

# 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 Nate Broman-Fulks at 919-969-5077 or [nbfulks@townofchapelhill.org](mailto:nbfulks@townofchapelhill.org).

### SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: [housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org). Note that the Project Financials attachment asks for an Excel document, or similar file format, rather than a PDF. If you have questions, please contact: Nate Broman-Fulks at 919-969-5077 or [nbfulks@townofchapelhill.org](mailto:nbfulks@townofchapelhill.org)

Applications may not be considered for the following reasons:

1. Projects are not located within the Town limits or the Town Extra-Territorial Jurisdiction
2. Projects do not have site control (if applicable)
3. Projects do not align with the eligibility criteria for the funding source
4. Incomplete or late applications

### CHECKLIST OF REQUIRED DOCUMENTATION

Application:

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

**COVER PAGE**

**Organization Contact Information**

Legal Name: Habitat for Humanity, Orange County, N.C., Inc. Tax ID Number: 58-1603427

Physical Address: 88 Vilcom Center Drive #L110, Chapel Hill, NC, 27514

Mailing Address: Same as above.

Organization's Website: www.orangehabitat.org

Date of Incorporation: April 13, 1984

Executive Director Name: Jennifer Player

Telephone Number: (919) 339-9444

E-Mail: jplayer@orangehabitat.org

**Funding Request**

Project Name: Weiner Street: Securing Future Affordability in Chapel Hill

Total Number of Units Included in Funding Request: 8

Total Project Cost: \$1,369,420

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

**\*\*New this year.** If you're not requesting a loan, describe reasoning (the Town will analyze project financials, including debt coverage ratio, to explore the project's ability to support a loan):

A grant is most appropriate for this land banking request due to the long-term nature of the timeframe and financial variables.

Loan Terms Requested, if applicable, (provide a concise description, including interest rate, term length, amortization schedule): N/A

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

Orange Habitat proposes to apply \$150,000 in AHDR funds toward the purchase of a 2.6 acre lot on Weiner Street in the Elkins Hills area of Chapel Hill to landbank for future development. Habitat will build, at minimum, eight high-quality, affordable homes to be sold to members of the Orange County community earning between 30-80% AMI. Scarcity of land is a significant and growing barrier to an affordable Chapel Hill community. Strategic land banking to secure currently available land for future development is a critical strategy to meet the Town's long-term goals of affordability and sustainable growth.

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

Acquisition

Predevelopment activities

Infrastructure/site improvements

New construction for homeownership

- New construction for rental housing
- New construction of emergency shelter
- New construction of transitional/supportive housing
- Rental housing subsidy
- Homeownership assistance
- Owner-occupied rehabilitation
- Rental rehabilitation
- Other (specify): Land Banking

**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

10/1/21  
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

10/1/21  
Date

## ORGANIZATION INFORMATION

**1. Organization Mission** *(no more than a few sentences):*

Seeking to put God’s love into action, Habitat for Humanity of Orange County brings people together to build homes, communities, and hope. Our vision is an Orange County where everyone has a decent place to live.

**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.

Richard Turlington, VP of Construction, holds oversight responsibility for the land purchase, project design, infrastructure, preparation of the site and construction of the homes. Turlington has acted in the VP capacity for three years and has eleven years of Habitat experience, with eighteen years in the construction industry. Other members of organizational leadership will assume critical roles as site development approaches. Jennifer Player, President & CEO, holds chief oversight responsibilities for all Habitat developments. Player joined Habitat in 2014, began serving as Associate Executive Director in early 2017, and assumed leadership of the organization at the beginning of 2019. Laine Staton, VP of Homeowner Services, brings more than four years of experience with Habitat in Durham and Orange County. Staton is responsible for recruitment and screening of potential homebuyers, as well as providing homebuyer education to the approved applicants. Habitat’s VP of Finance, Grace Johnston, brings more than a decade of experience with Orange Habitat’s Development and Finance operations and will lead long-term monitoring and reporting requirements. Alice Jacoby, VP of Policy and Advocacy, leads government relations and brings almost 10 years of experience with Habitat. Jacoby will act as liason with Town staff. Dianne Pledger, VP of Development, will have overall responsibility for securing annual funding from individual donors, organizations, corporations, churches, and foundations to cover the cost of vertical construction.

