

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

919-969-5079

www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding

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.

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.

SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: housingandcommunity@townofchapelhill.org. If you have questions, please contact: Sarah Vinas at 919-969-5079 or 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: Town of Chapel Hill

Tax ID Number: 56-6001199

Physical Address: 405 Martin Luther King Jr. Boulevard, Chapel Hill, NC 27514

Mailing Address: Same as above

Organization's Website: www.townofchapelhill.org

Date of Incorporation: 1819

Executive Director Name: Loryn Clark

Telephone Number: 919-969-5076

E-Mail: lclark@townofchapelhill.org

Funding Request

Project Name: Town of Chapel Hill Future Development Planning

Total Number of Units Included in Funding Request:

Future Development Planning Activities will support planning activities for the development of an estimated 405 units. Broken down by site this may include:

- 2200 Homestead Rd: 120 units
- Jay Street: 50 units
- Bennett Road: 60 units
- Dogwood Acres Drive: 175

Total Project Cost: Preliminary project cost estimates by development project are provided below:

- 2200 Homestead Rd: \$23M
- Jay Street: \$7M
- Bennett Road: \$11M
- Dogwood Acres Drive: \$26M

Total Amount of Funds Requested: \$150,000

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

☐ Affordable Housing Bond: \$_____

☐ Grant

☐ Loan

☐ Affordable Housing Fund: \$_____

☐ Grant

☐ Loan

☒ Affordable Housing Development Reserve: \$150,000

☒ Grant

☐ Loan

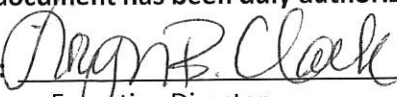
Proposed Use of Funds Requested (*provide a concise description, not to exceed 100 words*):

If awarded the requested funds, the Town would continue its work related to analyzing development potential on each of the sites by assessing physical constraints, evaluating market demand, and exploring project costs and potential funding sources. The Town would also design and implement strategies to engage key stakeholders and implement community visioning efforts. Finally, the funds would support any costs associated with finalizing site design, securing necessary entitlements, and identifying development partners.

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

12/4/19
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: N/A

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

12/4/19
Date

ORGANIZATION INFORMATION

1. Organization Mission *(no more than a few sentences):* The Town of Chapel Hill's Office for Housing and Community's mission is to create partnerships, catalyze affordable housing, and build community. Our vision is to support a vibrant and inclusive Chapel Hill where all residents have access to affordable housing and opportunities to thrive.

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: 5

of FTE Part-Time (less than 40 hours/wk) Paid Positions: 0

Emily Holt, the Town's Affordable Housing Development Officer, will be the project manager for the projects described in this application. Emily has been managing the Town's affordable housing development projects since joining the Town in 2018. During that time she has helped to facilitate progress on the Town's flagship affordable housing development project and to initiate predevelopment activities on three additional Town-owned sites that Council has prioritized for affordable housing. Prior to joining the Town, she helped to manage public housing redevelopment and neighborhood revitalization planning efforts in communities around the U.S., implement affordable housing and community development research and evaluation projects, and provide technical assistance to public agencies to design and implement affordable housing strategies and programs. Emily has a Bachelors and a Masters Degree in Public Policy.

Nate Broman-Fulks, the Town's Affordable Housing Manager, will oversee the predevelopment activities proposed in this application. Nate has expertise managing local government affordable housing efforts as the Affordable Housing Manager for the Town of Chapel Hill and previously managing the affordable housing efforts for the Town of Carrboro. This management experience includes development site identification and analysis, implementation of affordable housing strategic plans, creating and monitoring performance measurement systems and communication tools, and building community collaboration. Nate has a Bachelors in Political Science, and Masters Degrees in Public Administration and International Studies.

Loryn Clark, the Town's Executive Director of the Office for Housing and Community, and Sarah Vinas, the Town's Assistant Director of the Office for Housing and Community, will serve as advisors for the project. Together, Loryn and Sarah bring over 30 years of affordable housing, community development, and planning experience to the project. Renee Moye, the Town's Community Development Program Manager will also advise the team on affordable housing funding.

Town staff are currently working with a design and engineering consulting team to assist in predevelopment planning for the Homestead Road mixed income development project. This consulting team is comprised of members from local firms MHAworks and Coulter Jewell Thames that have extensive design, planning, and engineering experience in Chapel Hill and the surrounding Triangle Area. The Town is also in the process of finalizing a Memorandum of Understanding to negotiate a development agreement for the Homestead Road project, comprised of four local affordable housing development partners: Self Help Ventures Fund, CASA, Community Home Trust, and Habitat for Humanity of Orange County. The Town anticipates bringing in additional partners to plan and implement the four proposed development projects, including affordable housing consultants, additional architecture and/or engineering firms, additional affordable housing development partners, and/or predevelopment planning consultants.

