



Affordable Housing Advisory Commission Meeting

February 20, 2019

7:00 PM

Town Hall



Agenda

- I. **Consider Approval of January Meeting Minutes (7:00-7:05)**
- II. **Review housing fund application and rubric changes suggested by BOA on 2/5/19 (7:05-7:35)**
 - a. Put a limitation on for-profit developers
 - b. Remove the reference to historical locations in rubric (or add as bonus point)
 - c. Ensure the schedule/cycles are not in conflict with other deadlines and meet the needs of non-profit enterprises
 - d. Reconsider three funding cycles in favor of continuously accepting applications
 - e. Make it clear that rehab/repairs must ensure 20 year affordability as outlined by the Special Revenue Fund.
- III. **Planning Department Q&A – Director, Patricia McGuire (7:35-8:05)**
- IV. **Oakwood update (8:05-8:15)**
 - a. Meeting 1/25 Quinton, Cain & Rebecca
 - b. Food bank request
- V. **Funding Requests: 4+ on the horizon (8:15-8:20)**
- VI. **Additional comments/questions (8:20-8:30)**
 - a. Sherrill Hampton guest next meeting – to discuss lessons learned in application reviewing?
 - b. Zinn F/U – No AH Review took place at BOA meeting
 - c. 2 terms complete this month (Vijay & Gabe) – BOA will vote on new members 2/19
 - d. Next meeting 3/20/18



Town of Carrboro

Affordable Housing Special Revenue Fund Application

OVERVIEW

The Town of Carrboro established an Affordable Housing Special Revenue Fund in 2007. The goal of the Affordable Housing Special Revenue Fund is to advance the Town's goal of increasing and improving the stock of affordable housing within Carrboro and its planning jurisdiction.

The Affordable Housing Task Force was established in 2012 for the purpose of creating recommendations for an affordable housing strategy. In June of 2014, this goal was accomplished when the Board of Aldermen approved the Town's Affordable Housing Goals and Strategies document. From this work, an Affordable Housing Advisory Commission (AHAC) was formed in 2017. This Commission's responsibilities include:

- Reviewing and making recommendations to the Board of Aldermen for new or revised policies regarding the operation of the Affordable Housing Fund;
- Reviewing and making recommendations to the Board of Aldermen on affordable housing funding applications.

With this in mind, beginning in April 2019, requests for funding (as explained below) will be reviewed by the AHAC who will then make a recommendation to the Board of Aldermen regarding the request.

FUNDING

Source of Funds. The Affordable Housing Special Revenue Fund may be funded by payments made by developers in lieu of providing affordable housing units under the applicable provisions of the Land Use Ordinance. Other revenue sources for the fund may include grants, donations, loans, interest payments, or other contributions or assignments.

The principal and interest earned on funds received from developers, grants, donations, loans, interest payments, or other revenues that may become available also accrue to this fund.

In June of 2018, the Board of Aldermen passed a half cent property tax increase. This will provide a yearly source of revenue for the fund of approximately \$112,500.

APPROVAL

In 2018 the Board of Aldermen voted to allow the Town Manager to approve or deny funding applications for no more than \$5,000 or 15% of the existing fund, whichever is lower. These

applications do not have to provide performance measures and can apply outside of the funding cycles.

Any requests over this threshold that are not appropriated by the Board of Aldermen during the budget cycle will complete the following application. The application will be reviewed by the AHAC and their recommendation to approve or deny funding will go to the Board of Aldermen.

ELIGIBILITY

Individuals and Nonprofits, ~~for profits, and individuals working with either type of organization~~ may apply for funds to be used to address projects that meet the Town's affordable housing goals. Please see our website for a list of local housing providers: [INSERT LINK](#)

In order to qualify for participation in the Affordable Housing Special Revenue Fund process, the following criteria must be met by the beneficiaries (individuals), if applicable, and substantiated by the applicant (nonprofit/for profit organizations):

- a. Beneficiaries must be a resident of Carrboro or the Carrboro planning jurisdiction, or purchasing a home in Carrboro or the Carrboro planning jurisdiction;
- b. Beneficiaries or applicants must be unable to obtain a loan, either subsidized or unsubsidized, on comparable terms and conditions;
- c. Beneficiaries or applicants must be the owner of the property in fee simple or leasehold estate and have paid or have appropriate arrangements with the county tax assessor to pay the tax bill, if the property is to be rehabilitated, or have clear title if the property is to be purchased or constructed;
- d. ~~Beneficiaries must be residing in the property to be rehabilitated, or if purchased or constructed, occupy the property when the acquisition is completed. The building or affordable unit that is subject to program funding must have an anticipated life of at least 20 years after rehabilitation, or 30 years, if constructed or acquired;~~
- e. Beneficiaries must have a gross household income of 115% of the Area Median Income or less, with priority given to households at 80% of AMI and below for homeowners, and 60% of AMI and below for renters, unless otherwise described (Please see Attachment A for current income limits.);
- f. Beneficiaries must also have an intact homeowner's insurance policy, if applicable.

