

AFFORDABLE HOUSING QUARTERLY REPORT



FISCAL YEAR 2021 QUARTER 2
(OCTOBER 1 – DECEMBER 31, 2020)



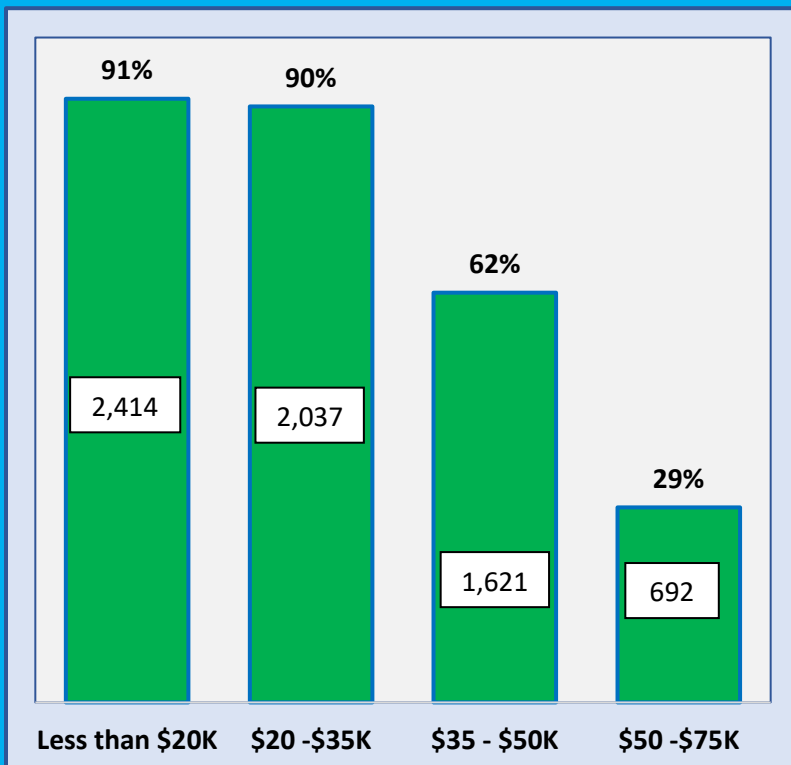
OUR GOAL

To increase access to housing for residents across a range of incomes, and to constantly strive for more equitable outcomes and opportunities for historically underserved populations.

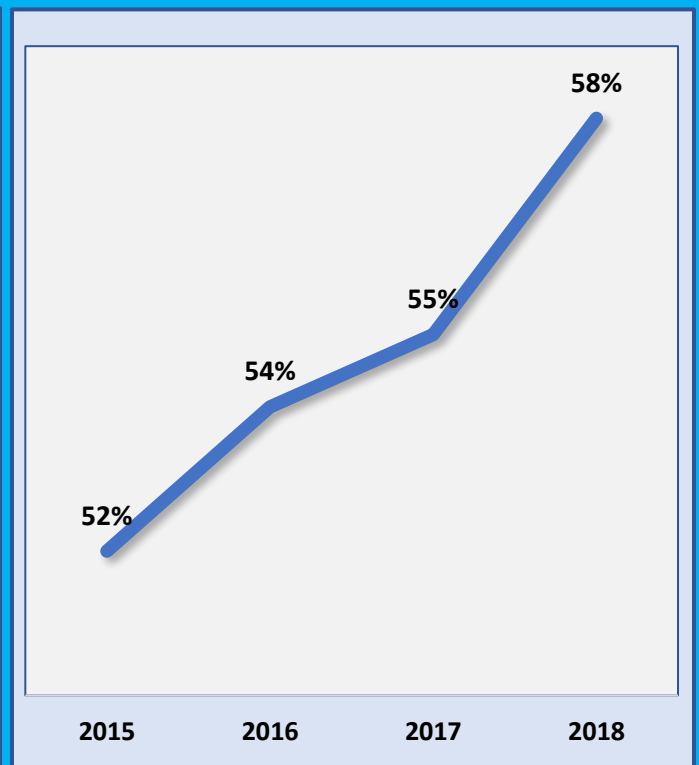
COMMUNITY INDICATORS

<p>\$6,226,205</p> <p>Town Budget for Affordable Housing Strategies</p>	<p>\$90,900</p> <p>Median Household Income</p>	<p>58%</p> <p>of Renters spend more than 30% of income on Housing</p>	<p>40%</p> <p>of Housing Units (7,459) affordable to households with income at 80% AMI</p>
	<p>\$410,105</p> <p>Median Home Value</p>	<p>22.5%</p> <p>of Homeowners spend more than 30% of income on Housing</p>	<p>21,708</p> <p>Total housing units in town</p>

