



Legislation Text

File #: [18-0575], Version: 1

Next Steps for Developing a Process for Use of Affordable Housing Bond Funds.

Staff:

Loryn Clark, Executive Director
Sarah Vinas, Assistant Director

Department:

Housing and Community

Overview: On May 23, 2018, the Council approved a resolution to proceed with an affordable housing bond referendum in November, 2018. The purpose of this memorandum is to share proposed next steps for developing a process for allocation of affordable housing bond funds.



Recommendation(s):

That the Council receive this report.

Background:

- During a [Work Session on February 7, 2018](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3335617&GUID=E66DA221-3910-49E3-) [<https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3335617&GUID=E66DA221-3910-49E3-](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3335617&GUID=E66DA221-3910-49E3-), we discussed with the Council our interest of creating an affordable housing investment plan and using general obligation (GO) bonds as the primary funding source.
- On [February 21, 2018](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3346661&GUID=C9696EDC-F4C6-4ADE-B9B1-F1F2C2DC634B) [<https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3346661&GUID=C9696EDC-F4C6-4ADE-B9B1-F1F2C2DC634B>](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3346661&GUID=C9696EDC-F4C6-4ADE-B9B1-F1F2C2DC634B) the Council adopted a schedule to pursue an affordable housing bond in November, 2018.
- On February 21, 2018, the Council also adopted a resolution identifying eligible activities and priorities for use of affordable housing bond funds.
- Eligible activities are:
 - Acquisition of property
 - Home repairs/comprehensive rehabilitation
 - Construction of new affordable housing units.
- The Council approved the following priorities:
 - Rental housing serving households earning less than 60% of the Area Median Income
 - Rental housing serving vulnerable populations (i.e. disabled, homeless, elderly)
 - Long-term affordability
 - Located near transit services
 - High leverage from other sources
- On [May 23, 2018](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3508315&GUID=C4CBAD0C-9D9D-41D2-89CD-375AAD6AA647) [<https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3508315&GUID=C4CBAD0C-9D9D-41D2-89CD-375AAD6AA647>](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3508315&GUID=C4CBAD0C-9D9D-41D2-89CD-375AAD6AA647) the Council adopted a resolution authorizing the issuance of up to \$10,000,000 of general obligation bonds for affordable housing.
- In response to the Council's request, Town staff solicited a list of potential projects from our partner housing providers as examples of what could be funded with affordable housing bond funds. We also identified two Town-initiated projects. Town staff has conducted no review of the projects from our partners and provided them as examples. Our plan of action included developing a process for selecting projects. Ultimate approval of projects to be funded will rest with the Council.

- If the voters approve the bonds in the November referendum, the Council would have 7-10 years to issue the bonds.

Key Issues:







- Town staff will develop an educational campaign about an affordable housing bond and how the funds could be used in the community in anticipation of the referendum.
- The attached draft allocation strategy provides more detail about potential eligible projects.
- Staff will work with the Housing Advisory Board to develop an application process and a scoring rubric consistent with the Council’s defined priorities.
- Town staff will develop a process that aligns with the principles of the [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), with national affordable housing trends and with other successful local government models. The Town’s approved affordable housing strategies and the Council’s goals will be the foundation for the process.
- Through our recent discussions, Town staff has identified these Council interests that we will incorporate into the application and scoring system:
 - Consider using funds to acquire property
 - Dedicate funding for households displaced by redevelopment
 - Leverage bond funds as much as possible
 - Develop strategies for specific populations

Next Steps

- Begin work with the Housing Advisory Board to develop a project selection and monitoring system for Council review in the fall.

Fiscal Impact/Resources: There is no fiscal impact associated with this report. Existing staff resources would be used to develop the application and evaluation process for affordable housing bond funding.

Council Goals:

<input checked="" type="checkbox"/>		Create a Place for Everyone	<input type="checkbox"/>		Develop Good Places, New Spaces
<input type="checkbox"/>		Support Community Prosperity	<input type="checkbox"/>		Nurture Our Community
<input type="checkbox"/>		Facilitate Getting Around	<input type="checkbox"/>		Grow Town and Gown Collaboration

 **Attachments:**

- Draft Allocation Strategy

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

The purpose of this memorandum is to share next steps for developing a process for allocation of affordable housing bond funds.