



**Affordable Housing Development Reserve
&
Affordable Housing Fund**

Funding Application

Revised 12/2015

GENERAL INFORMATION & APPLICATION INSTRUCTIONS

OVERVIEW

Affordable Housing Fund (AHF):

In 2002, the Town Council established an Affordable Housing Fund (AHF) to preserve owner-occupied housing in Chapel Hill for affordable housing purposes. Since then, the eligible uses of the Affordable Housing Fund have expanded and include a variety of uses, such as land acquisition, renovation, homeownership assistance, new construction of affordable housing, and rental and utility assistance.

Funds are available through the AHF on a rolling basis, with applications being accepted at any time. Applicants are evaluated by the Town Manager, with Council approval required for requests for housing renovation or homeownership assistance in excess of \$40,000.

Affordable Housing Development Reserve (AHDR):

In fiscal year 14-15, the Town Council allocated over \$688,000 for affordable housing and approved an allocation strategy for this funding, establishing an Affordable Housing Development Reserve (AHDR).

The AHDR is dedicated exclusively to the development and preservation of affordable housing. Priority project areas are: 1) land bank and land acquisition, 2) rental subsidy and development, 3) homeownership development and assistance, and 4) future development planning. Priority is given to rental projects that serve households with incomes 60% and below the Area Median Income (AMI) and homeownership projects that serve households with incomes 80% and below the AMI.

AHDR applications are accepted three times per year (~ every 4 months). Applications are reviewed by the Housing Advisory Board and evaluated using a scoring rubric, which is available on the Town website. The Housing Advisory Board's recommendations for funding are then forwarded to the Town Council for final approval.

Please see **Attachment 1** for additional details about the AHF and AHDR.

INCOME ELIGIBILITY

In general, all projects for both the AHF and AHDR must benefit persons with a household income below 80% of the area median income adjusted for family size, though projects may be approved that serve households of higher incomes. Please see **Attachment 2** for current income limits.

PROJECT REPORTING AND MONITORING

Recipients of AHF and AHDR funds are required to submit written progress reports to the Town twice a year to monitor progress and performance, financial and administrative management, and compliance with the terms of the performance agreements. Reporting information may include: progress toward achieving performance goals, description of activities/challenges, and revisions of proposed project timelines/budgets. Please submit bi-annual reports electronically to:

housingandcommunity@townofchapelhill.org.

ORIENTATION MEETING

Applicants are invited to attend an optional orientation session prior to applying for funding, which will be held periodically throughout the year in coordination with the application deadlines.

Applicants are also invited to participate in a pre-application meeting, which is a one-hour one-on-one session during which applicants can discuss their funding proposal with Town staff. To schedule a pre-application meeting, applicants should contact Sarah Vinas at 919-969-5079 or svinas@townofchapelhill.org.

SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: housingandcommunity@townofchapelhill.org.

If you have questions, please contact: Sarah Vinas at 919-969-5079 or svinas@townofchapelhill.org.

Applications may not be considered for the following reasons:

1. Project that do not align with the eligibility criteria for these funding sources
2. Applicant has demonstrated poor past performance in carrying out projects or complying with funding guidelines
3. Applicant fails to provide required information
4. Incomplete or late applications

CHECKLIST OF REQUIRED DOCUMENTATION

Application:

- | | | |
|-------------------------------------|------------|---|
| <input checked="" type="checkbox"/> | Section 1: | Applicant and Project Overview |
| <input checked="" type="checkbox"/> | Section 2: | Project Description |
| <input checked="" type="checkbox"/> | Section 3: | Performance Measurements |
| <input checked="" type="checkbox"/> | Section 4: | Project Budget and Pro-forma |
| <input checked="" type="checkbox"/> | Section 5: | Agency Description |
| <input checked="" type="checkbox"/> | Section 6: | Disclosure of Potential Conflicts of Interest |

Other Required Attachments:

Please provide **one copy** of each of the following documents:

- | | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Current list of Board of Directors, including addresses, phone numbers, terms, and relevant affiliations |
| <input checked="" type="checkbox"/> | Current Bylaws and Articles of Incorporation |
| <input checked="" type="checkbox"/> | IRS tax determination letter [501(c)(3)] (if applicable) |
| <input checked="" type="checkbox"/> | Most recent independent audit (if applicable) |

FUNDING APPLICATION

Section 1: APPLICANT AND PROJECT OVERVIEW

A. Applicant Information

Applicant Organization's Legal Name: Habitat for Humanity of Orange County

Primary Contact Person and Title: Grace Johnston, Database and Grant Manager

Applicant Organization's Physical Address: 88 Vilcom Center Drive, Suite L110, Chapel Hill, NC 27514

Applicant Organization's Mailing Address: 88 Vilcom Center Drive, Suite L110, Chapel Hill, NC 27514

Telephone Number: (919) 932-7077 ext. 219

Fax Number: (919) 932-7079

Email Address: gjohnston@orangehabitat.org

B. Project Information

Project Name: Affordable homeownership off of Sunrise Road in Chapel Hill

Total Project Cost: \$20,070,085

Total Amount of Funds Requested: \$375,000

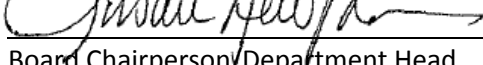
Please specify the **type** and **amount** of funding requested:

Affordable Housing Fund: \$ _____

Affordable Housing Development Reserve: \$375,000

Proposed Use of Funds Requested (*provide a concise description of proposed project*): Habitat for Humanity of Orange County proposes to use \$375,000 from the Town of Chapel Hill Affordable Housing Development Reserve to assist with land acquisition and predevelopment costs for the future development of 95 affordable homes off of Sunrise Road in Chapel Hill. We anticipate that home construction will take place from 2022-2027. This community will be developed in partnership with Carol Woods, which will construct 128 units of assisted living and moderately priced market-rate homes for seniors. Our vision is for a mixed-income, inter-generational neighborhood housing people of diverse ages, backgrounds, life stages, and races. The homes will be aesthetically pleasing, architecturally integrated, and energy-efficient. We envision a true community, not just a collection of homes.

To the best of my knowledge and belief all information and data in this application are true and current. The document has been duly authorized by the governing board of the applicant.

Signature: 
Board Chairperson/Department Head

12/20/2018
Date

Section 2: PROJECT DESCRIPTION

Please provide a thorough description of the project (by answering the “who,” “what,” “when,” and “where” questions about your project). **Do not assume the reader knows anything about the project.**

A. Project Name

1. Project Name. Affordable homeownership off of Sunrise Road in Chapel Hill

B. “Who”

1. Who is the target population to be served and how will their needs be addressed through this project? The targeted group are first-time homebuyers who earn less than 80% of the AMI, have lived and/or worked in Orange County for at least one year, and live in housing that is substandard, unsafe, unaffordable, or subsidized (public housing or Section 8 program). All applicants must document their need in their application, and documentation is verified by Habitat staff and volunteers, who conduct home visits with all qualified applicants prior to their approval. The average percent of AMI of approved homebuyers is 45%, and the average number of children under 18 per household at the time of application is 1.4. Habitat holds orientation sessions periodically for prospective homebuyers, and applications are accepted at convenient intervals thereafter. Typically, demand for Habitat homes in Chapel Hill is very high due in large part to the proximity of employment and the availability of public transportation. We expect that the available homes within this community will be in high demand.

2. Please indicate the income of the beneficiaries (households) to be served through the proposed project. Please see **Attachment 2** for the current income limits for the Durham-Chapel Hill MSA.

Projection only. Homebuyers have not yet been selected.

