



**Affordable Housing Development Reserve**

**&**

**Affordable Housing Fund**

# **Funding Application**

Revised 12/2015

## GENERAL INFORMATION & APPLICATION INSTRUCTIONS

### OVERVIEW

#### Affordable Housing Fund (AHF):

In 2002, the Town Council established an Affordable Housing Fund (AHF) to preserve owner-occupied housing in Chapel Hill for affordable housing purposes. Since then, the eligible uses of the Affordable Housing Fund have expanded and include a variety of uses, such as land acquisition, renovation, homeownership assistance, new construction of affordable housing, and rental and utility assistance.

Funds are available through the AHF on a rolling basis, with applications being accepted at any time. Applicants are evaluated by the Town Manager, with Council approval required for requests for housing renovation or homeownership assistance in excess of \$40,000.

#### Affordable Housing Development Reserve (AHDR):

In fiscal year 14-15, the Town Council allocated over \$688,000 for affordable housing and approved an allocation strategy for this funding, establishing an Affordable Housing Development Reserve (AHDR).

The AHDR is dedicated exclusively to the development and preservation of affordable housing. Priority project areas are: 1) land bank and land acquisition, 2) rental subsidy and development, 3) homeownership development and assistance, and 4) future development planning. Priority is given to rental projects that serve households with incomes 60% and below the Area Median Income (AMI) and homeownership projects that serve households with incomes 80% and below the AMI.

AHDR applications are accepted three times per year (~ every 4 months). Applications are reviewed by the Housing Advisory Board and evaluated using a scoring rubric, which is available on the Town website. The Housing Advisory Board's recommendations for funding are then forwarded to the Town Council for final approval.

Please see **Attachment 1** for additional details about the AHF and AHDR.

### INCOME ELIGIBILITY

In general, all projects for both the AHF and AHDR must benefit persons with a household income below 80% of the area median income adjusted for family size, though projects may be approved that serve households of higher incomes. Please see **Attachment 2** for current income limits.

### PROJECT REPORTING AND MONITORING

Recipients of AHF and AHDR funds are required to submit written progress reports to the Town twice a year to monitor progress and performance, financial and administrative management, and compliance with the terms of the performance agreements. Reporting information may include: progress toward achieving performance goals, description of activities/challenges, and revisions of proposed project

timelines/budgets. Please submit bi-annual reports electronically to:  
[housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org).

### ORIENTATION MEETING

Applicants are invited to attend an optional orientation session prior to applying for funding, which will be held periodically throughout the year in coordination with the application deadlines.

Applicants are also invited to participate in a pre-application meeting, which is a one-hour one-on-one session during which applicants can discuss their funding proposal with Town staff. To schedule a pre-application meeting, applicants should contact Sarah Vinas at 919-969-5079 or [svinas@townofchapelhill.org](mailto:svinas@townofchapelhill.org).

### SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: [housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org).

If you have questions, please contact: Sarah Vinas at 919-969-5079 or [svinas@townofchapelhill.org](mailto:svinas@townofchapelhill.org)

Applications may not be considered for the following reasons:

1. Project that do not align with the eligibility criteria for these funding sources
2. Applicant has demonstrated poor past performance in carrying out projects or complying with funding guidelines
3. Applicant fails to provide required information
4. Incomplete or late applications

### CHECKLIST OF REQUIRED DOCUMENTATION

#### Application:

- |   |            |   |
|---|------------|---|
| X | Section 1: | Applicant and Project Overview                |
| X | Section 2: | Project Description                           |
| X | Section 3: | Performance Measurements                      |
| X | Section 4: | Project Budget and Pro-forma                  |
| X | Section 5: | Agency Description                            |
| X | Section 6: | Disclosure of Potential Conflicts of Interest |

#### Other Required Attachments:

Please provide **one copy** of each of the following documents:

- |   |  |
|---|--|
| X | Current list of Board of Directors, including addresses, phone numbers, terms, and relevant affiliations |
| X | Current Bylaws and Articles of Incorporation   |
| X | IRS tax determination letter [501(c)(3)] (if applicable)   |
| X | Most recent independent audit (if applicable)  |

