

# Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund



Town of Chapel Hill Office for Housing and Community

[housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org)

919-969-5079

[www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding](http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding)

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# GENERAL INFORMATION & APPLICATION INSTRUCTIONS

## OVERVIEW

Thank you for your interest in the Town of Chapel Hill's Affordable Housing funding sources! This application is used for funding requests for all of the Town's local funding sources for affordable housing projects (Housing Bond, Affordable Housing Development Reserve, and Affordable Housing Fund). To learn more about each of these sources and eligible uses, see the Attachments Section.

## INCOME ELIGIBILITY

In general, projects for the Town's affordable housing sources must serve households with income below 80% of the area median income as defined by the U.S. Department of Housing and Urban Development, adjusted for family size, though projects may be approved that serve households of higher incomes. Please see the Attachments for additional information about income limits.

## PROJECT REPORTING AND MONITORING

Organizations must submit progress reports to the Town quarterly to monitor progress and performance, financial and administrative management, and compliance with the terms of the performance agreement. Please submit reports using the template linked on the Town website and in the Attachments section electronically to: [housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org).

## ORIENTATION MEETING

Applicants are invited to attend an optional orientation session prior to applying for funding, which will be held once per year and provide an overview of all of the Town's affordable housing sources.

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

## SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: [housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org). If you have questions, please contact: Sarah Vinas at 919-969-5079 or [svinas@townofchapelhill.org](mailto:svinas@townofchapelhill.org)

Applications may not be considered for the following reasons:

1. Projects that do not align with the eligibility criteria for the funding source
2. Applicant has demonstrated poor past performance or compliance with funding guidelines
3. Incomplete or late applications

## CHECKLIST OF REQUIRED DOCUMENTATION

### Application:

- |                                     |                   |  |
|-------------------------------------|-------------------|--|
| <input checked="" type="checkbox"/> | <b>Section 1:</b> | <b>Cover Page</b>                                    |
| <input checked="" type="checkbox"/> | <b>Section 2:</b> | <b>Disclosure of Potential Conflicts of Interest</b> |
| <input type="checkbox"/>            | <b>Section 3:</b> | <b>Organization Information</b>                      |
| <input checked="" type="checkbox"/> | <b>Section 4:</b> | <b>Project Information</b>                           |
| <input checked="" type="checkbox"/> | <b>Section 5:</b> | <b>Attachments</b>                                   |

**COVER PAGE**

**Organization Contact Information**

Legal Name: Town of Chapel Hill and Self-Help Ventures Fund

x ID Number: 58-1562750

Physical Address: 301 W. Main St. Durham, NC 27701

Mailing Address: same as above

Organization's Website: www.self-help.org

Date of Incorporation: 1984

Executive Director Name: Laura Benedict

Telephone Number: 919-956-4430

E-Mail: laura.benedict@self-help.org

**Funding Request**

Project Name: 2200 Homestead Road

Total Number of Units Included in Funding Request: ~120

Request: ~120

Total Project Cost: \$20,000,000 – 22,000,000

Total Amount of Funds Requested: \$3,500,000

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

Affordable Housing Bond: \$3,500,000

Grant

Loan

Affordable Housing Fund: \$\_\_\_\_\_

Grant

Loan

Affordable Housing Development Reserve: \$\_\_\_\_\_

Grant

Loan

Proposed Use of Funds Requested (*provide a concise description, not to exceed 100 words*): These funds will be used for development of the site at 2200 Homestead to prepare individual parcels for our vertical development partners 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. This is an initial request for this site. The vertical development partners, CASA, Community Home Trust, and Habitat for Humanity may make funding requests in future cycles.

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

- Acquisition
- Predevelopment activities
- Infrastructure/site improvements
- Rental housing subsidy
- New construction for homeownership
- New construction for rental housing
- Owner-occupied rehabilitation
- Rental rehabilitation
- New construction of emergency shelter
- New construction of transitional/supportive housing

- Rental/utility connection assistance
- Second Mortgage Assistance
- Other (*specify*): \_\_\_\_\_

**DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST AND NON DISCRIMINATION CLAUSE**

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

**YES   NO**

- a) Employees of or closely related to employees of the Town of Chapel Hill?
  
- b) Members of or closely related to members of the governing bodies of the Town of Chapel Hill?
  
- c) Current beneficiaries of the program for which funds are being requested?
  
- d) Paid providers of goods or services to the program or having other financial interest in the program?

If you have answered YES to any question, **please provide a full explanation below.**

**NON-DISCRIMINATION**

Provider agrees as part of consideration of the granting of funds by funding agencies to the parties hereto for themselves, their agents, officials, employees and servants agree not to discriminate in any manner of these basis of race, color, gender, national origin, age, handicap, religion, sexual orientation, gender identity/expression, familial status or veterans status with reference to any activities carried out by the grantee, no matter how remote.

## PROJECT INFORMATION

**2. Project Description:** Please provide a general overview of your project, including what you are planning to produce and how you are planning to carry out the project. *(in 100 words or less).*

**3. Long-Term Affordability.** Is the proposed project permanently affordable (*99 year affordability term*)?

- Yes  
 No

If no, what is the affordability term of the proposed project?

Briefly describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, and deed restrictions.

