



Update on Implementation of Affordable Housing Strategies & Tools & Mid-Year Progress

Council Work Session
February 14, 2024

AGENDA

- Context & Key Indicators
- Highlights from Mid-Year Report
- What's Ahead



HOUSING CHALLENGES

LIMITED HOUSING SUPPLY

1%

Net increase in homes since 2010

DECREASING ACCESS TO HOME-OWNERSHIP

36%

Increase in median home sales prices since 2020

DECLINING RENTAL AFFORDABILITY

78%

Renter households earning under \$75k are cost-burdened

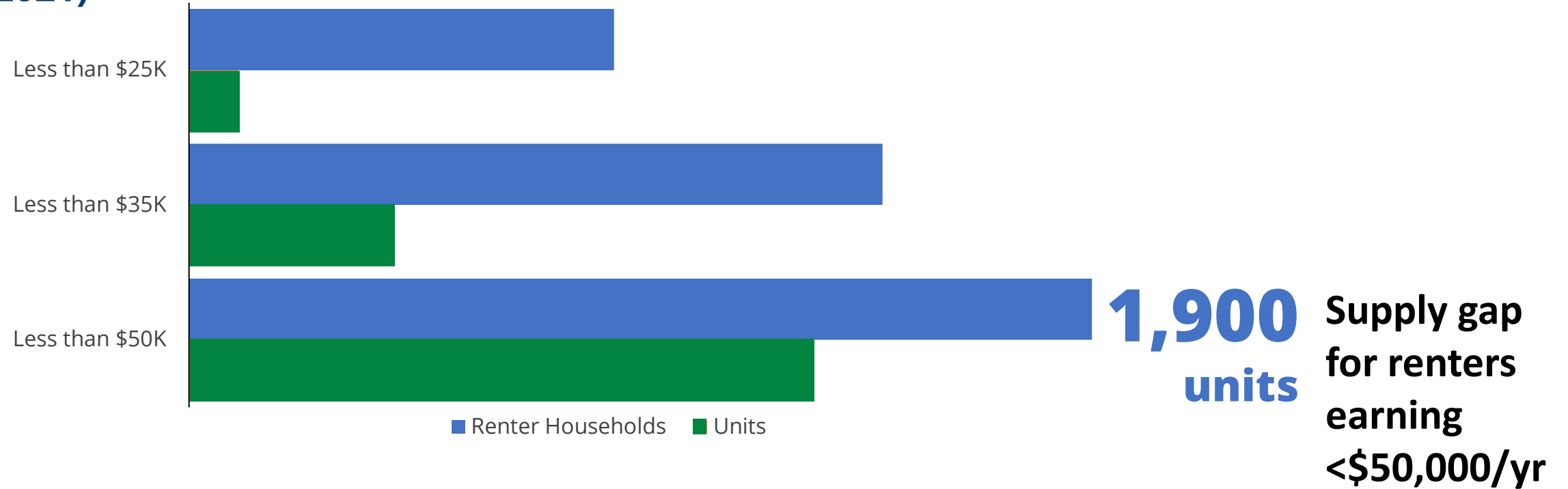
DISPLACEMENT PRESSURES

32%

Decrease in Black homeownership since 2010

HOUSING CHALLENGES

Cumulative Rental Supply Gap (2021)



WHERE WE ARE

- Strong pipeline of projects
- Need to build our capacity
- Structural changes to merge AH&CC and Public Housing
- We have a Plan

FY 2023 KEY ACCOMPLISHMENTS

\$10
Million



deployed to community partners for projects

163



affordable housing units approved by Council

693



affordable units in the pipeline to be developed in the next 5 years

OUR PLAN & APPROACH

- Fund Affordable Housing Projects
- Initiate Development & Preservation
- Own & Manage Housing
- Create & Implement Housing Policies



KEY PROGRESS: SUPPORTING PARTNERS INITIATIVES

- ~\$1 million in FY 2024 to support partner initiatives
- In addition to local and federal funding to be allocated to partner projects



Orange County
Partnership to
End Homelessness

KEY PROGRESS: AFFORDABLE HOUSING LOAN FUND

- Town's \$715,000 funding commitment paves way to establish \$20 Million Affordable Housing Loan Fund
- Town selected Self-Help Ventures Fund as Fund Administrator
- Fund estimated to support >600 affordable units



