



# TOWN OF CHAPEL HILL

## Town Council Meeting Agenda

Town Hall  
405 Martin Luther King Jr.  
Boulevard  
Chapel Hill, NC 27514

Mayor Jessica Anderson  
Mayor pro tem Amy Ryan  
Council Member Camille Berry  
Council Member Melissa McCullough  
Council Member Paris Miller-Foushee

Council Member Theodore Nollert  
Council Member Adam Searing  
Council Member Elizabeth Sharp  
Council Member Karen Stegman

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**Wednesday, February 14, 2024 6:00 PM**

**Library Meeting Room B**

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### Language Access Statement

For interpretation or translation services, call 919-969-5105.

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Para servicios de interpretación o traducción, llame al 919-969-5105.

如需口头或  
书面翻译服  
务，请拨打  
919-969-5105.

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### In-Person Meeting Notification

#### *Changes to meeting start time*

- Meetings (business and work sessions) begin at 6 PM to potentially allow for greater community participation and meetings that end earlier.

#### *Changes in Meeting Material content*

- You'll notice streamlined reports and hyperlinks to supporting documents.
- Staff presentations will be posted after the meeting to allow more time to prepare high-quality presentations.

#### *View the Meeting*

- Public attendance is welcome, and limited to room capacity
- We will not live stream the event, but will provide the Post-Meeting Video <https://www.townofchapelhill.org/councilvideo/>
- The Town of Chapel Hill wants to know more about who participates in its programs and processes, including Town Council meetings.
- Participate in a voluntary demographic survey before viewing online or in person - <https://www.townofchapelhill.org/demosurvey>

### *Parking and Entry*

- *Parking is available at the Library lots. The Library is served by CL Route, D Route, and GoTriangle Routes of Chapel Hill Transit*
- *Meeting Room B is to the right from the main entrance.*
- *Please do not bring signs.*

## **ROLL CALL**

## **OPENING**

## **ANNOUNCEMENTS BY COUNCIL MEMBERS**

## **AGENDA ITEMS**

1. Update on Implementation of Town Affordable Housing Strategies and Tools and Mid-Year Progress. [\[24-0069\]](#)

PRESENTER: Sarah Osmer Viñas, Director of Affordable Housing and Community Connections  
Emily Holt, Affordable Housing Manager

The purpose of this item is for the Council to receive updates on the Town's affordable housing strategies and tools, and the Fiscal Year 2024 affordable housing mid-year report. This also includes information to help Council understand the program details as well as the role of the Town in supporting successful LIHTC projects.

2. Council Retreat Follow-up Discussion on Capital projects. (no attachment) [\[24-0070\]](#)

PRESENTER: Chris Blue, Town Manager

The purpose of this item is to continue the initial capital projects conversation started during the Council Retreat.

## **REQUEST FOR CLOSED SESSION TO DISCUSS ECONOMIC DEVELOPMENT, PROPERTY ACQUISITION, PERSONNEL, AND/OR LITIGATION MATTERS**



# TOWN OF CHAPEL HILL

Town Hall  
405 Martin Luther King Jr.  
Boulevard  
Chapel Hill, NC 27514

## Item Overview

Item #: 1., File #: [24-0069], Version: 1

Meeting Date: 2/14/2024

### Update on Implementation of Town Affordable Housing Strategies and Tools and Mid-Year Progress.

**Staff:**

Sarah Osmer Viñas, Director  
Emily Holt, Affordable Housing Manager

**Department:**

Affordable Housing and Community Connections

**Overview:** Affordable Housing is one of the Town's [Strategic Focus Areas](https://www.townofchapelhill.org/government/mayor-and-council/town-strategic-goals-objectives)  [<https://www.townofchapelhill.org/government/mayor-and-council/town-strategic-goals-objectives>](https://www.townofchapelhill.org/government/mayor-and-council/town-strategic-goals-objectives) and a key element of our social equity commitments outlined in the [Complete Community Framework](https://www.townofchapelhill.org/businesses/complete-community)  [<https://www.townofchapelhill.org/businesses/complete-community>](https://www.townofchapelhill.org/businesses/complete-community). This report provides updates on the Town's key affordable housing activities as of December 2023 including:

- Community indicators related to the housing market and affordable housing
- Our progress toward reaching Fiscal Year (FY) 2024 affordable housing goals
- The status of projects funded with Town resources
- Upcoming project milestones for the remainder of the year



**Recommendation(s):**

That the Council receive updates on the Town's affordable housing strategies and tools and the Fiscal Year 2024 affordable housing mid-year report.

