



Legislation Details (With Text)

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Title: Approve the Housing Advisory Board's Recommended Funding Plan for the Affordable Housing Development Reserve.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Affordable Housing Development Reserve Allocation Strategy, 2. Affordable Housing Development Reserve Funding Summary, 3. Affordable Housing Development Reserve Applications, 4. Council Questions with Staff Response, 5. A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR) (2020-01-22/R-2)

Date	Ver.	Action By	Action	Result
1/22/2020	1	Town Council	adopted	Pass

Approve the Housing Advisory Board's Recommended Funding Plan for the Affordable Housing Development Reserve.

Staff:

Loryn B. Clark, Executive Director
Sarah Osmer Viñas, Assistant Director

Department:

Housing and Community

Overview: The purpose of this item is to share the Housing Advisory Board's (HAB) funding recommendation for the second FY 2019-20 funding cycle of the Affordable Housing Development Reserve (AHDR).

★ **Recommendation(s):**

That the Council approve the Housing Advisory Board's funding recommendation for the Affordable Housing Development Reserve (AHDR) applications received in December 2019.

Background

- On [March 23, 2015 <http://chapelhill.granicus.com/MetaViewer.php?view_id=7&clip_id=2346&meta_id=102236>](http://chapelhill.granicus.com/MetaViewer.php?view_id=7&clip_id=2346&meta_id=102236), the Council approved recommendations by staff and the HAB to use the affordable housing funds in the FY15 budget to establish an [Affordable Housing Development Reserve <http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding/affordable-housing-development-reserve>](http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding/affordable-housing-development-reserve).
- The AHDR is dedicated exclusively to the development and preservation of affordable housing and focuses on four priority project areas:
 - land bank and land acquisition
 - rental subsidy and development
 - homeownership development and assistance
 - future development planning

- Since its creation in 2015, the AHDR has supported the development of over 100 units and the preservation of five affordable housing units in Chapel Hill, with approximately 85 additional units in the pipeline. Please see the attached list of AHDR allocations to date.

Overview of Second FY 2019-20 AHDR Funding Cycle

- Staff announced the second FY20 AHDR Request for Proposals (RFP) in October 2019 via the Town website, a news release, and email notification of local affordable housing developers. We received two applications by the December 4th deadline:
 - 1. EmPOWERment Inc. - Land Acquisition**
 - Amount of Request: \$101,000
 - Proposed Use: Land acquisition for future affordable rental housing development at 107 Johnson Street in the Pine Knolls Neighborhood
 - Projected Number of Units: 8-12
 - 2. Town of Chapel Hill - Future Development Planning**
 - Amount of Request: \$150,000
 - Proposed Use: Future development planning activities for the development of an estimated 400 units on Town-owned land at various locations: Homestead Road, Jay Street, Bennett Road, and Dogwood Acres Drive.
 - Projected Number of Units: 405

Housing Advisory Board Funding Recommendation

- On December 10, 2019, the Housing Advisory Board unanimously recommended funding both requests
- Staff supports the HAB's recommendation, as it is consistent with Council's affordable housing goals and will contribute an estimated 400+ units to the inventory of permanently affordable housing in Chapel Hill.

Fiscal Impact/Resources:

- The Town Council allocated \$688,395 in the FY20 Budget for the Affordable Housing Development Reserve.
- So far, in fiscal year 2020, the Town has committed \$190,000 from the AHDR to Self Help to support the implementation of the Northside Neighborhood Initiative.
- The current balance of the Affordable Housing Development Reserve is \$498,395. If Council approves the HAB's funding recommendations, the balance of the AHDR would be \$247,395 for this fiscal year.



Attachments:

- Resolution
- Affordable Housing Development Reserve Allocation Strategy
- Affordable Housing Development Reserve Funding Summary
- Affordable Housing Development Reserve Applications

A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR) (2020-01-22/R-2)

WHEREAS, in Fiscal Year 2015 the Council approved the establishment of an Affordable Housing Development Reserve (AHDR), which established the processes and parameters for dispersal of this affordable housing funding; and

WHEREAS, in Fiscal Year 2020 the Council allocated \$688,395 in new funding for to the AHDR.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council approves the Housing Advisory Board's recommended funding plan for the AHDR December 2019 funding cycle:

1. EmPOWERment Inc. - \$101,000
2. Town of Chapel Hill - \$150,000

This the 22nd day of January, 2020.

The Agenda will reflect the text below and/or the motion text will be used during the meeting.

By adopting the resolution, the Council approves the Housing Advisory Board's recommended funding plan for the Affordable Housing Development Reserve December 2019 funding cycle.