KEY PROGRESS: DEVELOPMENT ON TOWN LAND

- Trinity Court securing final approvals
- Tanyard Branch Trace received 9% LIHTC award
- Zoning modification for Homestead Gardens approved
- Selected DHIC as development partner for Legion Rd.
- Exploring other potential sites



KEY PROGRESS: AFFORDABLE HOUSING IN MARKET RATE DEVELOPMENTS

- Council has approved 1,572 housing units and 236 affordable units (15% of all units)
- Closed on first affordable units at Bridgepoint
- Anticipate completion of 10 more affordable units by June

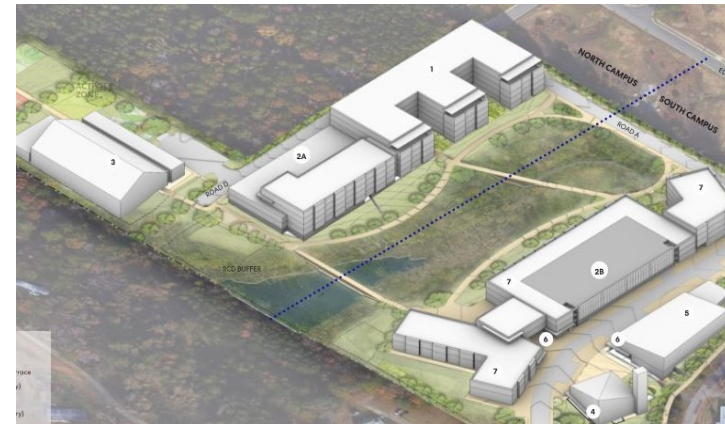
Chapel Hill Crossing



Hillmont



St. Paul Village



Gateway



KEY PROGRESS: AFFORDABLE HOUSING PLAN APPROVAL

The Plan focuses on four goals that address and respond to the challenges in the housing market and prioritize racial equity in housing within Chapel Hill.



**REDUCE
BARRIERS TO
BUILDING
HOMES**



**EXPAND AND
PRESERVE
AFFORDABLE
HOMEOWNERSHIP**



**EXPAND AND
PRESERVE
AFFORDABLE
RENTAL HOUSING**



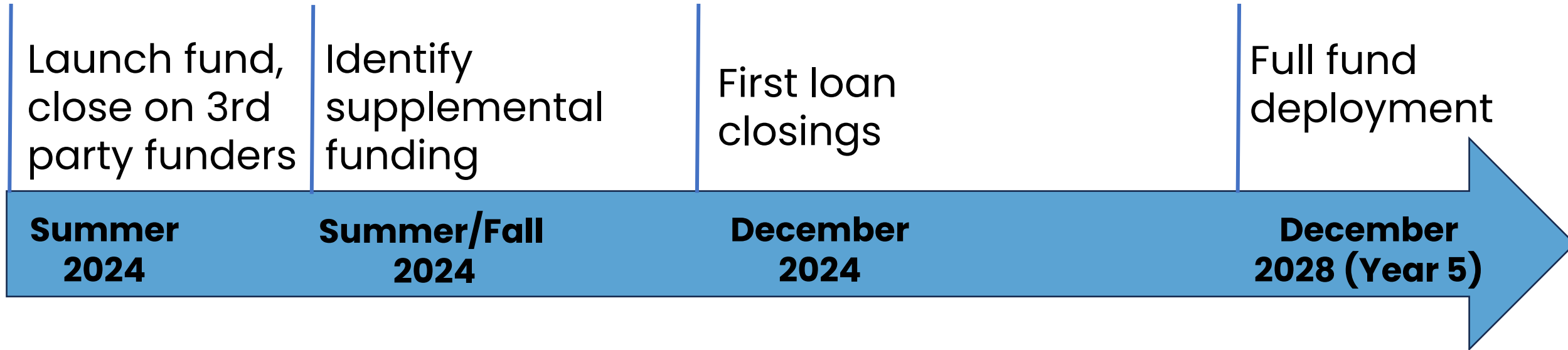
**INCREASE
STAFF AND
FUNDING
CAPACITY**

WHAT'S AHEAD: TRANSITIONAL HOUSING REPAIRS

- New maintenance mechanic helping address backlog of repairs
- Completion of 4 renovations
- Ongoing support and educational opportunities for residents



