



**Affordable Housing Development Reserve
&
Affordable Housing Fund**

Funding Application

Revised 12/2015

GENERAL INFORMATION & APPLICATION INSTRUCTIONS

OVERVIEW

Affordable Housing Fund (AHF):

In 2002, the Town Council established an Affordable Housing Fund (AHF) to preserve owner-occupied housing in Chapel Hill for affordable housing purposes. Since then, the eligible uses of the Affordable Housing Fund have expanded and include a variety of uses, such as land acquisition, renovation, homeownership assistance, new construction of affordable housing, and rental and utility assistance.

Funds are available through the AHF on a rolling basis, with applications being accepted at any time. Applicants are evaluated by the Town Manager, with Council approval required for requests for housing renovation or homeownership assistance in excess of \$40,000.

Affordable Housing Development Reserve (AHDR):

In fiscal year 14-15, the Town Council allocated over \$688,000 for affordable housing and approved an allocation strategy for this funding, establishing an Affordable Housing Development Reserve (AHDR).

The AHDR is dedicated exclusively to the development and preservation of affordable housing. Priority project areas are: 1) land bank and land acquisition, 2) rental subsidy and development, 3) homeownership development and assistance, and 4) future development planning. Priority is given to rental projects that serve households with incomes 60% and below the Area Median Income (AMI) and homeownership projects that serve households with incomes 80% and below the AMI.

AHDR applications are accepted three times per year (~ every 4 months). Applications are reviewed by the Housing Advisory Board and evaluated using a scoring rubric, which is available on the Town website. The Housing Advisory Board's recommendations for funding are then forwarded to the Town Council for final approval.

Please see **Attachment 1** for additional details about the AHF and AHDR.

INCOME ELIGIBILITY

In general, all projects for both the AHF and AHDR must benefit persons with a household income below 80% of the area median income adjusted for family size, though projects may be approved that serve households of higher incomes. Please see **Attachment 2** for current income limits.

PROJECT REPORTING AND MONITORING

Recipients of AHF and AHDR funds are required to submit written progress reports to the Town twice a year to monitor progress and performance, financial and administrative management, and compliance with the terms of the performance agreements. Reporting information may include: progress toward achieving performance goals, description of activities/challenges, and revisions of proposed project

timelines/budgets. Please submit bi-annual reports electronically to:
housingandcommunity@townofchapelhill.org.

ORIENTATION MEETING

Applicants are invited to attend an optional orientation session prior to applying for funding, which will be held periodically throughout the year in coordination with the application deadlines.

Applicants are also invited to participate in a pre-application meeting, which is a one-hour one-on-one session during which applicants can discuss their funding proposal with Town staff. To schedule a pre-application meeting, applicants should contact Sarah Vinas at 919-969-5079 or svinas@townofchapelhill.org.

SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: housingandcommunity@townofchapelhill.org.

If you have questions, please contact: Sarah Vinas at 919-969-5079 or svinas@townofchapelhill.org

Applications may not be considered for the following reasons:

1. Project that do not align with the eligibility criteria for these funding sources
2. Applicant has demonstrated poor past performance in carrying out projects or complying with funding guidelines
3. Applicant fails to provide required information
4. Incomplete or late applications

CHECKLIST OF REQUIRED DOCUMENTATION

Application:

- | | | |
|-------------------------------------|------------|---|
| ☒ | Section 1: | Applicant and Project Overview |
| ☒ | Section 2: | Project Description |
| ☒ | Section 3: | Performance Measurements |
| ☒ | Section 4: | Project Budget and Pro-forma |
| ☒ | Section 5: | Agency Description |
| ☒ | Section 6: | Disclosure of Potential Conflicts of Interest |

Other Required Attachments:

Please provide **one copy** of each of the following documents:

- | | |
|-------------------------------------|--|
| ☒ | Current list of Board of Directors, including addresses, phone numbers, terms, and relevant affiliations |
| N/A: | Current Bylaws and Articles of Incorporation |
| N/A: | IRS tax determination letter [501(c)(3)] (if applicable) |
| ☒ | Most recent independent audit (if applicable) |

FUNDING APPLICATION

Section 1: APPLICANT AND PROJECT OVERVIEW

A. Applicant Information

Applicant Organization's Legal Name: Town of Chapel Hill

Primary Contact Person and Title: Nate Broman-Fulks, Affordable Housing Manager, Office of Housing and Community

Applicant Organization's Physical Address: 405 MLK Jr. Blvd, Chapel Hill, NC 27514