## FUNDING APPLICATION

### Section 1: APPLICANT AND PROJECT OVERVIEW

#### **A. Applicant Information**

Applicant Organization's Legal Name: CASA

Primary Contact Person and Title: Jess Brandes, Housing Developer

Applicant Organization's Physical Address: 624 W Jones Street, Raleigh, NC 27603

Applicant Organization's Mailing Address: PO Box 12545, Raleigh, NC 27605

Telephone Number: 919-307-3429

Fax Number: 919-754-9968

Email Address: jbrandes@casanc.org

#### **B. Project Information**

Project Name: Merritt Mill East

Total Project Cost: \$1,830,425

Total Amount of Funds Requested: \$330,810

Please specify the **type** and **amount** of funding requested:

Affordable Housing Fund: \$\_\_\_\_\_

Affordable Housing Development Reserve: \$330,810

Proposed Use of Funds Requested (*provide a concise description of proposed project*):

*CASA has acreage under contract on S Merritt Mill Road and intends to develop 12 apartments to provide rental housing to households under 50% of AMI with a priority for households who are homeless and/or who have disabilities. The funding requested here includes the land cost and cost of 670 linear feet of public sewer extension in order to make development on this parcel feasible.*

**To the best of my knowledge and belief all information and data in this application are true and current. The document has been duly authorized by the governing board of the applicant.**

Signature: RM Griffin, Board Chair

2016-12-29

Board Chairperson/Department Head

Date

## Section 2: PROJECT DESCRIPTION

Please provide a thorough description of the project (by answering the “who,” “what,” “when,” and “where” questions about your project). **Do not assume the reader knows anything about the project.**

### A. Project Name

1. Project Name. Merritt Mill East

### B. “Who”

1. Who is the target population to be served and how will their needs be addressed through this project?

*CASA seeks to increase the amount of units available and affordable to those households in our community with the fewest resources: households under 50% of AMI with a priority for those who have disabilities and/or who are homeless. Their needs will be met through high-quality, permanent housing at a rent affordable to them.*

2. Please indicate the income of the beneficiaries (households) to be served through the proposed project. Please see **Attachment 2** for the current income limits for the Durham-Chapel Hill MSA.

Income Group (Area Median Income)	Number of Beneficiaries	% of Total Beneficiaries
<30% of the AMI	8	66%
31%-50% of AMI	4	33%
51-80% of AMI		
>80% of AMI		
TOTAL		

3. **Project Staff.** Please provide names of staff, contractors, and/or volunteers that will be involved with the project. Describe their responsibilities with the project and track record in successful completion of similar projects in the past.

*3 key staff will be involved in this project.*

*Jess Brandes, Housing Developer – Jess has a background in nonprofit financial development and a Masters in City and Regional Planning. She serves as CASA’s project manager, overseeing and coordinating development activity from project conception and funding through the completion of construction. She has worked at CASA since 2008. Specific to this project, Jess is responsible for: applying for and obtaining all funding, timely execution of and adherence to all funding agreements and loan documents, and overseeing all real estate development and construction activity in order to ensure completion of the project which includes SUP approval, closing on the land, site plan approval, construction and project completion.*

*Arnetta Adams-Brown, Housing Director – Arnetta has been with CASA since 2005 and came to us from the market-rate property management field. She oversees 5 leasing staff who meet weekly to work on resolving tenant issues and ensuring funding and program compliance for CASA’s 400+ apartments scattered throughout the Triangle with the goal that every tenant remain successfully housed. Specific to this project, Arnetta will make sure that units are leased by eligible tenants through: creating a clear Tenant Selection Plan for these units, overseeing the referral process and the submission of CASA Supportive Housing applications from potential tenants and/or their service providers, communicating early and often with our network of referring partners if we have a vacancy, monitoring our applicant pool, and overseeing the lease-up process to ensure tenants are charged the correct rent and do not have any barriers to remaining in housing.*

*Finally Debbie White, CASA's CFO, has overseen all accounting and financial activity of our agency since 2005. Specific to this project, Debbie works with Housing Developer Jess on obtaining the financing for this project, closing on all loans associated with this project, and requisitioning funds as we draw them down for new construction costs. Debbie oversees 2 accounting staff and coordinates our annual financial audit. We use Quickbooks accounting software and follow all standard accounting best practices regarding financial controls and fraud prevention.*