The above reflects Habitat’s current leadership team and demonstrates the distribution of responsibilities that has allowed Habitat to successfully complete dozens of projects in Orange County using HOME, CDBG, Orange County Affordable Housing Bond, and other government funding sources. While the timeline is premature to confirm specific contractors for this project, Orange Habitat has a successful history of working with well-respected local contractors, architects, and engineers including Ballentine and Associates, Civil Consultants, Cline Design Architects, Scott Murray Land Planning, Soil and Environmental Consultants, and TerraQuest.

**# of FTE – Full-Time Paid Positions: 22**

**# of FTE Part-Time (less than 40 hours/wk) Paid Positions: 1**

- 3. Agency Track Record:** Briefly describe three relevant and substantially similar affordable housing development or preservation projects completed by the organization in the last 10 years (preferably 5 years). The project description should include:
- a. Location
  - b. Scope and scale of project
  - c. Total development budget and financing sources

- d. Indication of whether the projects were completed on budget and on time. If not completed on budget and on time, please describe why.
- e. Photos/illustrations of completed project

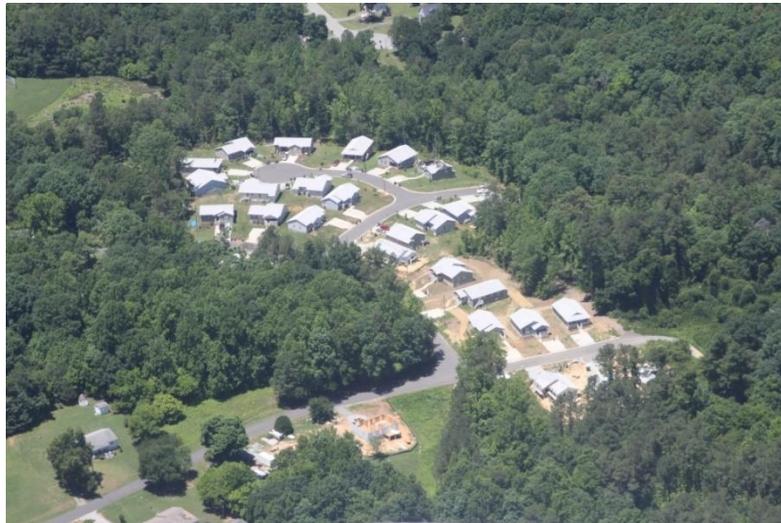
**Crescent Magnolia (completed in 2020)**

- 24-unit new construction townhome development located in Hillsborough, NC.
- All 24 units are one-bedroom homes targeted at seniors ages 55+ and designed specifically to help seniors age in place and make efficient use of space.
- Community amenities include shared green space.
- Total cost approximately \$2.5 million.
- Funding sources include Orange County, The Town of Hillsborough, NCHFA, and Orange Habitat.
- Project was completed on budget and on time.
- Received the 2020 NCHFA North Carolina Housing Award for Best Homeownership Development.



**Tinnin Woods (completed in 2019)**

- A neighborhood of 30 single family homes located in Efland, NC.
- Community is adjacent to the local elementary school and community center.
- Total cost \$3.765 million.
- Funding sources include Orange County, HOME funds, NCHFA, and Orange Habitat.
- Project was completed on budget and on time.





**Phoenix Place (completed in 2011)**

- A neighborhood of 50 single family homes located in the Rogers Road community in Chapel Hill, NC.
- Neighborhood includes a playground and a local community center.
- Total cost \$7.250 million
- Funding sources include Orange County, The Town of Chapel Hill, NCHFA, Federal Home Loan Banks, Harrington Banks, RBC Bank, HOME funds, and Orange Habitat.
- Project was completed on budget and on time.