Income Group (Area Median Income)	Number of Beneficiaries	% of Total Beneficiaries
<i><30% of the AMI</i>	0	0%
<i>31%-50% of AMI</i>	47	50%
<i>51-80% of AMI</i>	48	50%
<i>>80% of AMI</i>	0	0%
TOTAL	95	100%

3. **Project Staff.** Please provide names of staff, contractors, and/or volunteers that will be involved with the project. Describe their responsibilities with the project and track record in successful completion of similar projects in the past. Jennifer Player, Chief Executive Officer, will have principal oversight responsibilities for the project. Ms. Player joined Habitat in 2014, and began serving as Associate Executive Director in early 2017. For over three years, she worked closely with retiring Executive Director of 26 years Susan Levy to gain an even deeper understanding of the leadership and management of the organization. For more than 20 years, Habitat has successfully completed many projects in Orange County using HOME, CDBG, and Orange County Affordable Housing Bond funding, and other government funding sources. Richard Turlington, Construction Director, will have oversight responsibilities for the preparation of the site and construction of the homes. He has served in this capacity for 1.5 years, and has 9 years of Habitat experience, and 16 years in the construction industry. Steve Drake, Homeowner Services Director, will be responsible for recruitment and screening of potential homebuyers, as well as providing homebuyer education to the approved applicants. He has

served in this role for two years, and was previously a practicing attorney in Chapel Hill. He is a certified housing counselor. Habitat's Finance Director, Randy McNeill, is a CPA with decades of financial and accounting experience, and is also part of the team who will be responsible for satisfying all long-term monitoring and reporting requirements. The pro-bono project manager is Bruce Ballentine, a Chapel Hill native and founder of Ballentine Associates, a local civil engineering, land planning, and surveying firm. Bruce has over 40 years of experience working with the Town of Chapel Hill on various developments. Habitat will also work with several other contractors, including Civil Consultants, Scott Murray Land Planning, Soil and Environmental Consultants, and TerraQuest.

C. “What”

1. Type of Activity. Please check the category under which your project falls.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Acquisition | <input type="checkbox"/> Emergency shelter |
| <input checked="" type="checkbox"/> Predevelopment costs | <input type="checkbox"/> Transitional housing |
| <input checked="" type="checkbox"/> Infrastructure/site improvements | <input type="checkbox"/> Supportive housing |
| <input type="checkbox"/> Rental subsidy | <input type="checkbox"/> Rental/utility connection assistance |
| <input checked="" type="checkbox"/> New construction for homeownership | <input type="checkbox"/> New or redeveloped rental housing |
| <input type="checkbox"/> New construction for rental | <input type="checkbox"/> Second Mortgage Assistance |
| <input type="checkbox"/> Commercial property construction/rehabilitation | <input type="checkbox"/> Community engagement to support future development planning |
| <input type="checkbox"/> Owner-occupied rehabilitation | <input type="checkbox"/> Other (specify): _____ |
| <input type="checkbox"/> Rental rehabilitation | |

2. Project Description. Please provide a general overview of your project, including what you are planning to produce and how you are planning to carrying out the project. Habitat for Humanity of Orange County is a local nonprofit organization affiliated with Habitat for Humanity International. Habitat provides affordable homeownership opportunities for families who live and/or work in Orange County, earn between 30% and 80% of the AMI, and live in substandard housing. Habitat was incorporated in 1984, and completed its first home in 1987. Since that first home, Habitat has built 282 affordable homes throughout the County. Through its new home construction program, Habitat uses donations and volunteer labor to construct energy-efficient, green-certified, high-quality homes, and then sells those homes to qualifying families. The buyers receive an affordable mortgage, and mortgage payments are recycled to build future homes. Homebuyers are required to contribute 275 hours of sweat equity toward the construction of their own and other Habitat homes.