**C. “What”**

**1. Type of Activity.** Please check the category under which your project falls.

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Acquisition (of land)            | <input type="checkbox"/> Emergency shelter   |
| <input type="checkbox"/> Predevelopment costs                        | <input type="checkbox"/> Transitional housing  |
| <input checked="" type="checkbox"/> Infrastructure/site improvements | <input checked="" type="checkbox"/> Supportive housing                               |
| <input type="checkbox"/> Rental subsidy                              | <input type="checkbox"/> Rental/utility connection assistance                        |
| <input type="checkbox"/> New construction for homeownership          | <input checked="" type="checkbox"/> New or redeveloped rental housing                |
| <input type="checkbox"/> New construction for rental                 | <input type="checkbox"/> Second Mortgage Assistance                                  |
| <input type="checkbox"/> Commercial property                         | <input type="checkbox"/> Community engagement to support future development planning |
| construction/rehabilitation  | <input type="checkbox"/> Other (specify): _____                                      |
| <input type="checkbox"/> Owner-occupied rehabilitation               |  |
| <input type="checkbox"/> Rental rehabilitation                       |  |

**2. Project Description.** Please provide a general overview of your project, including what you are planning to produce and how you are planning to carrying out the project.

*CASA has acreage under contract on S Merritt Mill Road and intends to develop 12 apartments to provide rental housing to households under 50% of AMI with a priority for households who are homeless and/or who have disabilities. The funding requested here includes the land cost and cost of 670 linear feet of public sewer extension in order to make development on this parcel feasible. CASA intends to begin the SUP process in early 2017, with the hope of beginning construction in 2018 and project completion in 2019. Our preliminary site plan includes one 12-unit building of 2 bed, 2 bath apartments with associated parking.*

*Additionally, CASA has acreage under contract on the adjacent Carrboro side of this parcel. There CASA intends to develop 16 one-bedroom apartments serving a similar population, likely with a focus on veterans.*

**D. "Where"**

**1. Project Location.** Please be as specific as possible. 2 unaddressed lots to the east of 802 and 806 S Merritt Mill Road.

**2. Project Size (if applicable).** Please provide the size of development site: 1.205 acres

Please attach the following:

- X Site map showing lot boundaries, locations of structure(s), and other site features
- X General location map (at least ½ mile radius)

**E. "When"**

X Attach a **detailed** timetable showing when each work task will be completed (e.g., planning; obtaining financial commitments; design; environmental review; bidding; loan closing; key milestones in construction; marketing; final inspection; occupancy; etc.)

**F. Project Details**

If the questions below are not applicable or the requested information is not currently available, please insert N/A.

**1. Property Acquisition.**

- a. Has your agency acquired real property in order to carry out the project, or is property acquisition planned? Yes, we plan to acquire land. It is currently under contract and our closing date is the earlier of May 18, 2018 or the date we receive our SUP.
- b. Is the property currently occupied? If so, attach a description of your plan to relocate. No, it is vacant land.

**2. Construction Detail.**

- a. How many units will be newly constructed? 12
- b. How many units will be rehabilitated? 0
- c. What is the square footage of each unit? Appx. 900
- d. What is the number of bedrooms in each unit? 2
- e. What is the number of bathrooms in each unit? 2
- f. How many units will have full ADA accessibility? 1

- g. Is the proposed project located in a Neighborhood Conservation District? (Neighborhood Conservation Districts apply only to projects located in Chapel Hill.) Yes
- h. Please attach the following:
  - X Floor plan(s)
  - X Elevation(s)
  - X List of Energy Efficiency measures included in the project (if applicable)
  - X List of Universal Design principles included in the project (if applicable)

### 3. Affordability, Marketing, and Supportive Services.

- a. Describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, deed restrictions, etc.: CASA will record deed restrictions on this property ensuring that the property will house persons under 50% of AMI. These restrictions will “run with the land” meaning subsequent owners, if applicable, will be legally bound to them.
- b. What are the proposed rents (including utility costs) or sales prices for completed units? Rents are 30% of a tenant’s income. CASA will accept all types of rental subsidies. We are proposing rents for households without a housing voucher set at \$300 per month, and for those with a housing voucher \$749. Utilities (electric and water) are estimated at an additional \$169 monthly cost for a 2-bedroom apartment.
- c. Explain your agency’s process for marketing to ensure an adequate pool of income-eligible renters to buyers: CASA’s Orange County applicant pool currently contains over 300 eligible applicants for our supportive housing. Potential tenants find CASA’s rental housing application on our website. We typically have our supportive housing developments pre-leased months ahead of opening.

