



## Legislation Text

File #: [19-0132], Version: 1

### **Approve the Housing Advisory Board's Recommended Funding Plan for the Affordable Housing Development Reserve (AHDR).**

#### **Staff:**

Loryn Clark, Executive Director  
Sarah Osmer Viñas, Assistant Director

#### **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 for the AHDR for the second funding cycle of Fiscal Year 2018-2019.



#### **Recommendation(s):**

That the Council approve the Housing Advisory Board's funding recommendation for the Affordable Housing Development Reserve (AHDR) applications received in December 2018.

#### **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 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 FY19 AHDR Funding Cycle**

- Staff announced the second FY19 AHDR Request for Proposals (RFP) in October 2018 via the Town website, a news release, and email notification of local affordable housing developers. We received three applications by the December 21st deadline:
  - 1. Community Home Trust (CHT) - Master Lease Program**
    - Amount of Request: \$97,324
    - Proposed Use: Provide ongoing rental and security deposit assistance to extremely low-income households through sub-lease program
  - 2. Community Home Trust - Chandler Woods**
    - Amount of Request: \$90,000
    - Proposed Use: Acquire six townhomes that will be part of CHT's inventory of permanently affordable housing

### 3. Habitat for Humanity - Sunrise Road Project

- Amount of Request: \$375,000
- Proposed Use: Land acquisition and predevelopment cost for development of 95 affordable homes off of Sunrise Road

### Summary of AHDR Funding Requests - Cycle 2 Fiscal Year 2019

AHDR Request	Priority Project Area	# of Units	AMI Served	% Funded by AHDR	Cost Per Unit	Amount of Request	Housing Advisory Board Recommendation
Community Home Trust - Master Lease	Rental Subsidy & Development	5	<30% AMI	73%	\$19,464	\$97,324	\$97,324
Community Home Trust - Chandler Woods	Homeownership Development & Assistance	6	3 units at 65-80% AMI; 3 units at 80-115% AMI	10%	\$15,000	\$90,000	\$90,000
Habitat for Humanity - Sunrise Project	Homeownership Development & Assistance	95	31-80% AMI	1%	\$3,947	\$375,000	\$375,000 (\$266,797 from AHDR; \$108,203 from AHF)
<b>TOTAL</b>						<b>\$562,324</b>	<b>\$562,324</b>







### Housing Advisory Board Funding Recommendation

- On January 8, 2019 <<https://chapelhill.legistar.com/MeetingDetail.aspx?ID=652519&GUID=1A7EDADA-283B-4B99-A414-4323ACA4B3CF&Options=info&Search=>>>, the Housing Advisory Board unanimously recommended funding all three funding requests received in the second cycle of Fiscal Year 2019, as follows:
  - Fully funding the Community Home Trust's two requests from the AHDR
  - Fully funding Habitat's request, allocating the remainder of AHDR funding currently available (\$266,797) and the balance from the Town's Affordable Housing Fund <<https://www.townofchapelhill.org/town-hall/departments-services/housing-and-ahf>> (AHF) (\$108,203).

### Fiscal Impact/Resources:

- The Town's total budget available for affordable housing projects for FY19 is \$1.43 million. The Affordable Housing Development Reserve is \$754,121 of that FY19 total. It is made up of \$688,395 in new FY19 funding and \$65,726 that was not allocated in FY18.
- In fiscal year 2019, the already has Town committed from the AHDR:
  - \$150,000 to Self Help for the Northside Neighborhood Initiative
  - \$150,000 for future development planning on Town-owned land
- The current balance of the Affordable Housing Development Reserve is \$454,121. If Council approves the HAB funding recommendations, the AHDR will be exhausted for this fiscal year.
- The current balance of the Affordable Housing Fund is \$157,063. The AHF is funded through payment in lieu contributions received from developers. The Manager has the discretion to approve requests for funding that satisfy the eligibility criteria outlined here <<https://www.townofchapelhill.org/home/showdocument?id=28455>>. If the Manager approves the HAB funding recommendation, the AHF will have a remaining balance of approximately \$48,000.

**Council Goals:**

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



**Attachments:**

- Resolution
- Affordable Housing Development Reserve Allocation Strategy
- Affordable Housing Development Reserve Funding Summary
- AHDR Applications - Fiscal Year 2019 Second Cycle
  - Community Home Trust - Chandler Woods Application
  - Community Home Trust Master Lease Program Application
  - Habitat for Humanity - Sunrise Road Project Application

**A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR) (2019-02-13/R-4)**

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 2019 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 2018 funding cycle:

1. Community Home Trust Master Lease Program - \$97,324
2. Community Home Trust Chandler Woods - \$90,000
3. Habitat for Humanity Sunrise Road Project - \$266,797

This the 13th day of February, 2019.

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**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 2018 funding cycle.