

# AFFORDABLE HOUSING QUARTERLY REPORT



FISCAL YEAR 2022 QUARTER 2  
(OCTOBER 1 – DECEMBER 31, 2021)



## OUR GOAL

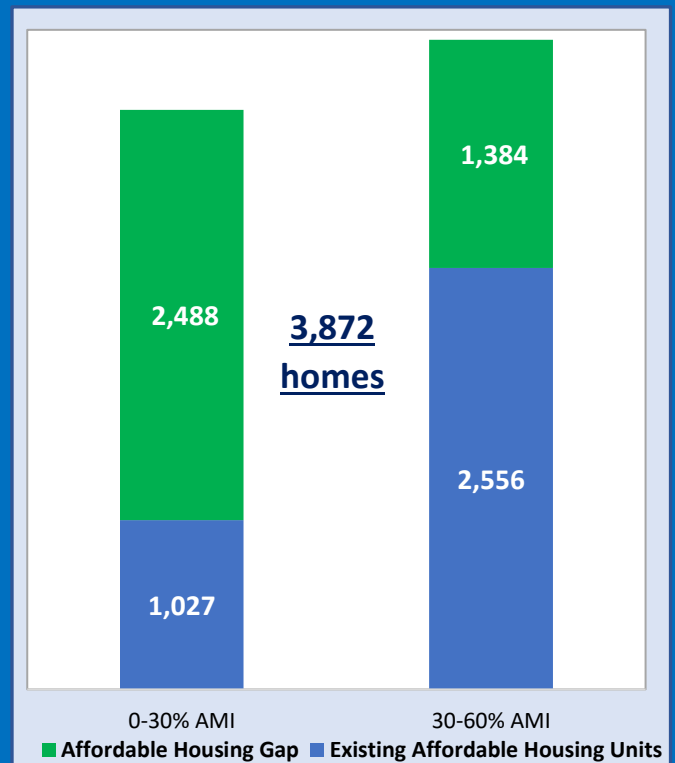
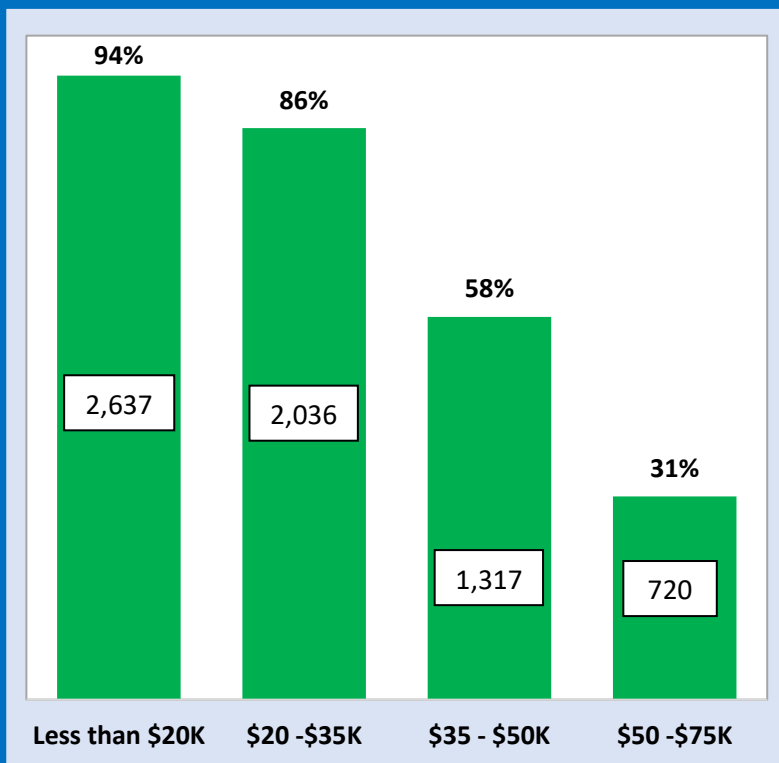
To increase access to housing for residents across a range of incomes, and to constantly strive for more equitable outcomes and opportunities for historically underserved populations.

