



AFFORDABLE HOUSING ANNUAL REPORT



FISCAL YEAR 2024 (JULY 1, 2023 - JUNE 30, 2024)

Key Results

\$7.4
Million

Town budget for affordable housing strategies

284

affordable housing units approved by Council

15%

of total units approved by Council that are permanently affordable

85%

of funding available allocated to projects

6

affordable units developed with support from the Town

164

affordable units preserved with support from the Town

1,000

affordable units in the pipeline to be developed in the next 5 years

128

Low-income homeowners supported with Property Tax Assistance

Key Successes

- Council unanimously approving our first-ever Comprehensive Affordable Housing Plan.
- Breaking ground on Trinity Court public housing redevelopment.
- Leveraging funding to support projects, including a \$1.5 million Community Project Funding award for Tanyard Branch Trace from Congresswoman Foushee's office.
- Assisting 4 Town employees secure housing closer to where they work through our Employee Housing Program.
- Supporting the rehabilitation of 36 affordable homes.
- Continuing our efforts to promote affordable housing in market rate communities with the completion of 5 townhome units in the Bridgepoint community and Council approval of 236 units in 4 developments.
- Merging our Public Housing and Affordable Housing & Community Connections departments into one cohesive team working towards a shared mission.



Left to Right: Affordable Housing Plan and Investment Strategy adopted by Council, Full Staff photo of the Affordable Housing & Community Connections Department, and Trinity Court Groundbreaking Celebration.

Our Goal:

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

Community Indicators

\$7,406,584

Town Budget for Affordable Housing Strategies



\$116,200

Median Household Income



\$651,375

Average Home Sales Price



60%

of Renters spend more than 30% of income on Housing



17%

of Homeowners spend more than 30% of income on Housing

28%

of Housing Units affordable to households with income at 80% AMI*



12%

of Units Approved by Council that are affordable FY19-FY23

1,900

Supply Gap for Renters Earning less than \$50,000 per year

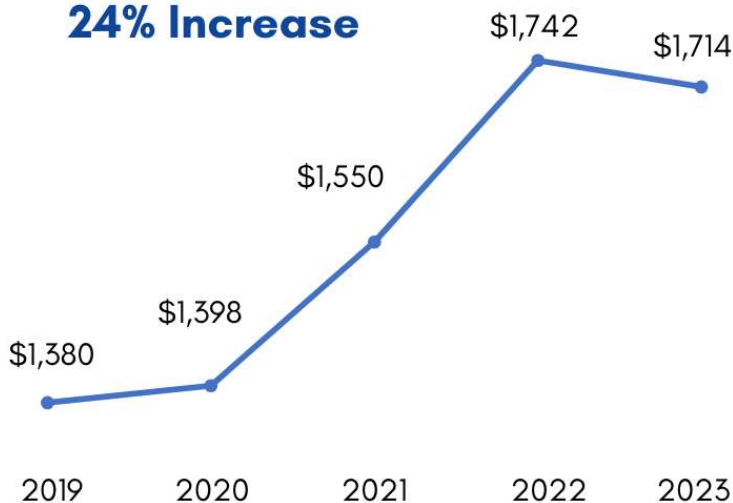


Housing costs have risen dramatically in Chapel Hill over the last several years, particularly since 2020.

