

AFFORDABLE HOUSING QUARTERLY REPORT



FISCAL YEAR 2020 QUARTER 1
(JULY 1 – SEPTEMBER 30, 2019)



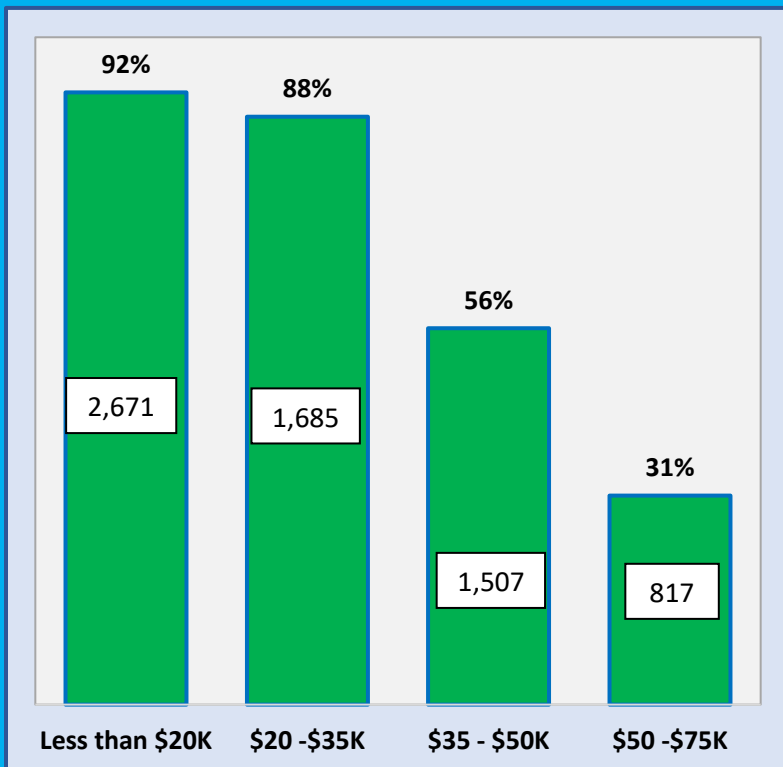
OUR GOAL

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

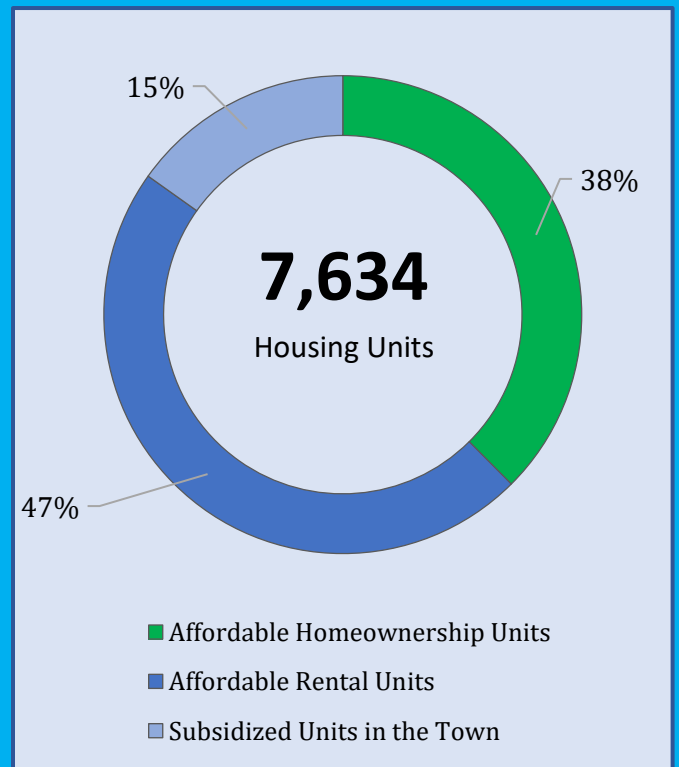
COMMUNITY INDICATORS

\$15,609,000 Town Budget for Affordable Housing Strategies	\$84,800 Median Household Income	55% of Renters spend more than 30% of income on Housing	35% of Housing Units are affordable to households with income below 80% AMI
	\$386,600 Median Home Value	19% of Homeowners spend more than 30% of income on Housing	21,685 Total housing units in town