What supportive services, if any, will be provided through this project?

*Many applicants in CASA’s applicant pool are already connected to services through a government or nonprofit agency. For tenants with disabilities who are not, support services will be offered through Cardinal Innovation’s network of approved behavioral health agencies. These agencies refer clients to CASA for housing by completing a rental application and providing the needed support services. CASA requests a signed Supportive Housing Referral Agreement with each application. The role of the Agreement is to ensure the applicant/tenant has access to community resources and has the support to live successfully in their permanent housing and avoid a return to homelessness. The Agreement details the expectations CASA has for what support the referring agency should provide for the tenant prior to move in, and what ongoing support should be provided during the tenant’s residency in a CASA apartment.*

## Section 3: PERFORMANCE MEASUREMENTS

### A. Goals and Objectives



Please complete the following chart with information about the project's goals and objectives.

Goal/Objective	Measurement
<i>Ex: Provide housing for low- to moderate-income households.</i>	<i>Ex: By 2016, build ten units that are affordable to low- to moderate-income households.</i>
<u><i>Build 12 new apartments for low-income households</i></u>	<u><i>By 2019, complete 12 apartments. Measurement will be 12 signed leases.</i></u>
_____	_____
_____	_____
_____	_____
_____	_____

**B. Alignment with Town Council Goals and adopted affordable housing strategies.**

Please explain how the proposed project aligns with the Town Council Goals and adopted affordable housing strategies.

*This development supports the Council's goal to "Adopt and support affordable housing programs, projects and policies that increase our diversity in income, race, age and lifestyle." This project also supports the affordable housing strategy goal 1: "Support solutions and programs that offer affordable housing options along the entire continuum of housing need," and specifically 1c: "Focus on the development of affordable rental housing for a variety of lifestyles..."*

**Section 4: PROJECT BUDGET AND PRO-FORMA**

**A. Project Budget**

X Attach a **detailed project budget** showing all sources and uses of funds. Attach funding commitment letters where available or copies of funding applications previously submitted.

**B. Terms of Project Funding**

Please specify the type of funding request for which you are applying:

AHF:  Grant       Loan

AHDR: X Grant       Loan

**C. Pro-forma (for rental property only)**

X If you are developing a property for rent, please attach a 20-year pro-forma showing estimated income, expenses, net operating income, debt service, and cash flow.

## Section 5: AGENCY DESCRIPTION

### **A. Organization**

What is your organization's . . .

1. Mission statement? *To develop and manage affordable housing, providing opportunities for successful living*
2. Incorporation date (Month and Year)? *March 1992*
3. Estimated Total Agency Budget for this fiscal year? *\$ 4 million*
4. Total number of agency staff (full time equivalents): *22*

### **B. Agency Track Record and Community Support**

Please describe your agency's experience and ability to carry out the proposed project, including:

1. Evidence of coordination of this application with other organizations to complement and/or support the proposed project
2. Involvement of intended beneficiaries of the project in the planning process
3. Past achievements in carrying out similar projects and evidence of successful record of meeting proposed budgets and timetables
4. Collaborative relationships with other agencies,
5. Plans to develop linkages with other programs and projects to coordinate activities so solutions are holistic and comprehensive
6. Any other features relating to organization capacity that you consider relevant, (i.e. property management experience, including accepting Section 8 Vouchers, etc.).