Habitat sells its homes using deeds of restrictive covenants requiring 99-year affordability to buyers who earn 80% or less of the AMI. In addition, Habitat maintains a right of first refusal on all of its homes, and a shared equity agreement with all of its buyers that allows buyers to share a percentage of the appreciation of their property based on the ratio of their first mortgage and the original sales price of the home, which is determined by a market appraisal at the time of sale. Through these methods, Habitat ensures that the community's investment of funds and labor, as well as the stock of permanently affordable housing, will both be preserved if the original buyer sells the home.

In carrying out its homebuilding and community strengthening activities, Habitat educates and empowers its homebuyers through a series of relevant workshops and one-on-one trainings. Habitat also educates the broader community about the crisis in affordable housing by introducing and involving hundreds of new volunteers from all walks of life in its work each year. Habitat promotes the positive

value of diversity by uniting people of varied economic, religious, social, and racial backgrounds to work together toward a common goal –building affordable housing for those who need it in our community.

In developing the concept plan for the proposed residential community, Habitat Board and Staff adopted the following guiding principles:

- Aesthetically pleasing, creating new styles and designs for Habitat’s homes
- Mixed-income, with integration of affordable and market-rate homes
- Attention to environmental impact and long term sustainability
- Significant impact on affordable housing crisis
- Good stewards of scarce land
- Foster good relationship with adjacent neighbors

Habitat is excited to be partnering with Carol Woods in developing this community. Carol Woods is proposing to develop approximately 128 units of housing for seniors ages 55 and up. The units will be built, owned, and managed by Carol Woods. Carol Woods’ goal in partnering on this project is to provide much-needed, moderately-priced housing to seniors who cannot afford the Carol Woods Continuing Care Community model, or indeed, the majority of the senior housing that is currently being built in Chapel Hill. They hope to serve the “missing middle” for whom housing options are severely limited. Not only will the Carol Woods homes fill a serious gap in the Chapel Hill housing market, they will also provide for greater overall economic diversity as well as opportunities for multi-generational interaction and programming. The site is designed to encourage interaction among the seniors and the Habitat homeowners and their families, and to foster a sense of community among all of the residents regardless of age or economic status.

Habitat and Carol Woods are teaming up to develop a thoughtfully-designed residential community that will provide a significant amount of affordable housing for those earning between 30% and 80% of the AMI, assisted living, and moderately-priced market-rate housing for seniors, each of which are needed in Chapel Hill. The proposed Habitat/Carol Woods Community will include a total of 95 duplex and townhouse units that meet the criteria for Affordable Housing. The community will also include 24 congregate care assisted living units, 50 duplexes of various sizes and 54 apartments of various sizes, bringing the total number of residential dwelling units in the proposed community to 223. The community will also include several amenities and recreational facilities such as a café, community center, open pavilion, garage, community garden, dog park, splash play, playground, walking trail, gazebos, and an open area for lawn games.

The project’s program has been carefully adapted to the site’s natural features such as wetlands, streams, steep slopes, and stream buffers. An existing power transmission line and associated right-of-way has also helped to inform the site layout. The resulting site layout maximizes the use of the site’s developable area, while preserving sensitive natural areas.

The project layout provides adequate access to Sunrise Road and includes excellent internal circulation, with several cross-connections proposed throughout the street network. Traffic impacts will be evaluated in detail as part of the upcoming SUP process, but will likely include some widening of Sunrise Road at the proposed project entrance. The street network layout and building placement take advantage of the site’s natural topography and focus the majority of the development on the site’s natural ridges. Ample landscape buffers will be provided along the project’s perimeter.

This project's impacts on neighboring properties have been considered carefully. Since this project is mostly residential, the proposed uses are similar to the residential uses of the surrounding neighborhoods. However, to help buffer the project from the neighborhood to the south, private Ginger Road will be abandoned, the gravel road surface will be removed, and the abandoned easement will be planted to create a 90' wide buffer along this edge.

Stormwater management and sedimentation and erosion control will be handled through the installation of temporary measures during construction and permanent measures will be installed when construction has been completed. State-of-the art technologies and methodologies will be used to meet stormwater and S&E requirements.

