



Affordable Housing FY25 Mid-Year Report

JULY 1, 2024 - DECEMBER 31, 2024

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

\$8,341,485



Current Town Budget for
Affordable Housing Strategies



56%

of Renters spend
more than 30% of
income on Housing



\$671,674

Average Home
Sales Price



1,586

Total Units
Approved
Over Last
Year



\$105,900

Median Household
Income



19%

of Homeowners
spend more than
30% of income on
Housing



31%

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



18%

of Units Approved
Over Last Year by
Council that are
affordable

1,900



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

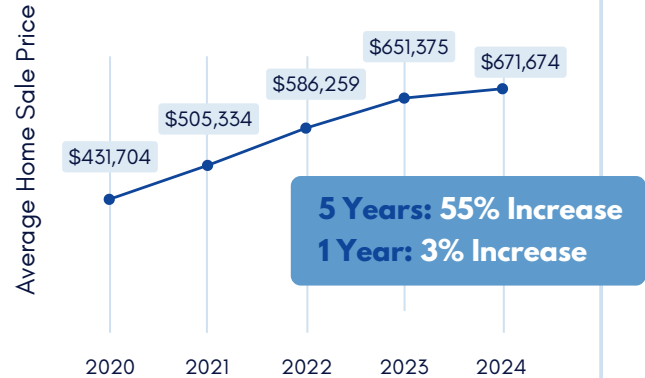
HOUSING COSTS

After rising dramatically between 2020 and 2022, housing costs have stabilized.

Rise in Rental Rates

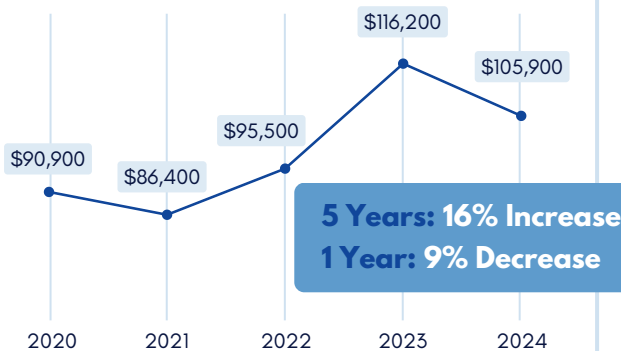


Rise in Home Values

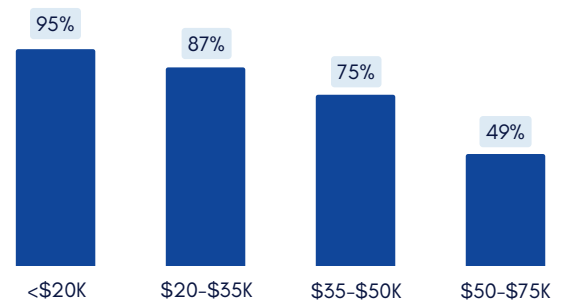


Household incomes decreased in 2024 for the first time in several years, but many households remain cost burdened.

