

Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund



Town of Chapel Hill Office for Housing and Community

housingandcommunity@townofchapelhill.org

919-969-5079

www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding

GENERAL INFORMATION & APPLICATION INSTRUCTIONS

OVERVIEW

Thank you for your interest in the Town of Chapel Hill's Affordable Housing funding sources! This application is used for funding requests for all of the Town's local funding sources for affordable housing projects (Housing Bond, Affordable Housing Development Reserve, and Affordable Housing Fund). To learn more about each of these sources and eligible uses, see the Attachments Section.

INCOME ELIGIBILITY

In general, projects for the Town's affordable housing sources must serve households with income below 80% of the area median income as defined by the U.S. Department of Housing and Urban Development, adjusted for family size, though projects may be approved that serve households of higher incomes. Please see the Attachments for additional information about income limits.

PROJECT REPORTING AND MONITORING

Organizations must submit progress reports to the Town quarterly to monitor progress and performance, financial and administrative management, and compliance with the terms of the performance agreement. Please submit reports using the template linked on the Town website and in the Attachments section 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 once per year and provide an overview of all of the Town's affordable housing sources.

Applicants are also invited to participate in a pre-application meeting, which is a one-on-one session during which applicants can discuss their funding proposal with Town staff. To schedule a pre-application meeting, contact Nate Broman-Fulks at 919-969-5077 or nbfulks@townofchapelhill.org.

SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: housingandcommunity@townofchapelhill.org. Note that the Project Financials attachment asks for an Excel document, or similar file format, rather than a PDF. If you have questions, please contact: Nate Broman-Fulks at 919-969-5077 or nbfulks@townofchapelhill.org

Applications may not be considered for the following reasons:

1. Projects are not located within the Town limits or the Town Extra-Territorial Jurisdiction
2. Projects do not have site control (if applicable)
3. Projects do not align with the eligibility criteria for the funding source
4. Incomplete or late applications

CHECKLIST OF REQUIRED DOCUMENTATION

Application:

<input checked="" type="checkbox"/>	Section 1:	Cover Page
<input checked="" type="checkbox"/>	Section 2:	Disclosure of Potential Conflicts of Interest
<input checked="" type="checkbox"/>	Section 3:	Organization Information
<input checked="" type="checkbox"/>	Section 4:	Project Information
<input checked="" type="checkbox"/>	Section 5:	Attachments

COVER PAGE

Organization Contact Information

Legal Name: CASA

Tax ID Number: 56-1778714

Physical Address: 624 W Jones St, Raleigh, NC 27603

Mailing Address: PO Box 12545, Raleigh, NC 27605

Organization's Website: casanc.org

Date of Incorporation: 03/10/1992

Executive Director Name: Mary Jean Seyda

Telephone Number: (919)307-3434

E-Mail: mjseyda@casanc.org

Funding Request

Project Name: Homestead Horizons

Total Number of Units Included in Funding Request: 32

Total Project Cost: \$4,977,172

Total Amount of Funds Requested: \$300,000

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

Affordable Housing Bond: \$_____

Grant

Loan

X Affordable Housing Fund: \$_____ 300,000

X Grant

Loan

OR

X Affordable Housing Development Reserve: \$300,000

X Grant

Loan

****New this year.** If you're not requesting a loan, describe reasoning (the Town will analyze project financials, including debt coverage ratio, to explore the project's ability to support a loan):

CASA is requesting these funds as a GRANT, to serve as part of the matching funds required by the \$3 million award made to the project by The Oak Foundation. This \$3 million award requires that \$500,000 of matching funds be identified to draw the first tranch of funds. \$200,000 in matching funds have already been awarded from a philanthropic source to our partner in this project, UNC Horizons, to be used in the development. We are seeking the balance of the remaining \$300,000 of match from the Town. We plan to seek additional dollars from Town Bond funds next spring that will be structured as a loan amortized over 40 years with the majority repaid (see pro forma).

