

AFFORDABLE HOUSING ANNUAL REPORT



FISCAL YEAR 2020
(JULY 1, 2019 – JUNE 30, 2020)

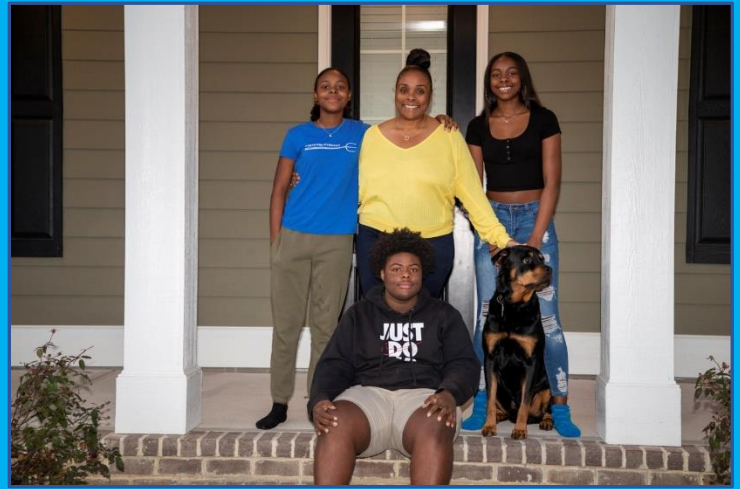


OUR GOAL

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

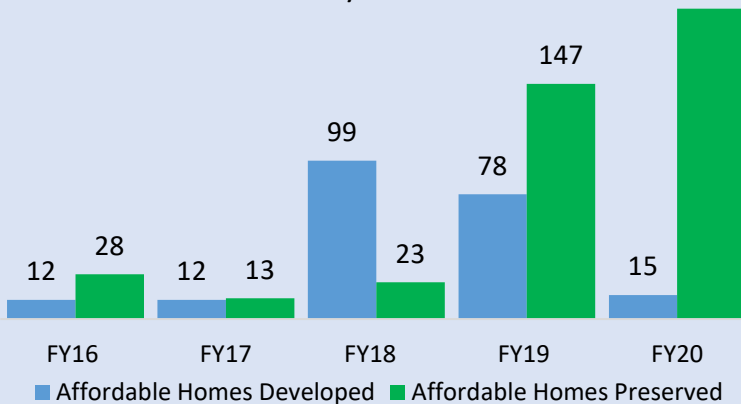
FY 2020 KEY RESULTS

- **15** new homes developed with Town support
- **194** homes preserved with Town Support, exceeding this year's projection
- **\$6.1** million awarded by Town Council for affordable housing projects
- Developed an Affordable Housing Preservation Strategy Framework, outlining a strategic approach to preserve affordable housing
- Almost **150** households received financial support for Emergency Housing Assistance
- Selected potential development partner and created a site plan for 2200 Homestead Road

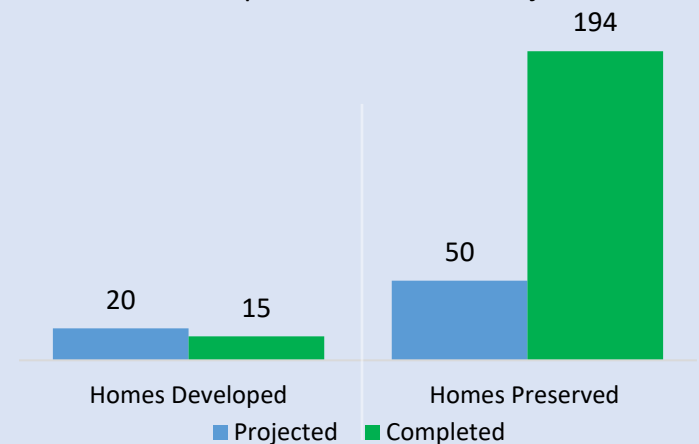


The Town's Transitional Housing Program creates opportunities for Public Housing residents to become ready for homeownership, including for this family who graduated from the program and moved into a brand-new affordable home in the South Grove neighborhood.

