



Legislation Text

File #: [20-0758], Version: 1

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

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 the Affordable Housing Development Reserve (AHDR) and the Housing Advisory Board's (HAB) funding recommendation.



Recommendation(s):

That the Council approve the Housing Advisory Board's funding recommendation for the Affordable Housing Development Reserve (AHDR) applications received in October 2020.

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 Town 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:
 1. Land bank and land acquisition
 2. Rental subsidy and development
 3. Homeownership development and assistance
 4. Future development planning
- Since its creation in 2015, the AHDR has supported the development of over 175 units and the preservation of ten affordable housing units in Chapel Hill. Please see the attached list of AHDR allocations to date.

Overview of the FY21 AHDR Funding Cycle

- Staff announced the first FY21 AHDR Request for Proposals (RFP) in September 2020 via the Town website, a news release, and email notification to local affordable housing partners. We received three applications by the October 2nd deadline:
 - 1. [Community Home Trust <https://communityhometrust.org/>](https://communityhometrust.org/) - Master Leasing**
 - Amount of Request - \$140,000
 - Proposed Use: Continuation and expansion of the Master Leasing Program
 - 2. [Empowerment Inc. <http://www.empowermentinc.org/>](http://www.empowermentinc.org/) - PEACH Apartments**
 - Amount of Request: \$200,000
 - Proposed Use: Future affordable rental housing development at 107 Johnson Street

- in the Pine Knolls Neighborhood
- 3. **[Town of Chapel Hill <https://www.chapelhillaffordablehousing.org/2200-homestead>](https://www.chapelhillaffordablehousing.org/2200-homestead) - 2200 Homestead Road Development**
 - Amount of Request: \$200,000
 - Proposed Use: Funds will support development team with pre-development and land development activities for the development of an estimated 117 units on Town-owned land.

Housing Advisory Board Funding Recommendation

- On October 19, 2020, the Housing Advisory Board unanimously recommended the below funding plan.

Organization	Amount Requested	HAB Recommendation
Community Home Trust	\$140,000	140,000
Empowerment, Inc.	\$200,000	200,000
Town of Chapel Hill	\$200,000	173,395

Fiscal Impact/Resources:

- The Town’s total budget available for affordable housing projects for FY21 is just over \$2 million. The Affordable Housing Development Reserve is \$688,395 of that FY21 total.
- In fiscal year 2021, the Town has already committed from the AHDR:
 - \$175,000 to Self Help for the [Northside Neighborhood Initiative <https://www.chapelhillaffordablehousing.org/northside-neighborhood-initiative>](https://www.chapelhillaffordablehousing.org/northside-neighborhood-initiative)
- The current balance of the Affordable Housing Development Reserve is \$513,395. If Council approves the HAB funding recommendations, the AHDR will be fully allocated for this fiscal year.
- The Town’s project at 2200 Homestead Road will continue to move forward as planned if the HAB’s recommendation is approved.



Attachments:

- Resolution
- Recommended Funding Plan Overview
- Affordable Housing Development Reserve Allocation Strategy
- Affordable Housing Development Reserve Historic Funding Summary
- Community Home Trust AHDR Application
- EmPOWERment, Inc. AHDR Application
- Town of Chapel Hill AHDR Application

A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR) (2020-11-04/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 2021 the Council allocated \$688,395 in new funding for to the AHDR; and

WHEREAS, in Fiscal Year 2021 the Town has approved \$175,000 for the Northside Neighborhood Initiative.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council approves allocating the remaining \$513,395 available in the AHDR in accordance with the Housing Advisory Board's recommended funding plan for this AHDR funding cycle:

1. Community Home Trust - \$140,000
2. Empowerment Inc. - \$200,000
3. Town of Chapel Hill - \$173,395

This the 4th day of November, 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 Affordable Housing Development Reserve funding.