Applicant Organization's Mailing Address: Same as above

Telephone Number: 919-969-5077

Fax Number: _____

Email Address: nbfulks@townofchapelhill.org

B. Project Information

Project Name: Town of Chapel Hill Future Development Planning

Total Project Cost: N/A

Total Amount of Funds Requested: \$150,000

Please specify the **type** and **amount** of funding requested:

☐ Affordable Housing Fund: \$_____

☒ Affordable Housing Development Reserve: \$150,000

Proposed Use of Funds Requested (*provide a concise description of proposed project*): The Town of Chapel Hill has four parcels of land that it is considering for affordable housing development. One of the four parcels, 2200 Homestead Road, has been designated for affordable housing and a concept plan has been submitted for a 146 unit mixed-income development that will provide housing opportunities for residents at the lowest income levels up to market rate. The other three parcels have been prioritized for affordable housing development and are in the beginning phases of development planning. One or more of these sites could serve as relocation sites for any displaced manufactured home park residents.

To the best of my knowledge and belief all information and data in this application are true and current. The document has been duly authorized by the governing board of the applicant.

Signature: _____

Board Chairperson/Department Head

Date

Section 2: PROJECT DESCRIPTION

Please provide a thorough description of the project (by answering the “who,” “what,” “when,” and “where” questions about your project). **Do not assume the reader knows anything about the project.**

A. Project Name

1. Project Name. Town of Chapel Hill Future Development Planning

B. “Who”

1. Who is the target population to be served and how will their needs be addressed through this project? The target populations would be residents at 80% of the area median income (AMI) and below. It is anticipated most of the units would serve residents below 60% of AMI. Some of the sites may serve as relocation options for displaced manufactured home park residents, if needed. It is anticipated that 2200 Homestead Road will be a mixed-income community with some of the units serving residents above 80% AMI.

2. Please indicate the income of the beneficiaries (households) to be served through the proposed project. Please see **Attachment 2** for the current income limits for the Durham-Chapel Hill MSA.

The numbers listed below are for the development at 2200 Homestead Road. The number of expected beneficiaries is still to be determined for the other three parcels, but it is anticipated the breakdown would be similar but with less or no >80% AMI units.

Income Group (Area Median Income)	Number of Beneficiaries	% of Total Beneficiaries
<30% of the AMI	48	33%
31%-50% of AMI	44	31%
51-80% of AMI	26	18%
>80% of AMI	26	18%
TOTAL	144	100%

3. **Project Staff.** Please provide names of staff, contractors, and/or volunteers that will be involved with the project. Describe their responsibilities with the project and track record in successful completion of similar projects in the past.

Nate Broman-Fulks, the Town’s Affordable Housing Manager, will be the project manager for these projects. Nate has expertise managing local government affordable housing efforts as the Affordable Housing Manager for the Town of Chapel Hill and previously managing the affordable housing efforts for the Town of Carrboro. This management experience includes development site identification and analysis, implementation of affordable housing strategic plans, creating and monitoring performance measurement systems and communication tools, and building community collaboration. Nate has a Bachelors in Political Science, and Masters Degrees in Public Administration and International Studies.

Loryn Clark, the Town's Executive Director for the Office of Housing and Community will oversee these predevelopment efforts. Loryn brings over 20 years of affordable housing and planning experience to the project, including serving as Community Development Planner, Housing and Neighborhood Services Manager, Interim Assistant Planning Director and now the Executive Director for Housing and Community with the Town of Chapel Hill. Her experience has included, affordable housing policy and initiatives, community planning, and community development programs. Loryn has a Bachelor of City and Regional Planning from the University of Virginia and a Master of City and Regional Planning from UNC-Chapel Hill.

In addition to Town staff, it is anticipated a consulting team will be selected to assist in the engineering and design work around development planning for these parcels. The Town has already contracted with a consulting team for design and engineering services for the 2200 Homestead Road parcel and has the vision for that property in place. This consulting team has been made up of members from MHAworks, Coulter Jewell Thames, and Self-Help, Inc. The members of this team have extensive design, engineering, and affordable housing development experience in Chapel Hill. It is anticipated a similar team will be selected to assist in the predevelopment work on the remaining three parcels.