Loan Terms Requested, if applicable, (provide a concise description, including interest rate, term length, amortization schedule): _____

Proposed Use of Funds Requested (*provide a concise description, not to exceed 100 words*): To develop approximately 32 units of rental housing for households under 60% AMI with a priority for households who are at risk of homelessness. CASA will be master leasing this community to UNC Horizons, who serves families with young children headed by mothers in recovery from substance use. The typical family served in Homestead Horizons will earn less than 30% of AMI and would face homelessness in Chapel Hill were it not for this housing.

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

Acquisition

- Predevelopment activities
- Infrastructure/site improvements
- New construction for homeownership
- New construction for rental housing
- New construction of emergency shelter
- New construction of transitional/supportive housing
- Rental housing subsidy
- Homeownership assistance
- Owner-occupied rehabilitation
- Rental rehabilitation
- Other (*specify*): _____

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

Signature: Mary Jean Seyda
 Executive Director

September 17, 2021
 Date

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST AND NON DISCRIMINATION CLAUSE

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

YES NO

- a) Employees of or closely related to employees of the Town of Chapel Hill?
- b) Members of or closely related to members of the governing bodies of the Town of Chapel Hill?
- c) Current beneficiaries of the program for which funds are being requested?
- d) Paid providers of goods or services to the program or having other financial interest in the program?

If you have answered YES to any question, **please provide a full explanation below.**

NON-DISCRIMINATION

Provider agrees as part of consideration of the granting of funds by funding agencies to the parties hereto for themselves, their agents, officials, employees and servants agree not to discriminate in any manner of these basis of race, color, gender, national origin, age, handicap, religion, sexual orientation, gender identity/expression, familial status or veterans status with reference to any activities carried out by the grantee, no matter how remote.

To the best of my knowledge and belief all of the above information is true and current. I acknowledge and understand that the existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded.

Signature: Mary Jean Seyda
Executive Director

September 17, 2021
Date

ORGANIZATION INFORMATION

1. **Organization Mission** (*no more than a few sentences*):

CASA's mission is to provide access to stable, affordable housing for people who are homeless or at risk by developing and managing rental communities.

CASA has developed, owns and manages over 450 apartments throughout the Triangle, of which 70% are permanent supportive housing for persons with disabilities, and all of which serve low-income individuals and families. CASA's goal is that once a tenant moves into a CASA unit, they never face homelessness again.

2. **Organization 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.

Mary Jean Seyda, Chief Executive Officer – Ms. Seyda has been with CASA since 2001 and has an extensive background in homeless service program design, development and management. Prior to joining CASA, Mary Jean worked as Wake County's Homeless Services Coordinator for 3 years and Program Manager for 3 years. Mary Jean served as CASA's COO for 16 years before stepping into the role of CEO in 2018. Mary Jean oversees the strategic direction of our agency. She is past Chair of Orange County's Partnership to End Homelessness, and she currently serves on the Town of Chapel Hill's Housing Advisory Board, to which she was appointed by Town Council. After being one of CASA's key leaders for over 20 years, Mary Jean announced her intention to retire as CEO at the end of calendar year 2021. She will remain on staff part-time for 2 more years working in the Fund Development Department continuing to cultivate our long-term partnerships through the opening of King's Ridge and Perry Place.

Daneene Barton, PhD, DBA, Chief Financial Officer – Dr. Barton joined CASA's senior leadership team in February 2020 and oversees all financial activities of our agency including a \$4.5 million annual operating budget. She is responsible for the budgets for all CASA programs and developments, monitors the expenditure of grant funds, and assures that CASA meets its financial obligations to funders, vendors, and tenants. Daneene has over 20 years of experience in finance, accounting, financial reporting & modeling, real-estate housing (including retirement, assisted living, skilled nursing, and affordable housing), federal & state taxation. She has substantial industry experiences in government, supply chain management, real estate and senior housing. She holds a Six Sigma Black Belt Certification and has a passion for academics with interests in accounting, leadership, and financial research serving as a higher education instructor and course designer for top-rated universities. Daneene's academic background includes a Bachelor of Business Administration specializing in Accounting from the University of Georgia, Master of Business Administration from Webster University, and PhD in Leadership & Education specializing in Leadership from Barry University. The academic journey ends with a second Doctorate of Business Administration (DBA) specializing in Accounting.

