

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

---

Draft

Council Meeting Presentation  
November 17, 2021



# Agenda

1. Background

2. Affordable Development Project Updates

3. Financing Update

4. Questions & Discussion

Draft

## Affordable Housing Work Plan FY21-23

PROJECTS	FY 2021				FY 2022				FY 2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>DEVELOPMENT</b>												
Develop Town-Owned Property at 2200 Homestead Road				★		★	★	★				
<b>PRESERVATION</b>												
Implement Manufactured Home Communities Strategy												
Create Preservation Strategy												
Develop Short Term Strategies for NOAH Resident Displacement												
Acquire and Rehab Properties for Affordable Housing Preservation												
<b>POLICY</b>												
Implement the Employee Housing Program						★						
Participate in the LUMO Re-Write Project		★										
Create Goals for Affordable Housing in Rental Developments												
Develop Home Repair Policy												
Explore Affordable Housing Incentive Options												
<b>FUNDING</b>												
Implement Affordable Housing Investment Plan - Affordable Housing Bond			★					★				
Manage the Affordable Housing Development Reserve		★				★	★	★		★	★	★
Manage the Affordable Housing Fund												
Jointly Manage the HOME Program				★				★				★
Manage the Community Development Block Grant Program		★		★		★		★		★		★
<b>MANAGING TOWN-OWNED HOUSING</b>												
Create and Implement a Public Housing Master Plan						★	★		★			
<b>COLLABORATIONS</b>												
Convene Teams and Committees												
Serve as a Partner on Committees and Boards			★				★				★	
Expand Collaboration with Key Partners												

