

Town of Chapel Hill Affordable Housing Bond

Allocation Strategy

Introduction

On February 21, 2018, the Council approved a resolution to pursue an Affordable Housing Bond referendum in November, 2018. At that time, the Council also adopted a resolution identifying eligible activities and priorities for use of affordable housing bond funds.

If an affordable housing bond referendum is approved, funds would be used to develop and preserve affordable housing that aligns with the strategy statement of the Town's Affordable Housing Strategy:

The Town of Chapel Hill's goal is to increase the availability of and access to housing for households and individuals with a range of incomes, from those who are homeless to those in middle-income households. The Town of Chapel Hill will work with for-profit and non-profit housing providers to offer a variety of housing opportunities that will promote socioeconomic diversity; provide individuals with the ability to remain in Chapel Hill through different stages in their lives; and support employee recruitment and retention.

Eligible projects would be consistent with the Council's existing policy statements in the [Affordable Housing Strategy \(AHS\)](#)¹, [Affordable Rental Housing Strategy \(ARHS\)](#)², the [Northside and Pine Knolls Community Plan \(CP\)](#)³, and the [2016-18 Council Goals](#)⁴.

The Council approved the following priorities for eligible projects:

- Rental projects that serve households with incomes 60% and below the Area Median Income (AMI);
- Rental housing serving vulnerable populations (i.e. disabled, homeless, elderly)
- Long-term affordability;
- Located near transit services; and
- High leverage from other resources.

Priority Projects

The Council approved the following eligible activities for affordable housing bond funds (if approved):

¹ <http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/affordable-housing-policy/affordable-housing-strategy>

² <http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/affordable-housing-policy/affordable-rental-housing-strategy>

³ <http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/affordable-housing-policy/northside-and-pine-knolls-community-plan>

⁴ <http://www.townofchapelhill.org/town-hall/departments-services/chapel-hill-2020/2016-2018-council-goals>

1. Land Acquisition

Description: Funds could be used to purchase property to be used to create new or preserve existing affordable housing. Examples of eligible activities include property acquisition, land acquisition and associated program expenses. There would be an emphasis on projects located in the Northside and Pine Knolls neighborhoods and along transit corridors.

Related Strategies and Goals:

- a. Acquire and preserve vacant land along transit corridors for future affordable development. (ARHS)
- b. Address the development pressures of the Pine Knolls and Northside neighborhoods by supporting a housing and cultural preservation program in the neighborhoods. (ARHS)
- c. Support the reuse and redevelopment of property that can be developed into affordable housing (AHS)
- d. Purchase properties for affordable housing providers (CP)

2. Home Repairs and Comprehensive Rehabilitation

Description: Funds would be used to provide minor or major rehabilitation to existing homes in the community. We would work with our housing provider partners to identify properties for assistance.

Related Strategies and Goals:

- a. Address the development pressures of the Pine Knolls and Northside neighborhoods by supporting a housing preservation program in the neighborhoods. (AHS)
- b. Major and minor rehabilitation of existing housing. (CP)
- c. Support the ability for senior citizens to age-in-place or transition to affordable housing within the community (AHS)

3. Construction of new affordable housing units

Description: Eligible projects would support the development of housing opportunities to create and preserve affordable housing for households earning up to 120% of the AMI. Priority will be given to projects serving households with incomes below 60% AMI. Eligible activities would include pre-development costs, professional services and construction costs.

Related Strategies and Goals:

- a. Focus on the development of affordable rental housing including studio units, supportive housing units, universal access units, and units for families (AHS)

- b. Explore redevelopment of park and ride lots, underused open space, and other “found” land. (ARHS)
- c. Explore the feasibility of development of new public housing units. (ARHS)

Funding Allocation Process

(To be drafted in partnership with the Housing Advisory Board)

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