WHAT'S AHEAD: LAUNCH AFFORDABLE HOUSING LOAN FUND



- Anticipated Impact: 600 units
- Completion of 20-year fund term in 2044

WHAT'S AHEAD: AFFORDABLE HOUSING IN MARKET RATE DEVELOPMENTS

Project	Affordable Units	Type	Estimated Completion
Bridgepoint	5	For sale townhomes	2024
Aura	36	For sale townhomes and apartments	2024
University Place	25	Apartments	2024
Columbia St. Annex	9	Condos	2025
Tri-Pointe Townhomes	17	For sale townhomes	2026
Stanat's Place	4	For sale townhomes	2026
Total # Affordable Units	96		

WHAT'S AHEAD: DEVELOPMENT ON TOWN LAND



Trinity Court: Spring 2024



Homestead Gardens: Fall 2024



Tanyard Branch Trace (Jay Street): Summer 2024

WHAT'S AHEAD: SUPPORT LIHTC PROJECTS

2024: Longleaf Trace

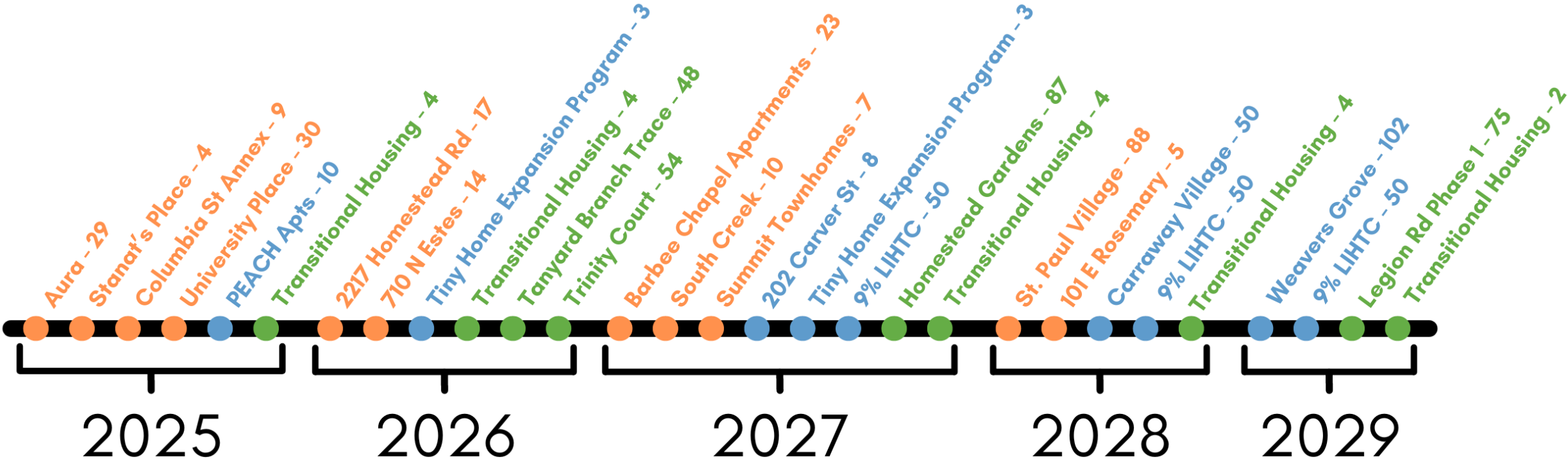
- Reviewing zoning application
- Council will consider rezoning and funding commitment in April 2024

Future Years:

- Working with private developers to support competitive applications
- Started planning for Legion Rd
- Teeing up future sites and funding



WHAT'S AHEAD: PROJECT PIPELINE



- Inclusionary Housing
- Partner Project
- Town Initiated

WHAT'S AHEAD: IMPLEMENT INVESTMENT STRATEGY

To implement the recommendations outlined in our Plan, the Town will need to dedicate \$10 million annually towards affordable housing over the next 5 years

Potential Five-Year Impacts of Local Spending on Affordable Housing

\$50 Million

900+
Homes
Developed

400+
Homes
Preserved

WHAT'S AHEAD: COUNCIL TOUCHPOINTS

March

- **LUMO Update** on housing affordability

April

- Public Hearing/
Council Action on **Longleaf Trace**
- Consider **Longleaf Trace** funding commitment