Rise in Rental Rates

Average Rent

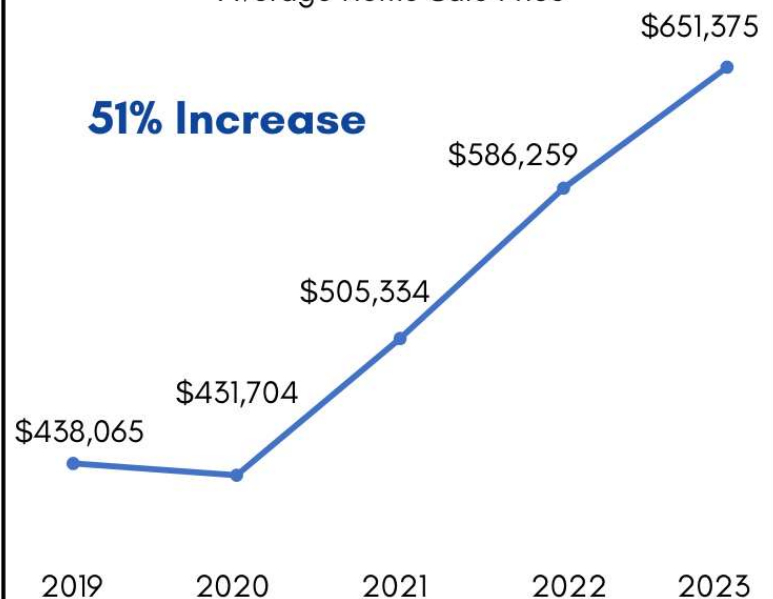
24% Increase



Rise in Home Values

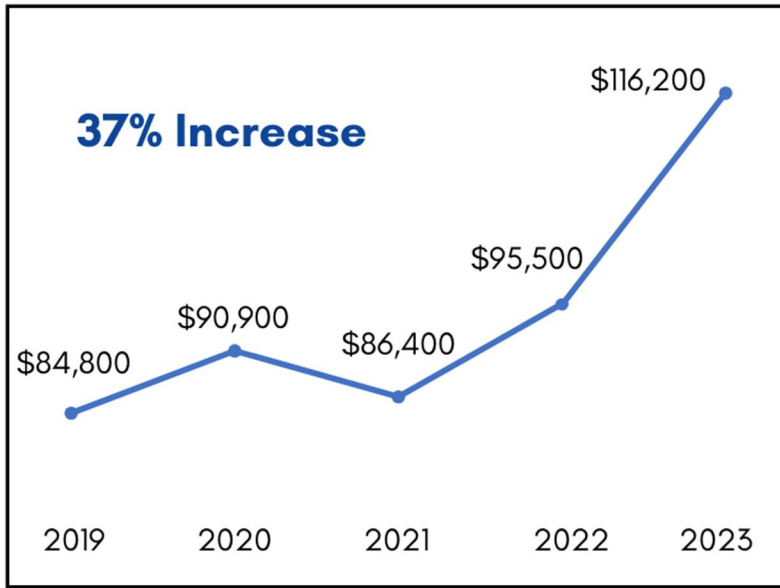
Average Home Sale Price

51% Increase

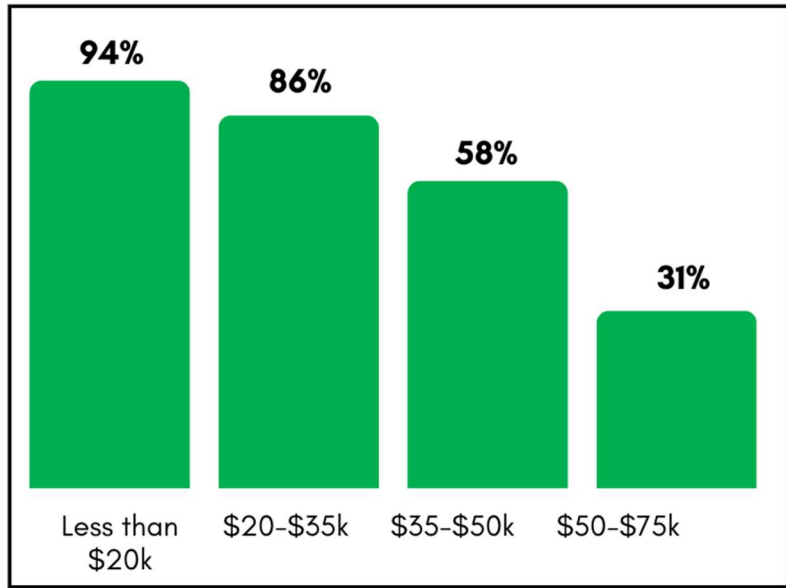


While incomes are rising locally, the increase in housing costs are burdening lower income households.