Median Household Income

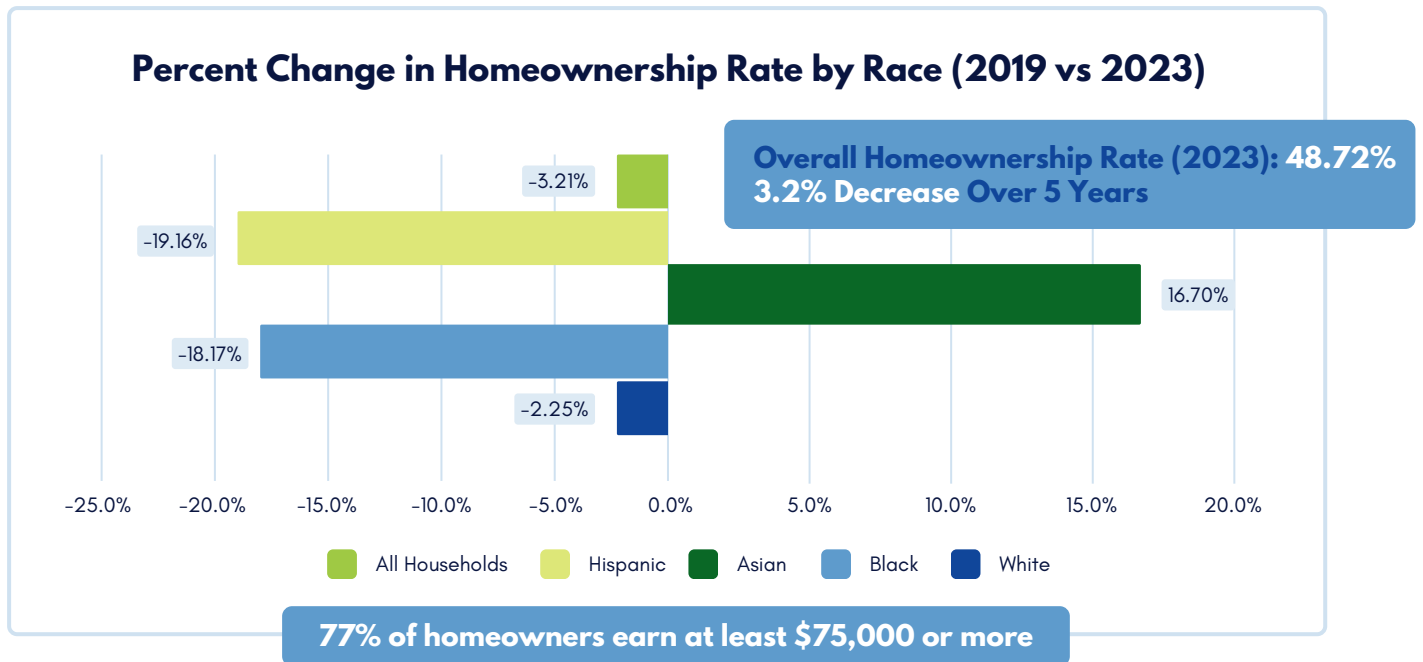


Percent of Households that are Cost-Burdened by Income Level



Overall Housing Cost Burden Rate: 38%

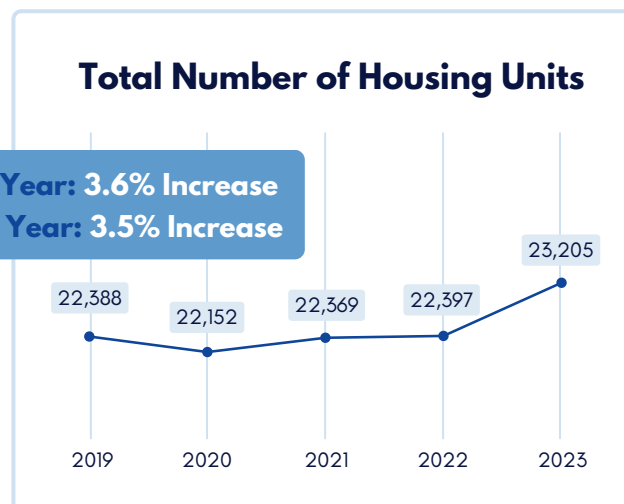
The overall homeownership rate has decreased slightly over the past 5 years. Black and Hispanic households saw a nearly 20% decrease in homeownership rates during this time.