D. "Where"

1. Project Location. Please be as specific as possible. This development will be situated east of Sunrise Road, between Ginger Road and I-40 at the northern edge of the Town of Chapel Hill's planning jurisdiction. The site consists of six separate parcels, which will be recombined and subdivided as necessary to accommodate the project. The site is bisected by a ridge that runs generally southwest to northeast. There is a perennial stream in the northwest corner of the site and an intermittent stream in the southeast corner of the site.

2. Project Size (if applicable). Please provide the size of development site: 33.8 acres

Please attach the following:

- Site map showing lot boundaries, locations of structure(s), and other site features
- General location map (at least ½ mile radius)

E. "When"

Attach a **detailed** timetable showing when each work task will be completed (e.g., planning; obtaining financial commitments; design; environmental review; bidding; loan closing; key milestones in construction; marketing; final inspection; occupancy; etc.)

F. Project Details

If the questions below are not applicable or the requested information is not currently available, please insert N/A.

1. Property Acquisition.

- a. Has your agency acquired real property in order to carry out the project, or is property acquisition planned? Yes
- b. Is the property currently occupied? If so, attach a description of your plan to relocate. One of the six parcels does currently have a house that is being rented. The tenant is aware of the situation and will be allowed to stay for at least one year. Habitat will not displace anyone unnecessarily, however the tenant will need to vacate the property at some point during the process. Habitat will work with him to make the transition as smooth as possible. His rent is market rate so he should be able to find another residence without becoming cost-burdened.

2. Construction Detail.

- a. How many units will be newly constructed? 95
- b. How many units will be rehabilitated? 0
- c. What is the square footage of each unit? Approximately 1200-1500 square feet
- d. What is the number of bedrooms in each unit? 3-4 depending on family size of the buyers
- e. What is the number of bathrooms in each unit? 1.5-2 depending on house plan
- f. How many units will have full ADA accessibility? All units have universal design features. Units with full ADA accessibility will be built upon request of the buyer.
- g. Is the proposed project located in a Neighborhood Conservation District? (Neighborhood Conservation Districts apply only to projects located in Chapel Hill.) No
- h. Please attach the following:
 - Floor plan(s) N/A have not yet been designed
 - Elevation(s) N/A have not yet been designed
 - List of Energy Efficiency measures included in the project (if applicable)
 - List of Universal Design principles included in the project (if applicable)

3. Affordability, Marketing, and Supportive Services.

- a. Describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, deed restrictions, etc.: The homes will be sold using deed of restrictive covenants requiring 99-year affordability to buyers who earn 80% or less of the AMI. In addition, Habitat has a right of first refusal on all of its homes, and a shared equity agreement with all of its buyers that allows buyers to share a percentage of the appreciation of their property based on the ratio of their first mortgage, which is provided by Habitat, and the original sales price of the home, which is determined by a market appraisal at the time of sale.
- b. What are the proposed rents (including utility costs) or sales prices for completed units? Estimated sales price of \$200,000-\$215,000. Sales price will be determined by the appraised value at time of sale.
- c. Explain your agency's process for marketing to ensure an adequate pool of income-eligible renters to buyers: See attached Marketing Plan.
- d. What supportive services, if any, will be provided through this project? N/A

Section 3: PERFORMANCE MEASUREMENTS

A. Goals and Objectives

Please complete the following chart with information about the project's goals and objectives.

Goal/Objective	Measurement
<i>Ex: Provide housing for low- to moderate-income households.</i>	<i>Ex: By 2016, build ten units that are affordable to low- to moderate-income households.</i>
<u>Provide affordable homeownership to households earning 80% or less of the AMI.</u>	<u>In 2019, utilize \$375,000 in Chapel Hill AHDR funding for land acquisition and predevelopment costs to create affordable homeownership off of Sunrise Road in Chapel Hill. We project that 95 units will be constructed 2022-2027.</u>

B. Alignment with Town Council Goals and adopted affordable housing strategies.

Please explain how the proposed project aligns with the Town Council Goals and adopted affordable housing strategies. Below is a brief outline expressing several ways in which this project will embrace and conform to the six themes of the Chapel Hill 2020 Comprehensive Plan:

A Place for Everyone: The project proposes a significant amount of much-needed affordable housing to help those at or below 80% of the AMI to achieve the dream of home ownership. Providing affordable housing is at the root of this theme of the Comprehensive Plan.