For all projects for which you have received Town funding within the last 5 years, please provide the information below.

Project Name	Project Type	Amount of Funding Approved	Is the Project Completed? (Yes/No)
Sykes Street	New Construction	\$55,000	Yes
McMasters Street	New Construction	\$25,000	Yes
FY17 Home Preservation	Repairs	\$50,000	Yes
FY18 Home Preservation	Repairs	\$50,000	Yes
FY19 Home Preservation	Repairs	\$53,000	Yes

Weavers Grove Property Purchase	Land Acquisition	\$375,000	Yes
Sunset Drive	New Construction	\$20,000	Yes
FY20 Home Preservation	Repairs	\$36,000	Yes
Chamber Safe Commerce	Equipment Purchase	\$1,250	Yes
Weavers Grove	Infrastructure	\$1,255,692	No

**\*Add rows as needed to reflect additional projects that have received Town 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).*

Habitat will purchase land in a desirable Chapel Hill neighborhood for a future development. Habitat will build at least eight homes on the property to sell to qualified first time buyers. The Habitat model of homeownership has proven successful and highly impactful at the individual and community level. The opportunity to pay an affordable monthly mortgage and to build equity means that families can save money for emergencies or pay for their kids to go to college. An economically diverse community benefits everyone and we must plan ahead to ensure this goal is not impeded by future land scarcity.

**Affordability Term.** 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.

The homes will be sold using deeds of restrictive covenant requiring 99-year affordability to buyers who earn 80% or less of the AMI. In addition, Habitat has a right of first refusal on all of its homes, and a shared appreciation agreement with all buyers that allows buyers to share a percentage of the appreciation of their property. The appreciation is based on the ratio of the buyer’s first mortgage, which is provided by Habitat, and the original sales price of the home, which is determined by a market appraisal at the time of sale.

**5. Leverage:** How much funding is committed at the time of submission of this application? \$100,000

What percentage of funding for the proposed project would be leveraged from sources other than the Town? 89% *(Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).*

Habitat will leverage \$100,000 in committed funds for purchase of the property. A grant of \$150,000 from the Town of Chapel Hill will allow Habitat to secure this valuable site for future development at a total cost of \$250,000. Vertical construction costs will be funded through Habitat’s annual operating budget at the time of construction. Please see budget attachment for additional details on total project expense and leverage calculations.

**6. Project Profile**

*Insert project information below*

<b>Location</b> <i>(insert address if available)</i>	601 Weiner Street, Chapel Hill, NC				
<b>Size</b> <i>(insert acreage of development site)</i>	2.6 Acres				
<b>Total Number of Units</b>	8				
	<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>	5	2	1200-1300	\$250,000	\$780+
<b>Four-bedroom</b>	3	2	1400-1500	\$260,000	\$780+
<b>Area Median Income Served</b> <i>(insert # of units by AMI)</i>					
<b>&lt;30%</b>					
<b>31-60%</b>	6				
<b>61-80%</b>	2				
<b>81-100%</b>					
<b>&gt;100%</b>					
<b>Target Population</b> <i>(check all that apply)</i>					
<b>Families</b>	<input checked="" type="checkbox"/>				
<b>Older Adults (Age 55+)</b>	<input checked="" type="checkbox"/>				
<b>Disabled</b>	<input checked="" type="checkbox"/>				
<b>Homeless</b>	<input type="checkbox"/>				
<b>Veterans</b>	<input checked="" type="checkbox"/>				
<b>Other</b> <i>(specify)</i>	In addition to families, Habitat frequently builds homes for older adults, persons with disabilities, and veterans. We maintain strong relationships with the Department on Aging and with local veterans' groups. We will advertise our homes to these groups and others.				
<b>ADA Accessibility</b> <i>(insert # of total units)</i>	All units will have universal design features. Units with full ADA accessibility will be built if identified as a need of the buyer.				
<b>Total Development Cost Per Unit</b>	\$171,177				
<b>Per Unit Subsidy</b>	\$ 18,750 / unit				
<b>Town Planning Approvals Received</b> <i>(as of the date of application)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA. No approvals have been made or requested at this point in the timeline.				

