

11-04-2020 Town Council Meeting
Responses to Council Questions

ITEM #4: Approve the Housing Advisory Board's Recommended Funding Plan for the Affordable Housing Development Reserve

Council Question:

Thank you for the very helpful overview chart on page 26 of the packet. for future versions, could it please also include the AMI to be served? I find this to be a useful factor in assessing a proposed investment, particularly when considering the subsidy per unit.

Staff Response:

Yes, we will include the AMIs to be served in the overview chart for future funding cycles. Attached is an updated Recommended Funding Plan Overview with AMIs included in the table.



Housing Advisory Board Recommended Funding Plan Overview

Affordable Housing Development Reserve Fiscal Year 2021






Funding Requests

Organization	HAB Recommendation	Current Request Amount	Total Anticipated Request for Project	Units	AMI Served	Subsidy Per Unit	Total Project Cost	% Funded by Town	Cost Per Unit	Leverage from Outside Sources	Affordability Period
Community Home Trust	140,000	140,000	237,323	8	0-30%	29,665	359,050	66%	44,881	121,727	4 years
EmPOWERment	200,000	200,000	501,000	10	6 at 0-30% 4 at 31-60%	50,100	2,256,000	22%	225,600	1,755,000	Permanent
Town of Chapel Hill	173,395	200,000	4,216,836	117	45 at 0-30% 29 at 31-60% 39 at 61-80% 4 at 81-115%	36,041	21,271,326	20%	181,806	17,054,490	Permanent
Total Request	\$513,395	\$540,000	\$4,955,159	135		\$38,602	\$23,886,376			\$18,931,217	

*Cost Per Unit includes the costs to develop all units in the project

Project Overviews and Recommendations

 The logo for Community Home Trust features a stylized orange house with white outlines of windows and doors, set against a background of curved lines representing a sun or sky. Below the house, the words "Community HOME TRUST" are written in a blue box with white text.	<p><u>Master Leasing</u> Recommendation: \$140,000 Request: \$140,000</p> <p>The Town approved \$97,000 in Affordable Housing Development Reserve funding in fiscal year 2019 for the two-year Master Leasing Pilot Program. Community Home Trust has requested \$140,000 in additional funding to extend the program another two years and to increase the number of units in the program from five to eight.</p> <p>The Community Home Trust proposes to use the funds to reduce the costs of rental housing to individuals and families earning less than 30% of AMI. CHT will lease apartments at about market rents and sub-lease them to program participants at very affordable rent levels. The AHDR funds will assist with monthly rents, security deposits, utilities, and administration costs for the 8 units.</p>	
 The logo for EmPOWERment features a stylized black and white house with a red roof, set against a white background. Below the house, the words "EmPOWERment" are written in a red box with white text, and "INC." is written in smaller text below it.	<p><u>Johnson Street Apartments Affordable Housing Development</u> Recommendation: \$200,000 Request: \$200,000</p> <p>The Town approved \$101,000 in Affordable Housing Development Reserve funding in January 2020 and \$200,000 from the Affordable Housing Bond in June 2020 for this project to support the acquisition of a parcel of land planned to be used for this development and to assist with development expenses. This request for \$200,000 is to cover additional development costs and is planned to be the last request for funding from the Town for this project.</p> <p>EmPOWERment plans to construct ten ADA-compliant rental units in a highly energy efficient building shell. All units will be furnished with Energy Star appliances. The project will address a specific rental gap that continues to go unmet: families earning less than 60% AMI. EmPOWERment has initiated the planning process and begun conversations with Town staff on the possibility of gaining site control of an adjacent Town-owned property that would be developed on for this project.</p>	 A black and white architectural drawing of a two-story apartment building. The building has a symmetrical facade with a central entrance and two gabled sections on either side. Each gabled section contains a window, and the central entrance has a small porch. The drawing shows the front elevation of the building.



2200 Homestead Road Mixed-Income Community

Recommendation: \$173,395

Request: \$200,000

In June 2020, the Town Council approved \$3.3 million in Affordable Housing Bond funds to be used for this project. The Town of Chapel Hill proposes to use Town funding to develop a mutually supportive mixed-income community with a range of housing types. This community will increase the availability of homeownership and rental housing for households with a range of incomes up to middle income, provide housing for vulnerable populations, ensure long-term affordability, and leverage funding from outside sources.

The funds recommended will be used for development of the site to prepare individual parcels for the Homestead Housing Collaborative (Self-Help, CASA, Community Home Trust, Habitat for Humanity of Orange County) to begin construction of affordable housing units. Site development includes demolition of the existing building, site grading and paving, installing water, sewer, and stormwater infrastructure, and construction of community amenities, such as the greenway, open spaces, sidewalks, outdoor seating, community garden, basketball half-court, and landscaping throughout the site.