Number and Percent of Households that are Cost-Burdened by Income Level

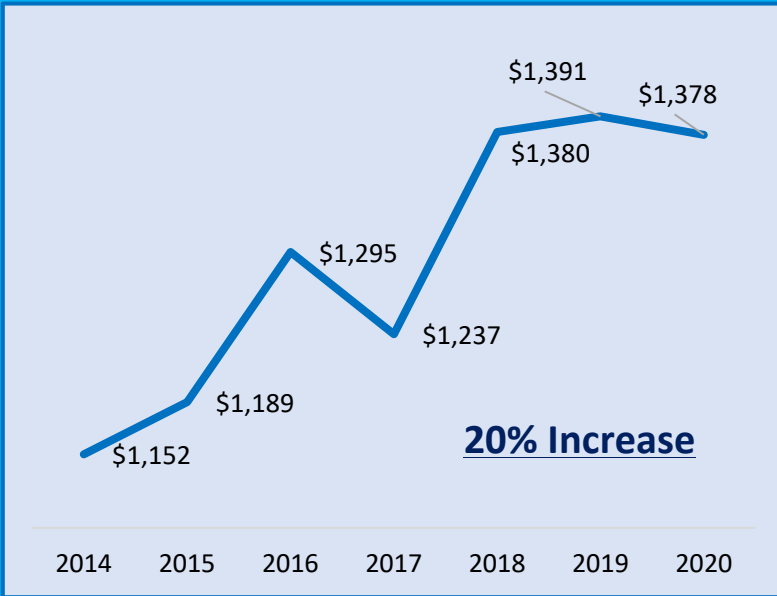


Percentage of Renters Cost-Burdened by Year

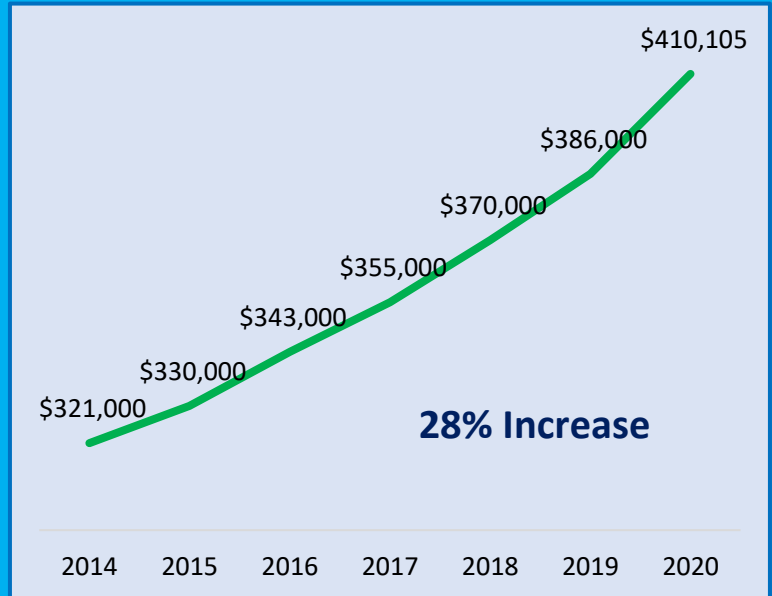


Housing costs have been rising in Chapel Hill since 2014:

Rise in Rental Rates

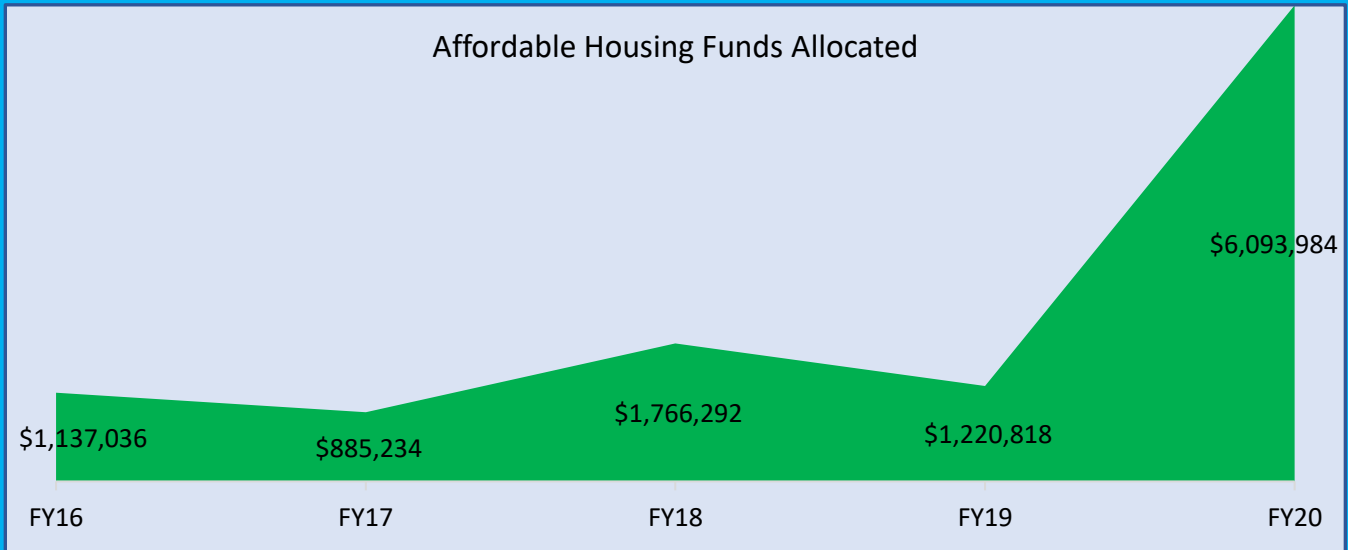


Rise in Home Values

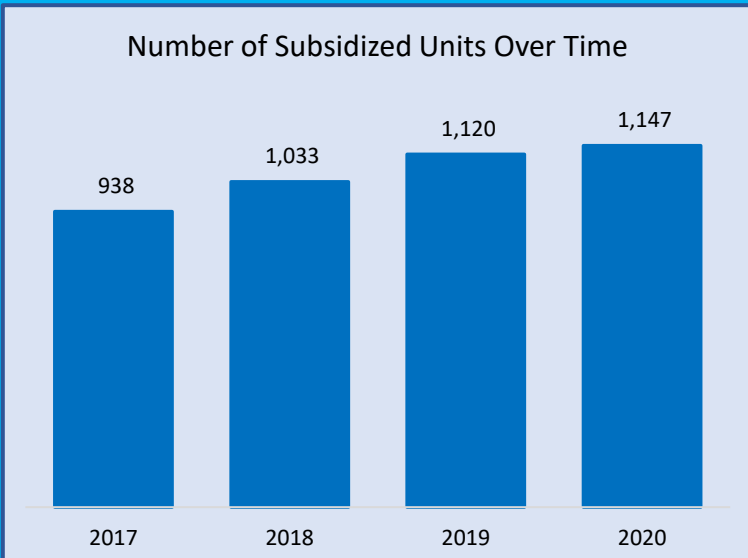


The Town has increased its support for affordable housing to address housing needs:

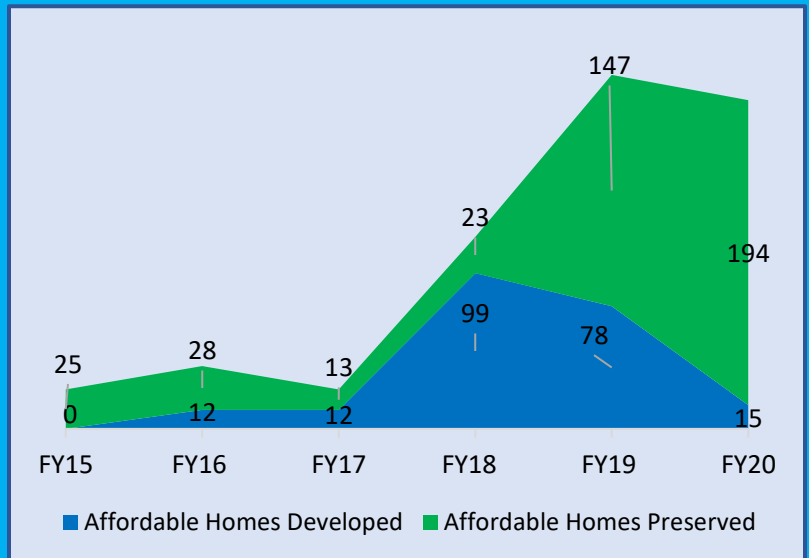
Affordable Housing Funds Allocated



Increase in Number of Subsidized Units



Increase in Units Developed and Preserved

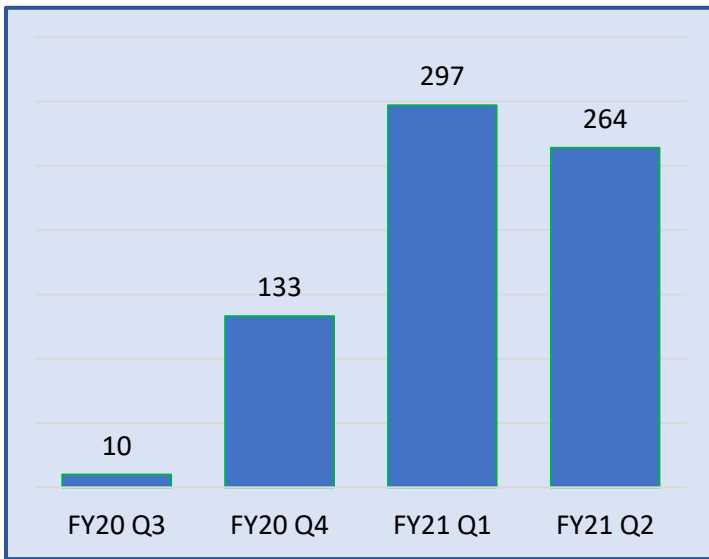


FY21 Q2 Highlights

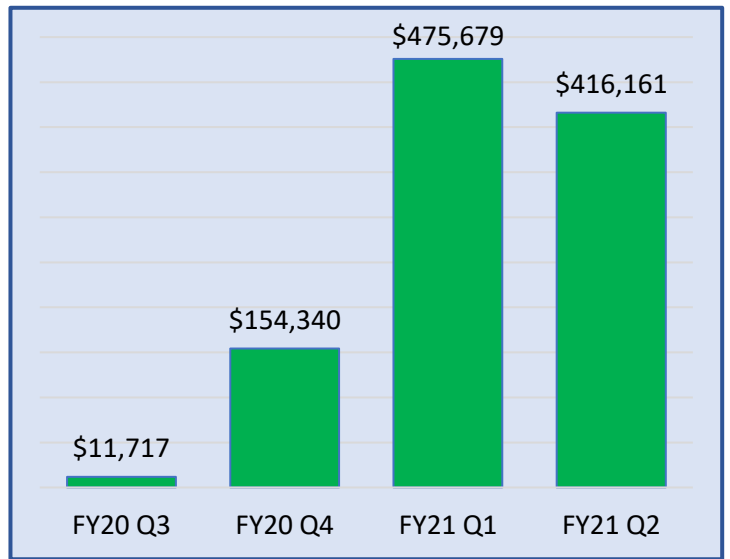
- The Town has continued to focus on COVID-19 response efforts and supported 264 Emergency Housing Assistance payments for Town residents. This assistance is reflected in the total units preserved. An additional 133 assistance payments were provided through the HOPE program.
- The 2200 Homestead Road development team submitted a rezoning application to develop ~120 homes
- The Community Home Trust added one new home into their permanently affordable inventory
- Allocated all available Affordable Housing Development Reserve funds for the fiscal year to projects