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*).

Affordable Housing Development

- The Town currently owns and operates 336 units of public housing built between 1967 and 1994 which carry an average occupancy rate of 96% (excluding 40 units at Trinity Court which is considered uninhabitable) and a standing waiting list of nearly 300.
- In 2014 the Town partnered with DHIC to develop 149 affordable housing units in two projects: Greenfield Place and Greenfield Commons. The Town donated a 10-acre parcel of land to DHIC and provided substantial financial support to the project and shepherding the project through the Town's development review process to ensure tight deadlines were met. The projects received two competitive 9% Low Income Tax Credit awards, were completed on time, are now fully occupied, and consistently receive praise from the community as a successful model for developing affordable housing through a public-private partnership.
- The Town actively supports the efforts of its affordable housing partners. In FY2019, the Town awarded nearly \$1M in grants and loans to 5 affordable housing partners, \$635,000 of which funded the development of new affordable housing in Town.

Predevelopment Planning

In 2017 the Town initiated a new strategy to develop affordable housing on Town-owned land. Over the past two years the Town's Affordable Housing Team has made great strides in this work, initiating predevelopment planning on four Town-owned sites and establishing processes and procedures for future activities and additional development projects. Specific progress and accomplishments include:

- 2200 Homestead Road:
 - In 2018, Town staff and its design and engineering team developed a Concept Plan based on community and stakeholder input and received positive feedback from the Town's Advisory Boards and Council.
 - In 2019, Town and its team conducted additional site and infrastructure planning, engaged potential end users about their interest and housing needs, explored potential funding sources, and identified a team of development partners.
- Other Prioritized Affordable Housing Sites:
 - In spring 2019, Town staff partnered with an engineering firm to conduct a feasibility study that identified potential development scenarios and cost estimates for each of the three sites.
 - In fall 2019, Council indicated support for the results of the study and the suggested next steps that Staff presented and authorized the Manager to identify a development partner for the Jay Street site.

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.

N/A Town received an AHDR grant for Future Development Planning activities in FY2019 Q1. Those activities are still being implemented. The Town has not pursued this type of project before.

	<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
If no, how much over or under budget was the project?	\$
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).*

The Town plans to continue its future development planning activities for four parcels of Town-owned land. Activities may include additional site analysis, key stakeholder and community engagement, site design, and permit applications and approvals. Specific activities will vary by site depending on the stage each falls in the planning process (See Attachment 7 Development Timelines by Site):

- 2200 Homestead Rd: work with the Town's design and engineering team and development partners to finalize the development plan, submit development applications, and lead development applications through the development review process
- Jay Street: identify a development partner, conduct additional site analysis and design work, and initiate community engagement activities.
- Bennett Road: design and implement a comprehensive community-led design initiative
- Dogwood Acres Drive: continue to explore development possibilities on the site, engage key stakeholders.

5. **Long-Term Affordability.** Is the proposed project permanently affordable (99 year affordability term)?

X 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.

While no official decisions have been made on the method of ensuring permanent affordability, potential methods may include:

- execution of a 99-year ground lease on the land with a developer partner
- deed restrictions on land sold that stipulates the affordability period or gives the Town right of first refusal when the new owner seeks to sell the land.

6. **Leverage:** How much funding is committed at the time of submission of this application? \$ ____ N/A ____
 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).

The Town's development projects have not yet secured funding beyond the Town's 2018 AHDR grant for \$150,000 that supports the preliminary development planning activities currently under way.

The 2200 Homestead Rd project has identified a list of potential funding sources that would supplement any Town funds that support the project. These sources are included in Attachment 3: 2200 Homestead Detailed Preliminary Project Budget. Funding sources proposed for 2200 Homestead Road include the following, which total to a preliminary proposed leverage ratio of 1:5:

- Private foundation grant
- Private fundraising
- NCHFA funding
- Bank loans
- Sale proceeds from townhomes

The Town's other development projects have not yet explored potential sources of leverage. However, the Town expects to seek high leverage due to the limited amount of Town development funds anticipated for these projects.