Community Prosperity and Engagement: This project will create significant construction opportunities in the short term, will create several permanent jobs in the long term, and will provide 223 quality new residential dwelling units for people who will patronize local businesses.

Getting Around: The proposed community will be very walkable, with sidewalks throughout the development and walking trails throughout the natural areas to be preserved. Walking connections will be provided to Sunrise Road and to adjacent neighborhoods, as appropriate. It is anticipated that bus service will be extended to this new development so that public transportation is readily available within a short walking distance to a bus stop.

Good Places, New Spaces: This project complies with this theme by carefully integrating a new residential community into the existing fabric of the area neighborhoods.

Nurturing Our Community: A significant amount of natural area will be preserved on this property and opportunities for residents to immerse themselves in and enjoy the preserved natural areas will be provided. State-of-the-art stormwater control measures will be designed for this project to ensure that all stormwater regulations are met.

Town and Gown Collaboration: Close to one third of Habitat's homeowners work for UNC or UNC Health Care. This trend is expected to increase to over 50% since the location is convenient to campus and bus service will hopefully be extended to serve this community of homes.

Section 4: PROJECT BUDGET AND PRO-FORMA

A. Project Budget

Attach a **detailed project budget** showing all sources and uses of funds. Attach funding commitment letters where available or copies of funding applications previously submitted.

B. Terms of Project Funding

Please specify the type of funding request for which you are applying:

AHF: Grant Loan

AHDR: Grant Loan

C. Pro-forma (for rental property only)

If you are developing a property for rent, please attach a 20-year pro-forma showing estimated income, expenses, net operating income, debt service, and cash flow. N/A

Section 5: AGENCY DESCRIPTION

A. Organization

What is your organization's...

1. Mission statement? Habitat for Humanity of Orange County changes lives by bringing together God's people and resources to help families in need build and own quality affordable homes in safe and supportive communities. Our vision is an Orange County where everyone has a decent place to live.
2. Incorporation date (Month and Year)? April 1984
3. Estimated Total Agency Budget for this fiscal year? \$5,166,049
4. Total number of agency staff (full time equivalents): 18

B. Agency Track Record and Community Support

Please describe your agency's experience and ability to carry out the proposed project, including:

1. Evidence of coordination of this application with other organizations to complement and/or support the proposed project. Habitat is working with Carol Woods on this project in order to create a unique community that is mixed-income and multi-generational. The two organizations are true partners, sharing planning, costs, and success. The two entities are in the process of finalizing a legal agreement at this time.

2. Involvement of intended beneficiaries of the project in the planning process. Affordable housing is a high priority in Chapel Hill and Orange County because the residents understand the serious need in the area. This is evidenced by the results of the Town's comprehensive planning process and the recent overwhelmingly successful bond referendum. Many planning participants and voters would be income-eligible to live in this community, and have already made their voices heard on this issue many times over. In addition, Habitat always experiences extremely high demand when building homes in Chapel Hill, evidencing the strong desire of the intended beneficiaries to participate in the program. Current Habitat homebuyers are represented on Habitat's Board of Directors and have been involved in the planning process. In addition, Habitat has submitted early plans for the community to focus groups of current Habitat homeowners, soliciting their opinions and ideas for the neighborhood design and amenities. We will continue to work closely with this and other groups throughout the process to ensure that the community is highly desirable for the intended beneficiaries.