Please note that the information in the above section is an estimate based on best current knowledge. It is critical that Habitat secure land when the opportunity arise in order to fight for the future affordability of Chapel Hill, yet flexibility of scope and vision is necessary when discussing a project that may not be

developed for 8-10 years. Habitat typically builds three- and four-bedroom units; the exact distribution of units will be determined as we approve applicants and prepare to begin vertical construction.

In the future, Habitat may choose to pursue a higher density project subject to regulatory and financial conditions if we determine, with the appropriate input, that this will best serve the community. We estimate the homes will appraise for around \$250,000 based on current market conditions, also subject to change. Mortgage payments are dependent on household income. The AMI breakdown is also an estimate. We serve households earning between 30% and 80% of AMI. Over the last few years the average household served has had an income of 45% AMI, so we estimate that majority of the homebuyers will be under 60% AMI.

- 7. Energy Efficiency:** Will the proposed project meet the standards and requirements of [Energy Star 3.0](#) or standards outlined in the latest [NCHFA QAP](#) as verified by an independent, third party expert?
- Yes  
 No

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

- 8. Universal Design:** Please briefly describe the universal design features included in the proposed project:

The Habitat homes built on the Weiner Street property will feature extensive standard and customizable universal design features, including: 3-foot door or 5-foot pair at laundry room access; bathroom design that allows for 5-foot turning radius; loop-handle drawer pulls; lever-handle door knobs; offset tub/shower controls to allow easier reach from outside the tub; 3-foot-4-inch-wide hallways, frame-to-frame; all interior doors 3-feet wide minimum, including closets where possible; height adjustable access to breaker panel and whole house water shut off; HOA maintained exterior to avoid need for ladders; ground-floor master bedroom option. Optional features tailored to individual homeowners may include: roll-in low-threshold shower, grab bars in shower and toilet area, oversize tub and more. Habitat's award-winning Crescent Magnolia community in Hillsborough features 24 ADA-compliant units, demonstrating our commitment and expertise in integrating these design features.

## **9. Social Equity**

- a. Please describe how you have involved the intended beneficiaries of the proposed project in the planning and design process (*in 100 words or less*).

While homebuyers for this property have not yet been identified, local residents and community leaders who have purchased Habitat homes provide valuable insight to guide our organization's work. Prior to vertical construction, Habitat will engage our typical process of actively seeking input and feedback from the surrounding community about project design and desired amenities for the proposed development. Habitat homebuyers and community members also serve on various Habitat committees and the Board of Directors, providing input and guiding organizational decisions. Habitat is pleased to offer many customizable finish options for the individual homes in order to accommodate the buyer's preferences.

- b. How has your organization incorporated racial equity goals into your organizational goals?

As a housing non-profit working within the systemically racist framework of American housing policy and in service to disinvested communities, we recognize the need to do more to actively center racial equity in our work. As a starting point, Habitat has prioritized providing funding and paid time off for staff to participate in racial equity training through the Racial Equity Institute (REI). In 2021, Habitat implemented a policy that requires racial equity training for all new staff as a component of onboarding, with the goal of 100% staff

participation. We have also hired a racial equity consultant through BIWA | Emergent Equity that is working with a group of staff and board members in order to assess organizational culture and to identify underlying characteristics of white supremacy that must be addressed for Habitat to serve our community in a way that ensures we do not perpetuate harm.

