

# AFFORDABLE HOUSING QUARTERLY REPORT



Fiscal Year 2024 Quarters 1 and 2  
(July 1 - December 31, 2023)



## Community Indicators

**\$7,406,584**

Town Budget for Affordable Housing Strategies



**\$116,200**

Median Household Income



**\$651,375**

Average Home Sales Price



**60%**

of Renters spend more than 30% of income on Housing



**17%**

of Homeowners spend more than 30% of income on Housing

**28%**

of Housing Units affordable to households with income at 80% AMI\*



**12%**

of Units Approved by Council that are affordable FY19-FY23

**1,900**

Supply Gap for Renters Earning less than \$50,000 per year

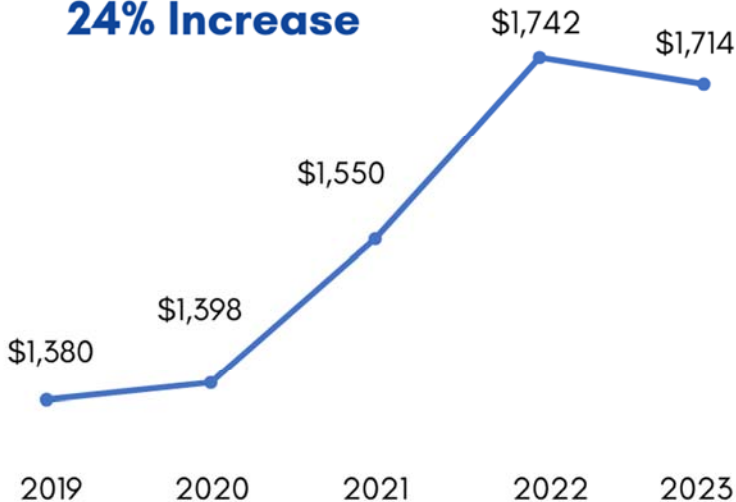


Housing costs have risen dramatically in Chapel Hill over the last several years, particularly since 2020.

