



Legislation Text

File #: [21-0894], Version: 1

Approve the Modified Recommended Funding Plan for the Affordable Housing Development Reserve.

Staff:

Sarah Osmer Viñas, Director

Nate Broman-Fulks, Affordable Housing Manager

Department:

Affordable Housing and Community Connections

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 modified recommended funding plan that would fund the projects recommended by the Housing Advisory Board and also fund Habitat for Humanity's request.

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).
- Since its creation, the Town has supported the development of over 330 units of affordable housing and the preservation of 30 affordable homes with funding from the AHDR.
- 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

Overview of the FY22 AHDR Funding Cycle

- Staff announced the first FY22 AHDR Request for Proposals (RFP) at the beginning of September 2021 via the Town website, news release, email to local affordable housing partners, and direct outreach. We received five applications by the October 1st deadline, as outlined below.
 - All of the projects meet the requirements of the AHDR and are consistent with the Council's affordable housing goals.
 - On October 14, 2021, the Housing Advisory Board unanimously recommended the below funding plan.

Organization	Project	Request	HAB Recommendation
CASA	2200 Homestead Road Development	\$300,000	\$300,000
EmPOWERment	Lindsay St Acquisition	187,000	\$187,000
EmPOWERment	Gomains St House Move	61,111	\$26,395
Habitat for Humanity	Weiner St Property Acquisition	150,000	\$0
Community Home Trust	Graham St Acquisition	60,000	\$0
Total Request		\$758,111	\$513,395

- While the HAB did not recommend funding for the Habitat project, they did recognize that land acquisition is a high priority and discussed if the Town could consider funding this project from another affordable housing funding source.
- Staff has looked into alternate affordable housing funding sources and determined that the Opportunity Fund within the Affordable Housing Fund could be a source for funding the Habitat request, if Council desires.
- Staff has included two resolutions for Council consideration:
 - Resolution 1: Approve the HAB recommendation
 - Resolution 2: Approve the HAB recommendation and fully funding the Habitat project with funding from the Affordable Housing Fund

Fiscal Impact/Resources:

- The Town’s total budget available for affordable housing projects for FY22 is just over \$6.4 million. The Affordable Housing Development Reserve is \$688,395 of that FY22 total.
- In fiscal year 2022, 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. Approval of either resolution would fully allocate the AHDR for this fiscal year.
- The current balance of the Opportunity Fund within the Affordable Housing Fund is \$379,000. If Council approves Resolution 2, the Opportunity Fund will have \$229,000 remaining for future projects.



Attachments:

- Resolution A
- Resolution B
- Draft Staff Presentation
- Recommended Funding Plan Overview
- Scoring Rubric
- Affordable Housing Development Reserve Allocation Strategy
- Affordable Housing Development Reserve Historic Funding Summary
- CASA Application

- Community Home Trust Application
- EmPOWERment Lindsay St Application
- EmPOWERment Gomains St Application
- Habitat for Humanity Application
- October 27, 2021 Council Questions With Staff Response

Resolution A

A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR) (2021-11-17/R-9)

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 2022 the Council allocated \$688,395 in new funding for to the AHDR; and

WHEREAS, in Fiscal Year 2022 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. CASA - Homestead Gardens at 2200 Homestead - \$300,000
2. EmPOWERment, Inc. - Lindsay St- \$187,000
3. EmPOWERment, Inc. - Gomains - \$26,395

This the 17th day of November, 2021.

Resolution B

A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR) AND AFFORDABLE HOUSING FUND (2021-11-17/R-10)

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 2002 the Town Council established the Affordable Housing Fund which includes land acquisition as an eligible use; and

WHEREAS, there is currently \$379,000 available in the Opportunity Fund within the Affordable Housing Fund; and

WHEREAS, in Fiscal Year 2022 the Council allocated \$688,395 in new funding for to the AHDR; and

WHEREAS, in Fiscal Year 2022 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. CASA - Homestead Gardens at 2200 Homestead - \$300,000
2. EmPOWERment, Inc. - Lindsay St- \$187,000
3. EmPOWERment, Inc. - Gomains - \$26,395

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Council of the Town of Chapel Hill that the Council approves allocating \$150,000 from the Opportunity Fund within the Affordable Housing Fund for the Habitat for Humanity Weiner Street Acquisition project.

This the 17th day of November, 2021.

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

PRESENTER: Sarah Viñas, Director, Affordable Housing and Community Connections
Nate Broman-Fulks, Affordable Housing Manager

RECOMMENDATION: That the Council approve the modified recommended funding plan that would fund the projects recommended by the Housing Advisory Board and also fund Habitat for Humanity's request.