### Highlights of our Mid-Year Affordable Housing Progress

Key achievements for first half of Fiscal Year 2024 (July 1 - December 31, 2023) include:

- Council unanimously approved a [Comprehensive Affordable Housing Plan and Investment Strategy](file:///C:/chfs/Documents/Departments/Housing%20and%20Community/AFFORDABLE%20and%20Community/Comprehensive%20Affordable%20Housing%20Plan%20and%20Investment%20Strategy)  [<file:///C:/chfs/Documents/Departments/Housing%20and%20Community/AFFORDABLE%20and%20Community/Comprehensive%20Affordable%20Housing%20Plan%20and%20Investment%20Strategy>](file:///C:/chfs/Documents/Departments/Housing%20and%20Community/AFFORDABLE%20and%20Community/Comprehensive%20Affordable%20Housing%20Plan%20and%20Investment%20Strategy). The plan maps out the Town's affordable housing work over the next five years and calls for the dedication of \$50 million to support the development of as many as 900 new affordable homes and the preservation of as many as 400 affordable homes. Staff have begun implementing the recommendations of the Plan.
- Council approved 1,572 total housing units and 236 affordable units in 4 projects (15%).
- The Town awarded \$100,000 in funding to the Marian Cheek Jackson Center and Orange County to provide property tax assistance to low-income homeowners. The funding supported 128 Chapel Hill households with an average award of \$770 in Town funding. Sixty-two percent of households that received assistance identify as people of color and 85% heads of household are ages 55+.
- Council approved the commitment of \$715,000 in funding to complement UNC Health \$5 Million contribution to an Affordable Housing Loan Fund. Town staff selected Self-Help Ventures Fund as the Fund administrator.
- The Town selected DHIC as the Town's affordable housing development partner  [<https://www.chapelhillaffordablehousing.org/news/2023/12/8/town-advances-affordable-housing-goals-with-to-develop-affordable-housing-on-9-acres-of-land-on-the-Town-owned-Legion-Property>](https://www.chapelhillaffordablehousing.org/news/2023/12/8/town-advances-affordable-housing-goals-with-to-develop-affordable-housing-on-9-acres-of-land-on-the-Town-owned-Legion-Property).
- Council approved a modification to the conditional zoning for the Homestead Gardens project that rightsized the project size to the funds available and move toward a fall 2024 construction start.
- Tanyard Branch Trace received a 9% Low Income Housing Tax Credit (LIHTC) award for the

development of 48 rental housing units on Town-owned land on Jay Street.

- The Town supported the development of four affordable units and the preservation of 16 units, including:
  - Community Home Trust helped a low-income first-time homebuyer purchase a home out of the Northside Neighborhood Initiative land bank.
  - Community Home Trust closed on three home sales 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 14 affordable housing units.

### What's Ahead:

For the remaining half of the fiscal year, we anticipate achieving the following milestones:

- Staff continue building a pipeline of at least one Low-Income Housing Tax Credit application per year to take advantage of the primary tool available to develop affordable rental housing. Updates on past and future LIHTC projects include:
  - The redevelopment of the Trinity Court public housing community, which received a 2022 9% LIHTC award, will break ground on the 54-unit project by this summer.
  - The 2023 9% LIHTC project, Tanyard Branch Trace, is expected to break ground by fall 2024.
  - Planning and Affordable Housing staff are providing support to the Longleaf Trace applicant team to assemble a successful 2024 9% LIHTC application for a site located at 1708 Legion Road. The project is utilizing the Town's Residential-Community Priority-Conditional Zoning District (R-CP-CZD) to meet the tight LIHTC application deadline. Council will consider a rezoning application as well as a funding request for this project by May.
  - A successful LIHTC award every year for the next 5 years could support the development as many as 300 affordable units and would require about \$12 million in Town subsidy.
- Staff are working with Self-Help to prepare for the launch of the Affordable Housing Loan Fund this summer.
- Staff are exploring pathways forward for implementation of the Affordable Housing Investment Plan which calls for an additional \$50 million over 5 years to fully implement the Affordable Housing Plan recommendations.