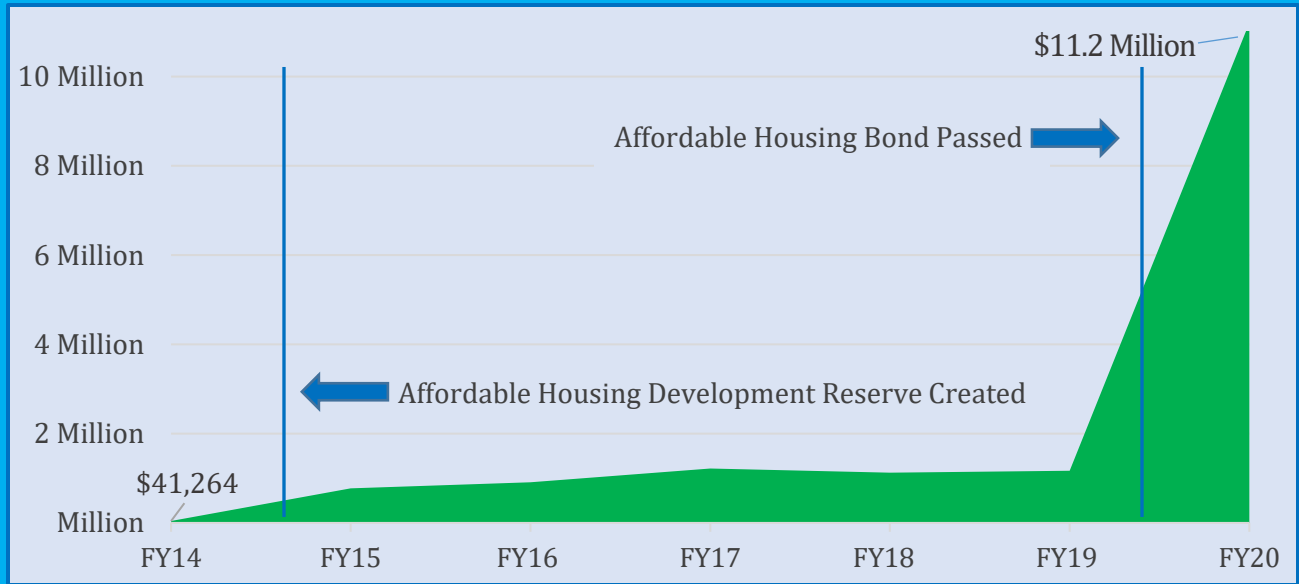
Number and Percent of Households that are Cost-burdened by Income Level



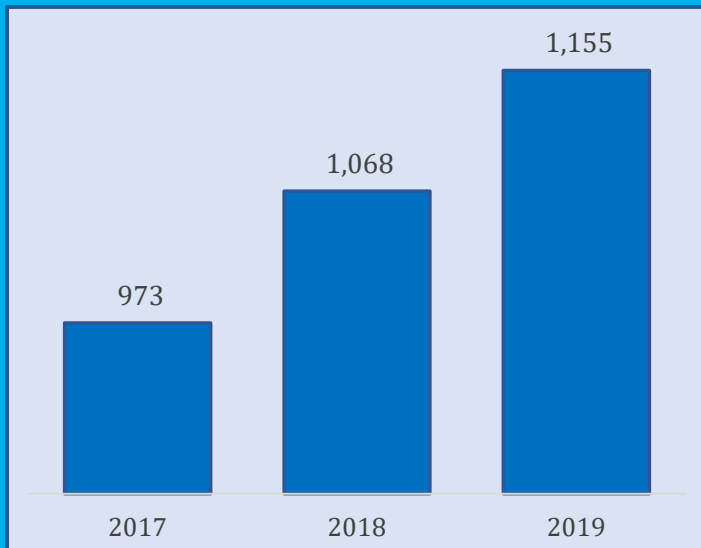
Number of Housing Units that are Affordable to Households with Income Under 80% AMI