3. Past achievements in carrying out similar projects and evidence of successful record of meeting proposed budgets and timetables
Habitat has built 282 new homes and repaired 130 existing homes in Orange County since its founding 34 years ago. The organization has extensive experience creating communities from the pre-development and infrastructure phase through construction, as well as collaborating with stakeholders to ensure their success. As previously demonstrated, Habitat staff and engaged contractors are eminently well-prepared to take on this project, and have a successful record of meeting proposed budgets and timetables. Although this project is on a larger scale than others completed by Habitat, the great need for affordable housing in Orange County demands that bold and unique solutions be proposed, with proper planning and support. The addition of a pro-bono project manager with more than 40 years of experience on large-scale developments in Chapel Hill will also assist in guiding the project to successful completion.

4. Collaborative relationships with other agencies. Habitat enjoys close working relationships with many other agencies, including: Blue Ribbon Mentor Advocates, Carol Woods, Community Home Trust, OC Department on Aging, Fairview Community Garden and Community Watch, The Jackson Center, JOCCA, Justice United, Orange County Affordable Housing Coalition, Orange County Government, Rebuilding Together of the Triangle, RENA, Self-Help, Town of Carrboro, Town of Chapel Hill, Town of Hillsborough, UNC-Chapel Hill, UNC Health Care, and others. Habitat engages many local businesses, faith groups, schools, and community members in fundraising and volunteering. Habitat coordinates its efforts with other organizations by referring applicants who do not qualify for our programs to other groups who may be able to help them instead. We also work with other groups to provide training to our homebuyers and other program participants to ensure that they have the financial information and management skills to be successful in their new role as homeowners.

5. Plans to develop linkages with other programs and projects to coordinate activities so solutions are holistic and comprehensive. Habitat plans to continue working with its many current partners to ensure holistic and comprehensive solutions. As this project progresses, we anticipate that additional collaboration opportunities will likely present themselves.

6. Any other features relating to organization capacity that you consider relevant, (i.e. property management experience, including accepting Section 8 Vouchers, etc.). N/A

Section 6: DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Are any of the Board Members or employees of the agency which will be carrying out this project, or members of their immediate families, or their business associates:

- a) Employees of or closely related to employees of the Town of Chapel Hill?
YES NO
- b) Members of or closely related to members of the governing bodies of Chapel Hill?
YES NO
- c) Current beneficiaries of the project/program for which funds are requested?
YES NO
- d) Paid providers of goods or services to the program or having other financial interest in the program?
YES NO

If you have answered YES to any question, **please explain below**. The existence of a potential conflict of interest does not necessarily make the project ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any grant awarded. N/A

Section 7: ATTACHMENTS

Attachment 1

The Affordable Housing Fund

In 2002, the Town Council established an Affordable Housing Fund (AHF) to preserve owner-occupied housing in Chapel Hill for affordable housing purposes. Since then, the eligible uses of the Affordable Housing Fund have expanded and include:

1. Provide loans to non-profit organizations to purchase existing properties. Funds may be used in the following manner:
 - a. To exercise the Town's right of first refusal on existing properties;
 - b. To provide funds to non-profit organizations to purchase properties within the Chapel Hill city limits, especially in the Northside and Pine Knolls neighborhoods and in situations where the Town has a right of first refusal. Funds may be used for acquisition costs, first options, or earnest money. Funds used for first options shall be structured as a loan to the non-profit agency and must be repaid to the Town upon sale of the property to a qualified buyer. If the non-profit agency does not purchase the property, the funds must be repaid to the Town by the non-profit agency.
2. To provide funds to non-profit organizations to be used to renovate properties and prepare them for sale or rent to qualified households earning less than 80 percent of the area median income.
3. For homeownership assistance to reduce the sales price of new and existing homes so that they will become more permanently affordable.
4. To pay the Town's local match contribution for federal affordable housing grants.
5. For the construction of new affordable housing for sale or rent.
6. For rental and utility assistance, including security deposits for housing and utility services, for eligible households within Chapel Hill city limits.