### Attachments:

- Linked [Affordable Housing Quarterly Report Fiscal Year 2024 Quarters 1 and 2](#) <<https://bit.ly/3SMSLx4>>
- Linked [Affordable Housing Plan](#) <<https://www.townofchapelhill.org/home/showpublisheddocument/54800>>
- LIHTC Overview
- Fiscal Year 2024 Mid-Year Deliverables

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Item #: 1., File #: [24-0069], Version: 1

Meeting Date: 2/14/2024

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**The agenda will reflect the text below and/or the motion text will be used during the meeting.**

PRESENTER: Sarah Osmer Viñas, Director of Affordable Housing and Community Connections  
Emily Holt, Affordable Housing Manager

The purpose of this item is for the Council to receive updates on the Town's affordable housing strategies and tools, and the Fiscal Year 2024 affordable housing mid-year report. This also includes information to help Council understand the program details as well as the role of the Town in supporting successful LIHTC projects.

## Overview of the Low-Income Housing Tax Credit Program and the Town's Role in Supporting LIHTC Projects

The Low-Income Housing Tax Credit (LIHTC) program is the largest source of funding for the creation and preservation of affordable housing in the United States. LIHTC is a cornerstone of the Town's [Affordable Housing Strategy](#) and aligns with our Complete Community Framework by supporting the development of affordable rental projects that serve a range of affordability levels in amenity-rich, transit-oriented locations. This discussion item will provide an overview of the program and the role of the Town in supporting successful LIHTC projects.

### Overview of the LIHTC Program

- LIHTC is currently the primary tool available in the United States to develop affordable rental housing.
- Since the LIHTC program was enacted in the late 1980s, it has supported the construction or rehabilitation of over 2 million housing units for low- and moderate-income households, including more than 2,500 projects across 97 of North Carolina's 100 counties.
- The federal government allocates about \$9 billion annually to state housing agencies who then award the credits to private developers of affordable rental housing projects through a competitive process.
- Developers generally sell the credits to private investors to obtain funding and once the housing project is in service, investors can claim the tax credit over a 10-year period.
- The LIHTC program is very competitive with specific timelines and scoring rules.
- Key elements of LIHTC scoring are aligned with the Council's [Complete Community framework](#)<sup>1</sup>, including affordability, transit access, and proximity to commercial, health, recreational, and service amenities.
- Successful applications must demonstrate a perfect site score, site control, approved commitments for any needed gap financing, and zoning approval.
- Once awarded LIHTC funding, projects must meet very tight construction and occupancy deadlines. As a result, the participation and cooperation of local governments is vital to taking advantage of LIHTC funding opportunities.
- LIHTC has been historically underutilized in Chapel Hill, with only five awards received between 1987-2021 resulting in the construction of only 260 units in 34 years. As the Town has invested more resources in affordable housing and prioritized securing at least one LIHTC project a year, we are beginning to see increased interest among LIHTC developers and success in winning LIHTC awards. The Town's Trinity Court project (54 units) received a 9% LIHTC award in 2022 and its Tanyard Branch Trace project (48 units) received a 2023 award. Staff have identified potential projects for at least the next 8 LIHTC consecutive application cycles.

### Overview of the Town's Role in Supporting LIHTC Projects

The Town plays a key role as regulator, funder, partner, and in some cases as landowner, as described below:

#### *Regulator*

- Developers must be able to obtain a rezoning within 6-8 months to meet the LIHTC application deadline. The Town's new Residential-Community Priority- Conditional Zoning District (R-CP-CZD) offers an expedited review process that offers a pathway to meet this timeline.

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<sup>1</sup> <https://www.townofchapelhill.org/home/showpublisheddocument/53972/638222644055270000>

- Post award, LIHTC projects need additional staff support to ensure key permitting milestones are met before and during construction. Town staff have provided extra support to LIHTC projects to help navigate LIHTC deadlines.

*Funder*

- The Town's newly adopted Affordable Housing Plan and Investment Strategy recommends the Town dedicate \$2-\$3M per year to support each LIHTC project.
- LIHTC applications must demonstrate local funding commitments by the final application deadline in May.

*Partner*

- Preparing a site for a LIHTC application often requires creative partnerships with multiple Town departments to maximize points for amenities within or surrounding the site – e.g., sidewalks, bus stop covers, signage.