Jess Brandes, Transitional Chief Operations Officer/Senior Director of Real Estate

Development– Ms. Brandes has a background in non-profit financial development and a Masters in City and Regional Planning. She works to get more affordable housing units on the ground throughout our communities, doing so in partnership with our elected officials,

community development staff, funding and service partners. Jess and her team ensure that projects move forward on schedule and on budget while adhering to the development regulations of various municipalities, and the project requirements of various funders. She has worked at CASA since 2008 and has her NC Real Estate Broker's License. In 2017, Jess was named a 40 Under 40 Leadership Award winner by the Triangle Business Journal for her leadership in affordable housing. In March 2021, Jess was appointed as Transitional COO to support CASA's day-to-day activity as the agency prepares to welcome a new CEO at the end of calendar year 2021.

Missy Hatley, Senior Director of Resource Development – Recognizing that neither government nor the community can create and sustain affordable housing alone, CASA hired Missy Hatley in 2014 to launch our private sector charitable giving program. Ms. Hatley has more than 20 years of experience in nonprofit fundraising and communications focused on homelessness and housing, including seven years at CASA and previous stints at One80 Place, a comprehensive homeless services center in Charleston, SC, and at Habitat for Humanity of Wake County. Under Ms. Hatley's leadership, CASA's community support grew from less than \$35,000 annually in 2013 to over 1M in 2019. CASA now engages more than 600 charitable donors annually, including individuals, corporations, foundations, civic groups and communities of faith. Donor support helps meet operating costs that exceed our rental revenue set at 30% of household income and also provides real estate development dollars for pre-development. In 2020, CASA launched a private-public campaign to raise 13.7M for the construction of a 100-unit permanent, supportive housing community in Raleigh. In the first six months of the campaign, community donors have contributed more than 4M. Ms. Hatley holds a Masters degree in English from the University of North Carolina at Wilmington, and a Bachelors degree from North Carolina State University.

Rachel Eberhard, Real Estate Developer – Ms. Eberhard initiates and evaluates new development opportunities, including analyzing potential project sites and negotiating acquisitions for CASA. She previously served as the founder and managing principal of Apiary Community Consulting and worked in the acquisitions group for a national low-income housing tax credit (LIHTC) syndication firm after receiving a Master's degree in City and Regional Planning at the University of North Carolina at Chapel Hill. Her consulting work has consisted of supporting HUD Consolidated Planning efforts, developing affordable housing informational tools for voters, creating a redevelopment plan for the City of Roanoke Rapids, and evaluating key performance indicators for Chapel Hill's Community Home Trust. In her own time, she serves on Durham's Citizen Advisory Committee that works to facilitate citizen participation in the planning and implementation of the Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) and Emergency Solution Grant (ESG) funds.

Neil Ritter, Real Estate Project Manager – Mr. Ritter came to CASA in 2010 with 13 years of conventional housing experience working in both facilities maintenance and general contracting. For 9 years, Neil served as CASA's Facilities Director, overseeing all day to day maintenance activity for CASA and supervising 5 maintenance technicians. In 2019 Neil transitioned to his current position supporting the Real Estate Development Department with project management of complex new construction projects and renovations. Neil sees projects through from creating the scope of work and identifying funding sources, to unit completion and inspection approvals. He also oversees and operationalizes CASA's Asset Management.

of FTE – Full-Time Paid Positions: 28

of FTE Part-Time (less than 40 hours/wk) Paid Positions: 1

3. **Agency Track Record:** Briefly describe three relevant and substantially similar affordable housing development or preservation projects completed by the organization in the last 10 years (preferably 5 years). The project description should include:
- a. Location
 - b. Scope and scale of project
 - c. Total development budget and financing sources
 - d. Indication of whether the projects were completed on budget and on time. If not completed on budget and on time, please describe why.
 - e. Photos/illustrations of completed project

Please see 5+ year Development History, included with Funding Commitments & Other Attachments.