### Rise in Rental Rates

Average Rent

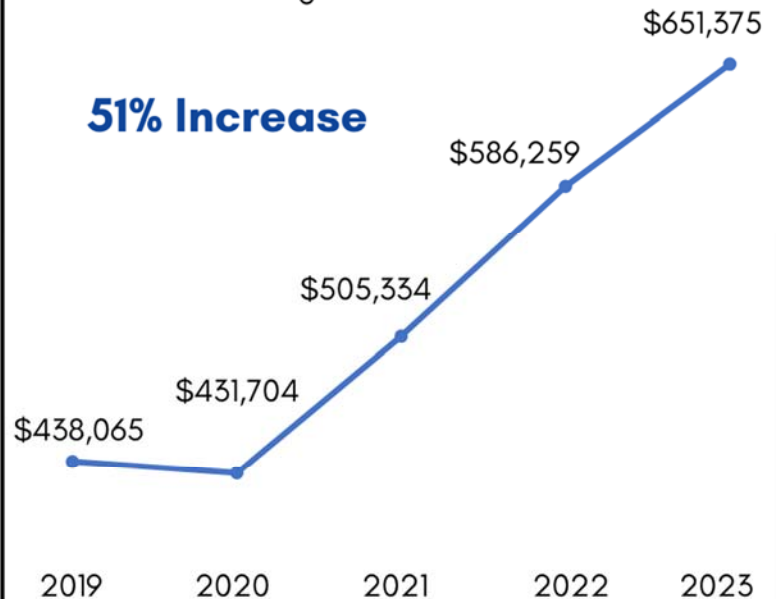
**24% Increase**



### Rise in Home Values

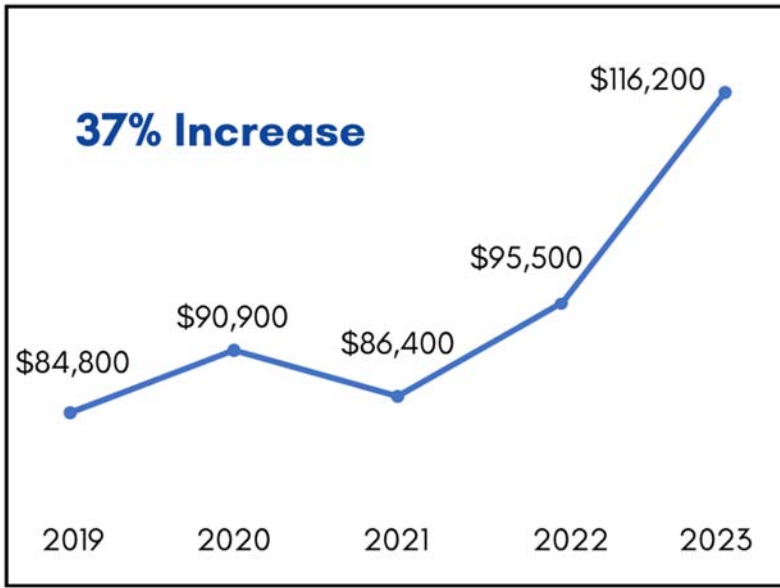
Average Home Sale Price

**51% Increase**

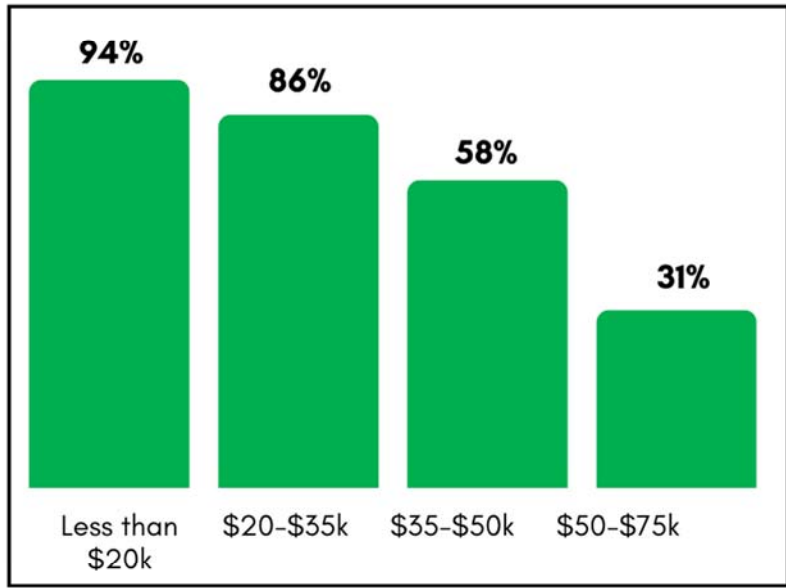


While incomes are rising locally, the increase in housing costs are burdening lower income households.