PROJECT REPORTING AND MONITORING

Recipients of funds for development are required to submit written progress reports to the Town by the end of the fiscal year (June 30) 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 annual reports electronically by June 30 to: rbuzzard@townofcarrboro.org

Recipients of funds for home repairs/rehab are to submit details of work completed when submitting invoices for reimbursement of funds.

PERMITTED USES OF FUNDING

Development & Acquisition

Loans: 1. To guarantee the payment of loans or subsidize the interest rate on loans made by financial institutions to individuals for the purpose of acquiring affordable housing.

2. To provide direct deferred payment loans to individuals to supplement loans made by financial institutions for the purpose of acquiring affordable housing.

Land Banking: To assist in the purchase of land for conveyance to nonprofit affordable housing agencies.

Construction: To pay some or all of the expenses associated with the construction of affordable housing.

Acquisition: To acquire developed properties suitable for resale to individuals or families. Applicants qualifying under the percentage of AMI shall be approved in advance by the Board of Aldermen.

Pre-development Costs: To pay some or all of the pre-development costs (such as feasibility studies, appraisals, land options and preparation of an application) for projects to be developed for the purpose of providing rental or owner-occupied affordable housing.

Land Trust: To provide grants to organizations for land trust projects that guarantee long-term affordability of a property through a 99-year renewable ground leases or for maintenance of land trust housing stock.

Subsidy: To provide permanent subsidies to reduce the sale price of new or existing housing units so as to make them more affordable.

Rehabilitation & Preservation

- To provide for emergency home repairs of properties in the affordable housing stock. *
- To provide for the maintenance of properties in the affordable housing stock that are falling into disrepair.*
- To guarantee the payment of loans or subsidize the interest rate on loans made by financial institutions to individuals for the purpose of rehabilitating affordable housing.
- To provide direct deferred payment loans to individuals to supplement loans made by financial institutions for the purpose of rehabilitating affordable housing.
- To provide grants or loans to nonprofits to avoid losing homes in the permanent affordable housing stock as a result of foreclosure.

Housing Stabilization

- To provide rental and/or utility deposit grants for Housing Choice Voucher, Permanent Supportive Housing (PSH), Rapid Re-housing, HUD-VASH and Housing Opportunities for Persons w/ AIDS (HOPWA) recipients relocating to rental units in Carrboro as a result of their current rental units no longer accepting a housing subsidy listed above.*
- To provide rental and/or utility deposit grants for those who have been assessed by the Coordinated Entry process as it relates to homelessness and have identified safe, decent, and affordable housing. *

*Starred items requesting ~~less than~~ no more than \$5,000 or 15% of the existing fund, whichever is lower, do not have to provide performance measures and can apply outside of the funding cycles.

FUNDING PRIORITIES

The fund is dedicated to the development and preservation of affordable housing. Priority goals include **increasing the supply of affordable housing units, increasing the quality of housing stock while maintaining affordability, and helping people stay in the homes they have (both owners and renters).**

Priority project areas include:

- Rental projects that serve households with incomes 60% and below the Area Median Income (AMI)
- Homeownership projects that serve households with incomes 80% and below the AMI.

GENERAL APPLICATION INFORMATION AND PROCEDURES

Funding applications are accepted three times a year: **October 1, January 1, and April 1.** Funding is based on the availability of funds. Only as many funding cycles will be completed as necessary to use the available funds. In the case of an emergency funding need, contact Rebecca Buzzard 919-918-7438 or rbuzzard@townofcarrboro.org. Applications are reviewed by the Affordable Housing Advisory Commission and evaluated using a scoring rubric, which is available as Attachment C. The AHAC's recommendations for funding are then forwarded to the Board of Aldermen for final approval.

CHECKLIST OF REQUIRED DOCUMENTATION

Application:

- | | | |
|--------------------------|------------|---|
| <input type="checkbox"/> | Section 1: | Applicant and Project Overview |
| <input type="checkbox"/> | Section 2: | Project Description |
| <input type="checkbox"/> | Section 3: | Performance Measurements* |
| <input type="checkbox"/> | Section 4: | Project Budget and Pro-forma |
| <input type="checkbox"/> | Section 5: | Agency Description |
| <input type="checkbox"/> | Section 6: | Disclosure of Potential Conflicts of Interest |

Other Required Attachments:

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

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

Applications may not be considered for the following reasons:

1. Project does 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

*Starred items requesting **no more than \$5,000 or 15% of the existing fund, whichever is lower, less than \$5,000** do not have to provide performance measures and can apply outside of the funding cycles.