## COMMUNITY INDICATORS

<p><b>\$5,729,606</b></p> <p>Town Budget for Affordable Housing Strategies</p>	<p><b>\$86,400</b></p> <p>Median Household Income</p>	<p><b>57%</b></p> <p>of Renters spend more than 30% of income on Housing</p>	<p><b>36%</b></p> <p>of Housing Units affordable to households with income at 80% AMI</p>
	<p><b>\$486,733</b></p> <p>Median Home Value</p>	<p><b>22%</b></p> <p>of Homeowners spend more than 30% of income on Housing</p>	<p><b>23,713</b></p> <p>Total housing units in town</p>

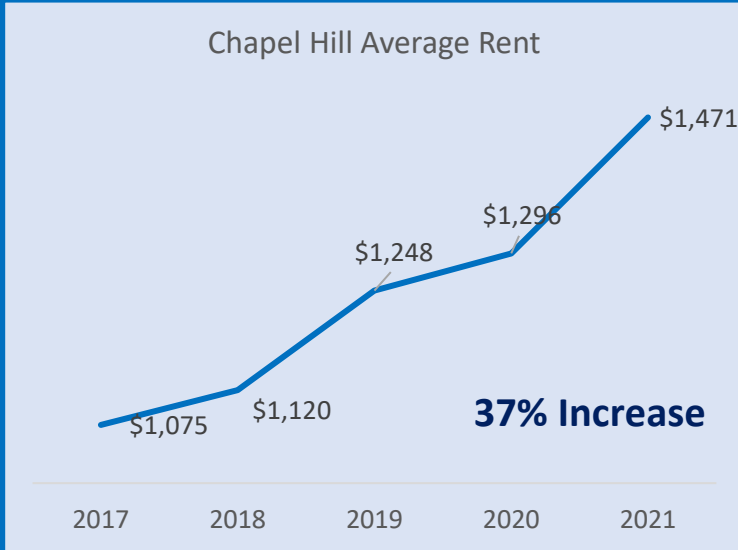
Number and Percent of Households that are Cost-Burdened by Income Level