*Landowner*

- There at least 6 potential LIHTC sites on Town-owned land in the Town's LIHTC pipeline.
- When the Town partners with private affordable housing developers to develop on Town land, the Town must authorize site control prior to the preliminary application deadline in January.

**Anticipated Impact of LIHTC Strategy Over Next Decade:**

The Town and its affordable housing partners are working toward the goal of securing at least one LIHTC award per year. Over the next 10 years, this strategy could result in the following:

- **10 100% affordable projects** that follow the Complete Community Framework
- **500-600 affordable units** that on average serve households earning 60% AMI.
- **125-150 units serving extremely low-income households** earning at or below 30% AMI
- More than **\$100 million in leveraged funding** through tax credits alone (additional leverage from other sources expected)
- **Average \$45,000/unit** in Town subsidy
- **\$25 million** in Town investment

**Linked Attachments: See Next Page**

**Linked Attachments:**

[Shelter Force LIHTC Explainer](#)

[Novogradac - About the LIHTC](#)

[North Carolina Housing Finance Agency - Low-Income Housing Tax Credits](#)

Town Supported LIHTC Examples:

[Greenfield Place and Commons](#)

[Trinity Court](#)

[Tanyard Branch Trace](#)





Administration	Q1	Q2	Q3	Q4
<b>Facilitate Team Building Opportunities</b>				
Complete annual performance evaluations				x
Complete quarterly team building activity	✓	✓	x	x
Hold annual year end celebration				x
Fill staff vacancies	✓	✓		
Complete space and furniture upgrades	✓			
<b>Train and Develop Department Staff</b>				
Develop individualized training and development plans	✓			
Complete quarterly team training opportunity	✓	✓	x	x
Check in on Learning and Development Plan Progress			x	
Continue Team Development Sessions				x
Complete equity training with full team	✓			
Hire and onboard staff and interns	✓		x	x
<b>Create Policies and Procedures</b>				
Develop & Implement Internal DocuSign Work Flow Process	✓			
Develop & Implement Electronic Invoice Work Flow Process		✓		
<b>Implement Strategic Planning and Reporting</b>				
Complete development of Work Plans	✓			
Develop department Business Plan	✓			
Compile department Annual Performance Measure Data	✓			
Develop and share Annual Report	✓			
Develop and share Affordable Housing Quarterly Report	✓			
Develop Council Agenda Schedule for remainder of FY24	✓			
Complete Monthly Project Briefs	✓			
<b>Manage Department Financials</b>				
Execute and monitor FY24 contracts	✓	✓	x	x
Prepare department budget request for FY24 and present to managers			x	
Complete Year End Close Out process				x
<b>Create Communications &amp; Marketing</b>				
Complete updates to Town and affordable housing websites	✓	✓		
Establish social media presence	✓			
Create success videos				x
Launch communications campaign for affordable housing	✓	✓		
<b>Collaborations</b>				
Review and Update Team and Committee Assignments		✓		
<b>Affordable Housing</b>				
<b>Initiate Development and Preservation Projects</b>				
Present Homestead Gardens CZ modification application to Council for consideration		✓		
Complete analysis of development potential for Plant Road	✓			
Design and implement property tax assistance program		✓		
Select development team for Town's Legion Property	✓	✓		
Select design team to create redevelopment concepts for Fire Station #4	✓	✓	x	
Seek Council authorization to execute development contract for Jay Street/ Tanyard Branch Trace affordable housing community	✓	✓	x	x
Begin construction of Trinity Court redevelopment				x
Provide operating support to the Northside Neighborhood Initiative	✓	✓	x	x
Support acquisition of 10 housing units into the Northside Land Bank				x
Support homeowner rehabilitation and repair projects through the County-wide Preservation Coalition				x
<b>Create and Implement Housing Policies</b>				
Provide Affordable Housing Quarterly Reports to Council	✓	✓	x	x
Seek Council approval of Affordable Housing Plan & Investment Strategy	✓			
Discuss Next Steps to Resource Affordable Housing Plan & Investment Strategy w/ Council			x	x
Work with Planning Department and market rate developers to implement inclusionary housing policy and inclusionary	✓	✓	x	x
<b>Fund Affordable Housing Projects</b>				
Submit CDBG Annual Action plan to HUD	✓			x
Submit CDBG CAPER to HUD	✓			
Release RFP for CDBG and receive funding applications		✓	x	
Create CDBG and HOME Funding Plan recommendation			x	
Council approval of CDBG and HOME Annual Action Plans				x
Council approval of HOME ARP				x
Hold Needs Assessment Public Forum #1 for CDBG 2024-2025 Annual Action Plan		✓		
Select fund administrator for Affordable Housing Revolving Loan Fund	✓	✓		
Seek Council approval of recommended uses for Affordable Housing Loan Fund and Town funding commitment to Fund	✓			

