



11-19-2025 Town Council Meeting Responses to Council Questions

ITEM #6: Modification to the Conditional Zoning for 146 Stancell Drive

Council Question:

Council would like more information from staff about what could be done with a financial contribution to affordable housing.

Staff Response:

If Council approves the proposed modification to the Hillmont project that commits a voluntary payment of \$1.15M toward affordable housing, that funding would be placed in the Town's [Affordable Housing Funding Program](#). The AHFP supports a wide variety of activities to create and preserve affordable housing for low-and moderate-income households in Chapel Hill. Council must approve single allocations over \$100,000.

Possible uses of the Hillmont funding include:

- **Low-Income Housing Tax Credit Project:** *Because Orange County can only receive one 9% LIHTC award each year, and because the 9% LIHTC program offers the largest subsidy to affordable housing development projects, affordable housing staff have been working to support one successful 9% LIHTC award each year. The local subsidy needed for a typical Chapel Hill project has averaged around \$1.7M over the last 4 years for a ~50 unit project, or an average subsidy amount of ~\$34,000 per unit. A payment for the Hillmont project would help the Town support a 2026 or future 9% LIHTC project.*
- **Partner Development or Preservation Projects:** *The Town is aware of subsidy needs among non-LIHTC partner projects that total at least \$5M over the next 5 years. The Town could release all or a portion of Hillmont funding to partners to support those preservation and development activities. Because these projects vary in type and size, the subsidy amount per unit could vary substantially.*
- **Affordable Housing Plan Implementation:** *Town staff have been seeking funds to implement additional recommendations of our [Affordable Housing Plan](#). Specifically, the Town is exploring resources to create a Town-wide downpayment assistance program and support renters facing displacement and/or housing crises. Staff estimate that about \$1M toward downpayment and rental assistance could support about 50-60 households.*

**Note, these do not include activities and projects that staff have tentatively identified to be funded by the 2024 bond.*