**Median Household Income**

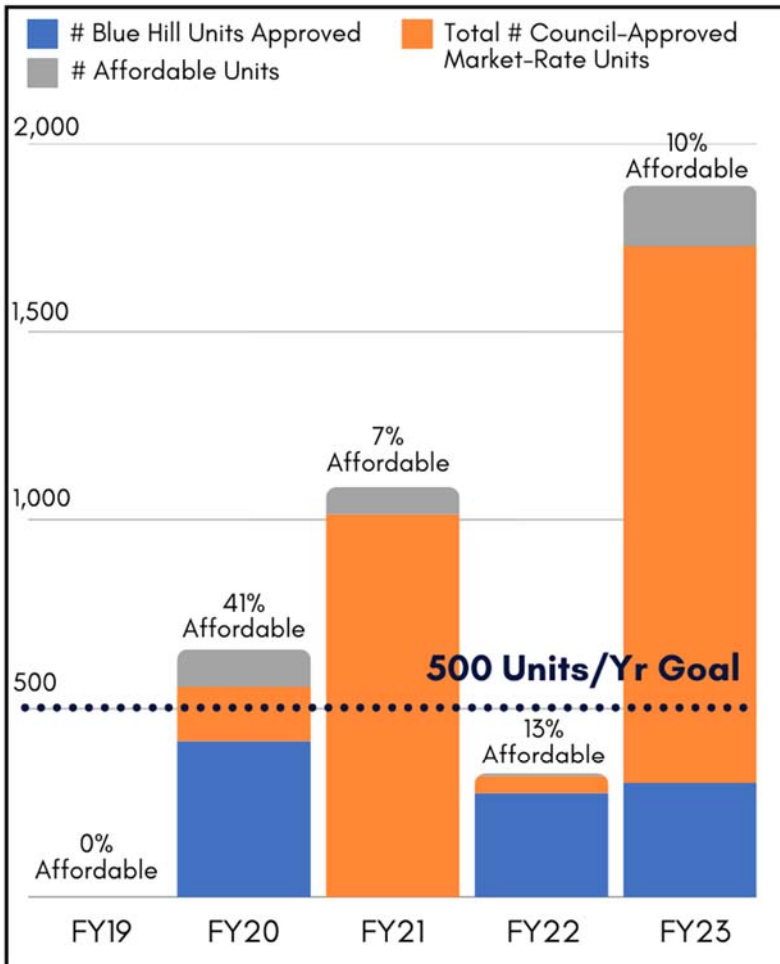


**Number and Percent of Households that are Cost-Burdened by Income Level**

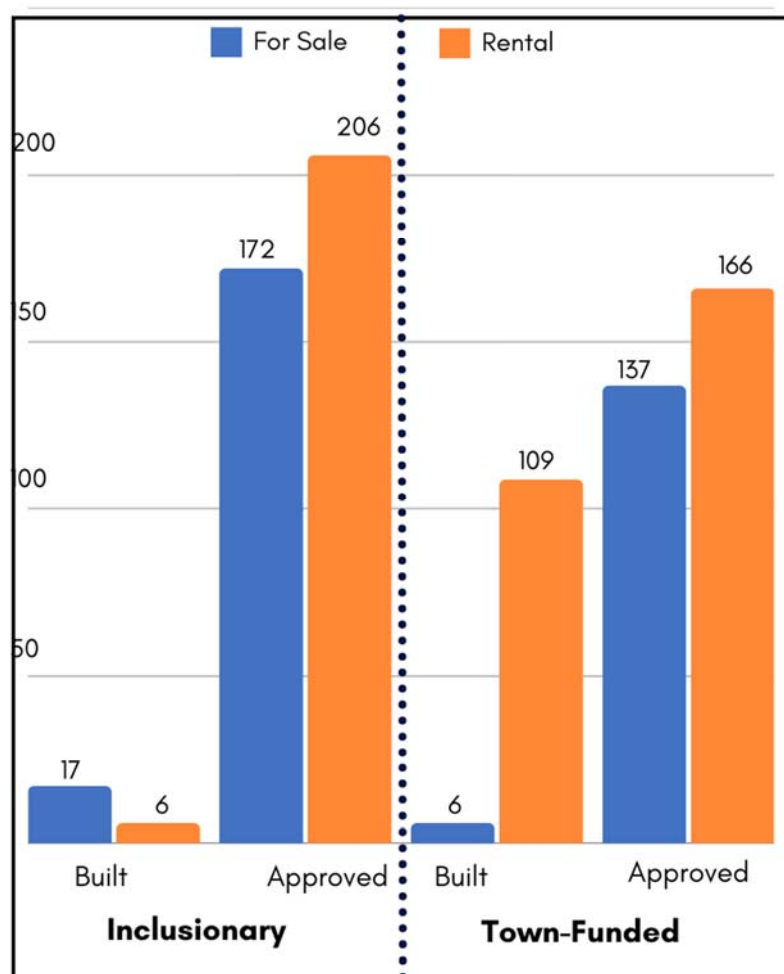


Housing production historically has not met demand but the Town is prioritizing housing production, especially of affordable housing.