Median Household Income

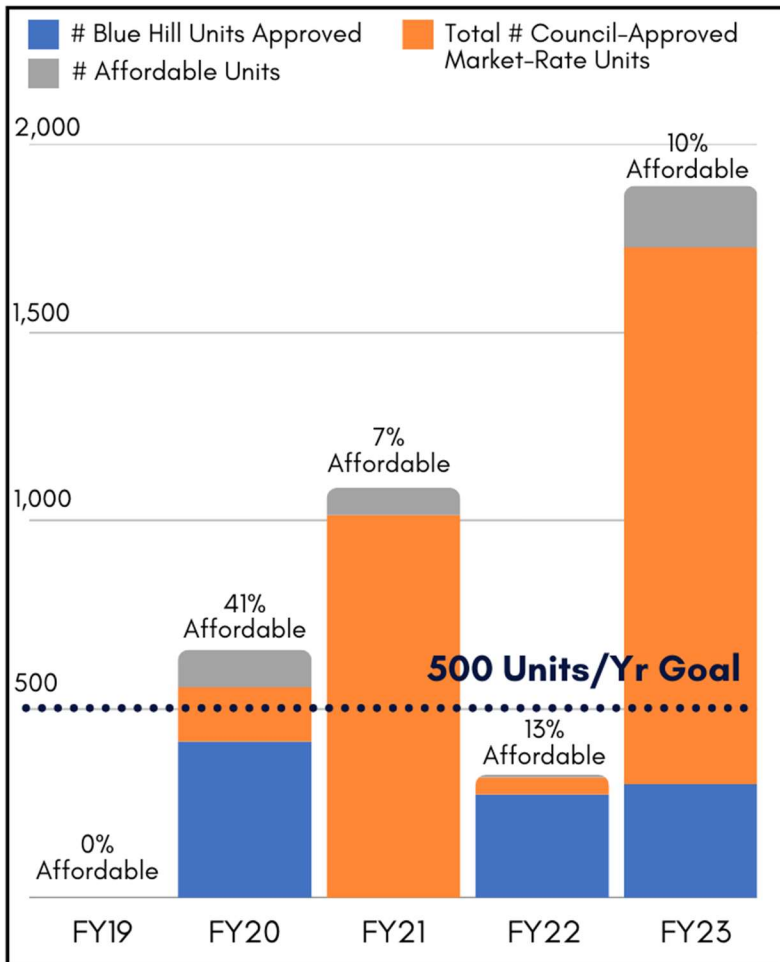


Number and Percent of Households that are Cost-Burdened by Income Level

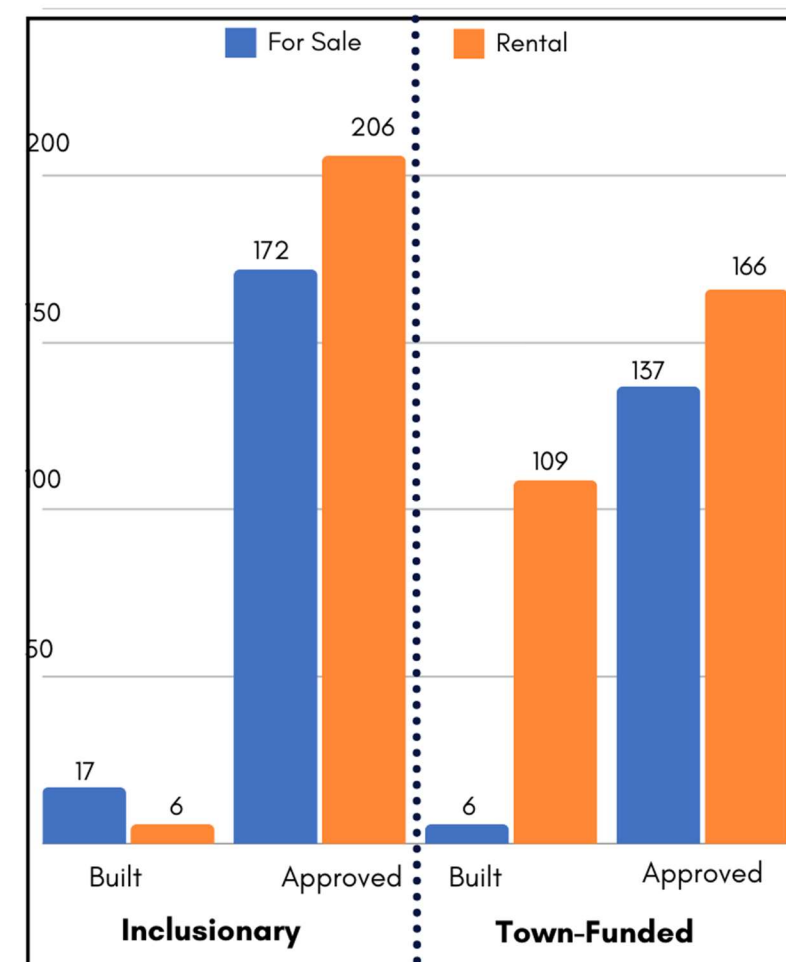


Housing production historically has not met demand but the Town is prioritizing housing production, especially of affordable housing.