Affordable Homes Developed and Preserved by Year



Homes Completed vs. Annual Projection



TO LEARN MORE: www.chapelhillaffordablehousing.org



The Town's Inclusionary Housing Program incorporates affordable housing into new residential development projects. The Chandler Woods development built 9 permanently affordable townhomes. These units came online this year and provided affordable homeownership opportunities for 9 low-moderate-income first-time homebuyers in partnership with the Community Home Trust.

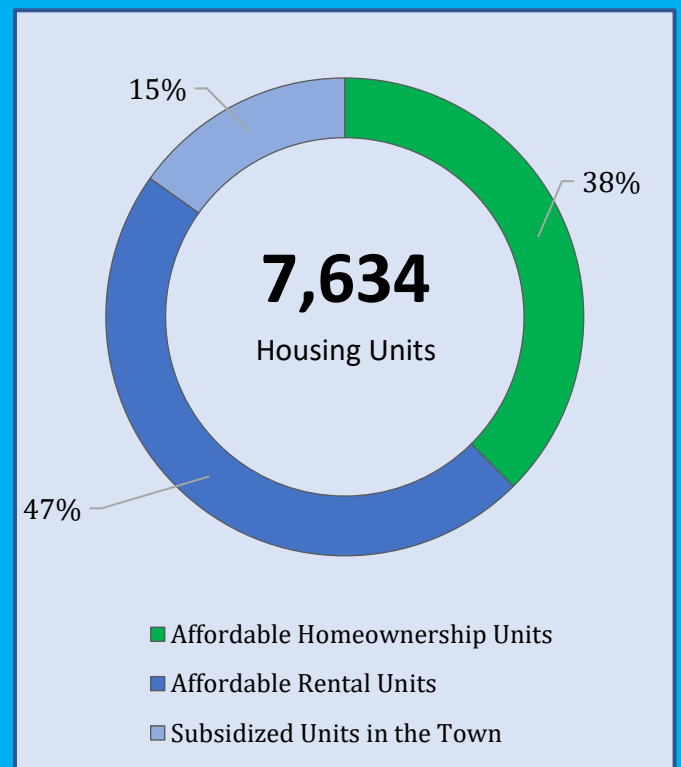
FY 20 COMMUNITY INDICATORS

<p>\$5,609,000</p> <p>Town Budget for Affordable Housing Strategies</p>	<p>\$84,800</p> <p>Median Household Income</p>	<p>55%</p> <p>of Renters spend more than 30% of income on Housing</p>	<p>35%</p> <p>of Housing Units are affordable to households with income below 80% AMI</p>
	<p>\$386,600</p> <p>Median Home Value</p>	<p>19%</p> <p>of Homeowners spend more than 30% of income on Housing</p>	<p>21,685</p> <p>Total housing units in town</p>