For all projects for which you have received Town funding within the last 5 years, please provide the information below.

Project Name	Project Type	Amount of Funding Approved	Is the Project Completed? (Yes/No)
Merritt Mill Apartments	9% LIHTC Rental new construction	\$990,805	Not yet

**Add rows as needed to reflect additional projects that have received Town funding within the last 5 years.*

PROJECT INFORMATION

4. **Project Description:** Please provide a general overview of your project, including what you are planning to produce and how you are planning to carry out the project. *(in 100 words or less).*

To develop an approximately 32 unit rental apartment community for households under 60% AMI with a priority for households who are at risk of homelessness. This 3-story building will consist of 2 and 3-bedroom units, an elevator, community room, laundry and office spaces. CASA will be developing, owning and managing the community. We will be master leasing the building to UNC Horizons, who serves families with young children headed by mothers struggling with substance use. The typical family served in Homestead Horizons will earn less than 30% of AMI and would face homelessness in Chapel Hill were it not for this housing. CASA and UNC Horizons will execute a 20-year lease that will be renewable by the lessee. Our pro forma is structured to include a limited income increase of just 1.5% each year in order to ensure an affordable and predictable rent structure over the long-term for our lessee, UNC Horizons. Our pro forma also includes an operating reserve that is funded in the early years of the development, and is then drawn from in the latter years when the property begins to see less cashflow.

5. **Affordability Term.** Is the proposed project permanently affordable (99 year affordability term)?

Yes

No

If no, what is the affordability term of the proposed project?

Briefly describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, and deed restrictions. **Deed Restrictions**

6. Leverage: How much funding is committed at the time of submission of this application? \$ 3,200,000 What percentage of funding for the proposed project would be leveraged from sources other than the Town? 76% (Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).

Funding Source	Development Cost	Percentage	Commitment Letter?
Total	\$4, 977,172	100%	
Town of CH Requested Now	\$ 300,000		
Town of CH Bond Funds (planning to request in Spring)	\$ 877,172*		
Total Town funds	\$1,177,172	24%	
Oak Foundation	\$ 3,000,000		Attached
UNC Horizons – Hanley Family Foundation	\$ 200,000		Attached
CASA anticipated fundraising	\$ 100,000		Estimate
UNH Horizons anticipated fundraising	\$ 500,000		Estimate
Total Non-Town funds	\$3,800,000	76%	

*our proform assumes \$767,515 of this is eventually repaid

7. Project Profile *Insert project information below*

Location <i>(insert address if available)</i>	<u>2200 Homestead Road</u>				
Size <i>(insert acreage of development site)</i>	<u>TBD on exact acreage of Homestead Horizons community</u>				
Total Number of Units					
	# of Total Housing Units	# of Bathrooms	Square Footage	Proposed Rent or Sale Price Per Unit	Projected Cost Per Unit Including Utilities
Studios					
One-bedroom					
Two-bedroom	<u>21</u>	<u>2</u>	<u>923</u>	<u>\$400</u>	<u>\$521</u>
Three-bedroom	<u>11</u>	<u>2</u>	<u>1105</u>	<u>\$400</u>	<u>\$542</u>
Four-bedroom					
Area Median Income Served <i>(insert # of units by AMI)</i>					
<30%	<u>24</u> <i>(estimate based on income of current families in program)</i>				

31-60%	8 (estimate assuming some graduate families may increase income over time)					
61-80%						
81-100%						
>100%						
Target Population (check all that apply)						
Families	X	<input type="checkbox"/>				
Older Adults (Age 55+)	<input type="checkbox"/>					
Disabled	<input type="checkbox"/>					
Homeless	<input type="checkbox"/>					
Veterans	<input type="checkbox"/>					
Other (specify)	<input type="checkbox"/>					
ADA Accessibility (insert # of total units)	2 are fully accessible. Since building has elevator 100% of units are visitable					
Total Development Cost Per Unit	\$146,387					
Per Unit Subsidy	\$ 9,375 / unit in this application for \$300,000					
Town Planning Approvals Received (as of the date of application)	X	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA

8. Energy Efficiency: Will the proposed project meet the standards and requirements of [Energy Star 3.0](#) or standards outlined in the latest [NCHFA QAP](#) as verified by an independent, third party expert?