PLEASE CALL OR EMAIL REBECCA BUZZARD WITH FUNDING QUESTIONS: 919-918-7438
OR rbuzzard@townofcarrboro.org

FUNDING APPLICATION

DATE:

Section 1: APPLICANT AND PROJECT OVERVIEW

A. Applicant Information

Applicant/Organization's Legal Name: _____

Primary Contact Person and Title: _____

Applicant/Organization's Physical Address: _____

Applicant/Organization's Mailing Address: _____

Telephone Number: _____

Email Address: _____

B. Project Information

Project Name: _____

Total Project Cost: _____

Total Amount of Funds Requested: _____

Please specify which permitted use of funding is being requested (A-K):

Proposed Use of Funds Requested (*provide a concise description of proposed project and how it meets the criteria of eligible uses*):

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: _____

Executive Director or other Authorized Signatory

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: _____

B. "Who"

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

2. Please indicate the income of the beneficiaries (households) to be served through the proposed project. Please see **Attachment A** for the current income limits for the Durham-Chapel Hill MSA. Please also provide documented income data for the intended recipients, such as the most recent tax return, if submitting on behalf of an individual.

Income Group (Area Median Income)	Number of Beneficiaries	% of Total Beneficiaries
<30% of the AMI		
31%-60% of AMI		
61-80% of AMI		
81-100% of AMI		
101-115% 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:

C. "What"

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

- Acquisition
- Pre-development costs
- Rental subsidy
- Ownership subsidy
- New construction for homeownership
- New construction for rental
- Rehabilitation for owner-occupied or rental (including urgent repairs - see *)
- Land banking
- Grant to land trust
- Rental deposit / utility connection assistance (Max \$1,000 - see *)
- Loan payment or loan subsidy
- Foreclosure assistance
- Other (specify): _____

**Starred items requesting less than \$5,000 do not have to provide performance measures and can apply outside of the funding cycles.*

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

D. "Where"

1. Project Location. Please be as specific as possible.

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

Please attach the following:

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

E. "When"

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? _____
- b. Is the property currently occupied? If so, attach a description of your plan to relocate.

2. Construction/Rehabilitation Detail.

- a. How many units will be newly constructed?
- b. How many units will be rehabilitated?
- c. What is the square footage of each unit?
- d. What is the number of bedrooms in each unit?
- e. What is the number of bathrooms in each unit?
- f. How many units will have full ADA accessibility?
- g. Is the proposed project located in Carrboro Town limits, ETJ, or transitional area?

h. Please attach the following:

- Floor plan(s)
- Elevation(s)
- List of Energy Efficiency measures included in the project (if applicable)
- List of Universal Design principles included in the project (if applicable)

3. Design, 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.:
- b. What are the proposed rents (including utility costs) or sales prices for completed units?
- c. Explain your agency’s process for marketing to ensure an adequate pool of income-eligible renters to buyers:
- d. Describe the use of energy efficient principles, universal design, and/or materials with extended life span.
- e. What supportive services, if any, will be provided through this project?

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 2020, build ten units that are affordable to households earning less than 80%AMI.</i>
_____	_____
_____	_____
_____	_____

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

Please explain how the proposed project aligns with the Board of Aldermen Goals and adopted affordable housing strategies.

Section 4: PROJECT BUDGET AND PRO-FORMA

A. Project Budget

Attach a **detailed project budget** in Excel format 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:

Grant Loan

C. Pro-forma (for rental property only)

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: ORGANIZATION DESCRIPTION

A. Organization

What is your organization's . . .

1. Mission statement?
2. Incorporation date (Month and Year)?
3. Estimated Total Agency Budget for this fiscal year? \$
4. Total number of agency staff (full time equivalents):

B. Organization Track Record and Community Support

Please describe your organization'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.).

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

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. _____

Eligibility Criteria Checklist	Criteria Met?
The project is located within Town of Carrboro limits or ETJ.	
The project addresses at least one funding priority area identified by the Town.	
Requested funds will be used for at least one Town approved activity (permitted uses of funding).	
Project benefits households earning 115% AMI or less.	
The application is complete, including all required attachments, and is submitted on or before the established deadline.	

Note: If application fails to meet all applicable criteria, the application is ineligible for consideration.

Scoring Rubric for Repair and Rehab Applications

Income Group (Area Median Income)	Number of Beneficiaries	% of Total Beneficiaries
<30% of the AMI		
31%-60% of AMI		
61-80% of AMI		
81-100% of AMI		
101-115% of AMI		
TOTAL		

Note: Priority is given to households earning 80% AMI or below for homeownership and to households earning 60% AMI or below for renters.