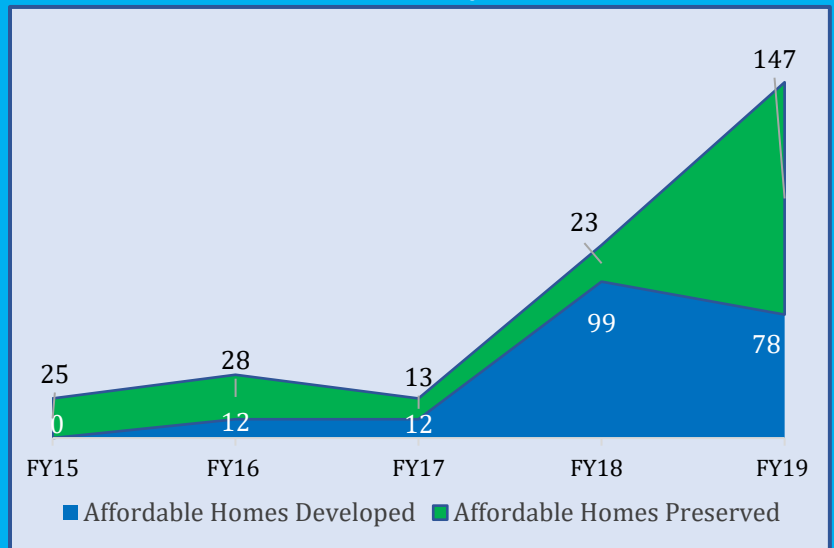
The Town has increased its support for affordable housing over the last several years:



Increase in Number of Subsidized Units

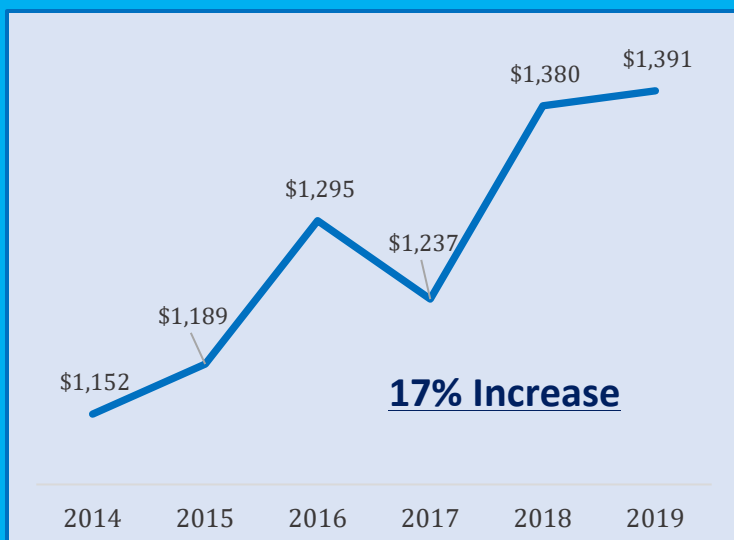


Increase in Units Developed and Preserved

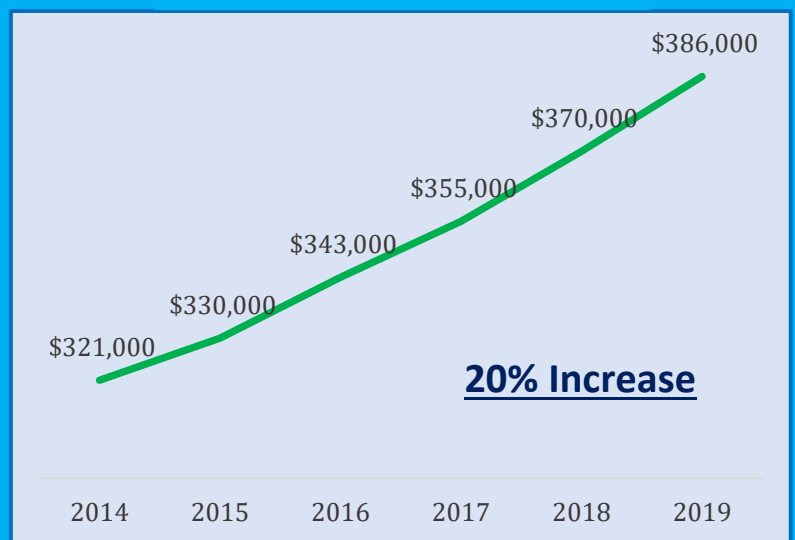


The cost of housing has been increasing at the same time, decreasing affordability:

Rise in Rental Rates



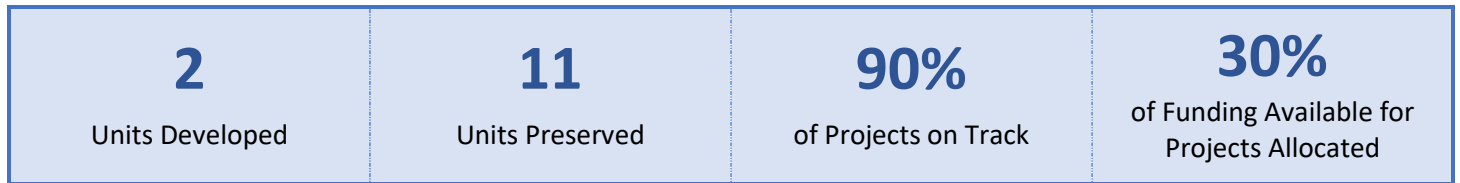
Rise in Home Values



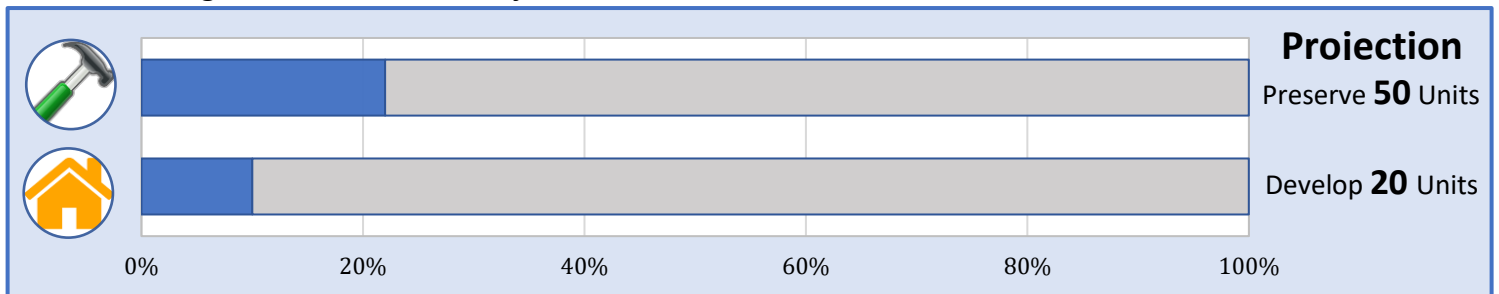
FY20 Q1 Highlights

- The Town's Inclusionary Zoning led to the creation of two new affordable housing units in the South Grove neighborhood. Two additional units are expected to be completed this fiscal year.
- The Town has allocated 30% of funding available for affordable housing projects.
- 90% of projects funded by the Town have been completed or are on track to be completed on schedule.