- X Yes
- No

If not, please briefly describe the energy efficiency features included in the proposed project:

9. Universal Design: Please briefly describe the universal design features included in the proposed project:

- All units are visitable and all units include wide doorways.
- All our units are one-level living.
- Blocking for grab bars are included in all showers and bathrooms to accommodate tenants' changing needs.
- All new construction includes levers rather than knobs on doors and on sinks.
- All common spaces including laundry facilities are fully accessible.

10. Social Equity

- a. Please describe how you have involved the intended beneficiaries of the proposed project in the planning and design process (in 100 words or less).

CASA's intended beneficiaries are predominantly persons who are homeless and/or have disabilities. CASA gathers input about the needs of the homeless and disabled community through the following formal processes:

- In 2013 CASA's Board authorized the creation of an annual tenant survey. It has been conducted since then and is reviewed by Leasing Staff and Real Estate Development.
- CASA hears input from our intended beneficiaries through extensive involvement in each community's Partnerships to End Homelessness and Continua of Care.
- Specific to addressing needs of people with disabilities, CASA is a member of NAMI
- CASA in 2019 began working to pilot a Tenant Council at one of our properties, intending to expand this to our broader portfolio.

Specific to this project, our partner UNC Horizons has shared the unit floorplans with current program participants and their feedback has been included in unit design.

b. How has your organization incorporated racial equity goals into your organizational goals?

Like many organizations, CASA renewed our commitment to Diversity, Equity and Inclusion in 2020. We engaged a partner, Catapult Consulting, who is supporting us in the following activities:

* DE&I staff training

* The creation of a cross departmental staff DE&I Council, championed by our CFO Daneene Barton. This team has created its own charter and goals. They led a 2 hour staff event and will engage staff monthly with a variety of activities. Plus they will make recommendations regarding policies and procedures.

* Hired a new Human Resource Manager who has both DE&I training/certification and experience. They will be reviewing, recommending, and implementing a range of HR policies from hiring, onboarding, promotions, training & development and performance reviews.

* Engaged in a compensation study to align job titles, descriptions and salary ranges that include an equity lens for race and gender.

We also created a standing line item in our budget for DE&I training and for the DE&I Council. In response to being inclusive to a variety of faith traditions and other holidays staff may want to honor, we added 3 floating holidays for each calendar year.

CASA's Board of Directors also began working in 2020 to identify specific strategies for the recruitment of people of color to the Board Membership committee. In 2020, the Board was successful in both increasing the number of members who are persons of color and who have the lived experience of homelessness -- four members of our Board (36%) have experienced homelessness themselves.

c. Please fill in the below questions and provide any additional context on the racial composition of the organization and board leadership:

- i. % of staff that are people of color: 50%
- ii. % of board that are people of color: 25%
- iii. % of staff that have attended racial equity training: 100%

d. Please describe any additional activities your organization is doing to address racial equity.

ATTACHMENTS

Description of Required Attachments

1. Financial Audit

- a. Please include your organization's most recent financial audit. For organizations with prior year revenues totaling \$500,000 or more a financial audit, prepared by a certified public accountant is required. Agencies with prior year revenues of less than \$500,000 may submit a completed [Schedule of Receipts and Expenditures](#) form (see application materials), in lieu of an audit/report. Agencies with a certified audit/report do not need to complete the form.

2. Organization Budget

- a. Please submit an organizational budget. Among other relevant revenue and expenditure information, please include line items on any government grants or loans by jurisdiction. If your organization has run a deficit, please include that information here.