**Units Approved by Type and Year**

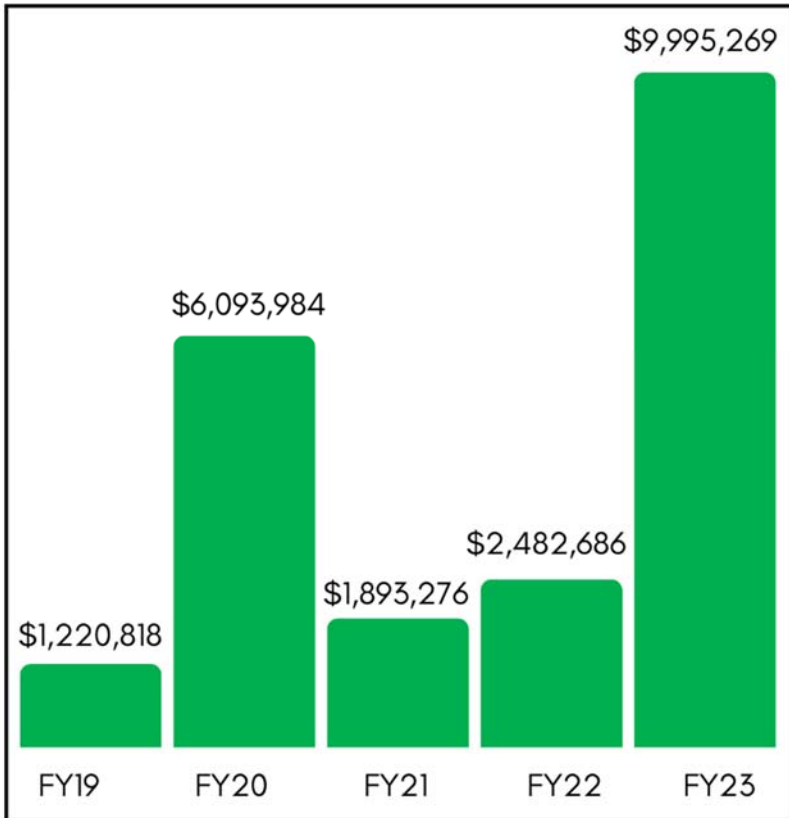


**Affordable Units Built and Approved, FY19-FY23**

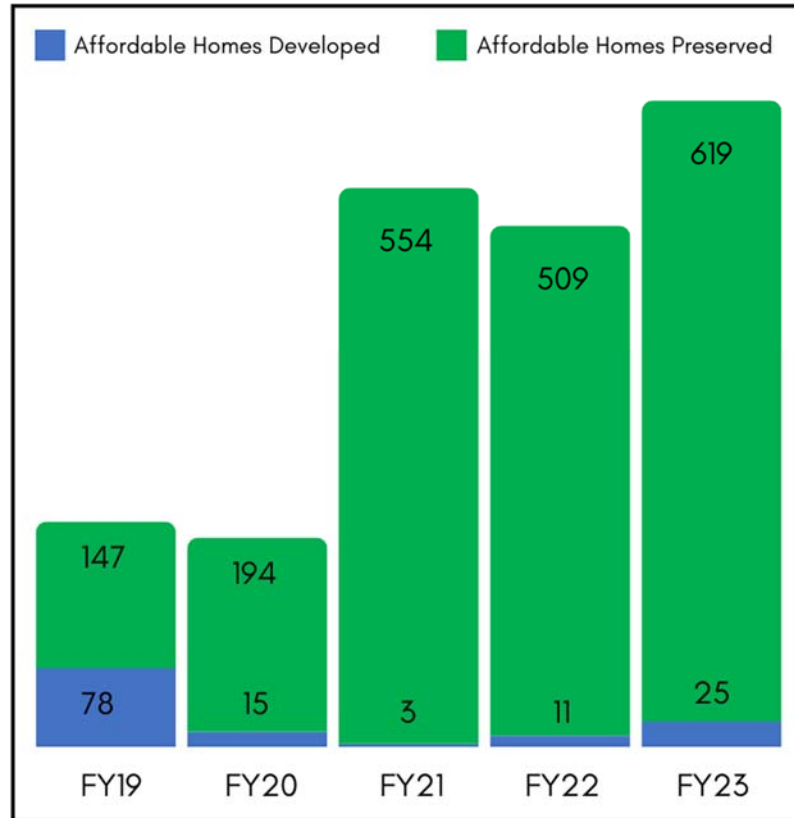


The Town has increased its support for affordable housing to address housing needs:

### Affordable Housing Funding Allocated to Projects

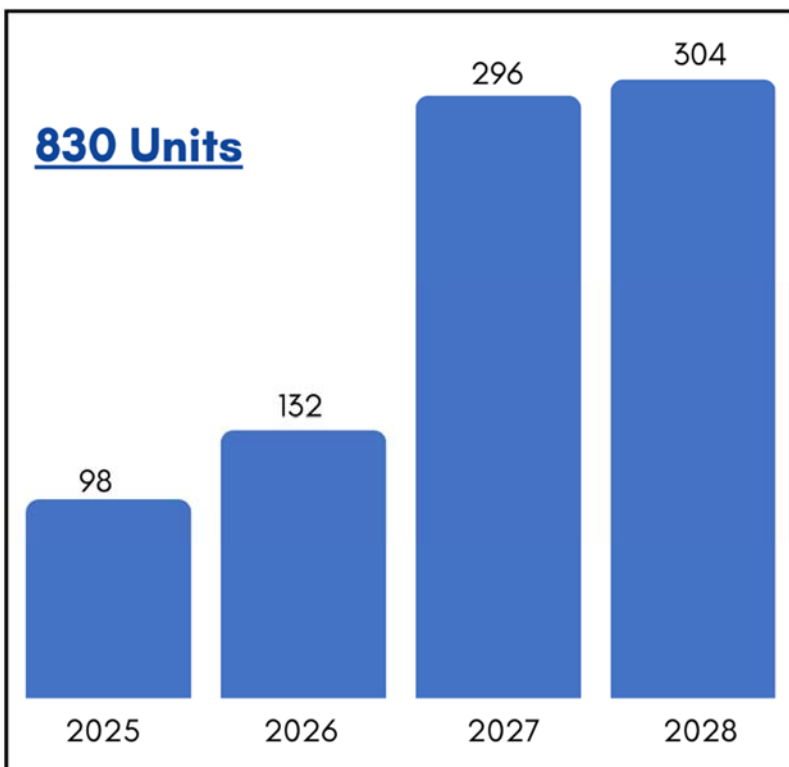


### Development and Preservation Units Completed

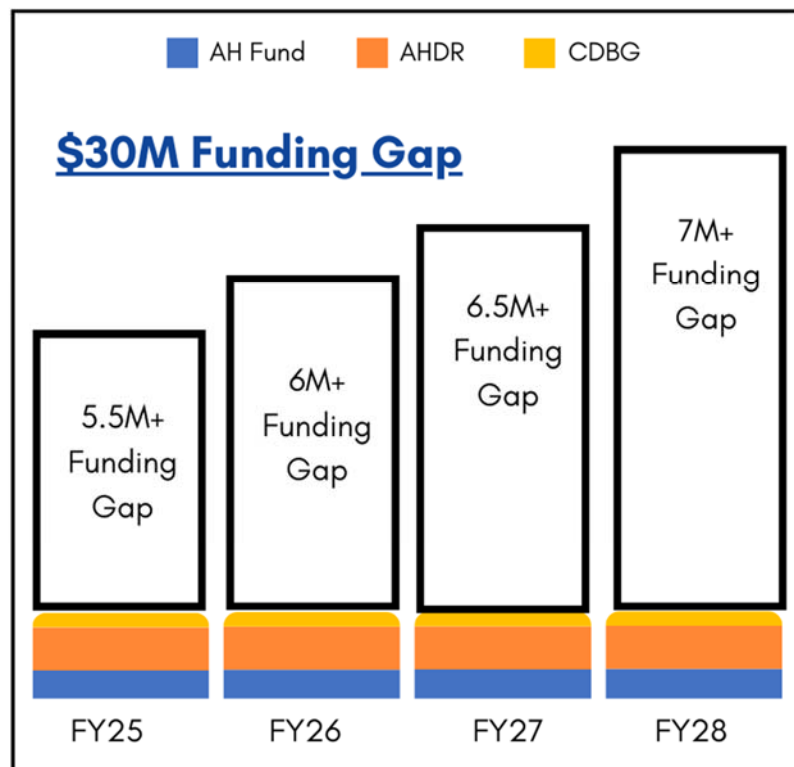


More resources are needed to support the strong pipeline of affordable housing and make progress towards addressing the affordable housing gap.