**Develop Town-Owned Land at 2200 Homestead Rd**

**Create and Implement and Public Housing Master Plan**

**BACKGROUND**

# 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

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

2. Develop affordable housing on Town-owned properties

3. Reduce regulatory barriers and create incentives for affordable housing

1. Implement Public Housing Master Plan  
4. Implement Affordable Housing

2. Conduct studies for Public Housing redevelopment  
5. Support the

3. Implement Manufactured Home Strategy

400

Development

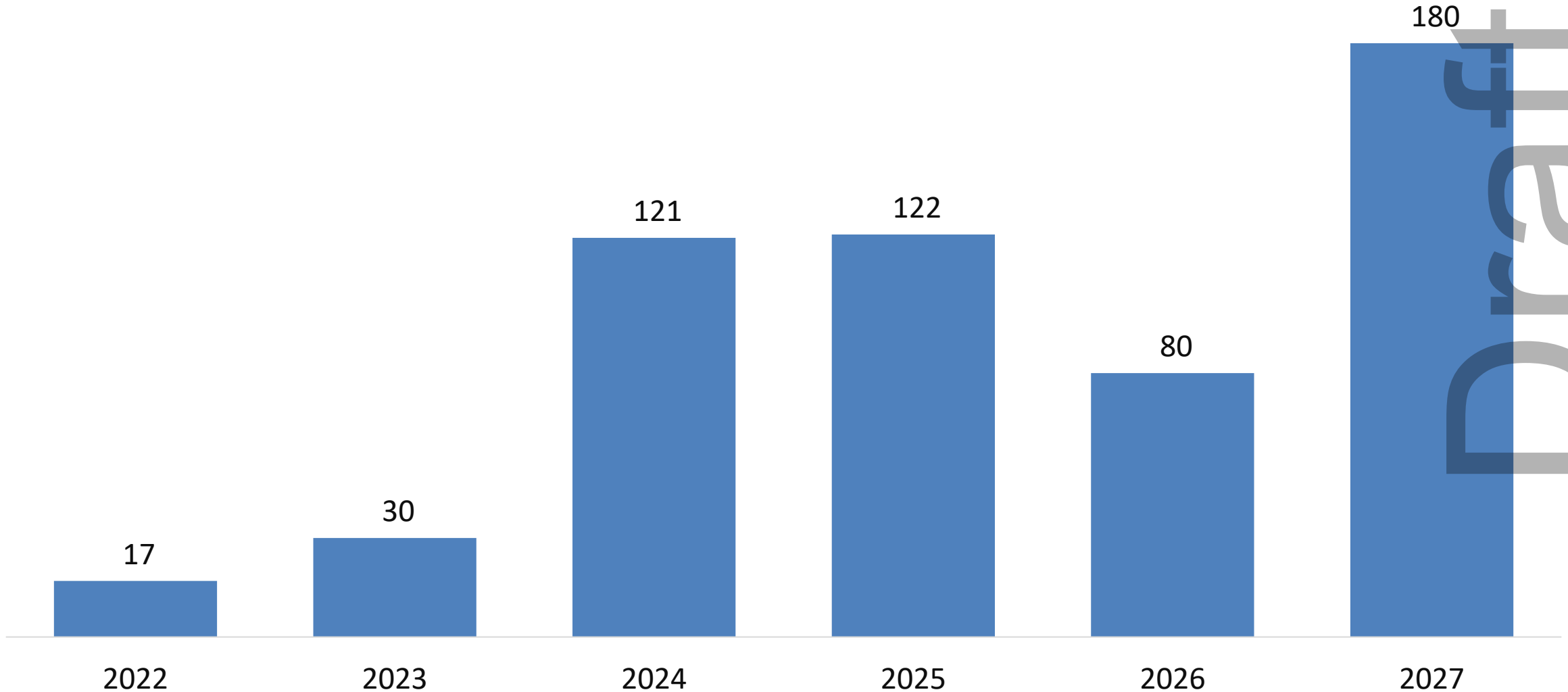


300

Preservation



# Affordable Housing Development Pipeline





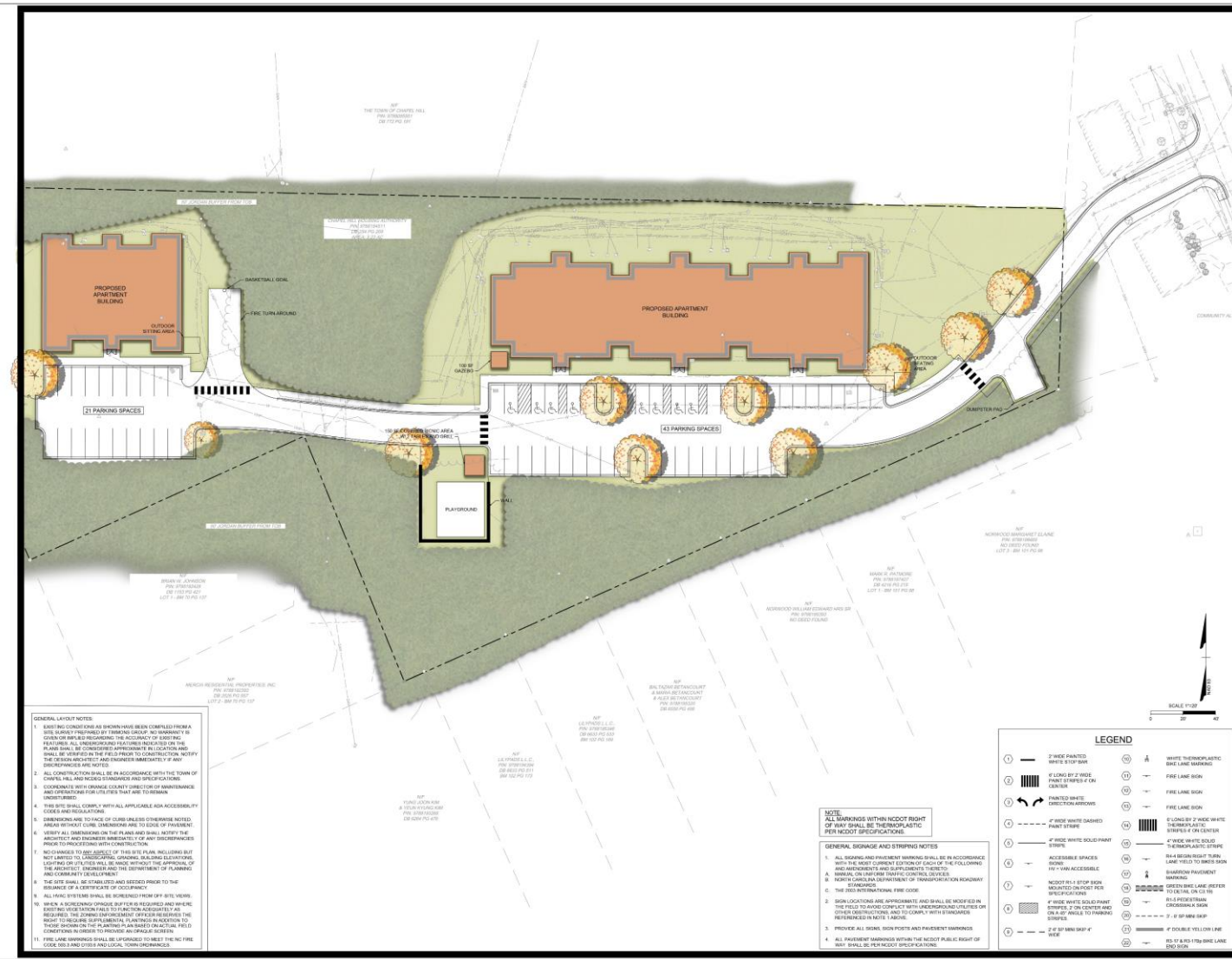
# AFFORDABLE DEVELOPMENT PROJECT UPDATES





# 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

Draft

# 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

Draft

# FINANCING UPDATE



Draft

# 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





# Financing Update – 9% versus 4% Tax Credits

	9% LIHTC	4% LIHTC
<b>Competition</b>	Competitive, likely only 1 in Orange County per year	Not typically competitive
<b>Schedule</b>	Tighter deadlines in application process: Jan 21 and May 13	Flexible application period: Jan/May or May-Oct
<b>Subsidy</b>	Typically provides 70% subsidy, eliminates need for Town subsidy	Typically provides 30% subsidy, projects would require Town subsidy
<b>Affordability</b>	25% at 30%AMI Must average to <60% AMI	No requirement at 30% AMI Must also 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

Draft

# 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

Draft

# Key Project Milestones

## Nov – Dec 2021

- CZ Submissions
- Public Information Meetings

## Jan - Feb 2022

- ★ Council authorize execution of Ground Lease Option 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)
- Submit 4% tax credit application (Sep or earlier)

era

# Questions?



craft



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

---

Draft

Council Meeting Presentation  
November 17, 2021