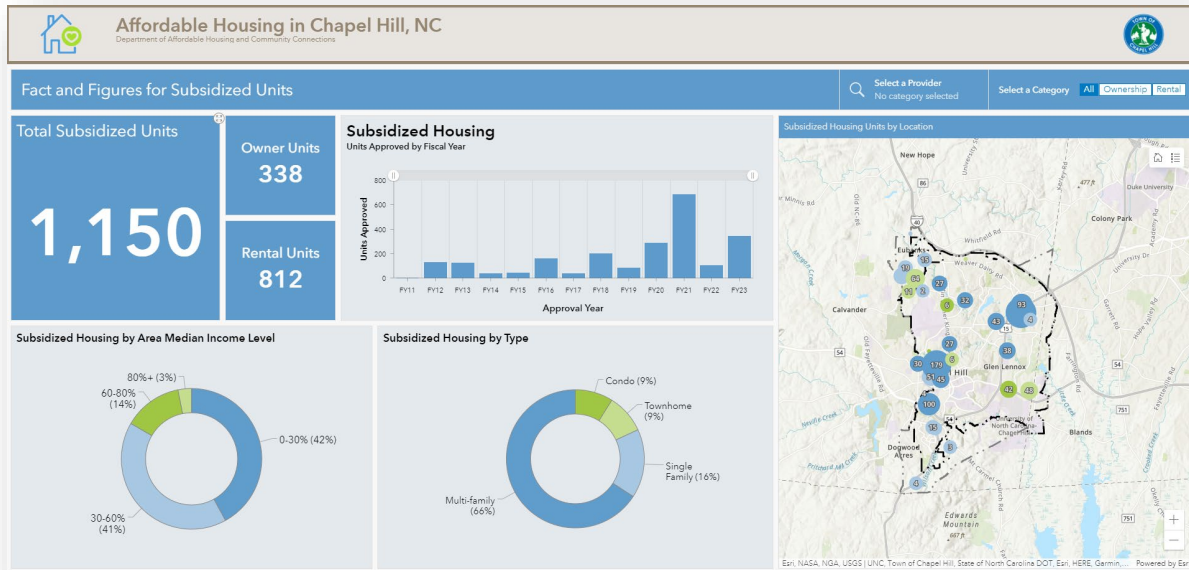
May

- **Trinity Court** groundbreaking
- Authorization to execute **Tanyard Branch Trace** development contract
- Authorization for **AHDR Funding** Plan

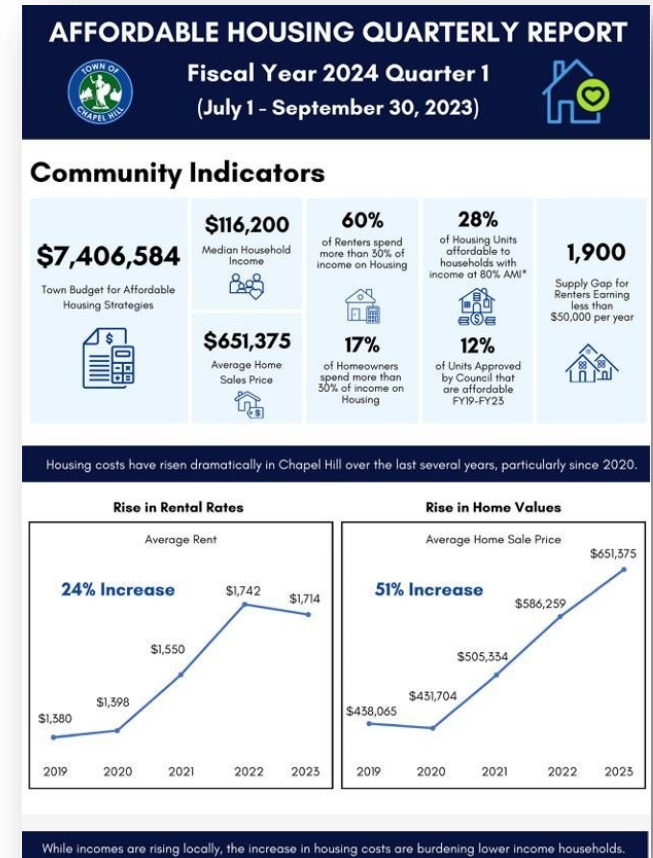
RESOURCES

Affordable Housing Website: chapelhillaffordablehousing.org

Affordable Housing Dashboard



Affordable Housing Quarterly Reports





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