



Legislation Text

File #: 22-135, **Version:** 1

TITLE:

Affordable Housing Advisory Commission Funding Recommendation

PURPOSE: The purpose of this item is for the Town Council to consider approving recommended funding for one nonprofit affordable housing application to the Affordable Housing Special Revenue Fund.

DEPARTMENT: Housing and Community Services

CONTACT INFORMATION: Anne-Marie Vanaman, Housing and Community Services Management Specialist, amvanaman@townofcarrboro.org <<mailto:amvanaman@townofcarrboro.org>>; Rebecca Buzzard, Housing and Community Services Director, rbuzzard@townofcarrboro.org <<mailto:rbuzzard@townofcarrboro.org>>

INFORMATION: In the April 1, 2022 application cycle, two requests were received and forwarded to the Affordable Housing Advisory Commission (AHAC) for review. However, one application was subsequently withdrawn by the nonprofit agency to assess a potential eligibility issue.

On April 20, 2022, the AHAC heard from the remaining applicant, EMPOWERment, and discussed the request. They voted to make the following funding recommendation to the Town Council:

EMPOWERment - Recommendation: Fully Fund - \$100,000

EMPOWERment requested \$100,000 for the purchase of one condominium unit at 105 Fidelity Street that will be deed-restricted for permanent affordability and rented to households earning below 60% of the Area Median Income.

The funding request can be found in Attachment C. Noting the opportunity to purchase a desirable unit at below market rate, the AHAC recommended Town Council consider utilizing payment in lieu (PIL) funds to support the request. They also recommended leaving a balance of at least \$15,000 in the current fiscal year AHSRF budget in case requests of \$5,000 or less are submitted to the Town Manager for consideration before the end of the fiscal year. No additional application cycles remain in the fiscal year.

The full AHAC recommendation can be found in Attachment B and provides additional comments encouraging EMPOWERment to speak with financial lending institutions to explore financing mechanisms that might expand or leverage future affordable housing acquisition opportunities.

The FY2021-2022 Affordable Housing Special Revenue Fund (AHSRF) revised budget has a current balance of \$143,240. For FY 2022 the AFHSRF adopted budget included \$325,585 from tax revenues. In reviewing the quarterly budget status report with Finance (see Budget Status Report to Council on April 19, 2022) \$82,025 carried over from the prior year(s), which includes receipt of all PIL funds. With this carryover amount, the AFSRF has a revised operating budget of \$420,551 available for use through June 30, 2022.

(Note: Carryover funds must be confirmed in the annual independent audit prior to posting to the General Ledger. Audit for 2021 was not completed until January 2022.). Below is current summary of AFHSRF.

FY 22 Appropriation	\$ 338,525
Carryover	\$ 82,026
Total Revenues	<u>\$ 420,551</u>
YTD Expenditures	\$ 151,461
YTD Encumbrances	\$ 125,850
Total	<u>\$ 277,311</u>
Available Budget	<u>\$ 143,240</u>
Empowerment Request	\$ 100,000
Remaining Budget	\$ 43,240

FISCAL & STAFF IMPACT: Sufficient budget funds are available in the Town's Affordable Housing Special Revenue Fund for this award. If the request is fully funded the FY2021-22 AHSRF budget balance will be \$43,240.

RECOMMENDATION: Staff recommends the Town Council consider the AHAC's funding recommendation. A resolution for approval is provided in Attachment A.