Units Approved by Type and Year

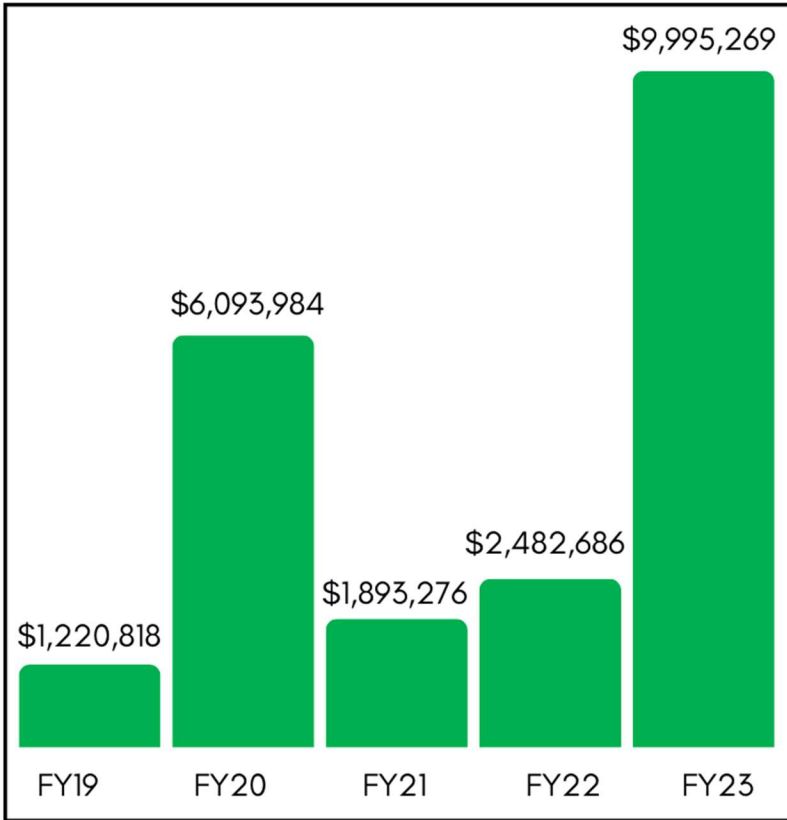


Affordable Units Built and Approved, FY19-FY23

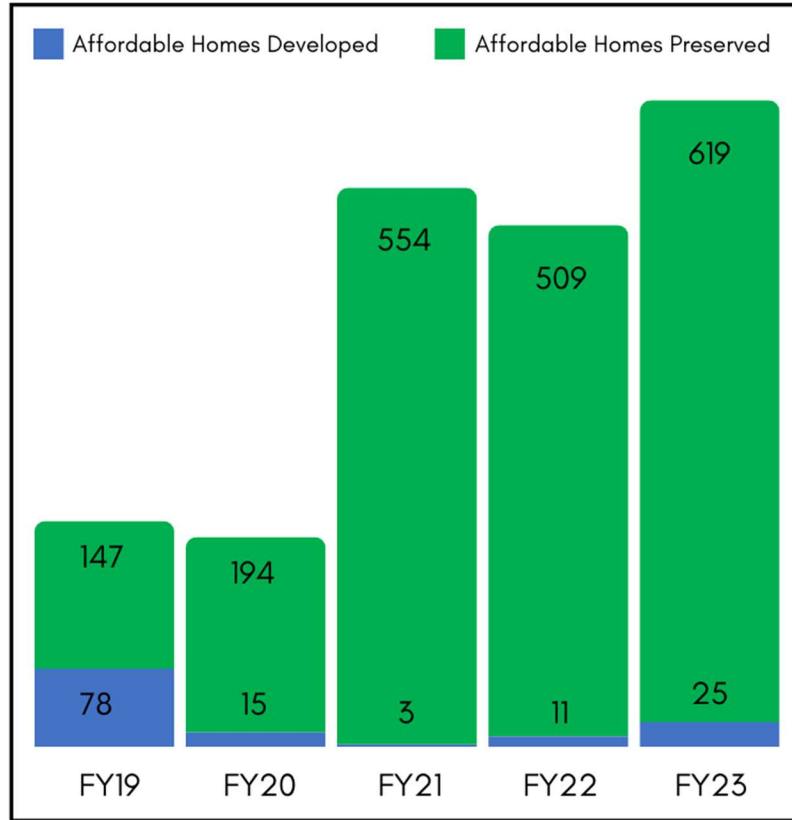


The Town has increased its support for affordable housing to address housing needs:

