



Legislation Details (With Text)

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Title: Update on Implementation of Town Affordable Housing Strategies and Tools and Mid-Year Progress.
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Attachments: 1. Hyperlink: Affordable Housing Quarterly Report Fiscal Year 2024 Quarters 1 and 2, 2. Hyperlink: Affordable Housing Plan, 3. LIHTC Overview, 4. LIHTC Overview Linked attachments, 5. FY24 Key Deliverables, 6. Council Questions with Staff Response, 7. Staff Presentation

Table with 5 columns: Date, Ver., Action By, Action, Result. Row 1: 2/14/2024, 1, Town Council, received and filed

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 and a key element of our social equity commitments outlined in the Complete Community Framework. 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. 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>.
- 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>](https://bit.ly/3SMSLx4)
- Linked [Affordable Housing Plan <https://www.townofchapelhill.org/home/showpublisheddocument/54800>](https://www.townofchapelhill.org/home/showpublisheddocument/54800)
- LIHTC Overview
- Fiscal Year 2024 Mid-Year Deliverables

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.