Emergency Housing Assistance

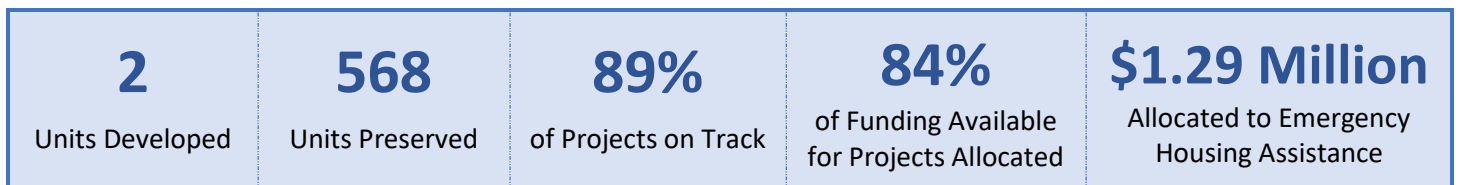
Households Provided Emergency Housing Assistance



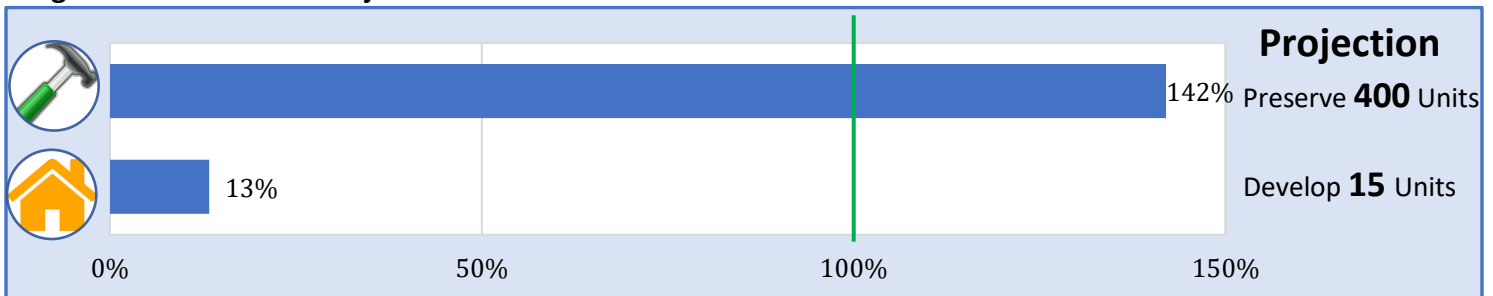
Amount of Assistance Provided



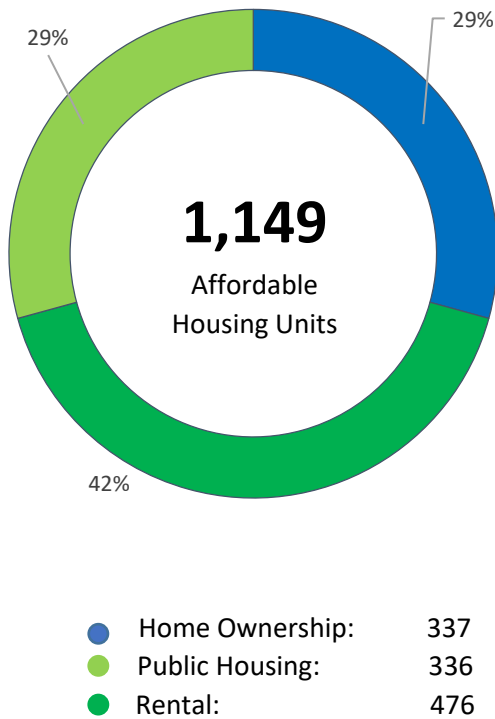
FY21 Town Performance-to-Date



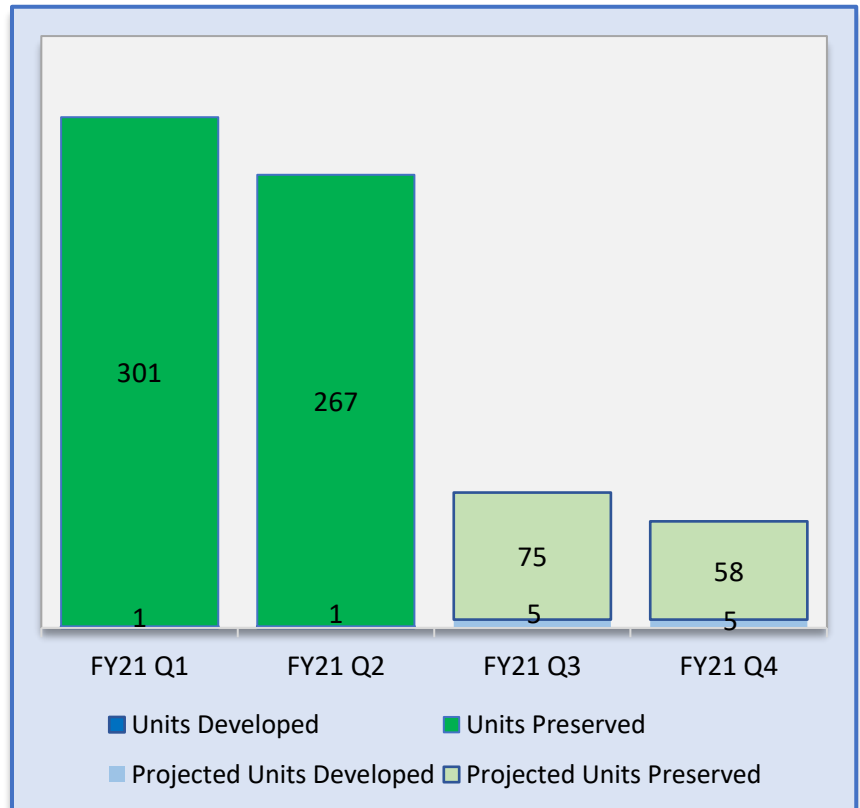
Progress Towards FY21 Projection



Number of Subsidized Units in Town













Actual and Projections by Quarter – Number of Units








Affordable Housing Projects Underway Supported by the Town

Project Type	Provider	Project Name	Number of Units	Projected Completion	Status
	Community Home Trust	Culbreth Park Acquisition	1	FY21 Q1	✓
	Community Home Trust	Graham Street Acquisition	1	FY21 Q2	✓
	Town of Chapel Hill Public Housing	Church Street Renovation	1	FY21 Q2	✓
	Town of Chapel Hill	Employee Housing Program	5	FY21 Q3	●
	Pee Wee Homes	Mitchell Lane Tiny-plex	2	FY21 Q4	●
	Town of Chapel Hill	Transitional Housing at Umstead Road	1	FY22 Q4	●
	Town of Chapel Hill Public Housing	Oak Avenue Furnace Replacement and Fire Repair	3	FY21 Q4	●
	Orange County	Emergency Housing Assistance	400	FY21 Q4	●
	Self-Help	Northside Neighborhood Initiative Housing Rehabilitation	10	FY21 Q4	●
	Town of Chapel Hill Transitional Housing	Ashley Forest Renovation	1	FY21 Q4	●
	Town of Chapel Hill Transitional Housing	Sykes Street Renovation	1	FY21 Q4	●
	Habitat for Humanity	Sunset Drive Home Construction	1	FY21 Q4	●

	Community Home Trust	Homebuyer Subsidy	2	FY21 Q4	
	Self-Help	Grisham Cottages	2	FY21 Q4	
	CASA	Merritt Mill Road Multi-Family Development	24	FY22 Q4	
	Town of Chapel Hill	2200 Homestead Road	120	FY24 Q2	
	EmPOWERment, Inc.	Johnson Street Development	8	FY24 Q2	
	Habitat for Humanity	Weavers Grove	100	FY28 Q2	

Legend:

- ✓: The project has been completed
- : The project is on track to meet its project scope and schedule
- : The project has been delayed in meeting its previous quarter project scope and schedule
- : The project has stalled and may not be completed
- : Development Project
- : Preservation Project