Affordable Housing Funding Allocated to Projects

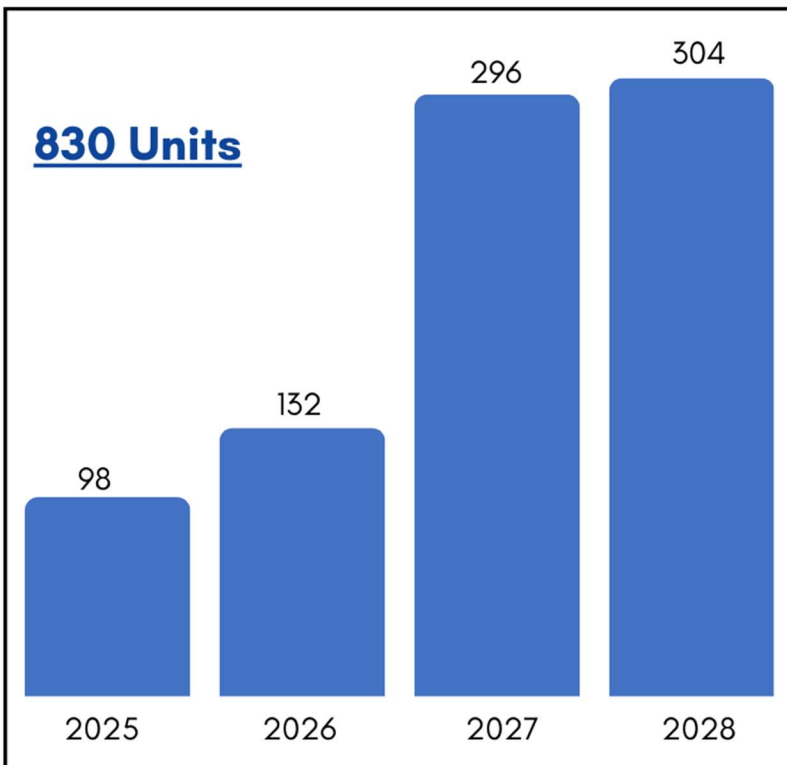


Development and Preservation Units Completed

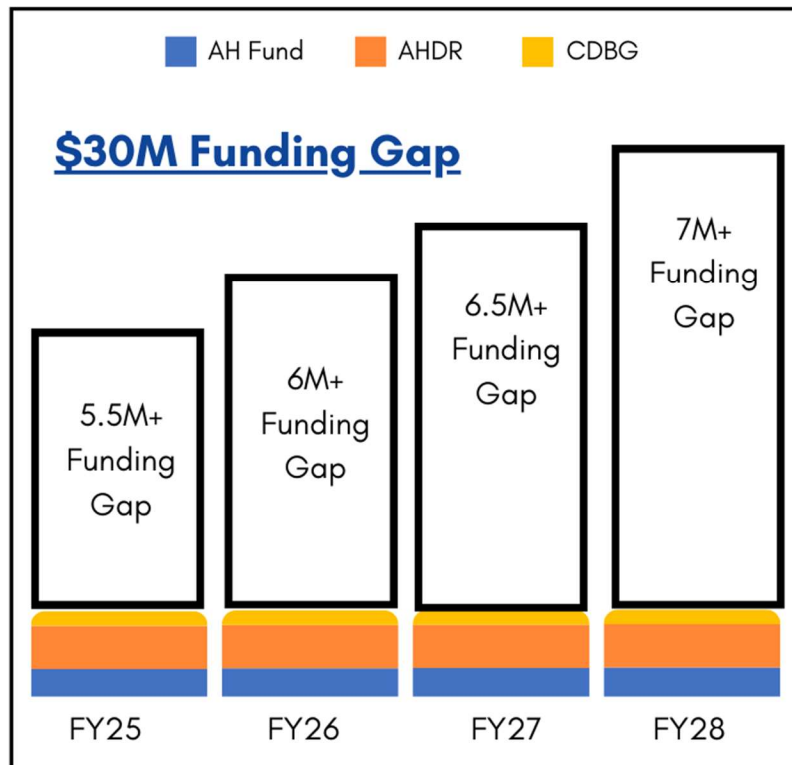


More resources are needed to support the strong pipeline of affordable housing and make progress towards addressing the affordable housing gap.

Affordable Housing Development Pipeline



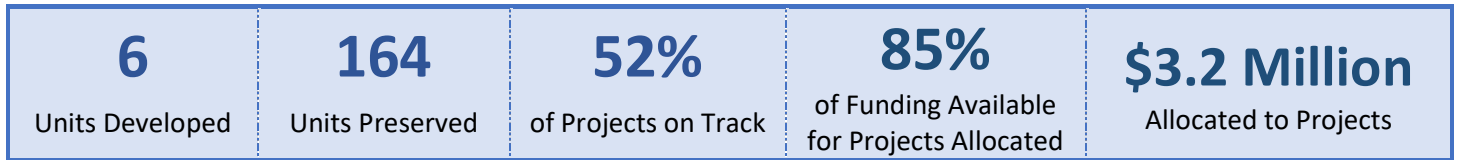
Funding Needed to Sustain Affordable Housing Activities and Projects



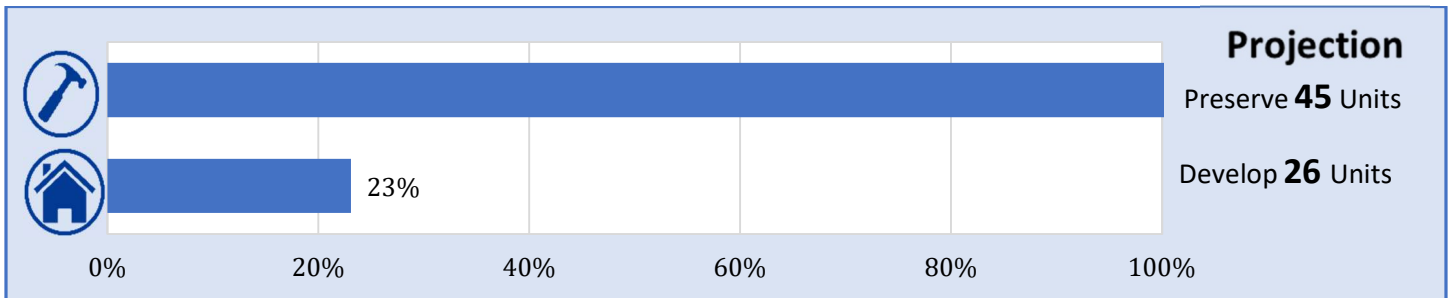
Fiscal Year 2024 Q3 and Q4 Highlights

- Community Home Trust closed on the final two homes in the Bridgepoint community that were sold at an affordable price through the Town’s inclusionary zoning program.
- Two Town employees received rental assistance through the Employee Housing Program.
- Local partners managed the rehabilitation of 17 affordable housing units.
- Council approved a conditional zoning application for the Long Leaf Trace affordable housing development making it the first 100% affordable housing project to take advantage of the Town’s expedited review process for affordable housing.
- The development team closed on the Trinity Court redevelopment project. After holding a groundbreaking ceremony, construction began with the demolition of existing buildings on the site.
- Town staff provided an update to Council on the plans to convert the Legion Road pond to a constructed wetland as a next step toward preparing for the development of affordable housing on the site.
- Council authorized the execution of a ground lease and development contract for Tanyard Branch Trace.
- Council approved the FY 2025 Funding Plan, which supported the development of 66 units and the preservation of 10 units.
- Council approved the FY 2024-25 Community Development Block Grant Funding Plan that allocated \$444,669 to support 5 local affordable housing and community development providers.
- Staff worked closely with Business Management Department staff and the Manager’s Office to provide information and data to inform Council discussions about a 2024 bond.

