



Legislation Text

File #: [20-0419], Version: 1

Approve the Affordable Housing Bond and Affordable Housing Development Reserve Funding Plan.

Staff:

Loryn Clark, Executive Director
Sarah Osmer Viñas, Assistant Director
Nate Broman-Fulks, Affordable Housing Manager

Department:

Housing and Community

Overview: This item provides an overview of staff's recommended Funding Plan for \$5.25 Million available through the issuance of the 2018 Affordable Housing Bond (AHB) and the remaining balance in the Affordable Housing Development Reserve (AHDR).



Recommendation(s):

That the Council adopt the resolution, approving staff's recommended Affordable Housing Funding Plan.

Town Investments in Affordable Housing

- The Council established a five-year target for developing 400 units and preserving 700 units of affordable housing by 2023.
- Over the past several years, the Town has significantly increased its investment in affordable housing.
 - In 2015, the Council established the Affordable Housing Development Reserve (AHDR), an annual allocation of \$688,395 to support affordable housing development and preservation projects.
 - Eligible activities include: land bank and acquisition, rental subsidy and development, homeownership development and assistance, and future development planning.
 - Since its establishment, the Town allocated over \$3.8 million from the AHDR to support the development of over 175 units of affordable housing in the community.
 - More recently, the Council pursued a \$10 million affordable housing bond, which was overwhelmingly approved by voters in November 2018.
 - Eligible activities include: acquisition of property, home repairs, and new construction.

Overview of Affordable Housing Recommended Funding Plan

- The Town has made \$5 million of Bond funds available in this round of funding as well as the remaining \$250,000 in the Affordable Housing Development Reserve.
- The table below is a summary of Staff's recommended funding plan for Town-initiated and outside agency projects.
- The Town received \$2,344,308 in requests for the \$1.75 million available for outside agency requests for this funding cycle, leaving an almost \$600,000 funding gap.
- On May 21, 2020 the Housing Advisory Board reviewed outside agency funding applications. Staff's Recommended Funding Plan reflects the ['Housing Advisory Boards \(HAB\) recommendation <https://chapelhill.legistar1](https://chapelhill.legistar1).

- Consistent with the HAB’s recommendation, staff propose deferring Empowerment’s request for \$350,000 to next fiscal year when additional funding should be available in the AHDR, the applicant has gained full site control of the site to be developed, and is further along in the project planning and review process.

The Town anticipates coming back to Council with a recommended funding plan for the remaining \$5 million of bond funding, including funding for public housing redevelopment of Trinity Court.

Organization & Project Name	Funding Recommendation	Number of Units
CASA - Merritt Mill	\$438,995	48
Habitat for Humanity - Weavers Grove	\$1,255,692	100
Pee Wee Homes - Tiny Duplex	\$55,313	2
Town - 2200 Homestead Road	\$3,500,000	120
Total	\$5,250,000	270

Fiscal Impact/Resources:

- The Town allocated \$688,395 to the Affordable Housing Development Reserve this fiscal year. The current balance in the Affordable Housing Development Reserve is \$250,000. If the Council approves staff’s recommended funding plan, the AHDR will be exhausted for this fiscal year.
- The Town’s Affordable Housing Bond Referendum approved the issuance of up to \$10 million dollars for affordable housing projects. If the Council approves the recommended funding plan, Town staff would proceed with an issuance of the first \$5 million in bond funding leaving \$5 million dollars remaining of bond funds.



Attachments:

- Resolution
- Draft Staff Presentation
- Recommended Funding Plan Overview
- CASA Funding Application
- EmPOWERment, Inc. Funding Application
- Habitat for Humanity of Orange County Funding Application
- Pee Wee Homes Funding Application
- Town of Chapel Hill and Homestead Collaborative - 2200 Homestead Funding Application

A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR) AND AFFORDABLE HOUSING BOND (2020-06-17/R-3)

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 funding; and

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

WHEREAS, in November 2018, Chapel Hill residents voted to approve a \$10 million affordable housing bond; and

WHEREAS, the Chapel Hill Town Council approved the eligible activities and priority areas for use of Affordable Housing Bond Funds in February 2018.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council approves the Affordable Housing Bond and Affordable Housing Development Reserve funding plan:

1. CASA - \$438,995
2. Habitat for Humanity of Orange County - \$1,255,692
3. Pee Wee Homes - \$55,313
4. Town of Chapel Hill 2200 Homestead Road Project - \$3,500,000

This the 17th day of June, 2020.

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

PRESENTER: Sarah Osmer Viñas, Assistant Director
Nate Broman-Fulks, Affordable Housing Manager

RECOMMENDATION: That the Council approve staff's recommended Affordable Housing Funding Plan, as outlined in the agenda item.