3. Project Financials

- a. Please submit the following information about the project in a Microsoft Excel document or similar format, as relevant:
 - Project Budget/Development Costs
 - Sources and Uses
 - Operating pro forma (rental projects):
 - must show 20+ year cash flow projections that includes documentation of key operating assumptions, estimated rental income, operating expenses, net operating income, and any anticipated debt service, including a separate line item for any debt service (principal and/or interest) associated with Town loans requested as part of this application. Pro forma should project expenses far enough out to show when debt service ends (i.e., more than 20 years if necessary). Applicants may use the attached template or a similar version of their own.
 - Rental Income Breakdown: must show rent and utilities by bedroom size and AMI level, using the attached template or something similar.
 - Housing Affordability and Sale Proceeds (homeownership projects): must show sales price by bedroom size and AMI level, using the attached template or something similar.

4. Articles of Incorporation

5. List of Board of Directors

- a. Provide the following information about each board of director's member: name, occupation or affiliation of each member, officer positions, race/ethnicity.

6. Project Information

- a. For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project.
- b. For development and renovation projects, please submit the following:
 - Site map showing lot boundaries, locations of structure(s), and other site features
 - General location map (at least ½ mile radius)
 - Floor plan(s)

- Elevation(s)
- Property Appraisal – N/a
- Evidence of zoning compliance -
- Map showing proximity to bus stops, grocery store, schools and other amenities (including distance in miles from project site and amenities)

Non-Profit Corporations:

1. IRS Federal Form 990

A copy of the organization’s most recent Form 990 is required for nonprofit applicants. The specific form depends upon the organization’s financial activity. Review the IRS’ table guide, for more details. For Form 990-N (e-postcard) filers, include a copy of the postcard, with the organization’s application materials.

2. NC Solicitation License

A copy of the organization’s current solicitation license is required. Organizations that solicit contributions in North Carolina, directly or through a third party, must renew their licenses annually. For more details, refer to the NC Secretary of State’s licensing website and its Frequently Asked Questions Guide (PDF), about exemptions. If exempt per N.C.G.S. § 131F-3, include a copy of the exemption letter with the organization’s application materials.

3. IRS Federal Tax-Exemption Letter

A copy of the organization’s current IRS tax-exempt letter that confirms its nonprofit status is required. An organization can request a copy of its letter from the [IRS’ Customer Account Services](#).

For-Profit Corporations:

1. Tax Returns

- a. Most recent two years of corporate tax returns.

2. YTD Profit and Loss Statement and Balance Sheet

3. Tax Returns

- a. Most recent two years personal tax returns and financial statements for all persons who have more than 19.9% ownership interest in the organization

4. References

- a. Two business references with name, address, and telephone number

5. Signed “Authorization to Release Information” for each person who has more than 19.9% ownership interest in the organization

6. Completed W-9 Form



OVERVIEW OF AFFORDABLE HOUSING FUNDING SOURCES

Purpose: This document is intended to provide a summary of the Town’s affordable housing funding sources available to assist in creating a vibrant and inclusive community. The Overview includes a brief description of each funding source, as well as the eligible uses of each source.

TOWN FUNDING AVAILABLE FOR AFFORDABLE HOUSING PROJECTS FISCAL YEAR 2021-22:

SOURCE	AMOUNT
Affordable Housing Bond	\$5,000,000*
Affordable Housing Fund <i>(funding available varies based on receipt of payments in lieu from developers of affordable housing projects)</i>	\$450,000
Affordable Housing Development Reserve	\$688,395
Community Development Block Grant (CDBG)** <i>(Federal Funding - amount is approximate and varies year-to-year, based on Federal Budget)</i>	\$275,000
HOME** <i>(Federal Funding Process lead by Orange County – amount is approximate and varies year-to-year, based on federal budget)</i>	\$375,000
TOTAL	\$1,695,000

*The next round of Bond funding is anticipated to be in FY2022

**CDBG and HOME use a separate funding application. See below for additional information.

AFFORDABLE HOUSING BOND:

On November 6, 2018, voters approved the Affordable Housing Bond Referendum. Voter approval of the Bond gives the Town Council authority to issue up to \$10 Million in bonds to support affordable housing projects in the community.

Eligible Uses:

1. Land Acquisition
2. Home Repairs and Comprehensive Rehabilitation
3. Construction of New Affordable Housing Units

Threshold requirements:

1. The applicant can demonstrate site control (if applicable).
2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the eligible uses for Bond funding approved by the Town.
4. The application is complete and submitted by the established deadlines.