### Affordable Housing Development Pipeline



### Funding Needed to Sustain Affordable Housing Activities and Projects



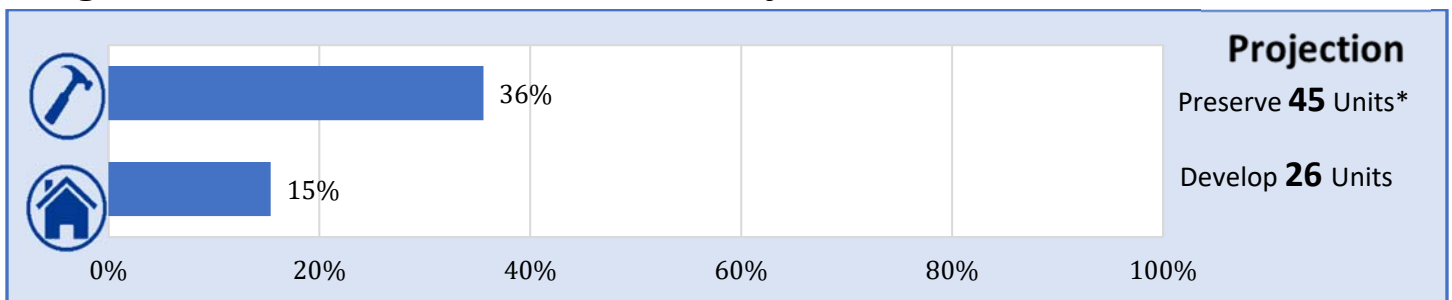
## Fiscal Year 2024 Mid-Year Highlights

- Town Council unanimously approved a Comprehensive Affordable Housing Plan and Investment Strategy. The plan maps out the Town’s affordable housing work over the next five years and calls for the dedication of \$50 million to support the development of as many as 900 new affordable homes and the preservation of as many as 400 affordable homes. Staff have begun implementing the recommendations in the Plan.
- Council approved 1,572 total housing units and 236 affordable units in 4 projects (15% of all units).
- The Town awarded \$100,000 in funding to the Marian Cheek Jackson Center and Orange County to provide property tax assistance to low and moderate-income Chapel Hill homeowners. The funding supported 128 Chapel Hill households with an average of \$770 in Town funding. While most households received assistance from multiple sources, the Town awards ranged from \$200 to \$1,513.
- Council approved the commitment of \$715,000 in funding to complement UNC Health \$5 million contribution to an Affordable Housing Loan Fund. Town staff selected Self-Help Ventures Fund as the fund administrator.
- The Town selected DHIC as the Town’s affordable housing development partner to develop affordable housing on 9 acres of land on the Town-owned Legion Property.
- Community Home Trust closed on three home sales in the Bridgepoint community that were sold at an affordable price through the Town’s inclusionary zoning program.
- Two Town employees received rental assistance through the Employee Housing Program.
- Local partners managed the rehabilitation of 14 affordable housing units.
- Council approved a modification to the conditional zoning for the Homestead Gardens project, to allow the project that rightsized the project and will move the project toward a fall 2024 construction start.
- Tanyard Branch Trace received a 9% Low-Income Housing Tax Credit award for the development of 48 rental housing units on Town-owned land on Jay Street.

## Fiscal Year 2024 Progress to Date

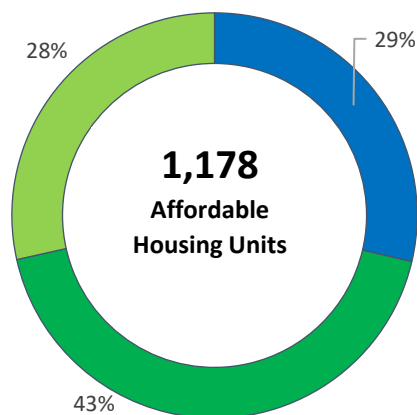
<b>4</b> Units Developed	<b>16</b> Units Preserved	<b>86%</b> of Projects on Track	<b>0%</b> of Funding Available for Projects Allocated	<b>\$0 Million</b> Allocated to Projects
-----------------------------	------------------------------	------------------------------------	---	---

## Progress Towards Fiscal Year 2024 Projection



\*Preservation projection no longer includes Emergency Housing Assistance.