Additional Affordable Housing Units Needed by Income Level

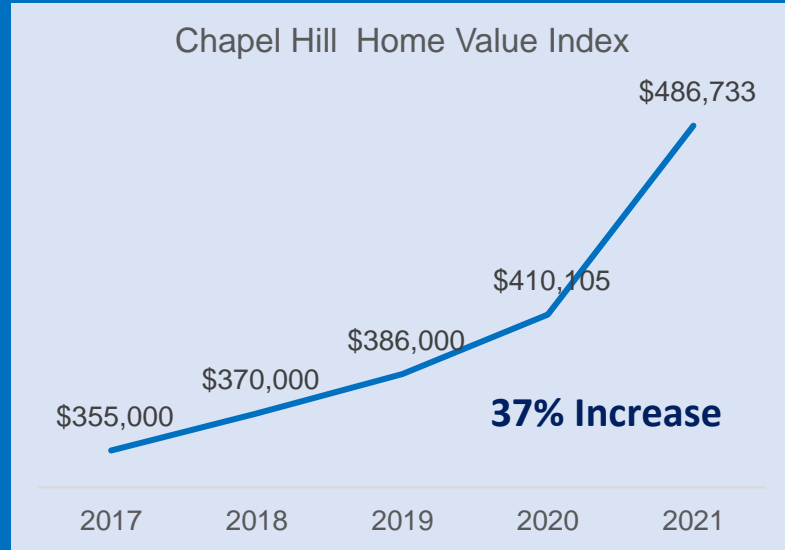


# Housing costs have been rising in Chapel Hill since 2017:

## Rise in Rental Rates

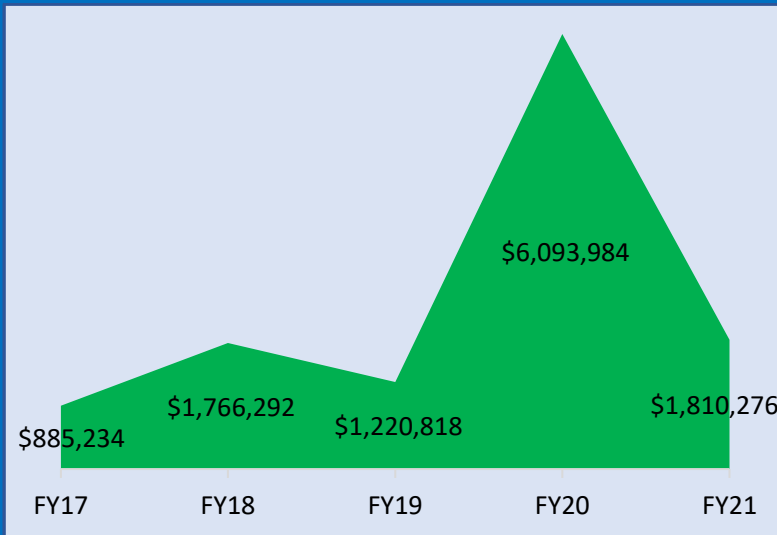


## Rise in Home Values

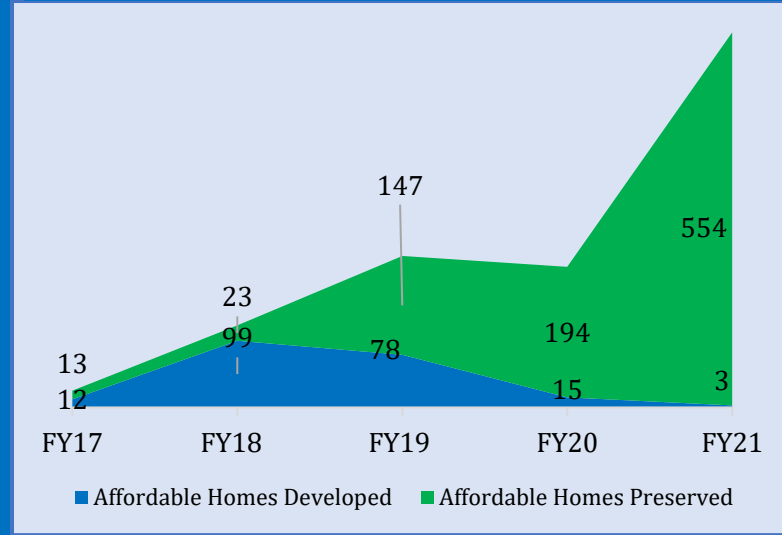


# The Town has increased its support for affordable housing to address housing needs:

## Affordable Housing Funding Allocated to Projects

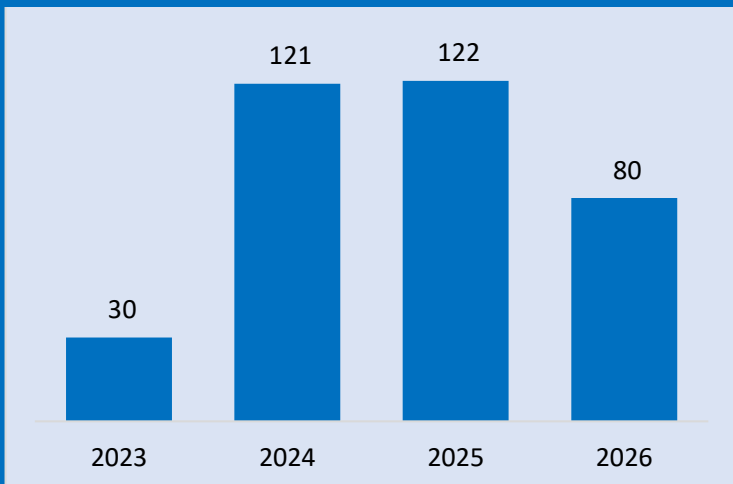


## Development and Preservation Units Completed

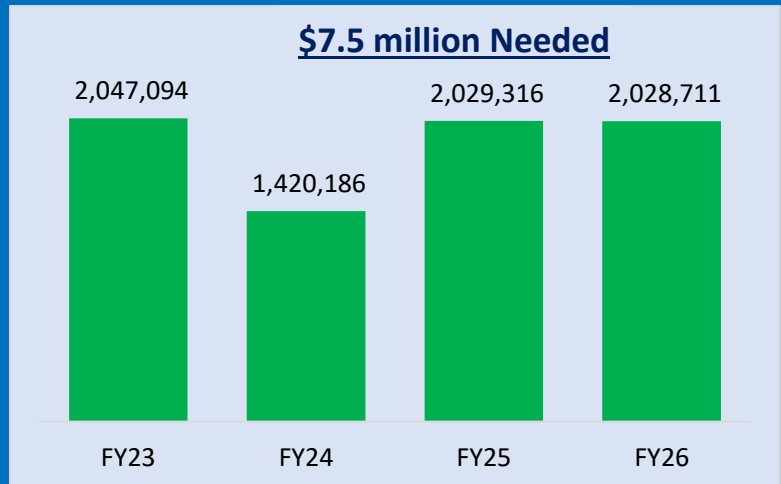


# More affordable housing is planned to be created but funding is still needed:

## Affordable Housing Development Pipeline



## Additional Funding Need to Support Projects

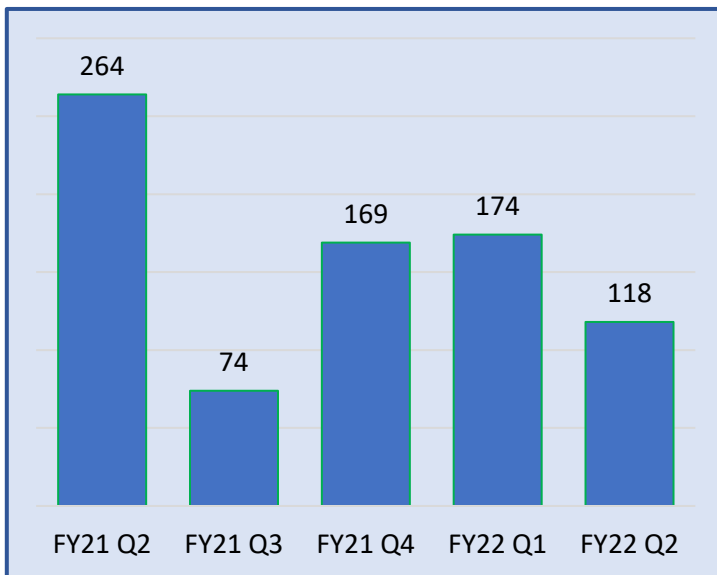


## FY22 Q2 Highlights

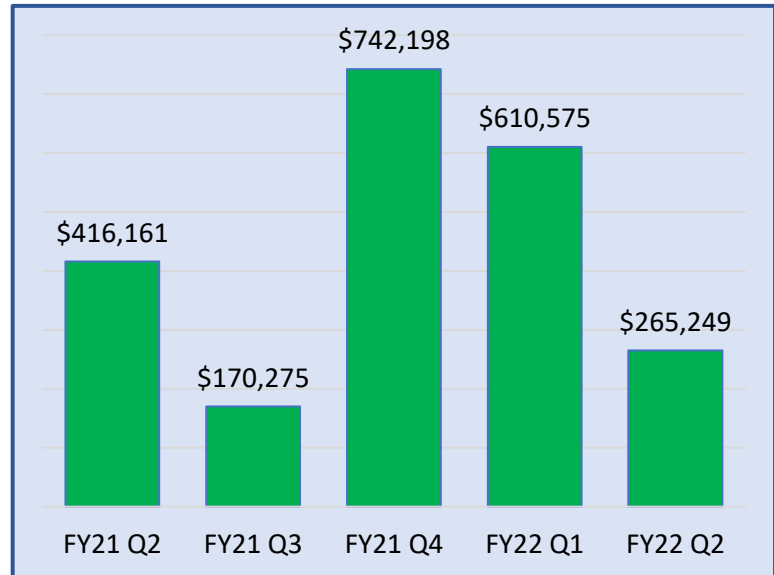
- The Town allocated all available Affordable Housing Development Reserve funding in the first application cycle for the second year in a row.
- Five new affordable homes were added to the permanently affordable inventory.
- Trinity Court and Jay Street Affordable Housing Development Projects completed Concept Plan review and submitted Conditional Zoning Applications to provide over 100 new affordable housing units total.
- The Town has continued to focus on COVID-19 response efforts and 292 Emergency Housing Assistance payments have been made to Town residents in the first half of this fiscal year.
- Council authorized a site-development agreement with Self-Help Ventures to begin site development for affordable housing development at 2200 Homestead Road.
- Council approved updates to the Town Employee Housing Assistance Program, which will be rolled out beginning in January 2022.