*When CASA was created nearly 25 years ago, our express direction was to develop, own and manage rental property specifically financed for and programmatically designed to serve persons with disabilities. These persons with disabilities were disproportionately represented within the homeless community and were, and unfortunately still are, among the poorest of our neighbors. CASA's mission has grown over the years to include other households in need of high-quality, affordable rental housing including veterans and working families.*

*CASA's approach has always been a Housing First model – we see day in and day out the power of a permanent home to provide stability, dignity, and safety to individuals and families with complex challenges. Getting a job, accessing health care, keeping in contact with a service provider, maintaining family stability – all of these things can be next to impossible when one is homeless or at imminent risk. All are made much more achievable when one has a door to lock, a bed to sleep in, and a home address.*

*I want to highlight some of CASA's particularly relevant experiences and qualifications to undertake this new construction project in Chapel Hill:*

### **Mission and Focus**

- *CASA has developed, owns and manages over 400 apartments throughout the Triangle, of which 318 are permanent supportive housing. Even as we grow and develop larger communities incorporating workforce housing, our goal continues to be to leverage those higher rents to support the inclusion of permanent supportive housing units.*
- *In 2016, CASA celebrated the grand opening of 12 newly constructed apartments in Durham, all permanent supportive housing. This project was the second phase of an apartment community specifically for veterans with disabilities. It was completed under budget and was fully pre-leased over a month ahead of opening.*

### **Real Estate Development Experience**

- *CASA is a Community Housing Development Organization (CHDO) and we have a full-time Housing Developer on staff. We are experienced in real estate development processes and activities in a variety of municipalities. Our Housing Developer, CFO and CEO have many years of experience successfully developing rental housing, including all the activities involved with that including but not limited to: buying and selling property, rezoning, site plan approval, board of adjustment approval, new construction, substantial rehabilitation, hiring and overseeing architects, civil engineers, general contractors, coordinating environmental reviews, and obtaining a wide variety of construction and permanent financing.*

### **Financial Stability**

- *In the past 10 years alone, CASA has developed 299 units of housing utilizing a spectrum of funding sources exceeding \$24 million. These include the development of 10 units of PSH in Chapel Hill at Pritchard Avenue Apartments, 5 blighted and abandoned duplexes that we redeveloped into permanent homes for persons with disabilities. In addition, we've partnered with a for-profit LIHTC developer on 124 tax credit units in 2 projects. As a small and nimble private non-profit, we can put in place creative financing and utilize any number of funding sources to achieve our development goals, including private philanthropy.*
- *CASA is a responsible steward of the funds we receive and the properties we own. Over the last 20 years we have preserved 76 apartments in Chapel Hill, Carrboro, Durham and Garner that were developed by other non-profits and were at risk of being lost to those communities. CASA understands what is necessary for a property to be well maintained and to be able to meet its operating expenses. We budget for and fund annually necessary replacement reserves for every property, and we maintain \$450,000 of operating reserves, designated by our Board, to cover staff, overhead and operations in the event of a significant set-back. Because of our proven track record and financial stability, we are able to attract federal, state and private funding for our projects.*

### **Our Supportive Housing Model**

- *CASA provides comprehensive and compassionate property management. Our Leasing Team consists of our Housing Director, Arnetta Adams-Brown, 4 Leasing Specialists and a Leasing Administrator. They accomplish all components of leasing our units, and do so with a specialized knowledge of tenants' rights, fair housing laws, and the special needs of people with disabilities.*
- *CASA provides 24-hour on-call maintenance performed by our Maintenance Team, which currently consists of our Facilities Director, Neil Ritter, 4 full-time and 1 part-time Maintenance Technicians, and 1 full-time Landscape Manager. Along with comprehensive maintenance services including building renovations, routine work-order repairs and preventive maintenance, staff conduct monthly indoor safety inspections of all units.*
- *Unique to CASA's approach is that our goal for every tenant is that they never become homeless again. We put this goal into action through proactive and compassionate property management in partnership with each tenant's Service Provider. We request that every tenant identify a Service Provider when they submit their application for PSH. The vast majority do. The Service Provider equips CASA with an additional intervention opportunity when a tenant may be experiencing a financial or behavioral health issue that is jeopardizing their housing. CASA meets routinely with tenants and their Service Providers when problems arise to coach and support tenants to make better choices in their housing and be better neighbors. The goal is to have sufficient communication and intervention early on when an issue arises, before it becomes a crisis.*
- *We have an Orange County applicant pool of over 300 households who have met the initial eligibility threshold for CASA's permanent supportive housing. When a CASA apartment becomes available, the full applicant pool is searched for matching applicants who are invited to complete Part II of the application process. Using this streamlined process to identify eligible tenants, we are able to maintain a 2% or lower vacancy rate.*
- *CASA involves the persons we serve in project planning by conducting an annual tenant survey. Additionally we typically have a member on our Board of Directors who has experienced homelessness; we are currently working to fill a vacancy in that role.*

