

# Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund



Town of Chapel Hill Office for Housing and Community

[housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org)

919-969-5079

[www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding](http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding)

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# GENERAL INFORMATION & APPLICATION INSTRUCTIONS

## OVERVIEW

Thank you for your interest in the Town of Chapel Hill's Affordable Housing funding sources! This application is used for funding requests for all of the Town's local funding sources for affordable housing projects (Housing Bond, Affordable Housing Development Reserve, and Affordable Housing Fund). To learn more about each of these sources and eligible uses, see the Attachments Section.

## INCOME ELIGIBILITY

In general, projects for the Town's affordable housing sources must serve households with income below 80% of the area median income as defined by the U.S. Department of Housing and Urban Development, adjusted for family size, though projects may be approved that serve households of higher incomes. Please see the Attachments for additional information about income limits.

## PROJECT REPORTING AND MONITORING

Organizations must submit progress reports to the Town quarterly to monitor progress and performance, financial and administrative management, and compliance with the terms of the performance agreement. Please submit reports using the template linked on the Town website and in the Attachments section electronically to: [housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org).

## ORIENTATION MEETING

Applicants are invited to attend an optional orientation session prior to applying for funding, which will be held once per year and provide an overview of all of the Town's affordable housing sources.

Applicants are also invited to participate in a pre-application meeting, which is a one-on-one session during which applicants can discuss their funding proposal with Town staff. To schedule a pre-application meeting, contact Sarah Vinas at 919-969-5079 or [svinas@townofchapelhill.org](mailto:svinas@townofchapelhill.org).

## SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: [housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org). If you have questions, please contact: Sarah Vinas at 919-969-5079 or [svinas@townofchapelhill.org](mailto:svinas@townofchapelhill.org)

Applications may not be considered for the following reasons:

1. Projects that do not align with the eligibility criteria for the funding source
2. Applicant has demonstrated poor past performance or compliance with funding guidelines
3. Incomplete or late applications

## CHECKLIST OF REQUIRED DOCUMENTATION

### Application:

- |                          |            |   |
|--------------------------|------------|---|
| <input type="checkbox"/> | Section 1: | Cover Page                                    |
| <input type="checkbox"/> | Section 2: | Disclosure of Potential Conflicts of Interest |
| <input type="checkbox"/> | Section 3: | Organization Information                      |
| <input type="checkbox"/> | Section 4: | Project Information                           |
| <input type="checkbox"/> | Section 5: | Attachments                                   |

## COVER PAGE

### **Organization Contact Information**

Legal Name: \_\_\_\_\_

Tax ID Number: \_\_\_\_\_

Physical Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Organization's Website: \_\_\_\_\_

Date of Incorporation: \_\_\_\_\_

Executive Director Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

E-Mail: \_\_\_\_\_

### **Funding Request**

Project Name: \_\_\_\_\_

Total Number of Units Included in Funding Request: \_\_\_\_\_

Total Project Cost: \_\_\_\_\_

Total Amount of Funds Requested: \_\_\_\_\_

Please specify the **type** and **amount** of funding requested:

☐ Affordable Housing Bond: \$\_\_\_\_\_

☐ Grant

☐ Loan

☐ Affordable Housing Fund: \$\_\_\_\_\_

☐ Grant

☐ Loan

☐ Affordable Housing Development Reserve: \$\_\_\_\_\_

☐ Grant

☐ Loan

Proposed Use of Funds Requested (*provide a concise description, not to exceed 100 words*): \_\_\_\_\_

**1. Type of Activity.** Please check the category under which your project falls.

- ☐ Acquisition
- ☐ Predevelopment activities
- ☐ Infrastructure/site improvements
- ☐ Rental housing subsidy
- ☐ New construction for homeownership
- ☐ New construction for rental housing
- ☐ Owner-occupied rehabilitation
- ☐ Rental rehabilitation
- ☐ New construction of emergency shelter
- ☐ New construction of transitional/supportive housing
- ☐ Rental/utility connection assistance
- ☐ Second Mortgage Assistance
- ☐ Other (*specify*): \_\_\_\_\_