## Emergency Housing Assistance

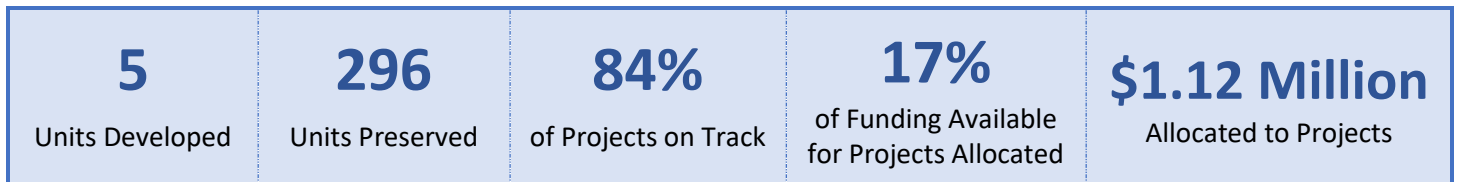
Number of Payments Made



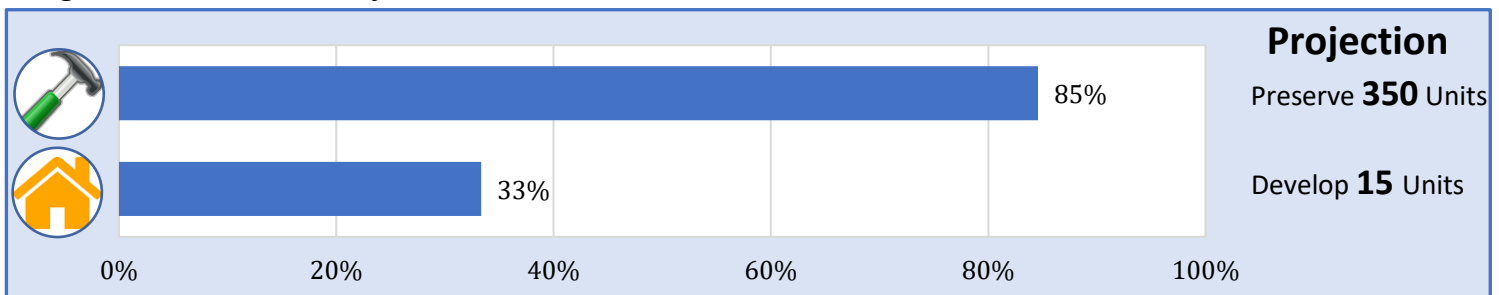
Amount of Assistance Provided



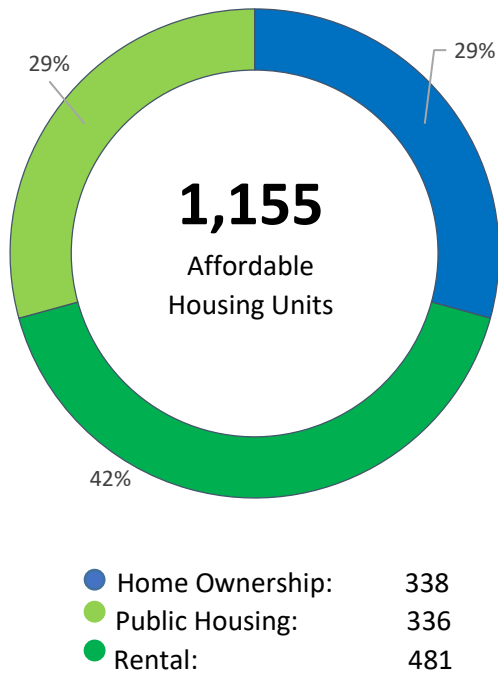
## FY22 Town Performance-to-Date



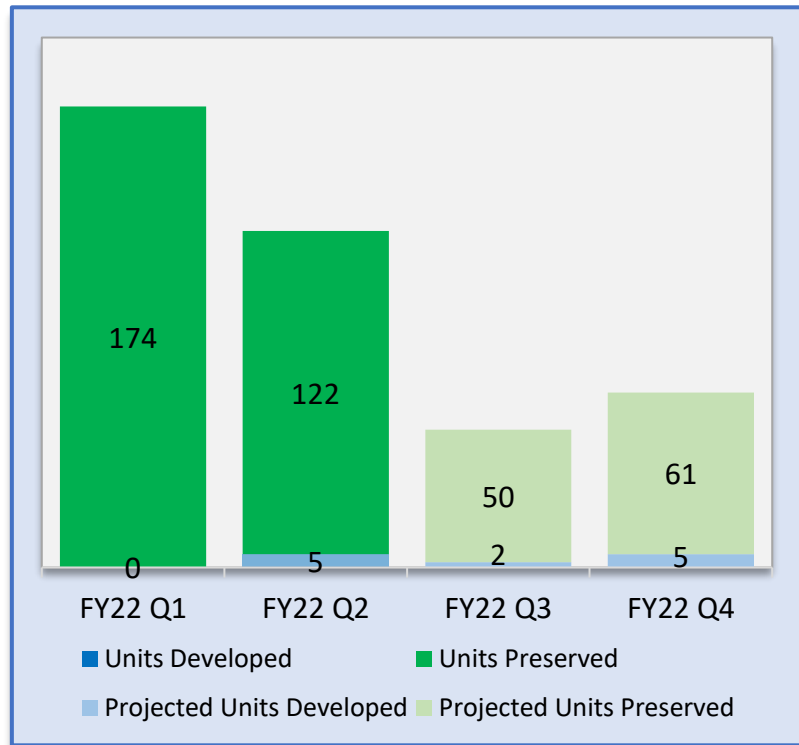
## Progress Towards FY22 Projection



### Number of Subsidized Units in Town



### Units Developed and Preserved by Quarter








### Affordable Housing Projects Underway Supported by the Town

Project Type	Provider	Project Name	Number of Units	Projected Completion	Status
🏠	Self-Help/Empowerment Inc.	Grisham Cottages/Lindsay St Duplex	2	FY22 Q2	✓
🔧	Town of Chapel Hill Public Housing	Oak Avenue Furnace Replacement and Fire Repair	3	FY22 Q2	✓
🏠	Self-Help/Empowerment Inc.	Gomains St Duplex Acquisition	2	FY22 Q2	✓
🔧	Pee Wee Homes	Mitchell Lane Tiny-plex	2	FY22 Q3	●
🏠	Town of Chapel Hill	Employee and Transitional Housing Program Master Leasing	5	FY22 Q4	●
🔧	Town of Chapel Hill	Transitional Housing at Umstead Road	1	FY22 Q4	●
🔧	Town of Chapel Hill Transitional Housing	Ashley Forest Renovation	1	FY22 Q4	●
🔧	Self-Help	Northside Housing Rehab	4	FY22 Q4	●
🏠	Self-Help	Northside Acquisition and Development	4	FY22 Q4	●
🔧	Orange County Preservation Coalition	Homeowner Rehab	3	FY22 Q4	●
🔧	Orange County	Emergency Housing Assistance	300	FY22 Q4	●
🏠	CASA	Perry Place at Merritt Mill	24	FY23 Q4	●
🏠	EmPOWERment, Inc.	Gomains St House Move	1	FY23 Q4	●

	Town of Chapel Hill	2200 Homestead Road	120	FY24 Q2	
	EmPOWERment, Inc.	PEACH Apartments	10	FY24 Q2	
	Town of Chapel Hill	Jay Street	48	FY25 Q2	
	Town of Chapel Hill	Trinity Court	54	FY25 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