### **Housing Subsidies**

*We accept a variety of housing subsidies and effectively coordinate with multiple organizations in order to provide affordable housing for our tenants.*

- *Section 8 vouchers from Orange, Durham, Raleigh and Wake Housing Authorities*
- *Shelter Plus Care subsidies from Wake County and Cardinal Behavioral Health*
- *VASH vouchers in partnership with Durham VAMC and Durham and Wake Housing Authorities*
- *Key Subsidies through the NCHFA*
- *HUD-811 Housing Assistance Payments (HAP)*
- *Various short term assistance payments from the faith community, Alliance BHC, and service providers*

**Coordination and Collaboration**

- *CASA has been an active member of the Orange County Partnership to End Homelessness, with our COO Mary Jean Seyda serving as a past Chair, as well as an active member of the OC Affordable Housing Coalition. Additionally, CASA has been involved in the creation of the Chapel Hill Housing Strategy and the Rental Housing Strategy, and Mary Jean currently serves on the Affordable Housing Advisory Board.*
- *CASA's 22 units in Chapel Hill house persons receiving services and assistance through a variety of community partners including Cardinal Innovations, the UNC Center for Excellence in Mental Health, Community Empowerment Fund, Housing for New Hope, and the IFC.*
- *For this project, CASA will be counting on these partners to refer potential tenants to our applicant pool, and to provide supports for tenants living in the development.*

**Section 6: DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

Are any of the Board Members or employees of the agency which will be carrying out this project, or members of their immediate families, or their business associates:

- a) Employees of or closely related to employees of the Town of Chapel Hill?  
YES  NO X
- b) Members of or closely related to members of the governing bodies of Chapel Hill?  
YES  NO X
- c) Current beneficiaries of the project/program for which funds are requested?  
YES  NO X
- d) Paid providers of goods or services to the program or having other financial interest in the program?  
YES  NO X

If you have answered YES to any question, **please explain below**. The existence of a potential conflict of interest does not necessarily make the project ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any grant awarded. \_\_\_\_\_

## **Section 7: ATTACHMENTS**

### **Attachment 1**

#### **The Affordable Housing Fund**

In 2002, the Town Council established an Affordable Housing Fund (AHF) to preserve owner-occupied housing in Chapel Hill for affordable housing purposes. Since then, the eligible uses of the Affordable Housing Fund have expanded and include:

1. Provide loans to non-profit organizations to purchase existing properties. Funds may be used in the following manner:
  - a. To exercise the Town's right of first refusal on existing properties;
  - b. To provide funds to non-profit organizations to purchase properties within the Chapel Hill city limits, especially in the Northside and Pine Knolls neighborhoods and in situations where the Town has a right of first refusal. Funds may be used for acquisition costs, first options, or earnest money. Funds used for first options shall be structured as a loan to the non-profit agency and must be repaid to the Town upon sale of the property to a qualified buyer. If the non-profit agency does not purchase the property, the funds must be repaid to the Town by the non-profit agency.
2. To provide funds to non-profit organizations to be used to renovate properties and prepare them for sale or rent to qualified households earning less than 80 percent of the area median income.
3. For homeownership assistance to reduce the sales price of new and existing homes so that they will become more permanently affordable.
4. To pay the Town's local match contribution for federal affordable housing grants.
5. For the construction of new affordable housing for sale or rent.
6. For rental and utility assistance, including security deposits for housing and utility services, for eligible households within Chapel Hill city limits.

#### **The Affordable Housing Development Reserve**

The Affordable Housing Development Reserve (AHDR) is dedicated exclusively to the development and preservation of affordable housing. Priority is given to rental projects that serve households with incomes 60% and below the Area Median Income (AMI) and homeownership projects that serve households with incomes 80% and below the AMI.

