:</b>						
	Less than 5 years	0					
	5-10 years	5					
	11-20 years	10					
	21-30 years	15					
	31-98 years	20					
	Permanent (99 years)	25					
b. Number of Units		See Question 7					
	<10	0	0	0	0	0	0
	10 to 15	5					
	16-30	10					
	31-45	15					
	>45	20	20				
<b>7. Social Equity</b>	<b>25 maximum points</b>						
a. The proposed project serves a vulnerable population. (Older adults age 55+, individuals with disabilities, homeless, or veterans).	5	See Question 7	5	5	5	5	5
b. The applicant involved the intended beneficiaries of the project in the planning process.	10	See Question 10	10	0	10	10	10
c. The organization demonstrates commitment to addressing racial equity issues	10	See Question 10 and Attachments	10	10	10	10	10
<b>TOTAL</b>	<b>215</b>		139	101	138	130	150
<b>Percentage</b>			68%	47%	64%	60%	70%