C. "What"

1. Type of Activity. Please check the category under which your project falls.

- | | |
|---|---|
| ☐ Acquisition | ☐ Emergency shelter |
| ☒ Predevelopment costs | ☐ Transitional housing |
| ☐ Infrastructure/site improvements | ☐ Supportive housing |
| ☐ Rental subsidy | ☐ Rental/utility connection assistance |
| ☐ New construction for homeownership | ☐ New or redeveloped rental housing |
| ☐ New construction for rental | ☐ Second Mortgage Assistance |
| ☐ Commercial property | ☐ Community engagement to support future |
| construction/rehabilitation | development planning |
| ☐ Owner-occupied rehabilitation | ☐ Other (specify): _____ |
| ☐ Rental rehabilitation | |

2. Project Description. Please provide a general overview of your project, including what you are planning to produce and how you are planning to carrying out the project.

The Town will be conducting future development planning for four sites of Town-owned land. Three of the parcels are in the early pre-development stages. The first site is located on Jay Street, the second on the corner of Bennett Road and Mr. Carmel Church Road, and the third is on Dogwood Acres and 15-501 (see attached maps). After an extensive site analysis effort to identify Town-owned sites suitable for affordable housing development, the Town Council prioritized these sites for that purpose in June 2018. Our next steps would be to further analyze the sites for their development potential and begin putting together a concept plan for developing the sites. This would likely involve working with a consulting team that can assist with the site engineering and design efforts and conducting engagement efforts in conjunction with Town staff to key stakeholder groups.

The other parcel of land at 2200 Homestead Road has completed initial design, engineering, and community input to create a vision for the development of the project. The Town is looking to further

that pre-development work to implement the vision already established. This will include creation of a development plan, identification of development partners through request for proposals and/or other means, defining income levels to be served, and refining the projected development financials.

D. "Where"

1. Project Location. Please be as specific as possible. There are four sites the town is conducting future development planning for. The first site is located at 2200 Homestead Road, the second site is located on Jay Street, the third site is located on the corner of Bennett Road and Mt. Carmel Church Road, and the final site is located on Dogwood Acres and US 15-501 (see attached maps).

2. Project Size (if applicable). Please provide the size of development site:

2200 Homestead Road: 15 acres

Jay Street: 7 acres

Bennett Road: 7 acres

Dogwood Acres Drive: 24 acres

Please attach the following:

- ☒ Site map showing lot boundaries, locations of structure(s), and other site features
- ☒ General location map (at least ½ mile radius)

E. "When"

☒ Attach a **detailed** timetable showing when each work task will be completed (e.g., planning; obtaining financial commitments; design; environmental review; bidding; loan closing; key milestones in construction; marketing; final inspection; occupancy; etc.)

F. Project Details

If the questions below are not applicable or the requested information is not currently available, please insert N/A.

1. Property Acquisition.

- a. Has your agency acquired real property in order to carry out the project, or is property acquisition planned? The Town currently owns all four properties.
- b. Is the property currently occupied? If so, attach a description of your plan to relocate. There are no occupants on any of the sites.

2. Construction Detail.

- a. How many units will be newly constructed? N/A
- b. How many units will be rehabilitated? N/A

- c. What is the square footage of each unit? N/A
- d. What is the number of bedrooms in each unit? N/A
- e. What is the number of bathrooms in each unit? N/A
- f. How many units will have full ADA accessibility? N/A
- g. Is the proposed project located in a Neighborhood Conservation District? (Neighborhood Conservation Districts apply only to projects located in Chapel Hill.) No
- h. Please attach the following:
 - N/A: Floor plan(s)
 - N/A: Elevation(s)
 - N/A: List of Energy Efficiency measures included in the project (if applicable)
 - N/A: List of Universal Design principles included in the project (if applicable)

3. Affordability, Marketing, and Supportive Services.

- a. Describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, deed restrictions, etc.: While no decisions on the methods have been made, the Town will ensure long-term affordability of the affordable units is secured.
- b. What are the proposed rents (including utility costs) or sales prices for completed units? N/A
- c. Explain your agency's process for marketing to ensure an adequate pool of income-eligible renters to buyers: N/A
- d. What supportive services, if any, will be provided through this project? N/A

Section 3: PERFORMANCE MEASUREMENTS

A. Goals and Objectives

Please complete the following chart with information about the project's goals and objectives.

Goal/Objective	Measurement
<i>Ex: Provide housing for low- to moderate-income households.</i>	<i>Ex: By 2016, build ten units that are affordable to low- to moderate-income households.</i>
<u>The ultimate goal for this project is to increase the affordable housing stock in Chapel Hill.</u>	<u>Build a mix of housing types in the next five years that are affordable to a range of income levels from the lowest to moderate income households.</u>
<u>Provide relocation sites for potential displaced manufactured home residents.</u>	<u>Have housing options available to residents that will face displacement in the next five year.</u>

B. Alignment with Town Council Goals and adopted affordable housing strategies.

Please explain how the proposed project aligns with the Town Council Goals and adopted affordable housing strategies. This project is directly aligned with the Town Council's Priority of Creating a Place for Everyone and goal of Adopting and Supporting Affordable Housing Programs.