Notes on Status
Staff supported PORCH through day of service and held holiday gatherings
Staff implemented fully electronic invoice process
Staff processed mid-year Human Services reports for payment and worked with outside Counsel to draft agreements for major AH funding
Staff completed test marketing campaign with Triangle Media Partners
Affordable Housing staff participated in an evaluation
Staff established contract; work ongoing by Self Help and Jackson Center
Council approved 236 affordable units in 4 projects
Staff posted application in November with January due date
Town selected Self-Help as Fund Administrator Council approved commitment of \$715,000 to Fund

Launch Affordable Housing Loan Fund				x	
Transition to Electronic Application Process			x		
Release RFP for Affordable Housing AHDR funding			x		
Council approval of affordable housing funding plan				x	
<b>Own and Manage Housing</b>					
Implement Transitional Housing Sustainability Plan	✓	✓	x	x	
ZCP Issued for Trinity Court	✓				
<b>Community Connections</b>		Q1	Q2	Q3	Q4
<b>Manage Equitable Engagement Initiatives</b>					
Coordinate UNC Peoples Academy	✓				
Carry out second bilingual Peoples Academy			✓	x	
Manage the Summer Youth Employment Program and create summary report	✓			x	x
Carry-out community office hours	✓	✓	x	x	
Co-coordinate Good Neighbor Initiative events	✓				
Host National Night Out events	✓				
Participate in Campus and Community Coalition (NEAT) events			✓		x
Expand Neighborhood Liaison Program	✓	✓	x	x	
Host and participate in community engagement events	✓	✓	x	x	
Develop a Community Interpreter Bank	✓	✓	x	x	
Coordinate housing education and outreach opportunities with immigrant and refugee residents				x	x
Create and implement leadership program with manufactured home residents				x	x
<b>Fund Community Partners</b>					
Execute FY24 Human Services Performance Agreements	✓				
Finalize Human Services funding application and process for FY25	✓	✓			
- Create online application process	✓				
- Conduct training and orientation for nonprofit agencies			✓		
- Conduct agency hearings					x
- Implement recommendations from the Human Services Racial Equity Assessment	✓				
- Develop Recommended Funding Plan for the Human Services Program					x
- Council approval of the FY25 Human Services funding plan					x
Report progress on the Blue Cross Blue Shield BIC grant					x
<b>Strengthen Internal Capacity</b>					
Conduct Town-wide Language Access & Justice trainings	✓	✓			
Complete How-to-Guides for Language Access	✓				
Coordinate language services	✓	✓	x	x	
Assist with the development and implementation of a Town-wide language pay incentive	✓	✓			
Provide project specific assistance on Town-wide engagement initiatives	✓	✓	x	x	
Continue and expand paid engagement opportunities for under-engaged residents	✓	✓	x	x	
Lead monthly Community Connections Collaborative meetings	✓	✓	x	x	
Share the Engagement Toolkit	✓	✓	x	x	
Update the Community Connections Strategy			✓	x	
<b>Create Communications</b>					
Develop and distribute community newsletter	✓	✓	x	x	
Share Community Connections success stories and updates	✓	✓	x	x	
Complete and distribute multi-lingual pocket resource guide	✓	✓			
Explore and adapt new communication platforms and tools to reach under-engaged populations	✓	✓	x	x	

New maintenance mechanic has addressed maintenance backlog

Staff holding community office hours in 5 communities once per month

Staff hosted a Neighborhood Education and Advocacy

Staff participated in over 6 community events

Staff launched first Human Services online application

Staff led 4 training sessions

Staff working on finalizing draft policy with inter-departmental team

Staff collaborated with 5 Departments on engagement planning

Staff completed draft Strategy Update

For additional details about the Affordable Housing and Community Connections Work Plan, visit [www.townofchapelhill.org/government/departments-services/housing-and-community/work-plans](http://www.townofchapelhill.org/government/departments-services/housing-and-community/work-plans) or contact [housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org)