5. The proposed project includes at least 10 homes/units.
6. The proposed project must draw funding awarded within three years of the approval of funding award by the Town.

Application Process: The Town will periodically announce a request for proposals for Bond funds via the Town's website and other communications channels. Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on Affordable Housing Bond funds, visit the Town's [Affordable Housing Website](#).

AFFORDABLE HOUSING FUND (AHF):

In 2002, the Town Council established the AHF to preserve owner-occupied housing in Chapel Hill for affordable housing purposes.

Application Process: 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 above \$40,000.

Eligible Uses: The AHF has a variety of eligible uses, including:

1. Preservation of owner-occupied housing
2. Land acquisition
3. Renovation
4. Affordable housing construction
5. Rental and utility assistance

For more information on the Affordable Housing Fund, visit the [Town's website](#).

AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR):

In fiscal year 2014-15, 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).

Eligible Uses: 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
4. Future development planning.

Threshold requirements:

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

Application Process: AHDR applications are accepted three times per year (~ every 4 months). Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on the Affordable Housing Development Reserve, visit the [Town's website](#).

Federal Funding Sources Not Covered By This Application

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The CDBG Program was created by the U.S. Congress in 1974 and is administered by the Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income peoples.

Eligible Uses: [CDBG eligible activities](#) include, but are not limited to: Acquisition of Real Property, Relocation and Demolition, Rehabilitation, Public Facilities and Improvements, and Public Services. Ineligible activities include Political Activities, Certain Income Payments, Construction of New Housing, or buildings for the General Conduct of Government.

Application Process: Applications are accepted once a year and reviewed by an Application Review Committee, which makes a recommendation for funding to the Chapel Hill Town Council for final approval.

For more information about the CDBG program, visit the [Federal CDBG website](#) and the [Town website](#).

THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

In 1990, Congress enacted the HOME Investment Partnerships Act in an effort to provide a new approach to housing assistance at the federal level. This federal housing block grant affords state and local governments the flexibility to fund a wide range of housing activities.

Eligible Uses:

1. Projects that expand the supply of decent, safe, sanitary and affordable housing, with emphasis on rental housing, for very low- and low-income citizens
2. Projects that strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing
3. Projects that encourage public, private and nonprofit partnerships in addressing housing needs.

Application Process: Applications are accepted once a year and reviewed by a committee coordinated by Orange County.

For more information about the HOME program, visit the [Federal HOME website](#) and the [Town website](#).

OVERVIEW OF ELIGIBLE USES BY FUNDING SOURCE

Uses	CDBG	HOME	AHF	AHDR	BOND
Acquisition	✓	✓	✓	✓	✓
New Construction		✓	✓	✓	✓
Demolition	✓			✓	✓
Future Development Planning				✓	
Homebuyer/Second Mortgage Assistance	✓	✓	✓	✓	
Land Banking				✓	
Redevelopment/ Reconstruction	✓	✓	✓	✓	✓
Rehabilitation/Renovation	✓	✓	✓	✓	✓
Housing Relocation	✓	✓		✓	
Rental Assistance	✓	✓	✓	✓	✓
Rental Subsidy			✓	✓	
Site Improvements	✓	✓	✓	✓	✓

2021 INCOME LIMITS

US Department of Housing and Urban Development (HUD)

Durham-Chapel Hill Metropolitan Statistical Area
(Durham, Orange, and Chatham Counties)

<i>Income Level</i>	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
30% area median income	\$18,150	\$20,750	\$23,350	\$25,900	\$28,000	\$30,050	\$32,150	\$34,200
50% area median income	\$30,250	\$34,600	\$38,900	\$43,200	\$46,700	\$50,150	\$53,600	\$57,050
80% area median income	\$48,400	\$55,300	\$62,200	\$69,100	\$74,650	\$80,200	\$85,700	\$91,250

Source: U.S. Department of Housing and Urban Development (HUD) 2021