



## Legislation Text

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File #: [22-0863], Version: 1

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### Consider Approving the Recommended Affordable Housing 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 a recommended Funding Plan for \$8,454,530 Million available through the issuance of the 2018 Affordable Housing Bonds, American Rescue Plan (ARPA) funding, and the Affordable Housing Development Reserve.

**Recommendation(s):**

That the Council consider adopting the resolution, approving the recommended Affordable Housing Funding Plan, consistent with the Housing Advisory Board's and staff's recommendations.

**Town Investments in Affordable Housing**

- Over the past several years, the Town has significantly increased its investment in affordable housing.
  - In 2015, the Council established the Affordable Housing Development Reserve, an annual allocation of \$688,395, nearly a penny on the tax rate at the time, to support affordable housing development and preservation projects.
    - Eligible activities include: land bank and acquisition, rental subsidy and development, homeownership development and assistance, and future development planning.
    - Since its establishment, the Town allocated over \$3.8 million from the AHDR to support the development of over 175 units of affordable housing in the community.
  - In 2018, the Council pursued a \$10 million affordable housing bond, which was overwhelmingly approved by voters.
    - Eligible activities include: acquisition of property, home repairs, and new construction.
  - In 2022, the Council allocated \$2.5 million for affordable housing out of the \$10.68 million ARPA funds received by the Town.

**Overview of Affordable Housing Recommended Funding Plan**

- The Town has \$8.45 million available to support affordable housing projects from the following sources:
  - \$5,245,000 million of Affordable Housing Bonds remaining to be issued
  - \$108,635 of previously issued bonds available to allocate.
    - The first bond sale in April 2021, resulted in the Town receiving more funding than anticipated. These remaining funds are included in the available amount to allocate.
  - \$600,895 from the Affordable Housing Development Reserve
  - \$2.5 million of ARPA funding
- The Town made \$5,278,839 of the \$8.45 million available for outside agency requests. The Town received \$10,103,000 in requests, leaving a \$4.8 million funding gap.

- On October 11, 2022, the Housing Advisory Board reviewed outside agency funding applications and approved a recommended funding plan for the \$5,278,839 made available to outside agencies. More information on that funding plan and the applications can be found in the attachments.
- Staff recommends allocating the remaining \$3.175 million for Town-initiated and 9% Low-Income Housing Tax Credit projects.
- The Recommended Funding Plan reflects the Housing Advisory Board's recommendation for outside agency projects and also includes the \$3,175,000 for Town-initiated projects that have not already received Town funding support and 9% Low-Income Housing Tax Credit projects.

#### Overview of Funding Plan:

- The table below is a summary of the funding plan for Town-initiated and outside agency projects.

Project	Organization	Recommendation
<b>HOUSING ADVISORY BOARD RECOMMENDATION FOR OUTSIDE AGENCIES</b>		
St. Paul Village	St. Paul NIDA Inc	\$ 300,000
Home Preservation for Seniors and Adults	Hope Renovations	\$ 200,000
Homestead Gardens	Homestead Collaborative	\$ 1,799,839
PEACH Apartments	EMPOWERment, INC	\$ 1,000,000
Master Leasing Program	Community Home Trust	\$ 129,000
Weavers Grove	Habitat for Humanity	\$ 1,850,000
<b>STAFF RECOMMENDATION FOR TOWN INITIATED/PRIORITIZED PROJECTS</b>		
Trinity Court Redevelopment	Town of Chapel Hill	\$ 1,175,691
9% Low-Income Housing Tax Credit/Prioritized Project	Town of Chapel Hill	\$ 2,000,000
<b>Total</b>		<b>\$ 8,454,530</b>

#### Fiscal Impact/Resources:

- If Town Council approves the recommended funding plan, that would allocate all the available Affordable Housing Development Reserve funds, deplete the remaining Affordable Housing Bond funds, and fully allocate the \$2.5 million of ARPA set aside for affordable housing projects.



#### Attachments:

- Resolution
- Draft Staff Presentation
- Overview of Available Funding Sources
- Recommended Funding Plan Overview
- Funding Application Scoring Summary
- Habitat for Humanity - Weavers Grove Funding Application
- Homestead Collaborative - Homestead Gardens Funding Application
- EmPOWERment, Inc. - PEACH Apartments Funding Application
- St. Paul NIDA Funding Application
- Hope Renovations Funding Application
- Community Home Trust - Master Leasing Funding Application

- Community Home Trust - Carver Street Acquisition Funding Application
- EmPOWERment, Inc. - Grant Street Acquisition Funding Application

**A RESOLUTION APPROVING FUNDING FROM THE AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR), AFFORDABLE HOUSING BOND, AND AMERICAN RESCUE PLAN ACT (ARPA) (2022-11-16/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 funding; and

WHEREAS, in Fiscal Year 2022 the Council allocated \$688,395 in new funding to the AHDR; 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, in 2021, the Town issued the first \$4.75 million of the approved \$5 million of bond funds; and

WHEREAS, in 2021, the Town was allocated \$10 million in American Rescue Plan Act funds and Council allocated \$2.5 million of those funds for affordable housing projects.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council approves the following funding plan utilizing Affordable Housing Bonds, Affordable Housing Development Reserve, and American Rescue Plan Act funding.

Project	Organization	Recommendation
St. Paul Village	St. Paul NIDA Inc	\$ 300,000
Home Preservation for Seniors and Adults	Hope Renovations	\$ 200,000
Homestead Gardens	Homestead Collaborative Members	\$ 1,799,839
PEACH Apartments	EMPOWERment, INC	\$ 1,000,000
Master Leasing Program	Community Home Trust	\$ 129,000
Weavers Grove	Habitat for Humanity	\$ 1,850,000
Trinity Court Redevelopment	Town of Chapel Hill	\$ 1,175,691
9% Low-Income Housing Tax Credit or Prioritized Project	Town of Chapel Hill	\$ 2,000,000
<b>Total Recommendation</b>		<b>\$ 8,454,530</b>

This the 16th day of November, 2022.

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

PRESENTER: Sarah Osmer Viñas, Director

Nate Broman-Fulks, Assistant Director

RECOMMENDATION: That the Council approve the recommended Affordable Housing Funding Plan, as outlined in the agenda item.