**To the best of my knowledge and belief all information and data in this application is true and current. The document has been duly authorized by the governing board of the applicant.**

Signature: \_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Date

**DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST AND NON DISCRIMINATION CLAUSE**

Are any of the Board Members or employees of the organization which will be carrying out this project, or members of their immediate families, or their business associates:

**YES**   **NO**

- ☐ ☐ a) Employees of or closely related to employees of the Town of Chapel Hill?
- ☐ ☐ b) Members of or closely related to members of the governing bodies of the Town of Chapel Hill?
- ☐ ☐ c) Current beneficiaries of the program for which funds are being requested?
- ☐ ☐ d) Paid providers of goods or services to the program or having other financial interest in the program?

If you have answered YES to any question, **please provide a full explanation below.**

**NON-DISCRIMINATION**

Provider agrees as part of consideration of the granting of funds by funding agencies to the parties hereto for themselves, their agents, officials, employees and servants agree not to discriminate in any manner of these basis of race, color, gender, national origin, age, handicap, religion, sexual orientation, gender identity/expression, familial status or veterans status with reference to any activities carried out by the grantee, no matter how remote.

**To the best of my knowledge and belief all of the above information is true and current. I acknowledge and understand that the existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded.**

Signature: \_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Date

## ORGANIZATION INFORMATION

1. **Organization Mission** (*no more than a few sentences*):
  
2. **Organization Staff:** Please provide names of staff, contractors, and/or volunteers that will be involved with the project. Describe their responsibilities with the project and track record in successful completion of similar projects in the past.  
  
 # of FTE – Full-Time Paid Positions: \_\_\_\_\_  
 # of FTE Part-Time (less than 40 hours/wk) Paid Positions: \_\_\_\_\_
  
3. **Agency Track Record:** Please provide a brief description of your organization’s past achievements in carrying out similar projects and evidence of successful record of meeting proposed budgets and timetables (*in 100 words or less*).

For all projects for which you have received Town funding within the last 5 years, please provide the information below. If you have not received Town funding within the last 5 years, or ever, please complete for comparable projects.

	<i>Insert responses here.</i>
Project Name	
Total Project Cost	\$
Amount of Town Funding Award	\$
Funding Source	
Date of Funding Award Approval	
Date of Project Completion	
Project completed within projected schedule:	
	<input type="checkbox"/> Yes
	<input type="checkbox"/> No
Project completed within original budget:	
	<input type="checkbox"/> Yes
	<input type="checkbox"/> No
<i>If no, how much over or under budget was the project?</i>	\$
Notes:	

**\*Copy and paste chart** as needed to reflect additional projects that have received funding within the last 5 years.

## PROJECT INFORMATION

4. **Project Description:** Please provide a general overview of your project, including what you are planning to produce and how you are planning to carry out the project. (*in 100 words or less*).
  
5. **Long-Term Affordability.** Is the proposed project permanently affordable (*99 year affordability term*)?
 

☐ Yes  
☐ No  
 If no, what is the affordability term of the proposed project?

Briefly describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, and deed restrictions.

6. **Leverage:** How much funding is committed at the time of submission of this application? \$\_\_\_\_\_ What percentage of funding for the proposed project would be leveraged from sources other than the Town? \_\_\_\_\_% (Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).