## Number of Subsidized Units in Town









<span style="color: blue;">●</span> Home Ownership:	<b>343</b>
<span style="color: lightgreen;">●</span> Public Housing:	<b>336</b>
<span style="color: green;">●</span> Rental:	<b>499</b>

## Affordable Housing Projects Underway Supported by the Town






Project Type	Provider	Project Name	Number of Units	Projected Completion	Status
	Self-Help/Community Home Trust	223 N. Graham	1	FY24 Q1	✓
	Community Home Trust	Bridgepoint Inclusionary Units	5	FY24 Q4	<span style="color: green;">●</span>
	Town of Chapel Hill	Transitional Housing Renovations	4	FY24 Q3	<span style="color: yellow;">●</span>
	Community Empowerment Fund	Down Payment Assistance	5	FY24 Q4	<span style="color: yellow;">●</span>
	Habitat for Humanity	Gattis Court	4	FY24 Q4	<span style="color: yellow;">●</span>
	Self-Help	Northside Housing Rehab	10	FY23 Q4	<span style="color: green;">●</span>
	Self-Help	Northside Acquisition and Development	7	FY23 Q4	<span style="color: green;">●</span>
	Community Home Trust	Homebuyer Subsidy	1	FY24 Q4	<span style="color: green;">●</span>
	Town of Chapel Hill	Employee Housing Program	5	FY23 Q4	<span style="color: green;">●</span>
	Orange County	Emergency Housing Assistance	300	FY23 Q4	<span style="color: green;">●</span>
	Orange County Preservation Coalition	Homeowner Rehabilitation	8	FY24 Q4	<span style="color: green;">●</span>
	Community Home Trust	Legion Rd Townhomes Crawl Space Renovation	8	FY24 Q4	<span style="color: green;">●</span>
	Self-Help/Community Home Trust	204 Carver St	1	FY24 Q4	<span style="color: green;">●</span>
	EmPOWERment, Inc.	104 Grant St.	1	FY24 Q4	<span style="color: green;">●</span>
	Community Home Trust	Aura Inclusionary For Sale Units	8	FY24 Q4	<span style="color: green;">●</span>
	Ram Realty Advisors*	University Place Inclusionary Rental Units	25	FY25 Q2	<span style="color: green;">●</span>
	Town of Chapel Hill	Trinity Court	54	FY25 Q2	<span style="color: green;">●</span>
	Aura Chapel Hill*	Aura Inclusionary Rental Units	29	FY25 Q3	<span style="color: green;">●</span>
	EmPOWERment, Inc.	PEACH Apartments	10	FY25 Q4	<span style="color: green;">●</span>



	Town of Chapel Hill	Tanyard Branch Trace/Jay Street	48	FY26 Q2	
	Town of Chapel Hill	Homestead Gardens	87	FY26 Q2	
	Habitat for Humanity	Weavers Grove	102	FY28 Q2	

\*Inclusionary rental units do not use Town funding, but staff are integrally involved in securing the affordable commitments and monitoring the development of these units.

**Legend:**

- ✓: The project has been completed
- : The project is on track to meet its project scope and schedule
- : The project has been delayed in meeting its previous quarter project scope and schedule
- : The project has stalled and may not be completed
- : Development Project
- : Preservation Project

## Notes & Citations

- The percentage of renters and homeowners that pay more than 30% of their income on Housing, the number and percentage of cost-burdened housing, and total occupied housing units in town data source is U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates
- HUD defines cost-burdened families as those who pay more than 30% of their income for all housing-related expenses and may have difficulty affording necessities such as food, clothing, transportation, and medical care.
- The median household income data source is the HUD 2023 Median Family Income Estimates based on American Community Survey data for the Durham-Chapel Hill Metropolitan Statistical Area.
- The average home sales price data source is Multiple Listing Service (MLS) and average rent rate is from Co-Star data.
- The total budget this fiscal year for affordable housing strategies captures all Town expenditures for affordable housing. This includes the Affordable Housing Fund, CDBG Funds, and operating funds, among others.
- The percentage of housing units that are affordable to households with income under 80% AMI includes naturally occurring affordable housing and units subsidized by the Town. The data source for this metric and corresponding chart is the commercial real-estate research firm Co-Star and the County-wide data inventory created through the Orange County Affordable Housing Coalition.
- The percent-of-budget allocated metric displays the percentage of the Town budget for affordable housing projects allocated as of the date of the quarterly report.
- The data source for the number of units subsidized by the Town is the County-wide Data Inventory created through the Orange County Affordable Housing Coalition.
- The data source for subsidized housing unit development projections is the County-wide data inventory created through the Orange County Affordable Housing Coalition.
- The data for households served with Emergency Housing Assistance is based on the most recently available data from Orange County.