Fiscal Year 2024 Progress to Date

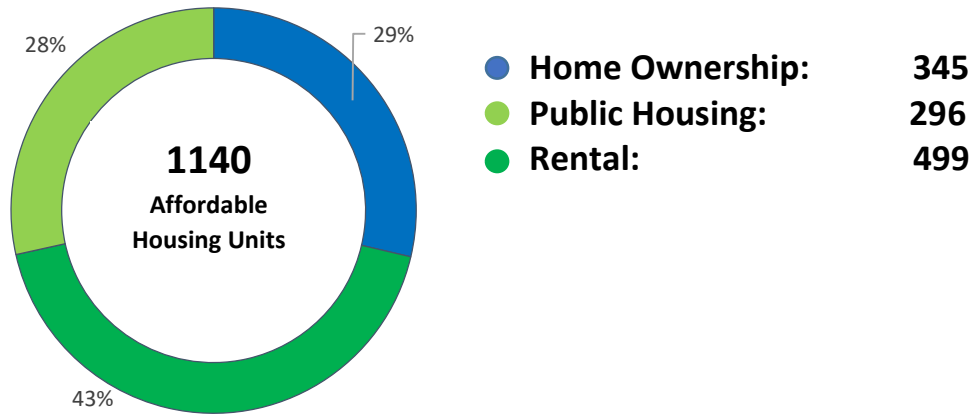


Progress Towards Fiscal Year 2024 Projection



*Preservation projection no longer includes Emergency Housing Assistance.











Number of Subsidized Units in Town



*The total and public housing unit count decreased by 40 because the Trinity Court units were removed from the public housing inventory to be redeveloped as new affordable housing. When Trinity Court reopens, the 54 newly constructed units will be added to the Rental unit count.






Affordable Housing Projects Underway Supported by the Town

Project Type	Provider	Project Name	Number of Units	Projected Completion	Status
	Self-Help/Community Home Trust	223 N. Graham	1	FY24 Q1	✓
	Community Home Trust	Bridgepoint Inclusionary Units	5	FY24 Q4	✓
	Self-Help	Northside Housing Rehab	17	FY23 Q4	✓
	Community Home Trust	Legion Rd Townhomes Crawl Space Renovation	7	FY24 Q4	✓
	Town of Chapel Hill	Transitional Housing Renovations	4	FY24 Q4	●
	Community Empowerment Fund	Down Payment Assistance	5	FY24 Q4	●
	Habitat for Humanity	Gattis Court	4	FY24 Q4	●
	Self-Help	Northside Acquisition and Development	7	FY23 Q4	●
	Community Home Trust	Homebuyer Subsidy	1	FY24 Q4	●
	Town of Chapel Hill	Employee Housing Program	5	FY24 Q4	●
	Orange County	Emergency Housing Assistance	300	FY24 Q4	●
	Orange County Preservation Coalition	Homeowner Rehabilitation	6	FY24 Q4	●
	Self-Help/Community Home Trust	309 Mitchell Lane (formerly 204 Carver St)	1	FY24 Q4	●
	EmPOWERment, Inc.	104 Grant St.	2	FY24 Q4	●
	Ram Realty Advisors*	University Place Inclusionary Rental Units	25	FY25 Q2	●
	Town of Chapel Hill	Trinity Court	54	FY25 Q2	●

	Aura Chapel Hill*	Aura Inclusionary Units	37	FY25 Q3	
	EmPOWERment, Inc.	PEACH Apartments	10	FY25 Q4	
	Town of Chapel Hill	Tanyard Branch Trace/Jay Street	48	FY26 Q2	
	Town of Chapel Hill	Homestead Gardens	87	FY26 Q2	
	Habitat for Humanity	Weavers Grove	102	FY28 Q2	

*Inclusionary rental units do not use Town funding, but staff are integrally involved in securing the affordable commitments and monitoring the development of these units.

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

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, 2017-2021 American Community Survey 5-Year Estimates
- HUD defines cost-burdened families as those who pay more than 30% 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 2023 Median Family Income Estimates based on American Community Survey data for the Durham-Chapel Hill Metropolitan Statistical Area.
- The average home sales price data source is Multiple Listing Service (MLS) and average rent rate is from Co-Star data.
- 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, 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.
- The data for households served with Emergency Housing Assistance is based on the most recently available data from Orange County.