



OVERVIEW OF AFFORDABLE HOUSING FUNDING SOURCES

Purpose: This document is intended to provide a summary of the different affordable housing funding sources the Town of Chapel Hill has available to assist in creating a vibrant and inclusive community. A brief description of each funding source as well as the eligible uses of each source is provided.

AFFORDABLE HOUSING BOND:

On November 6, 2018, voters approved the Affordable Housing Bond Referendum. Voter approval of the Bond gives the Town Council authority to issue up to \$10 Million in bonds to support affordable housing projects in the community.

Application Process:

Eligible Uses:

1. Land Acquisition
2. Home Repairs and Comprehensive Rehabilitation
3. Construction of New Affordable Housing Units

For more information on Affordable Housing Bond funds, visit the Town's [Affordable Housing Website](#).

AFFORDABLE HOUSING FUND (AHF):

In 2002, the Town Council established the AHF to preserve owner-occupied housing in Chapel Hill for affordable housing purposes.

Application Process: Funds are available through the AHF on a rolling basis, with applications being accepted at any time. Applicants are evaluated by the Town Manager, with Council approval required for requests for housing renovation or homeownership assistance in excess of \$40,000.

Eligible Uses: The AHF has a variety of eligible uses, including:

1. Preservation of owner-occupied housing
2. Land acquisition
3. Renovation
4. Affordable housing construction
5. Rental and utility assistance

For more information on the Affordable Housing Fund, visit the [Town's website](#).

AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR):

In fiscal year 2014-15, the Town Council allocated over \$688,000 for affordable housing and approved an allocation strategy for this funding, establishing an Affordable Housing Development Reserve (AHDR).

Eligible Uses: The AHDR is dedicated exclusively to the development and preservation of affordable housing. Priority project areas are:

1. Land bank and land acquisition
2. Rental subsidy and development

3. Homeownership development and assistance
4. Future development planning.

Application Process: AHDR applications are accepted three times per year (~ every 4 months). Applications are reviewed by the Housing Advisory Board (HAB). The HAB recommendations for funding are then forwarded to the Town Council for final approval.

For more information on the Affordable Housing Development Reserve, visit the [Town's website](#).

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The CDBG Program was created by the U.S. Congress in 1974 and is administered by the Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income peoples.

Eligible Uses: [CDBG eligible activities](#) include, but are not limited to: Acquisition of Real Property, Relocation and Demolition, Rehabilitation, Public Facilities and Improvements, and Public Services. Ineligible activities include Political Activities, Certain Income Payments, Construction of New Housing, or buildings for the General Conduct of Government.

Application Process: Applications are accepted once a year and reviewed by an Application Review Committee, which makes a recommendation for funding to the Chapel Hill Town Council for final approval.

For more information about the CDBG program, visit the [Federal CDBG website](#) and the [Town website](#).

THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

In 1990, Congress enacted the HOME Investment Partnerships Act in an effort to provide a new approach to housing assistance at the federal level. This federal housing block grant affords state and local governments the flexibility to fund a wide range of housing activities.

Eligible Uses: Projects that

1. Expand the supply of decent, safe, sanitary and affordable housing, with emphasis on rental housing, for very low- and low-income citizens
2. Strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing
3. Encourage public, private and nonprofit partnerships in addressing housing needs.

Application Process: Applications are accepted once a year and reviewed by a committee coordinated by Orange County.

For more information about the HOME program, visit the [Federal HOME website](#) and the [Town website](#).

OVERVIEW OF ELIGIBLE USES BY FUNDING SOURCE

<u>Uses</u>	<u>CDBG</u>	<u>HOME</u>	<u>AHF</u>	<u>AHDR</u>	<u>Bond</u>
Acquisition	✓	✓	✓	✓	✓
New Construction		✓	✓		
Demolition	✓			✓	✓
Future Development Planning				✓	
Homebuyer/Second Mortgage Assistance	✓	✓	✓	✓	
Land Banking				✓	
Redevelopment/Reconstruction	✓	✓	✓	✓	✓
Rehabilitation/Renovation	✓	✓	✓	✓	✓
Housing Relocation	✓	✓		✓	
Rental Assistance		✓	✓	✓	
Rental Subsidy			✓	✓	
Site Improvements	✓	✓	✓	✓	✓
Program Implementation*	✓	✓			
Rental & Utility Assistance			✓	✓	

*Program Implementation costs directly related to carrying out an eligible activity (staff time must be documented) is an eligible use of funds.