In 2021, Habitat amended our policy to better serve the Latinx population by expanding our definition of qualifying households to include those with TPS or DACA status, in addition to U.S. citizens and legal permanent residents. In our most recent application period, Habitat intentionally focused outreach efforts on the LatinX community and families at risk of displacement from local manufactured home parks in addition to partnering with African American churches and the NAACP branches both in Chapel Hill/Carrboro and Northern Orange County. Orange Habitat is committed to serving people of color in our community through our repair and homeownership programs, and commit to working to identify and address barriers to homeownership.

- c. Please fill in the below questions and provide any additional context on the racial composition of the organization and board leadership:
  - i. % of staff that are people of color: 36%
  - ii. % of board that are people of color: 23%
  - iii. % of staff that have attended racial equity training: 40%
  
- d. Please describe any additional activities your organization is doing to address racial equity.

Habitat recently produced a report about Habitat's role in addressing the racial wealth gap through homeownership in Orange County. We are planning a public launch event for 2022 to discuss the results, with the goal of starting a community conversation about the connections between homeownership, wealth inequality, and racial equity. Staff members are also participating in a working group convened by Habitat for Humanity International that is focused on increasing Black homeownership rates both locally and nationally.

## ATTACHMENTS

### Description of Required Attachments

#### 1. Financial Audit

- a. Please include your organization's most recent financial audit. 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

- a. Please submit an organizational budget. Among other relevant revenue and expenditure information, please include line items on any government grants or loans by jurisdiction. If your organization has run a deficit, please include that information here.

#### 3. Project Financials

- a. Please submit the following information about the project in a Microsoft Excel document or similar format, as relevant:
  - Project Budget/Development Costs
  - Sources and Uses
  - Operating pro forma (rental projects):
    - must show 20+ year cash flow projections that includes documentation of key operating assumptions, estimated rental income, operating expenses, net operating income, and any anticipated debt service, including a separate line item for any debt service (principal and/or interest) associated with Town loans requested as part of this application. Pro forma should project expenses far enough out to show when debt service ends (i.e., more than 20 years if necessary). Applicants may use the attached template or a similar version of their own.
    - Rental Income Breakdown: must show rent and utilities by bedroom size and AMI level, using the attached template or something similar.
  - Housing Affordability and Sale Proceeds (homeownership projects): must show sales price by bedroom size and AMI level, using the attached template or something similar.

#### 4. Articles of Incorporation

#### 5. List of Board of Directors

- a. Provide the following information about each board of director's member: name, occupation or affiliation of each member, officer positions, race/ethnicity.

#### 6. Project Information

- a. For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project.
- b. 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 (show that project fits in current zoning)
- Map showing proximity to bus stops, grocery store, schools and other amenities (including distance in miles from project site and amenities)

### **Non-Profit Corporations:**

#### **1. 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.

#### **2. 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.

#### **3. 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:**

#### **1. Tax Returns**

- a. Most recent two years of corporate tax returns.

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

#### **3. Tax Returns**

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

#### **4. References**

- a. Two business references with name, address, and telephone number

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

#### **6. 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 2021-22:

SOURCE	AMOUNT
Affordable Housing Bond	\$5,000,000*
Affordable Housing Fund <i>(funding available varies based on receipt of payments in lieu from developers of affordable housing projects)</i>	\$450,000
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>	\$275,000
HOME** <i>(Federal Funding Process lead by Orange County – amount is approximate and varies year-to-year, based on federal budget)</i>	\$375,000
<b>TOTAL</b>	<b>\$1,695,000</b>

\*The next round of Bond funding is anticipated to be in FY2022

\*\*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	✓	✓	✓	✓	✓

# 2021 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>	\$18,150	\$20,750	\$23,350	\$25,900	\$28,000	\$30,050	\$32,150	\$34,200
<b>50% area median income</b>	\$30,250	\$34,600	\$38,900	\$43,200	\$46,700	\$50,150	\$53,600	\$57,050
<b>80% area median income</b>	\$48,400	\$55,300	\$62,200	\$69,100	\$74,650	\$80,200	\$85,700	\$91,250

Source: U.S. Department of Housing and Urban Development (HUD) 2021