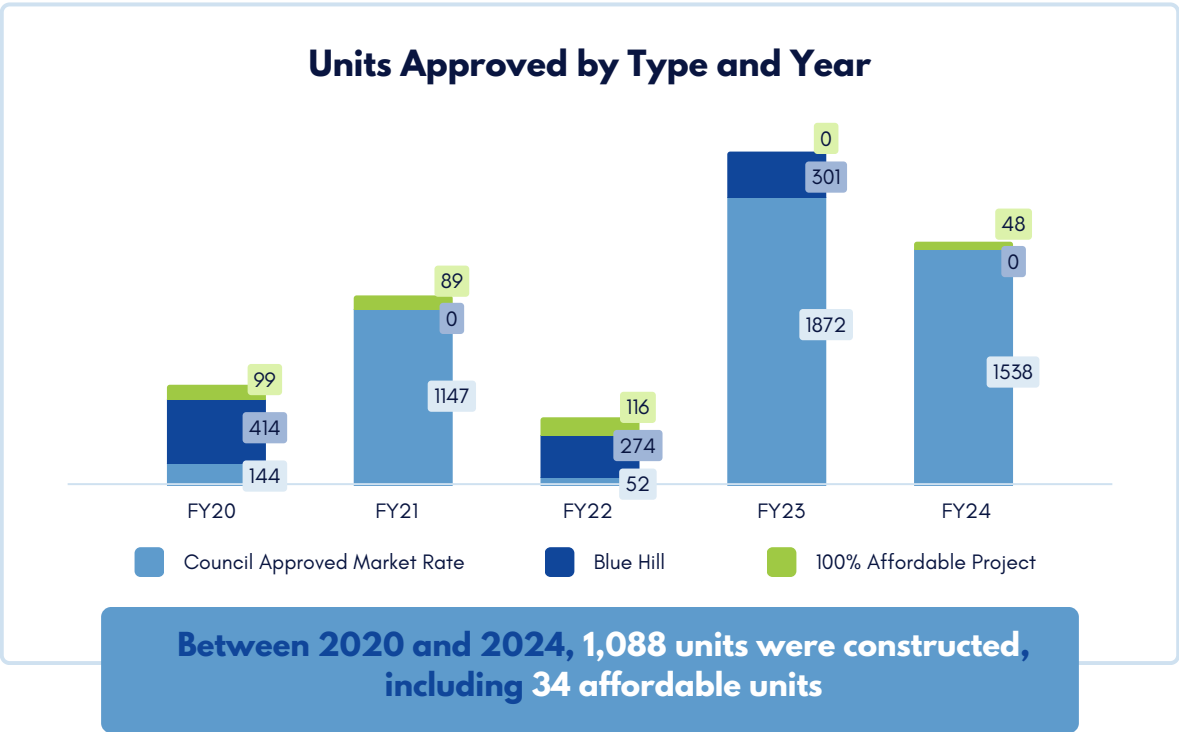
*Note: The Other category experienced a 148% increase in the homeownership rate, which is likely influenced by an increase in the percent of the population that identified as Other.

HOUSING GROWTH AND APPROVALS

After several years of negative or nominal growth, the local housing inventory saw the **largest increase in at least 10 years.**

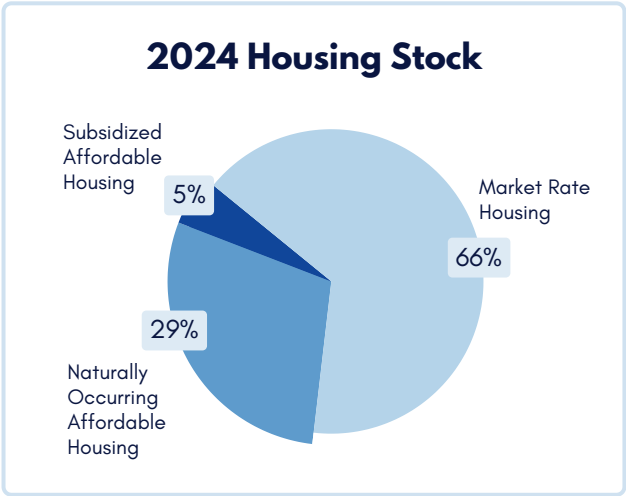


6,094 housing units were approved between 2020 and 2024, an average of about 1,200 per year. 14% of these units are affordable.