## 7. Project Profile

*Insert project information below*

<b>Location</b> <i>(insert address if available)</i>					
<b>Size</b> <i>(insert acreage of development site)</i>					
<b>Total Number of Units</b>					
	<b># of Total Housing Units</b>	<b># of Bathrooms</b>	<b>Square Footage</b>	<b>Proposed Rent or Sale Price Per Unit</b>	<b>Projected Cost Per Unit Including Utilities</b>
<b>Studios</b>					
<b>One-bedroom</b>					
<b>Two-bedroom</b>					
<b>Three-bedroom</b>					
<b>Four-bedroom</b>					
<b>Area Median Income Served</b> <i>(insert # of units by AMI)</i>					
<b>&lt;30%</b>					
<b>31-60%</b>					
<b>61-80%</b>					
<b>81-100%</b>					
<b>&gt;100%</b>					
<b>Target Population</b> <i>(check all that apply)</i>					
<b>Families</b>	<input type="checkbox"/>				
<b>Older Adults (Age 55+)</b>	<input type="checkbox"/>				
<b>Disabled</b>	<input type="checkbox"/>				
<b>Homeless</b>	<input type="checkbox"/>				
<b>Veterans</b>	<input type="checkbox"/>				
<b>Other</b> <i>(specify)</i>	<input type="checkbox"/>				
<b>ADA Accessibility</b> <i>(insert # of total units)</i>					
<b>Per Unit Subsidy</b>	\$ / unit				
<b>Town Planning Approvals Received</b> <i>(as of the date of application)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA				

8. **Energy Efficiency:** Will the proposed project meet the standards and requirements of [Energy Star 2.0](#) as verified by an independent, third party expert?

- ☐ Yes  
☐ No

If not, please briefly describe the energy efficiency features included in the proposed project:

9. **Universal Design:** Please briefly describe the universal design features included in the proposed project:
10. **Involvement of Beneficiaries:** Please describe how you have involved the intended beneficiaries of the proposed project in the planning and design process (*in 100 words or less*).
11. **Alignment with Town Goals and Strategies.** Please explain how the proposed project aligns with the [Town Council Goals](#) and adopted [affordable housing strategies](#).

## ATTACHMENTS

### Description of Required Attachments

**1. Financial Audit**

A recent financial audit that should cover **CY 2017**, for calendar year agencies, and **FY 2017-18**, for fiscal year agencies. For organizations with prior year revenues totaling \$500,000 or more a financial audit, prepared by a certified public accountant is required. Agencies with prior year revenues of less than \$500,000 may submit a completed [Schedule of Receipts and Expenditures](#) form (see application materials), in lieu of an audit/report. Agencies with a certified audit/report do not need to complete the form.

**2. Organization Budget**

Please complete the Organizational Budget Template or submit your own budget file (as long as it contains the same information as the template).

**3. Project Budget**

Please complete the Project Budget Template or you submit your own budget file (as long as it contains the same information as requested in the provided template).

**4. Articles of Incorporation**

**5. List of Board of Directors**

Provide the following information about each board of director's member: name, occupation or affiliation of each member, and officer positions.

**6. Pro Forma**

If you are developing rental housing, please attach a 20-year operating pro-forma showing estimated income, expenses, net operating income, debt service, and cash flow.

**7. Project Information**

For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project.

For development and renovation projects, please submit the following:

- Site map showing lot boundaries, locations of structure(s), and other site features
- General location map (at least ½ mile radius)
- Floor plan(s)
- Elevation(s)
- Property Appraisal
- Evidence of zoning compliance
- Map showing proximity to bus stops, grocery store, schools and other amenities (including distance in miles from project site and amenities)



## **Non-Profit Corporations:**

### **8. IRS Federal Form 990**

A copy of the organization's most recent Form 990 is required for nonprofit applicants. The specific form depends upon the organization's financial activity. Review the IRS' table guide, for more details. For Form 990-N (e-postcard) filers, include a copy of the postcard, with the organization's application materials.

### **9. NC Solicitation License**

A copy of the organization's current solicitation license is required. Organizations that solicit contributions in North Carolina, directly or through a third party, must renew their licenses annually. For more details, refer to the NC Secretary of State's licensing website and its Frequently Asked Questions Guide (PDF), about exemptions. If exempt per N.C.G.S. § 131F-3, include a copy of the exemption letter with the organization's application materials.