The Community Home Trust homes will be sold subject to a 99-year ground lease, giving the Home Trust the ability to limit the appreciation realized by homeowners and keep the homes affordable to future buyers. Community Home Trust homes typically sell for 30-50% below market value.

The Habitat homes will be sold using deeds 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.

CASA has committed to a 30-year affordability restriction for both the CASA Workforce apartments and CASA Horizons apartments, which is standard for affordable multifamily new construction projects.

**4. Leverage:** How much funding is committed at the time of submission of this application? \$3,000,000 from the Oak Foundation for the Horizons apartments

What percentage of funding for the proposed project would be leveraged from sources other than the Town? 77% *(Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).*

The total anticipated project costs at this time, including site development and vertical construction, are \$21,339,051. The total anticipated requests from the Town are \$4,990,000; \$3,500,000 for site development in this cycle and \$1,490,000 for vertical construction in a future funding cycle.

**5. Project Profile**

*Insert project information below*

<b>Location</b> <i>(insert address if available)</i>	<u>2200 Homestead Road</u>				
<b>Size</b> <i>(insert acreage of development site)</i>	<u>8 acres</u>				
<b>Total Number of Units</b>	<b># of Total Housing Units</b>	<b># of Bathrooms</b>	<b>Square Footage</b>	<b>Proposed Rent or Sale Price Per Unit</b>	<b>Projected Cost Per Unit Including Utilities</b>
<b>Studios</b>	<u>0</u>				
<b>One-bedroom</b>	<u>28</u>	<u>1BA</u>	<u>700</u>	<u>\$300-\$896</u>	
<b>Two-bedroom</b>	<u>55</u>	<u>1.5-2BA</u>	<u>850-1100</u>	<u>\$400-\$947;</u> <u>\$125k - 145k</u>	
<b>Three-bedroom</b>	<u>26</u>	<u>2-2.5BA</u>	<u>1100-1500</u>	<u>\$400-\$703;</u> <u>\$120k - \$180k</u>	
<b>Four-bedroom</b>	<u>8</u>	<u>2BA</u>	<u>1185</u>	<u>\$130k - 190k</u>	
<b>Area Median Income Served</b> <i>(insert # of units by AMI)</i>					
<b>&lt;30%</b>	<u>45</u>				
<b>31-60%</b>	<u>29</u>				
<b>61-80%</b>	<u>39</u>				
<b>81-115%</b>	<u>4</u>				
<b>Target Population</b> <i>(check all that apply)</i>					
<b>Families</b>	<input checked="" type="checkbox"/>				
<b>Older Adults (Age 55+)</b>	<input checked="" type="checkbox"/>				
<b>Disabled</b>	<input checked="" type="checkbox"/>				
<b>Homeless</b>	<input checked="" type="checkbox"/>				
<b>Veterans</b>	<input checked="" type="checkbox"/>				
<b>Other</b> <i>(specify)</i>	<input checked="" type="checkbox"/> Persons recovering from substance addiction				
<b>ADA Accessibility</b> <i>(insert # of total units)</i>	<u>~30+</u>				
<b>Per Unit Subsidy</b>	\$ 29,915 / unit for site development in this round				
<b>Town Planning Approvals Received</b> <i>(as of the date of application)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA				

**6. Energy Efficiency:** Will the proposed project meet the standards and requirements of [Energy Star 2.0](#) as verified by an independent, third party expert?

- Yes
- No

If not, please briefly describe the energy efficiency features included in the proposed project:

The townhomes and duplexes will achieve energy efficiency certification through Advanced Energy’s SystemVision program. All SystemVision homes are third-party verified and performance tested for air tightness and framing, ventilation and moisture management, insulation and windows, HVAC sizing/installation and duct tightness, pressure balancing, and combustion safety and appliances. The apartments will be built to the standard of the North Carolina Model Energy Code.

- 7. Universal Design:** Please briefly describe the universal design features included in the proposed project:

Specific features will be identified as the design gets further refined. Habitat has committed that all 18 of their units will be built with universal design features. At least 8 of CASA's units will be accessible to persons with disabilities, and Community Home Trust has committed to incorporating one-level living and accessibility features into some of their two-bedroom units.

- 8. Involvement of Beneficiaries:** Please describe how you have involved the intended beneficiaries of the proposed project in the planning and design process (*in 100 words or less*).

Potential beneficiaries were involved in the creation of the concept plan for this site in 2017 and 2018 through a Town-led public participation process. The Town concept plan forms the basis of the Homestead Housing Collaborative's project design. Since more detailed planning and design has begun, the Collaborative partners have engaged with community stakeholders that support and serve potential residents of 2200 Homestead, including Parent Advocates for Adult Children with Intellectual Disabilities (PACID) and their related organization, Housing Opportunities for People with Exceptionalities (HOPE), the Inter-Faith Council for Social Service (IFC), and Community Empowerment Fund (CEF).

- 9. Alignment with Town Goals and Strategies.** Please explain how the proposed project aligns with the [Town Council Goals](#) and adopted [affordable housing strategies](#).

This project aligns with the Town's vision and goals for this property – to create a mixed-income community, provide rental housing to vulnerable populations, ensure long-term affordability, locate housing near transit services, and develop housing with high leverage from outside sources.

## ATTACHMENTS

**1. Overall Development Pro Forma**

**2. Operating Pro Forma**

20-year operating pro-forma showing estimated income, expenses, net operating income, debt service, and cash flow for the two apartment developments.