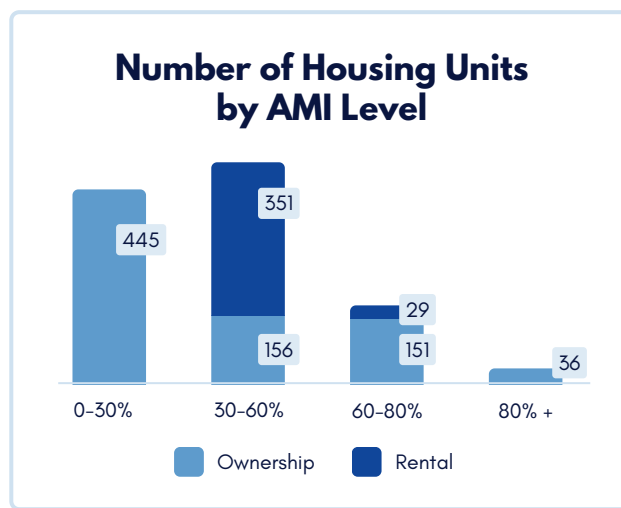
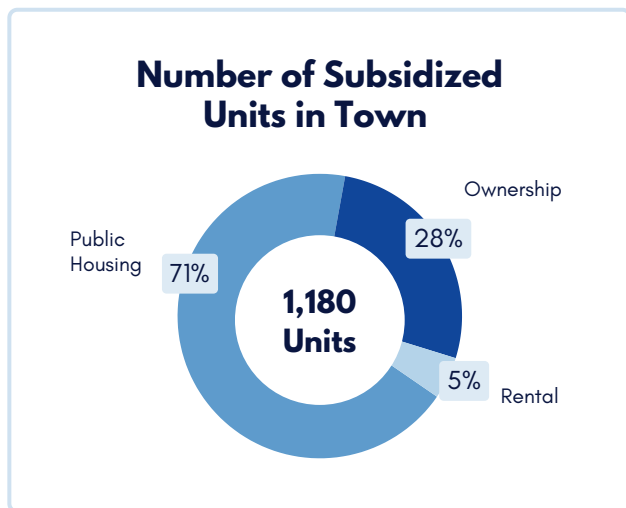


AFFORDABLE HOUSING INVENTORY

About 1/3 of the housing stock in Chapel Hill is affordable; most of these are naturally affordable, or unsubsidized housing.

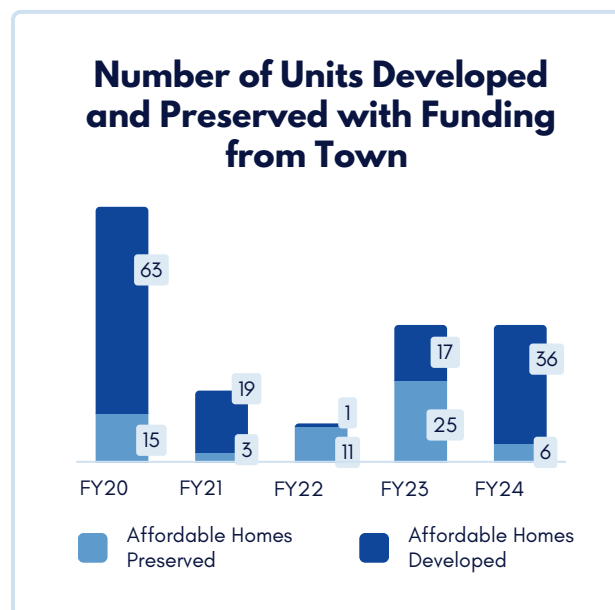
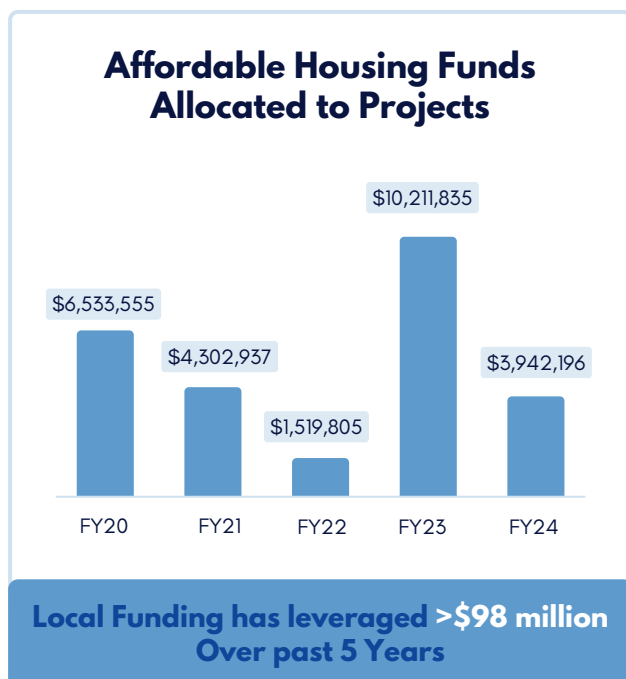


The Town currently has **1,180** subsidized units. This number has increased by more than **6% (70 units)** over the past 5 years.