7. Project Profile *Insert project information below*

Project information on the type, affordability, and target population of units in these projects is not yet determined in this early planning stage. The Homestead Road project has a preliminary housing program that reflects Council's interest in pursuing mixed income housing, including very low income and up to market rate. All projects will address the Town's affordable housing priorities of supporting rental housing for households earning less than 60% AMI, housing serving vulnerable populations, and homeownership opportunities for households earning less than 80% AMI.

Location (insert address if available)

- 2200 Homestead Road
- Jay Street
- Bennett Road/Mt Carmel Church Rd
- Dogwood Acres Drive and US 15-501

Size (insert acreage of development site)

- 2200 Homestead Road: 15 acres
- Jay Street: 7 acres
- Bennett Road: 7 acres
- Dogwood Acres Drive: 24 acres

Total Number of Units

	Estimated # of Housing Units	# of Bathrooms	Square Footage	Proposed Rent or Sale Price Per Unit	Projected Cost Per Unit Including Utilities
	- 2200 Homestead Rd: 120	TBD	TBD	TBD	TBD
	- Jay Street: 50				
	- Bennett Road: 60				
	- Dogwood Acres Dr: 175				
	Total: 405				
	Unit Mix TBD				
Studios					
One-bedroom					
Two-bedroom					
Three-bedroom					

Four-bedroom	
Area Median Income Served <i>(insert # of units by AMI)</i>	2200 Homestead (AMI for other sites is TBD)
<30%	
31-60%	50%
61-80%	32%
81-100%	
>100%	18%
Target Population <i>(check all that apply)</i>	TBD 2200 Homestead population has a goal to provide rental housing to vulnerable populations
Families	<input type="checkbox"/>
Older Adults (Age 55+)	<input type="checkbox"/>
Disabled	<input type="checkbox"/>
Homeless	<input type="checkbox"/>
Veterans	<input type="checkbox"/>
Other <i>(specify)</i>	<input type="checkbox"/>
ADA Accessibility <i>(insert # of total units)</i>	TBD
Per Unit Subsidy	\$ TBD / unit
Town Planning	<input type="checkbox"/> Yes
Approvals Received <i>(as of the date of application)</i>	X No
	<input type="checkbox"/> NA
	<input type="checkbox"/>

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?

X Yes

☐ No

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

Note – the design features of these projects has not been confirmed. However for the 2200 Homestead Rd project the development partners all have experience building to either Energy Star or System Vision standards. The Town will require development at the other sites to meet Energy Star standards and requirements.

9. **Universal Design:** Please briefly describe the universal design features included in the proposed project: All units have universal design features. We also anticipate incorporating ADA accessible units into the proposed developments on Town sites.

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)*.

The Town conducted extensive outreach for the 2200 Homestead Road parcel, including two community engagement meetings in 2018 designed to gather input from potential beneficiaries of the development as well as partners, neighbors, and the Chapel Hill Community. Additional community engagement will be planned during the refinement and presentation of the development plan. Throughout the planning process the Town has met with parties representing potential target

populations of the site and continues to meet with these groups as the site design and housing program evolve.

In 2018, Town staff gathered feedback on the other Town-owned sites from residents of manufactured home communities under threat of redevelopment. As the planning process progresses for these sites, the Town will engage the communities surrounding these three sites as well as key stakeholders and representatives of potential end users of housing developed at those sites.

11. Alignment with Town Goals and Strategies. Please explain how the proposed project aligns with the Town Council Goals and adopted affordable housing strategies.

This project is directly aligned with the Town Council's FY2020-2022 Strategic Goals and Objectives. Specifically: **Goal 4: Affordable Housing**: 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.

This project is also aligned with the Town's Affordable Housing Workplan. In particular, it meets the goals of **Developing Town-Owned Property at 2200 Homestead Road**, as well as **Pursuing Affordable Housing on Prioritized Town Properties**.

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. See Attachment 1-2

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). See Attachment 1-2

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). See Attachment 3

4. Articles of Incorporation N/A

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. See Attachment 5

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. See Attachment 6

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. See Attachment 7

For development and renovation projects, please submit the following:

A. Site map showing lot boundaries, locations of structure(s), and other site features See Attachment 7A

B. General location map (at least ½ mile radius) See Attachment 7B

C. Floor plan(s) N/A

D. Elevation(s) N/A

E. Property Appraisal (available for Homestead Rd. only) See Attachment 7E

F. Evidence of zoning compliance N/A

G. Map showing proximity to bus stops, grocery store, schools and other amenities (including distance in miles from project site and amenities) See Attachment 7G