



Legislation Text

File #: [22-0381], Version: 1

Consider Approving the Affordable Housing Bond Funding Plan.

Staff:

Sarah Osmer Viñas, Director
Nate Broman-Fulks, Assistant Director

Department:

Affordable Housing and Community Connections

Overview: This item provides an overview of the Housing Advisory Board's (HAB) recommended Funding Plan for \$1.35 Million available through the issuance of the 2018 Affordable Housing Bond (AHB).

**Recommendation(s):**

That the Council adopt the resolution approving the Housing Advisory Board's recommended funding plan.

Background

- On February 21, 2018, the Council approved a resolution to pursue an Affordable Housing Bond referendum in November of 2018.
- On November 6, 2018, voters approved the Affordable Housing Bond Referendum, with 72% of voters affirming their support for the Bond. Voter approval of the Bond gives the Town Council the authority to issue up to \$10 Million in bonds to support affordable housing projects in the community.
- The Council approved the following eligible activities for use of bond funding on [February 21, 2018](https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3346661&GUID=C9696EDC-F4C6-4ADE-) : acquisition of property, home repairs, and new construction.
- In June 2020, the Town Council approved approximately \$5 million in bond funding for five affordable housing projects to develop about 280 new affordable housing units.

Overview of Affordable Housing Recommended Funding Plan

- The Town has made \$2 million of Bond funds available in this round of funding specifically for projects that have applied to receive a 9% Low-Income Housing Tax Credit (LIHTC) award in 2022.
- There are three projects in Chapel Hill that are applying for 2022 LIHTC credits. Two Town-initiated projects, Trinity Court and Jay Street, and one DHIC project, The Indigo, located at Carraway Village.
- Funding commitments for any LIHTC project must be made before May 15th for the project to be eligible for 2022 LIHTC credits. Notification of a LIHTC award is expected in August.
- Of the three planned LIHTC projects, DHIC's The Indigo project has applied for Town subsidy in the amount of \$1,350,000. At this time, the two Town-initiated projects do not anticipate needing a funding commitment from the Town if they are awarded a 9% LIHTC.
- For additional details of the DHIC application, see the Housing Advisory Board Recommended Funding Plan Overview and DHIC Indigo Funding Application attachments.
- On April 12, 2022 the Housing Advisory Board reviewed the funding application and recommended fully funding the request.

Organization & Project Name	Funding Request	Funding Recommendation	Number of Units
DHIC - The Indigo	\$1,350,000	\$1,350,000	51
Total		\$1,350,000	51

Fiscal Impact/Resources:

- The Town's Affordable Housing Bond Referendum approved the issuance of up to \$10 million dollars for affordable housing projects.
- Town Council approved issuance of the first ~\$5 million in bond funds previously in 2020.
- Council approval of funding for this project is contingent on the project receiving a 2022 LIHTC award.



Attachments:

- Resolution
- Draft Staff Presentation
- Housing Advisory Board's Recommended Funding Plan Overview
- Bond Funding Application Scoring Rubric
- DHIC Funding Application

A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING BOND (2022-05-04/R-1)

WHEREAS, in February 2018, the Council approved a resolution to pursue an Affordable Housing Bond referendum in November of 2018; 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; and

WHEREAS, in June 2020, the Town Council approved allocating the first \$5 million of affordable housing bond funds to five projects to develop 275 new affordable homes in Chapel Hill; and

WHEREAS, the Town has made \$2 million in affordable housing bond funds available this funding cycle specifically for projects receiving a 9% Low Income Housing Tax Credit award in 2022.

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

1. DHIC - The Indigo - up to \$1,350,000

BE IT FURTHER RESOLVED that the DHIC Indigo funding award is contingent on the project receiving a 9% Low Income Housing Tax Credit award in 2022 by the North Carolina Housing Finance Agency.

This the 4th day of May, 2022.

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

PRESENTER: Nate Broman-Fulks, Assistant Director of Affordable Housing & Community Connections

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