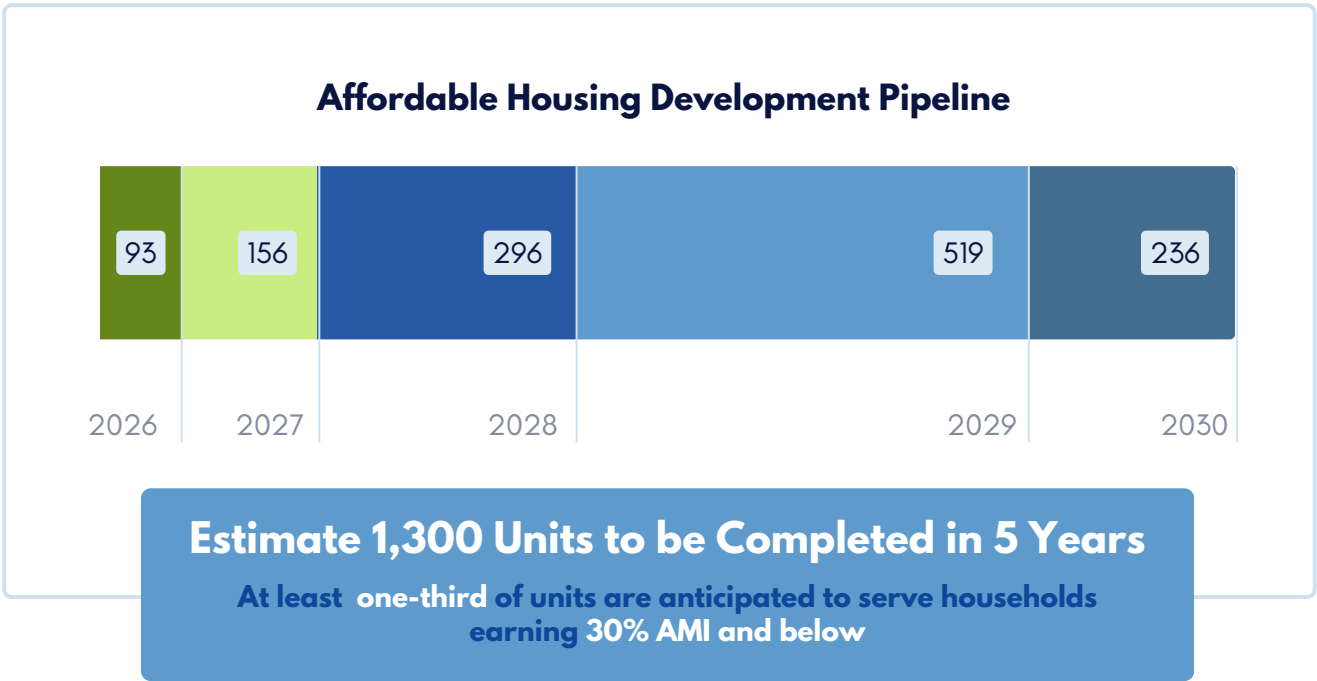
TOWN FUNDING FOR AFFORDABLE HOUSING

The Town has allocated more than **\$26 million** to address local affordable housing needs over the last 5 years.



***Does not include Emergency Housing Assistance or Property Tax Assistance**

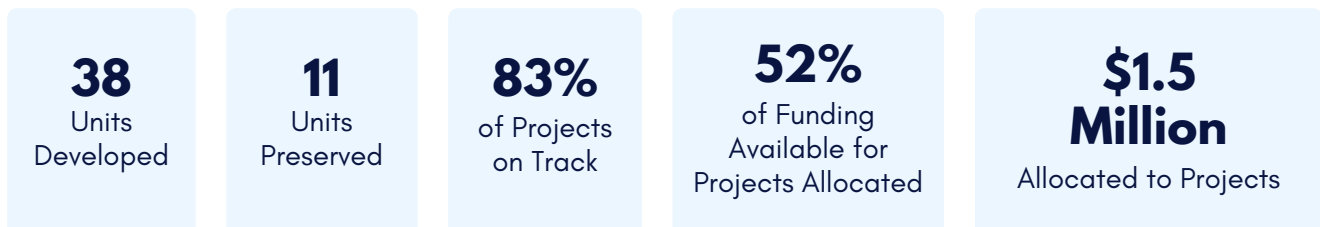
While the Town has secured resources to meet half of our funding goal, more resources are needed to fully implement the Town’s Affordable Housing Plan to expand and preserve affordable housing.