#### **Priority Project Areas**

##### **1. Land Bank & Land Acquisition**

Description: A land bank is a mechanism by which property can be strategically acquired, assembled, and redeployed to serve a community purpose, with a goal of creating inclusive, mixed income neighborhoods.

Related Strategies and Goals:

- a. Fund land bank to acquire land for future affordable housing (rental and ownership) development. (AFFORDABLE RENTAL HOUSING STRATEGY)
- b. Acquire and preserve vacant land along transit corridors for future affordable development (AFFORDABLE RENTAL HOUSING STRATEGY).
- c. Address the development pressures of the Pine Knolls and Northside neighborhoods by supporting a housing and cultural preservation program in the neighborhoods (AFFORDABLE RENTAL HOUSING STRATEGY).

Eligible Activities: Property and land acquisition and associated program expenses with emphasis in Northside and Pine Knolls neighborhoods and along transit corridors.

## **2. Rental Subsidy and Development Program**

Description: Eligible projects support the development of rental housing opportunities for households earning less than 80% of the AMI or providing subsidies to reduce the monthly housing expenses for households earning less than 80% of the AMI. The 80% AMI threshold reflects the Town's priority to support housing for people at a range of income levels, but priority will be given to those with incomes below 60% AMI.

Related Strategies and Goals:

- a. Establish useful incentives to encourage development of affordable rental in all target income ranges. (AFFORDABLE RENTAL HOUSING STRATEGY)
- b. Identify other properties that may be appropriate for redevelopment and encourage the production of affordable rental units through the use of incentives. (AFFORDABLE RENTAL HOUSING STRATEGY)

Eligible Activities: Security and utility connection fee assistance program, rental subsidy program, gap subsidies to developers to provide affordable units, new or redeveloped rental housing construction.

## **3. Home Ownership Development and Assistance Program**

Description: The Town's Affordable Housing Strategy states a goal of increasing the availability and access to housing for households and individuals with a range of income, from those who are homeless to middle-income. Eligible projects support the development of owner occupied housing opportunities to create and preserve affordable housing opportunities for households earning up to 120% of the AMI. Priority will be given to those with incomes below 80% AMI.

Related Strategies and Goals:

- a. Address the development pressures of the Pine Knolls and Northside neighborhoods by supporting a housing preservation program in the neighborhoods. (AHS)
- b. Middle Income/Workforce Housing Second Mortgage Assistance Program. (CP)

- c. Major and minor rehabilitation of existing housing. (CP)

Eligible Uses: Programs involving new construction, renovation, and redevelopment of existing units and second mortgage assistance programs.

#### **4. Future Development Planning**

Description: Eligible projects include strategic and master planning activities for specific areas to serve a community purpose, with a goal of creating inclusive, mixed income neighborhoods.

Related Strategies and Goals:

- a. Partner for ambitious development that includes affordable rental on Greene Tract. (AFFORDABLE RENTAL HOUSING STRATEGY)
- b. Initiate future development planning for the Greene Tract with ownership partners. (Council Goal 2016)

Eligible Activities: Pre-development costs, community engagement programs, professional services for strategic and master planning.



**Attachment 2**

## FY 2015 Income Limits

US Department of Housing and Urban Development (HUD)

Durham-Chapel Hill Metropolitan Statistical Area  
(Durham, Orange, and Chatham Counties)

<i>Income Level</i>	<b>1 person</b>	<b>2 people</b>	<b>3 people</b>	<b>4 people</b>	<b>5 people</b>	<b>6 people</b>	<b>7 people</b>	<b>8 people</b>
30% area median income	\$14,150	\$16,200	\$20,090	\$24,250	\$28,410	\$32,570	\$36,730	\$40,890
50% area median income	\$23,600	\$27,000	\$30,350	\$33,700	\$36,400	\$39,100	\$41,800	\$44,500
80% area median income	\$37,750	\$43,150	\$48,550	\$53,900	\$58,250	\$62,550	\$66,850	\$71,150

Source: U.S. Department of Housing and Urban Development (HUD) 3/2015