This project is also aligned with the Town's Affordable Housing Workplan. In particular, it meets the goals of Developing Town-Owned Property at 2200 Homestead Road, as well as Pursue Affordable Housing on Prioritized Town Properties.

Section 4: PROJECT BUDGET AND PRO-FORMA

A. Project Budget

☒ Attach a **detailed project budget** showing all sources and uses of funds. Attach funding commitment letters where available or copies of funding applications previously submitted.

B. Terms of Project Funding

Please specify the type of funding request for which you are applying:

AHF: ☐ Grant ☐ Loan

AHDR: ☒ Grant ☐ Loan

C. Pro-forma (for rental property only)

N/A: If you are developing a property for rent, please attach a 20-year pro-forma showing estimated income, expenses, net operating income, debt service, and cash flow.

Section 5: AGENCY DESCRIPTION

A. Organization

What is your organization's . . .

1. Mission statement? The Town of Chapel Hill's Office for Housing and Community's mission is to create partnerships, catalyze affordable housing, and build community. Our vision is a vibrant

and inclusive Chapel Hill where all residents have access to affordable housing and opportunities to thrive.

2. Incorporation date (Month and Year)? 1793 (Town of Chapel Hill)
3. Estimated Total Agency Budget for this fiscal year? The Office for Housing and Community budget is \$3,731,066
4. Total number of agency staff (full time equivalents): 8

B. Agency Track Record and Community Support

Please describe your agency's experience and ability to carry out the proposed project, including:

1. Evidence of coordination of this application with other organizations to complement and/or support the proposed project
2. Involvement of intended beneficiaries of the project in the planning process
3. Past achievements in carrying out similar projects and evidence of successful record of meeting proposed budgets and timetables
4. Collaborative relationships with other agencies,
5. Plans to develop linkages with other programs and projects to coordinate activities so solutions are holistic and comprehensive
6. Any other features relating to organization capacity that you consider relevant, (i.e. property management experience, including accepting Section 8 Vouchers, etc.). The Town has conducted extensive outreach for the 2200 Homestead Road parcel, including individual stakeholder meetings with potential development partners as well as potential organizations that would manage the units. In addition to the individual meetings, the Town conducted two community engagement meetings, one on February 23, 2018 and the other on March 1, 2018. These sessions were designed to receive input from potential end users of the development as well as partners, surrounding neighbors, and the Chapel Hill Community. The concept plan has also gone to public meetings with the Housing Advisory Board, Community Design Commission and Town Council. A similar approach is planned for the development planning of the other three parcels. Town staff has already involved potential end users from the manufactured home communities through multiple public engagement meetings, including the most recent on August 9th where residents gave direct feedback on the three parcels. All phases of development planning will involve active participation from partner organizations and intended beneficiaries.

The Town currently owns and operates 336 units of public housing. The first public housing neighborhoods were built in 1967. In the 1980s the Town entered into a public-private partnership to build affordable units in Culbreath Park and Tandler. Most recently, the Town partnered with DHIC to utilize Town-owned land to develop 149 affordable housing units. 80 of those units are currently on-line and the remaining 49 units are under construction and expected to be completed in early 2019. In addition, the Town actively partners with over 15 organizations on affordable housing activities, including the Northside Neighborhood Initiative, the Orange County Affordable Housing Coalition, the Orange County local government Collaborative, and the Orange County partnership to End Homelessness, among others.

Section 6: DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Are any of the Board Members or employees of the agency which will be carrying out this project, or members of their immediate families, or their business associates:

- a) Employees of or closely related to employees of the Town of Chapel Hill?
YES ☒ NO ☐
- b) Members of or closely related to members of the governing bodies of Chapel Hill?
YES ☐ NO ☒
- c) Current beneficiaries of the project/program for which funds are requested?
YES ☐ NO ☒
- d) Paid providers of goods or services to the program or having other financial interest in the program?
YES ☐ NO ☒

If you have answered YES to any question, **please explain below.** The existence of a potential conflict of interest does not necessarily make the project ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any grant awarded. The Office for Housing and Community is a department of the Town of Chapel Hill. The employees who work in the Office for Housing and Community are Town of Chapel Hill employees.