The Affordable Housing Development Reserve

The Affordable Housing Development Reserve (AHDR) is dedicated exclusively to the development and preservation of affordable housing. Priority is given to rental projects that serve households with incomes 60% and below the Area Median Income (AMI) and homeownership projects that serve households with incomes 80% and below the AMI.

Priority Project Areas

1. Land Bank & Land Acquisition

Description: A land bank is a mechanism by which property can be strategically acquired, assembled, and redeployed to serve a community purpose, with a goal of creating inclusive, mixed income neighborhoods.

Related Strategies and Goals:

- a. Fund land bank to acquire land for future affordable housing (rental and ownership) development. (AFFORDABLE RENTAL HOUSING STRATEGY)
- b. Acquire and preserve vacant land along transit corridors for future affordable development (AFFORDABLE RENTAL HOUSING STRATEGY).
- c. Address the development pressures of the Pine Knolls and Northside neighborhoods by supporting a housing and cultural preservation program in the neighborhoods (AFFORDABLE RENTAL HOUSING STRATEGY).

Eligible Activities: Property and land acquisition and associated program expenses with emphasis in Northside and Pine Knolls neighborhoods and along transit corridors.

2. Rental Subsidy and Development Program

Description: Eligible projects support the development of rental housing opportunities for households earning less than 80% of the AMI or providing subsidies to reduce the monthly housing expenses for households earning less than 80% of the AMI. The 80% AMI threshold reflects the Town's priority to support housing for people at a range of income levels, but priority will be given to those with incomes below 60% AMI.

Related Strategies and Goals:

- a. Establish useful incentives to encourage development of affordable rental in all target income ranges. (AFFORDABLE RENTAL HOUSING STRATEGY)
- b. Identify other properties that may be appropriate for redevelopment and encourage the production of affordable rental units through the use of incentives. (AFFORDABLE RENTAL HOUSING STRATEGY)

Eligible Activities: Security and utility connection fee assistance program, rental subsidy program, gap subsidies to developers to provide affordable units, new or redeveloped rental housing construction.

3. Home Ownership Development and Assistance Program

Description: The Town's Affordable Housing Strategy states a goal of increasing the availability and access to housing for households and individuals with a range of income, from those who are homeless to middle-income. Eligible projects support the development of owner occupied housing opportunities to create and preserve affordable housing opportunities for households earning up to 120% of the AMI. Priority will be given to those with incomes below 80% AMI.

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. Middle Income/Workforce Housing Second Mortgage Assistance Program. (CP)
- c. Major and minor rehabilitation of existing housing. (CP)

Eligible Uses: Programs involving new construction, renovation, and redevelopment of existing units and second mortgage assistance programs.

4. Future Development Planning

Description: Eligible projects include strategic and master planning activities for specific areas to serve a community purpose, with a goal of creating inclusive, mixed income neighborhoods.

Related Strategies and Goals:

- a. Partner for ambitious development that includes affordable rental on Greene Tract. (AFFORDABLE RENTAL HOUSING STRATEGY)
- b. Initiate future development planning for the Greene Tract with ownership partners. (Council Goal 2016)

Eligible Activities: Pre-development costs, community engagement programs, professional services for strategic and master planning.

Attachment 2

FY 2015 Income Limits

US Department of Housing and Urban Development (HUD)

Durham-Chapel Hill Metropolitan Statistical Area
(Durham, Orange, and Chatham Counties)

<i>Income Level</i>	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
30% area median income	\$14,150	\$16,200	\$20,090	\$24,250	\$28,410	\$32,570	\$36,730	\$40,890
50% area median income	\$23,600	\$27,000	\$30,350	\$33,700	\$36,400	\$39,100	\$41,800	\$44,500
80% area median income	\$37,750	\$43,150	\$48,550	\$53,900	\$58,250	\$62,550	\$66,850	\$71,150

Source: U.S. Department of Housing and Urban Development (HUD) 3/2015