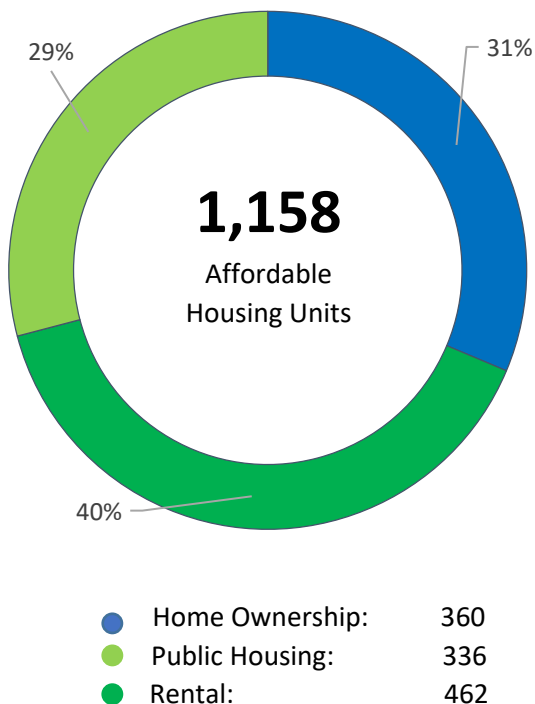
FY20 Town Performance-to-Date



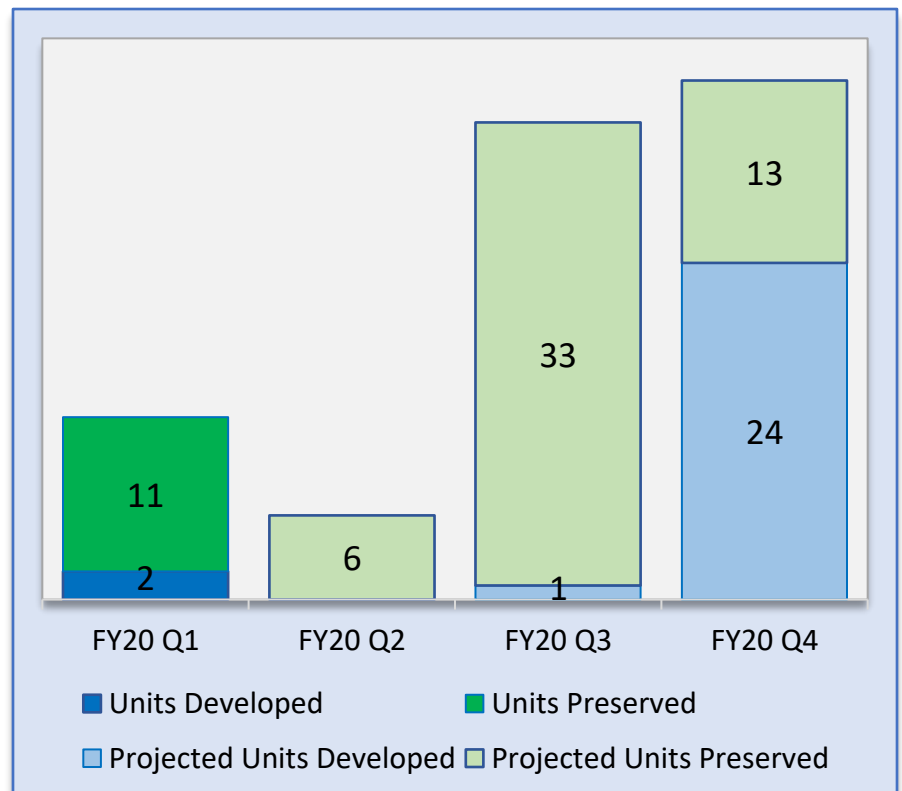
Year-End Progress Towards FY20 Projection
























Number of Subsidized Units in Town





Actual and Projections by Quarter – Number of Units



FY20 Q1 Update | Affordable Housing Projects Underway Supported by Town Funds

Project Type	Provider	Project Name	Number of Units	Projected Completion	Status
	Community Empowerment Fund	Housing Displacement Assistance	4	FY20 Q1	✓
	Town of Chapel Hill Public Housing	N Columbia Renovation	1	FY20 Q1	✓
	Town of Chapel Hill Public Housing	Louis Armstrong Renovation	1	FY20 Q1	●
	Town of Chapel Hill Public Housing	Lindsay Street Restoration	1	FY20 Q1	●
	Town of Chapel Hill Public Housing	Church Street Renovation	1	FY20 Q1	●
	Community Home Trust	Graham Street Acquisition	1	FY20 Q3	●
	Community Home Trust	South Grove	4	FY20 Q4	●
	Self-Help	Northside Emergency Repairs	5	FY20 Q4	●
	Habitat for Humanity	Homeowner Rehabilitation	3	FY20 Q4	●
	Self-Help	Land Bank Properties for Affordable Housing	8	FY19 Q4	●
	Community Empowerment Fund	Rental and Utility Assistance	12	FY20 Q4	●
	Community Home Trust	Chandler Woods	9	FY20 Q4	●
	Community Home Trust	Homebuyer Subsidy	1	FY20 Q4	●
	Town of Chapel Hill	Transitional Housing at Umstead Road	1	FY20 Q4	●
	Town of Chapel Hill	Employee Housing Program	5	FY20 Q4	●
	Self-Help	Grisham Cottages	3	FY21 Q2	●
	Self-Help	Mitchell Lane	1	FY21 Q4	●
	Habitat for Humanity	Sunset Drive Home Construction	1	FY21 Q4	●
	CASA	Merritt Mill Road Multi-Family Development	24	FY22 Q4	●
	Town of Chapel Hill	2200 Homestead Road	140	FY23 Q2	●
	Habitat for Humanity	Weavers Grove	95	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

