



Legislation Text

File #: 17-054, **Version:** 1

TITLE:

Consideration of an Application for Affordable Housing Funding from CASA

PURPOSE: The purpose of this item is for the Board to consider approving an application for funding out of the Affordable Housing Special Revenue Fund.

DEPARTMENT: Manager's Office, Planning

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INFORMATION: The Town has received an affordable housing funding application from nonprofit affordable housing provider CASA. CASA is requesting a grant of \$357,208 for land banking for two contiguous properties, 802 and 806 South Merritt Mill Road in Carrboro. This cost represents approximately 16 percent of an estimated \$2.2 million. Funding is being requested from other entities, including Orange County, the North Carolina Housing Finance Agency, and the Federal Home Loan Bank. The application for Orange County funding is due March 31st and is expected to be viewed more favorably if a funding commitment is obtained from Carrboro prior to that date. The property is currently under a contract to purchase, with the current phase coming to an end in May. After that time, CASA will be required to commit funds to maintain the right to purchase through the review and permitting processes. Requested grant funds are anticipated to be needed to complete the purchase at the time of the project's approval or May 2018, whichever occurs sooner.

Project Description:

CASA is proposing to build a 16-unit development on the two Merritt Mill parcels in Carrboro. The planned development will create at least 16, and possibly up to 36, permanently affordable rental apartments. CASA specializes in providing homes for people who have critical housing needs - people with disabilities, those who are homeless, and veterans.

At least 16 units will be for households earning less than 50 percent of area median income (AMI) with a priority for people who are homeless and/or who have disabilities. All developed units will be permanently affordable. Rents will be 30 percent of a tenant's income. CASA will accept all types of rental subsidies.

The property is zoned R-7.5 and the allowable base density based on GIS information is 11 units. The additional five units could be approved under the residential density bonus for affordable housing. A special use permit would be required for development at this level; a rezoning and likely a conditional use permit would be required if additional units are proposed. A companion project is proposed for two contiguous properties located in Chapel Hill and staff have met to explore ways to maximize the consistency and physical integration of the projects. Chapel Hill's Community Design Commission review of this adjacent project is

scheduled for Tuesday, March 28th.

Staff has been exploring with CASA ways that the project, if funded and approved for construction, might express a preference for providing homes for Orange County residents or employees. The waiting list for affordable housing in Orange County currently includes 300 households. This interest has been shared with Jess Brandes, Housing Developer for CASA, who has communicated understanding willingness for the project to meet the Town's interest.

Eligibility Analysis:

The application has been reviewed in relation to the application procedures and eligibility requirements specified in the Affordable Housing Fund Guidelines. The application has found to meet all requirements.

Application Procedure	Procedure Met
1) A complete description of the project, including the proposed location;	✓
2) A discussion of how the project meets the criteria of eligible uses and eligible beneficiaries	✓
3) Who the ultimate beneficiaries will be or are intended to be;	✓
4) If appropriate, documented income data for the intended recipients.	NA

Eligibility Criteria	Requirement	This Application	Criteria Met
1. Who May Apply	Nonprofit or Individual	CASA	✓
2. Eligible Use	Meet the goal of the fund: 1. Established Eligible Use, or 2. Goal/Strategy of AH Plan	1. Eligible Use C: To assist in the purchase of land for conveyance to nonprofit affordable housing agencies. 2. Goal 2.1 - Increase number of permanently affordable rental units	✓
3. Eligible Beneficiary	1. Home located in Carrboro 2. Owner or occupant of the property after acquisition 3. Building to have an anticipated life of at least 30 years 4. Household income of 60% of AMI and below	1. Development to be located at 802 and 806 S Merritt Mill Road in Carrboro 2. CASA will be the owner of the development 3. House to remain affordable permanently 4. The residents will have a household income of 50% AMI or below with priority given to persons who are homeless and/or have a disability	✓

FISCAL & STAFF IMPACT: CASA is requesting \$357,208 for this project. The Affordable Housing Fund currently totals \$665,628. If the request were to be approved, there would be \$308,420 remaining in the fund.

RECOMMENDATION: Staff recommends the Board consider approving the application for funding.

A resolution has been provided for the Board's use (Attachment A).