### **10. IRS Federal Tax-Exemption Letter**

A copy of the organization's current IRS tax-exempt letter that confirms its nonprofit status is required. An organization can request a copy of its letter from the [IRS' Customer Account Services](#).

## **For-Profit Corporations:**

### **11. Tax Returns**

Most recent two years of corporate tax returns.

### **12. YTD Profit and Loss Statement and Balance Sheet**

### **13. Tax Returns**

Most recent two years personal tax returns and financial statements for all persons who have more than 19.9% ownership interest in the organization

### **14. References**

Two business references with name, address, and telephone number

### **15. Signed "Authorization to Release Information" for each person who has more than 19.9% ownership interest in the organization**

### **16. Completed W-9 Form**



## OVERVIEW OF AFFORDABLE HOUSING FUNDING SOURCES

**Purpose:** This document is intended to provide a summary of the Town's affordable housing funding sources available to assist in creating a vibrant and inclusive community. The Overview includes a brief description of each funding source, as well as the eligible uses of each source.

### TOWN FUNDING AVAILABLE FOR AFFORDABLE HOUSING PROJECTS FISCAL YEAR 2019:

SOURCE	AMOUNT
Affordable Housing Bond	\$10,000,000
Affordable Housing Fund <i>(funding available varies based on receipt of payments in lieu from developers of affordable housing projects)</i>	\$48,000
Affordable Housing Development Reserve	\$688,395
Community Development Block Grant (CDBG)* <i>(Federal Funding - amount is approximate and varies year-to-year, based on Federal Budget)</i>	\$250,000
HOME* <i>(Federal Funding Process lead by Orange County - amount is approximate and varies year-to-year, based on federal budget)</i>	\$325,000
<b>TOTAL</b>	<b>\$11,311,395</b>

\*CDBG and HOME use a separate funding application. See below for additional information.

### 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.

#### Eligible Uses:

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

#### Threshold requirements:

1. The applicant can demonstrate site control (if applicable).
2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the eligible uses for Bond funding approved by the Town.
4. The application is complete and submitted by the established deadlines.
5. The proposed project includes at least 10 homes/units.

6. The proposed project must draw funding awarded within three years of the approval of funding award by the Town.

**Application Process:** The Town will periodically announce a request for proposals for Bond funds via the Town's website and other communications channels. Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

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 above \$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.

**Threshold requirements:**

1. The applicant can demonstrate site control (if applicable).

2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the priority project areas identified by the Town.
4. The application is complete and submitted by the established deadlines.

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

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

## **Federal Funding Sources Not Covered By This Application**

### **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:**

1. Projects that expand the supply of decent, safe, sanitary and affordable housing, with emphasis on rental housing, for very low- and low-income citizens
2. Projects that strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing
3. Projects that 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

Uses	CDBG	HOME	AHF	AHDR	BOND
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	✓	✓	✓	✓	✓
Rental & Utility Assistance			✓	✓	

**INSERT APPLICATION DATES**

# 2018 INCOME LIMITS

## US Department of Housing and Urban Development (HUD)

Durham-Chapel Hill Metropolitan Statistical Area  
(Durham, Orange, and Chatham Counties)

<i>Income Level</i>	<b>1 person</b>	<b>2 people</b>	<b>3 people</b>	<b>4 people</b>	<b>5 people</b>	<b>6 people</b>	<b>7 people</b>	<b>8 people</b>
<b>30% area median income</b>	\$16,950	\$19,400	\$21,800	\$25,100	\$29,420	\$33,740	\$38,060	\$42,380
<b>50% area median income</b>	\$28,250	\$32,250	\$36,300	\$40,300	\$43,550	\$46,750	\$50,000	\$53,200
<b>80% area median income</b>	\$45,150	\$51,600	\$58,050	\$64,500	\$69,700	\$74,850	\$80,000	\$85,150

Source: U.S. Department of Housing and Urban Development (HUD) 2018