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

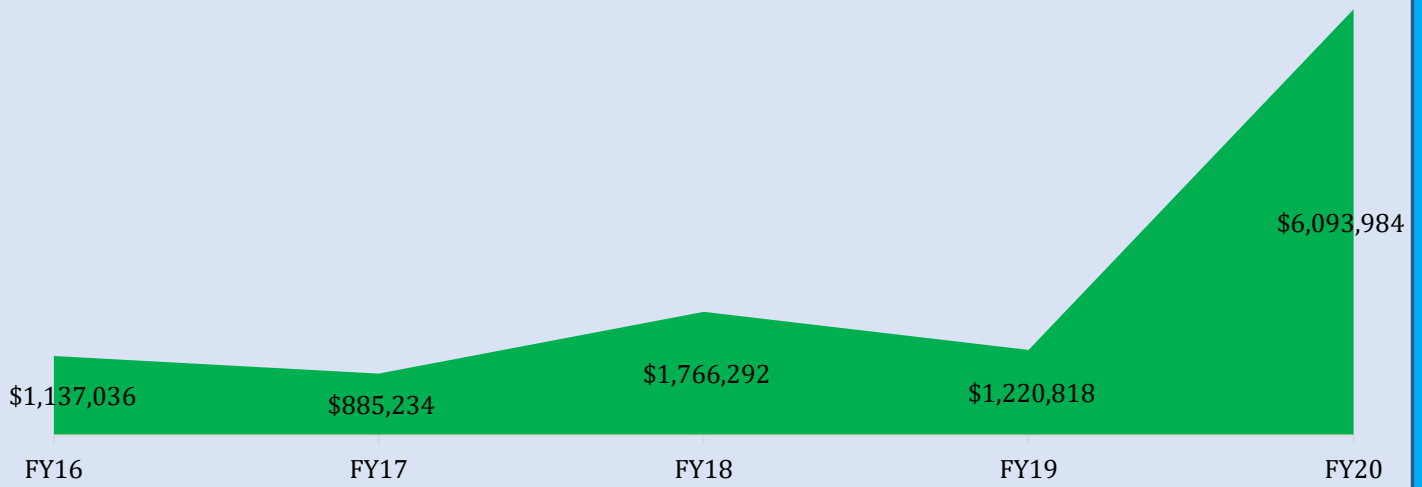


Number of Housing Units that are Affordable to Households with Income Under 80% AMI



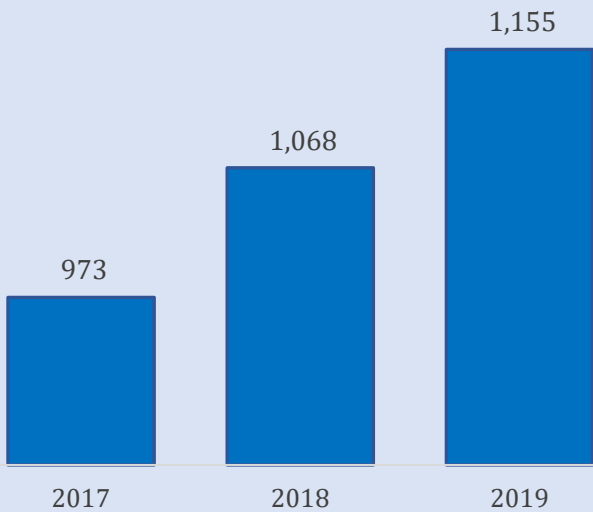
The Town has increased its funding support for affordable housing:

Affordable Housing Funding Awarded to Projects

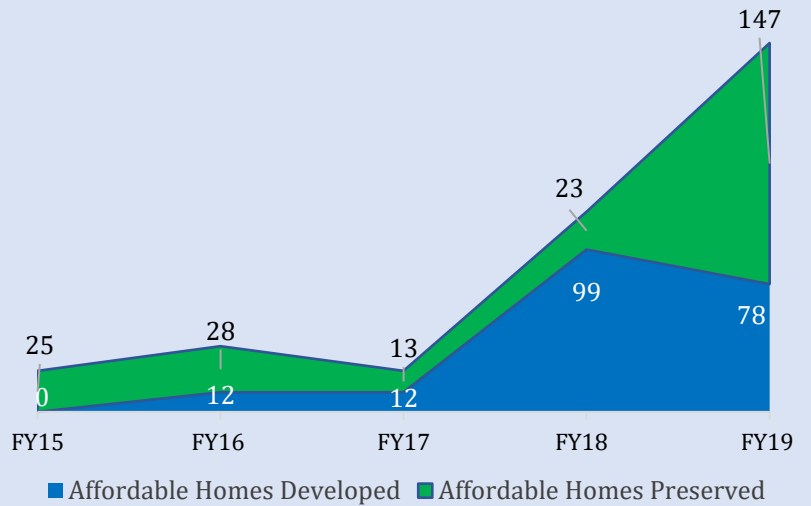


Increase in Number of Subsidized Units

Total Number of Subsidized Units Over Time



Increase in Units Developed and Preserved

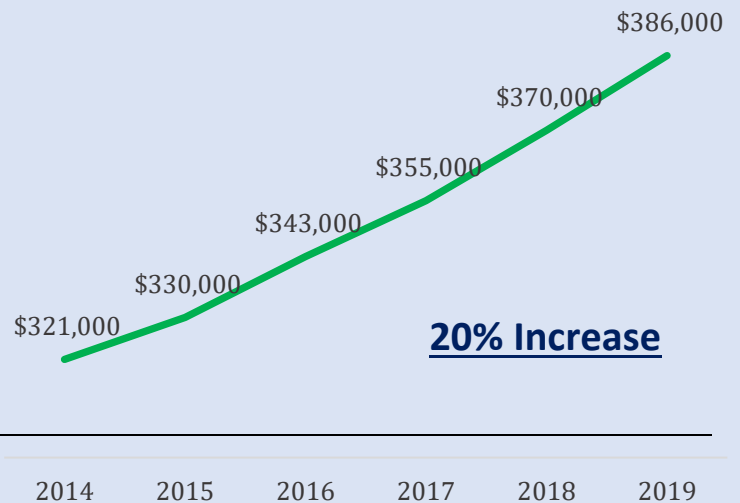


The cost of housing has been increasing at the same time, decreasing affordability:

Rise in Rental Rates

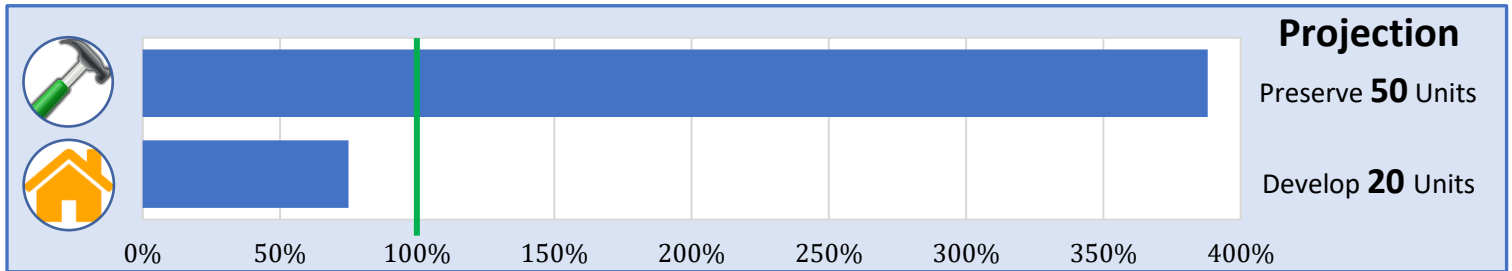


Rise in Home Values

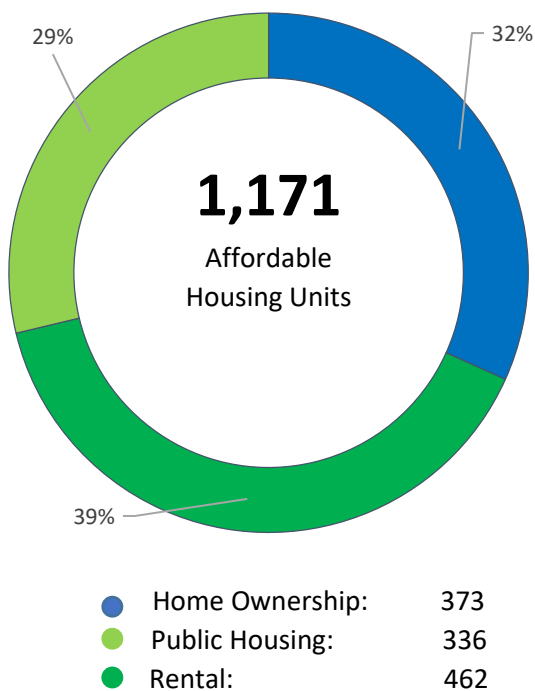


FY20 Town Performance

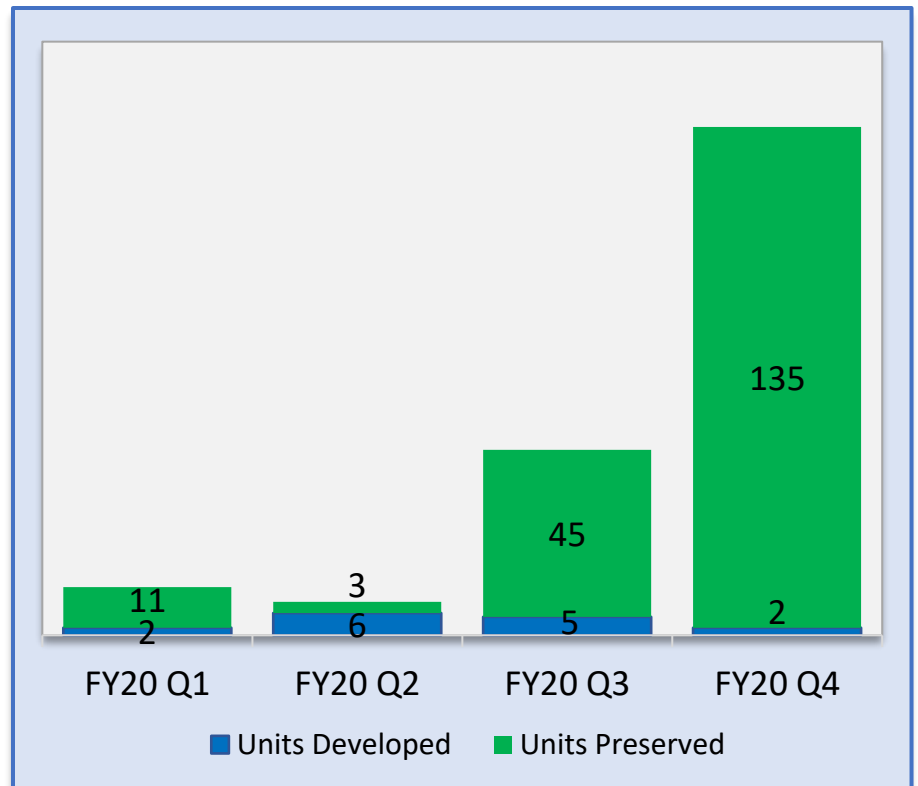
Year-End Progress Towards FY20 Projection



Number of Subsidized Units in Town


























Actual and Projections by Quarter – Number of Units





FY20 Q4 Update | Affordable Housing Projects Underway Supported by Town Funds

Project Type	Provider	Project Name	Number of Units	Projected Completion	Status
	Community Empowerment Fund	Housing Displacement Assistance	4	FY20 Q1	✓
	Town of Chapel Hill Public Housing	N Columbia Renovation	1	FY20 Q1	✓
	Town of Chapel Hill Public Housing	Lindsay Street Restoration	1	FY20 Q2	✓
	Community Empowerment Fund	Housing Displacement Assistance	1	FY20 Q2	✓
	Town of Chapel Hill Public Housing	Craig Street Plumbing Repair	2	FY20 Q3	✓
	Town of Chapel Hill Public Housing	Colony Woods Plumbing Repair	30	FY20 Q3	✓