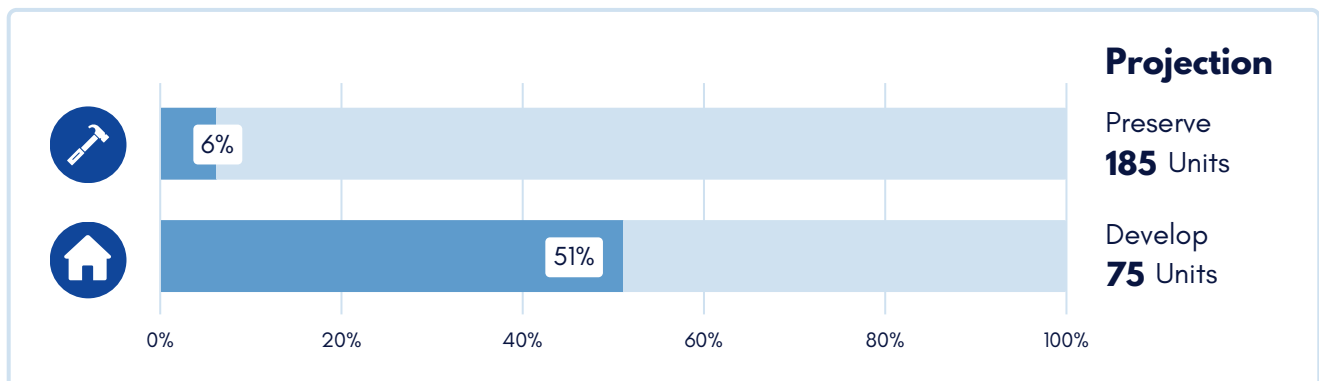
FISCAL YEAR 2025 QUARTER 1 AND QUARTER 2 HIGHLIGHTS

- The Town launched the \$20 million Affordable Housing Loan Fund in partnership with Self-Help Ventures Fund and UNC Hospitals. The Fund is estimated to support the preservation or creation of as many as 600 affordable units.
- 25 affordable rental units opened at 900 Willow at University Place in October 2024.
- One Town employee received rental assistance to move into a unit at 900 Willow.
- Habitat for Humanity completed their Gattis Court project in the Northside Neighborhood, which includes 2 duplexes that are affordable to households earning 80% or below the AMI.
- Habitat for Humanity completed the first 9 units at Weavers Grove. The homes were sold to households earning 80% or less of AMI. The Town provided downpayment subsidy through the Community Empowerment Fund to one low-income homebuyer.
- The Town funded the rehabilitation of 6 units owned by low-income homeowners – 3 by the Preservation Coalition and 3 through the Northside Neighborhood Initiative.
- The Town-funded Longleaf Trace project received a 2024 Low-Income Housing Tax Credit award to support the development of 48 affordable units for low-income seniors.

Fiscal Year 2025 Progress to Date



Progress Towards Fiscal Year 2025 Projection



*Preservation projection no longer includes Emergency Housing Assistance

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, 2019–2023 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 2024 Median Family Income Estimates 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, both pulled in Summer 2024.
- The total budget this fiscal year for affordable housing strategies captures all Town expenditures for affordable housing. This includes the Affordable Housing Fund, Affordable Housing Development Reserve, Affordable Housing Bond, 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. These data were updated in Summer 2024.
- 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.
- Housing approval and construction completion data is from Town Development Services Department Data pulled in January 2025.
- The data source for subsidized housing unit development projections is the County-wide data inventory created through the Orange County Affordable Housing Coalition.

To learn more about the Town of Chapel Hill's affordable housing work:
www.chapelhillaffordablehousing.org