## Affordable Housing Work Plan Highlights

Project	Progress Update
<b>DEVELOPMENT</b>	
<b>2200 Homestead</b>	<ul style="list-style-type: none"> <li>Council approved the development agreement with Self-Help for site development.</li> <li>Development team plans to break ground in spring/summer of 2022.</li> </ul>
<b>Jay Street</b>	<ul style="list-style-type: none"> <li>Development team submitted a conditional zoning application on December 1, 2021.</li> <li>The project held a Public Information Meeting in January and will begin Advisory Board review in February.</li> <li>Council is expected to hold the first public hearing in late March.</li> </ul>
<b>Trinity Court</b>	<ul style="list-style-type: none"> <li>The development team submitted a conditional zoning application on December 8, 2021.</li> <li>The project held a Public Information Meeting in December and will begin Advisory Board review in February.</li> <li>Council is expected to hold the first public hearing in late March.</li> </ul>
<b>Bennett Road</b>	<ul style="list-style-type: none"> <li>Staff are finalizing a proposed visioning process designed to engage the Council and community and assess development options.</li> </ul>
<b>PRESERVATION</b>	
<b>Implement Manufactured Home Communities Strategy</b>	<ul style="list-style-type: none"> <li>Each jurisdiction has shared the draft County-wide Manufactured Home Action Plan with their housing advisory boards, the OCAHC, Preservation Coalition, and the Local Government Affordable Housing Collaborative in the fall for feedback. Staff plan to bring the Action Plan for Council review in March.</li> <li>Staff continue to explore options for applying the Resident Owned Community (ROC) model to manufactured home communities in Orange County.</li> </ul>
<b>Affordable Housing Preservation Strategy</b>	<ul style="list-style-type: none"> <li>The Town continues to participate in the County-wide Emergency Housing Assistance (EHA) program.</li> <li>The EHA partnership was selected by <a href="https://www.changelabsolutions.org/">ChangeLabSolutions</a><sup>1</sup> to participate in their Housing Solutions Collaborative peer learning cohort to evaluate EHA program success and sustainability. Staff from each jurisdiction and Empowerment are serving on that team.</li> <li>Staff is conducting additional research on implementation options for the Preservation Strategy based on Council's feedback.</li> </ul>
<b>POLICY</b>	
<b>Implement Employee Housing Program</b>	<ul style="list-style-type: none"> <li>Council unanimously approved program updates at their October 27<sup>th</sup> meeting.</li> <li>Staff are updating our program guidelines and promotional materials, and have developed a work plan to prepare for launch of new iteration of the program in January 2022.</li> </ul>

<sup>1</sup> <https://www.changelabsolutions.org/>

<b>Housing Petition Response</b>	<ul style="list-style-type: none"> <li>Staff developed a response to the recent housing petition and the preliminary work plan, timeline, and resource needs was shared with Council at their November 17<sup>th</sup> Meeting.</li> <li>Implementation of work plan underway.</li> </ul>
<b>FUNDING</b>	
<b>Implement Investment Plan for Affordable Housing – Affordable Housing Bond</b>	<ul style="list-style-type: none"> <li>Staff planning next Bond Request For Proposal process in winter/spring for Council to allocate remaining \$5 million.</li> <li>Staff exploring eligible uses of American Rescue Plan Act funds and how other communities are using ARPA to support affordable housing efforts.</li> </ul>
<b>Manage Funding Programs</b> <ul style="list-style-type: none"> <li><b>Affordable Housing Fund (AHF)</b></li> <li><b>Development Reserve (AHDR)</b></li> <li><b>CDBG</b></li> </ul>	<ul style="list-style-type: none"> <li>Staff completed RFP process for the Affordable Housing Development Reserve in October; Council approved the HAB’s proposed funding plan in November allocating all AHDR funds for this fiscal year (\$688,395).</li> <li>CDBG Annual Action Plan submitted to HUD in May and Comprehensive Annual Performance and Evaluation Report (CAPER) submitted in early October.</li> </ul>
<b>MANAGING TOWN-OWNED HOUSING</b>	
<b>Transitional Housing Program</b>	<ul style="list-style-type: none"> <li>Renovations of Ashley Forest units and Umstread Drive home underway.</li> <li>Households have begun moving into the Union units. The units will serve residents in the Transitional Housing Program and Employee Housing Program.</li> </ul>

## 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, 2015-2019 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.
- Staff calculated the need for affordable housing units by income level by comparing the number of households with incomes that fall within the specified AMI levels to the number of affordable units available to households at those income levels. The data source for household income level was the American Community Survey. The unit count data was pulled from the Co-Star Naturally Occurring Affordable Housing database and the Orange County Subsidized Affordable Housing Inventory.
- The median household income data source is the HUD 2021 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 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.