Affordable Housing Work Plan Highlights

Project	Progress Update
DEVELOPMENT	
2200 Homestead	<ul style="list-style-type: none"> Staff and the Homestead Collaborative submitted a Conditional Zoning Application in October to develop around 120 affordable homes
Prioritized Parcels of Town-Owned Land	<ul style="list-style-type: none"> Staff are close to finalizing a Memorandum of Understanding with a development partner for the Jay Street site and plan to begin concept planning in the spring Staff are exploring the design of a visioning process for the Bennett Rd site and plan to bring an update to Council in the spring
Identify Properties for Affordable Housing Development	<ul style="list-style-type: none"> Staff is currently conducting an analysis of small, publicly-owned parcels to identify opportunities for small site development, including tiny homes
PRESERVATION	
Implement Manufactured Home Communities Strategy	<ul style="list-style-type: none"> Staff provided a Town Council Work Session update on implementation of the strategy. Staff continue to implement the strategy based on Council feedback, including: <ol style="list-style-type: none"> Build out relocation package and identify funding for Council consideration Explore partnership opportunities for homeownership readiness program Continue exploring site control options, including Resident-Owned Communities Continue advancing Town development projects Consider engaging a consultant to identify additional best practices
Affordable Housing Preservation Strategy	<ul style="list-style-type: none"> The Emergency Housing Assistance (EHA) program has seen a large increase in demand due to COVID-19 and our partnership with the County and Towns, combined with additional funding, has assisted in meeting the increased demand Staff is conducting additional research on implementation options for the Preservation Strategy based on Council's feedback
POLICY	
Implement Employee Housing Program	<ul style="list-style-type: none"> Four employees became Chapel Hill residents through the program in FY20 Staff are evaluating the pilot program and plan to report back to Council in the spring on our findings and recommendations for improving the program
FUNDING	
Implement Investment Plan for Affordable Housing – Affordable Housing Bond	<ul style="list-style-type: none"> Council approved the allocation of \$6.1 million in FY20 towards affordable housing development and preservation projects, \$5 million from the Bond
Manage Funding Programs	<ul style="list-style-type: none"> The Town Council has allocated all available funding from the Affordable Housing Development Reserve for the remainder of this fiscal year
<ul style="list-style-type: none"> Affordable Housing Fund (AHF) 	

<ul style="list-style-type: none"> ▪ Development Reserve (AHDR) ▪ CDBG 	<ul style="list-style-type: none"> • Town Council approved an updated CDBG Program Plan that includes almost \$1 million in funding for affordable housing and community development projects, much of it focused on COVID-19 relief efforts
MANAGING TOWN-OWNED HOUSING	
Public Housing Master Plan	<ul style="list-style-type: none"> • Staff are evaluating responses to the RFQ to solicit interest from developers to redevelop the Trinity Court and/or Craig Gomains public housing communities. • Staff worked with an engineering firm to conduct a feasibility study for redevelopment of the Trinity Court and Craig Gomains sites.

Notes & Citations

- The percentage of renters and homeowners that pay more than 30% of their income on Housing, the number and percentage of cost-burdened housing, and total occupied housing units in town data source is U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates
- HUD defines cost-burdened families as those who pay more than 30 percent of their income for all housing related expenses and may have difficulty affording necessities such as food, clothing, transportation, and medical care.
- The median household income data source is the HUD 2020 Median Family Income Estimates based on American Community Survey data for the Durham-Chapel Hill Metropolitan Statistical Area.
- The median home value data source is Zillow.com and average rent rate is RentJungle.com
- The total budget this fiscal year for affordable housing strategies captures all Town expenditures for affordable housing. This includes the Affordable Housing Fund, CDBG Funds, the affordable housing bond, and operating funds, among others.
- The percentage of housing units that are affordable to households with income under 80% AMI includes naturally occurring affordable housing and units subsidized by the Town. The data source for this metric and corresponding chart is the commercial real-estate research firm Co-Star and the County-wide data inventory created through the Orange County Affordable Housing Coalition.
- The percent of budget allocated metric displays the percentage of the Town budget for affordable housing projects allocated as of the date of the quarterly report.
- The data source for the number of units subsidized by the Town is the County-wide Data Inventory created through the Orange County Affordable Housing Coalition.
- The data source for subsidized housing unit development projections is the County-wide data inventory created through the Orange County Affordable Housing Coalition.
- The number of subsidized units listed in this report has decreased by 35 units from the FY20 Q4 Report as an error in the jurisdictional classification of some units was discovered and corrected.