1. Quality of Project for Beneficiaries	Maximum Points	Applicant Score
The project strives for low-cost utility expenses by utilizing energy efficient principles and products.	5	
The project rehabbed for life, i.e. incorporates Universal Design elements.	5	
The project utilizes low-maintenance, quality materials to extend the life of the unit.	5	

BONUS POINT: The project is located in an area of cultural or historical significance, or the project unit is itself of cultural or historical significance. Ex. The Northside Community, Carrboro Mill houses.	1	
1. Total Points	16	

2. Affordable Housing Impact	Maximum Points	Applicant Score
The project aligns with the Town of Carrboro’s Priority Affordable Housing Goal to increase the quality of housing stock while maintaining affordability.	10	
The project aligns with the Town of Carrboro’s Priority Affordable Housing Goal to help people stay in the homes they have.	10	
The project includes provisions to ensure long-term affordability.	5	
2. Total	25	

3. Project Feasibility	Maximum Points	Applicant Score
The project timeline is realistic and feasible to achieve successful project completion.	10	
The project budget is complete and reasonable to achieve successful project completion.	10	
3. Total Points	20	

4. Capacity and Experience	Maximum Points	Applicant Score
The applicant has sufficient staffing and demonstrated expertise to manage all aspects of the project.	15	
4. Total Points	15	

5. Community Collaboration, Engagement and Support	Maximum Points	Applicant Score
The project included intended beneficiaries in the design and/or planning.	7	
The applicant has evidence of coordinating the application with other organizations to complement/support the project.	3	
5. Total Points	10	

Grand Total Application Points	Grand Total Maximum Points	Grand Total Applicant Score
Add totals from 1-5 (green boxes.)	86	

Scoring Scale

0 Points	Mid-point (43)	Max. Points (86)
Criteria not met.	Basic criteria met.	Criteria Exceeded.

Eligibility Criteria Checklist	Criteria Met?
The project is located within Town of Carrboro limits or ETJ.	
The project addresses at least one funding priority area identified by the Town.	
Requested funds will be used for at least one Town approved activity (permitted uses of funding).	
Project benefits households earning 115% AMI or less.	
The application is complete, including all required attachments, and is submitted on or before the established deadline.	

Note: If application fails to meet all applicable criteria, the application is ineligible for consideration.

Scoring Rubric for Development Applications

Income Group (Area Median Income)	Number of Beneficiaries	% of Total Beneficiaries
<30% of the AMI		
31%-60% of AMI		
61-80% of AMI		
81-100% of AMI		
101-115% of AMI		
TOTAL		

Note: Priority is given to households earning 80% AMI or below for homeownership and to households earning 60% AMI or below for renters.

1. Quality of Project for Beneficiaries	Maximum Points	Applicant Score
The project is easily accessible to community services and resources such as schools, healthcare, groceries and public transportation.	5	
The project strives for low-cost utility expenses by utilizing energy efficient principles and products.	5	

The project is designed for life, i.e. incorporates Universal Design elements.	5	
The project utilizes low-maintenance, quality materials to extend the life of the unit.	5	
BONUS POINT: The project is located in an area of cultural or historical significance, or the project unit is itself of cultural or historical significance.	1	
1. Total Points	21	

2. Affordable Housing Impact	Maximum Points	Applicant Score
The project aligns with the Town of Carrboro's Priority Affordable Housing Goal to increase the supply of affordable housing units.	10	
The project includes provisions to ensure long-term affordability.	10	
2. Total Points	20	

3. Project Feasibility	Maximum Points	Applicant Score
The project has other sources of funding in place at the time of the application.	5	
The project timeline is realistic and feasible as well as demonstrates zoning compliance.	5	
The project budget is complete and reasonable to achieve successful project completion.	5	
3. Total Points	15	

4. Capacity and Experience	Maximum Points	Applicant Score
The applicant has successfully developed and completed comparable projects in compliance of jurisdictional	10	

regulations, within proposed budgets and timelines.		
The applicant has sufficient staffing and demonstrated expertise to manage all aspects of the project.	10	
4. Total Points	20	

5. Community Collaboration, Engagement and Support	Maximum Points	Applicant Score
The project included intended beneficiaries in the design and/or planning.	2	
The applicant has evidence of coordinating the application with other organizations to complement/support the project.	3	
The applicant has plans to develop linkages to other community programs, resources or projects related to the proposed project to coordinate its activities so solutions are holistic and comprehensive.	5	
5. Total Points	10	
Grand Total Application Points for Development Applications	Grand Total Maximum Points for Development Applications	Grand Total Applicant Score
Add totals from 1-5 (green boxes.)	86	

Scoring Scale