FY20 Q1 Update | Town of Chapel Hill Affordable Housing Work Plan Highlights

Project	Progress Update
DEVELOPMENT	
2200 Homestead	<ul style="list-style-type: none"> Town staff is working with the Homestead Housing Collaborative to develop a Memorandum of Understanding to enter into negotiations on a Development Agreement
Prioritized Parcels of Town-Owned Land	<ul style="list-style-type: none"> Staff updated the Council on results of the engineering analysis for the sites in September Staff is planning to bring draft development goals for Jay Street to Council and ask Council to authorize the Town Manager to send out a Request for Proposals and enter into negotiations with a potential development partner
Identify Properties for Affordable Housing Development	<ul style="list-style-type: none"> Town staff is currently conducting an analysis of small, publicly-owned parcel to identify opportunities for small site development, including tiny homes
PRESERVATION	
Implement Manufactured Home Communities Strategy	<ul style="list-style-type: none"> Town staff continue to implement Manufactured Home Strategy and explore additional preservation strategies Town staff are assisting Empowerment with outreach to Tar Heel (1200 MLK) residents, as there is a development application under consideration for the site
Affordable Housing Preservation Strategy	<ul style="list-style-type: none"> Staff presented the draft framework to the Council in October Staff are incorporating the Council's feedback and conducting additional research
Housing Displacement Assistance Program (HDAP)	<ul style="list-style-type: none"> The Town partnered with Community Empowerment Fund to provide assistance to low-income residents displaced from affordable housing Dozens of households received relocation assistance and eight households received financial assistance through the HDAP
POLICY	
Explore creation of Employee Housing Incentives	<ul style="list-style-type: none"> Town staff continue implementing the pilot program and analyzing results Staff will be conducting enhanced marketing and outreach to employees and will begin evaluating the Pilot Program in winter/spring 2020
Blue Hill Incentive options	<ul style="list-style-type: none"> Council approved expanding district purpose statement to including affordable housing in June 2019 Staff continue to explore additional strategy options based on Council direction
Create Goals for Affordable Housing in New Rental Development	<ul style="list-style-type: none"> Housing Advisory Board reviewed and made recommendation to Council on draft Goals and Guiding Principles Town staff updated the Town Council in June 2019 and are continuing to research based on the Council's feedback
FUNDING	
Implement investment Plan for Affordable Housing	<ul style="list-style-type: none"> Staff designed application process for the \$10 Million affordable housing bond, which was shared with the Council May 2019 Staff anticipate the first request for funding proposals in the winter of 2020
Manage Funding Programs <ul style="list-style-type: none"> Affordable Housing Fund (AHF) Development Reserve (AHDR) CDBG Affordable Housing Bond 	<ul style="list-style-type: none"> Request for Proposals from the Affordable Housing Development Reserve are currently being accepted until December The first public forum for use of CDBG funds is scheduled for November 13 Staff anticipate conducting the first RFP process for bond funding in the spring of 2020
MANAGING TOWN-OWNED HOUSING	
Public Housing Master Plan	<ul style="list-style-type: none"> Staff considering multiple strategies for the rehabilitation and renovation of Trinity Court and plan to discuss those alternative strategies with Council in the winter.

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, 2013-2017 American Community Survey 5-Year Estimates
- HUD defines cost-burdened families as those who pay more than 30 percent 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 FY2019 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 RentJungle.com
- 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, the affordable housing bond, 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.