	Town of Chapel Hill Public Housing	Louis Armstrong Renovation	1	FY20 Q3	✓
	Community Home Trust	Lindsay Street Acquisition	1	FY20 Q3	✓
	Community Home Trust	Chandler Woods	9	FY20 Q3	✓
	Habitat for Humanity	Homeowner Rehabilitation	3	FY20 Q4	✓
	Orange County	Emergency Housing Assistance	142	FY20 Q4	✓
	Self-Help	Northside Emergency Repairs	5	FY20 Q4	✓
	Community Home Trust	South Grove	4	FY20 Q4	✓
	Community Home Trust	Homebuyer Subsidy	3	FY20 Q4	✓
	Community Home Trust	Culbreth Park Acquisition	1	FY21 Q1	●
	Town of Chapel Hill	Employee Housing Program	5	FY21 Q2	●
	Community Home Trust	Graham Street Acquisition	1	FY21 Q2	●
	Self-Help	Land Bank Properties for Affordable Housing	8	FY21 Q2	●
	Town of Chapel Hill Public Housing	Church Street Renovation	1	FY21 Q2	●
	Self-Help	Grisham Cottages	2	FY21 Q2	●
	Pee Wee Homes	Mitchell Lane	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	●
	Town of Chapel Hill Transitional Housing	Ashley Forest Renovation	1	FY21 Q4	●
	Habitat for Humanity	Sunset Drive Home Construction	1	FY21 Q4	●
	CASA	Merritt Mill Road Multi-Family Development	24	FY22 Q4	●
	Town of Chapel Hill	2200 Homestead Road	120	FY23 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

FY20 Q4 Update | Town of Chapel Hill Affordable Housing Work Plan Highlights

Project	Progress Update
DEVELOPMENT	

2200 Homestead	<ul style="list-style-type: none"> • Staff and the Homestead Collaborative presented a draft site plan for Council review in June • Project team conducted community engagement over the summer • Project team to submit Conditional Zoning Application in late fall
Prioritized Parcels of Town-Owned Land	<ul style="list-style-type: none"> • Staff are preparing a Memorandum of Understanding with a potential development partner for the Jay Street site • Community engagement for the Jay Street site scheduled for late fall • Staff is developing a community engagement process proposal for the Bennett Rd site for Council review in late fall
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 continue to implement Manufactured Home Strategy and explore additional preservation strategies • Staff are assisting EmPOWERment with outreach to Tar Heel (1200 MLK) residents for the development application under consideration for the site and have provided interpretation services for advisory board and Town Council review meetings
Affordable Housing Preservation Strategy	<ul style="list-style-type: none"> • Staff is conducting additional research on implementation options for the Preservation Strategy based on Council’s feedback • The Emergency Housing Assistance (EHA) program saw a large increase in demand due to COVID-19. The program provided 142 households with emergency assistance this year.
Develop Strategies to Address Resident Displacement	<ul style="list-style-type: none"> • In collaboration with our partners, the Town synched our Rental and Utility Assistance Program criteria and streamlined the application process with the other jurisdictions in Orange County. The Program is now called the Emergency Housing Assistance Program and intake is centralized at the Orange County Housing Helpline. • Town Council approved additional CDBG and CARES Act funding to support the EHA program.
POLICY	
Implement Employee Housing Program	<ul style="list-style-type: none"> • Four employees became Chapel Hill residents through the program this year • The program is shown as delayed in the above table because we did not meet our 1st year projection of assisting five employees • Staff are beginning to evaluate the pilot program
Create Goals for Affordable Housing in New Rental Development	<ul style="list-style-type: none"> • Housing Advisory Board reviewed and made recommendation to Council on draft Goals and Guiding Principles in spring 2019 • Staff updated the Town Council in June 2019 and are continuing to research based on the Council’s feedback
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, \$5million from the Bond
Manage Funding Programs	<ul style="list-style-type: none"> • All Affordable Housing Development Reserve funds were allocated in FY20 • Council approved all CDBG-CV funds awarded to support Emergency Housing Assistance and homeless efforts for households impacted by COVID-19.
<ul style="list-style-type: none"> ▪ Affordable Housing Fund (AHF) ▪ Development Reserve (AHDR) ▪ CDBG 	
MANAGING TOWN-OWNED HOUSING	
Public Housing Master Plan	<ul style="list-style-type: none"> • Staff pursuing repositioning suggestions for Trinity consistent with Council’s suggestion to re-imagine the possibilities of increasing density. Financial plans to be submitted to HUD in October 2020 for demolition/rebuild of units with increased density.

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, 2013-2017 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 FY2019 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.