

Chatham County Housing Trust Fund Guidelines FY23 (2022-2023) Funding Cycle



The purpose of this document is to guide community partners and organizations interested in creating and/or preserving affordable housing in Chatham County, North Carolina. This document was developed by staff, evaluated by the members of the Chatham County Affordable Housing Committee, and approved by the Chatham County Board of Commissioners. Each year based on funding availability, regulation changes, or other factors, these guidelines change. Please ensure you are only using these guidelines to inform your application approach for the 2022-2023 application cycle.

For questions about the Housing Trust Fund Guidelines or application process reach out to one or both of the following staff contacts:

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Overview

The **Chatham County Housing Trust Fund (HTF)** was created in 2018 by the Chatham County Board of Commissioners. The fund is intended to provide low interest loans to encourage development projects that preserve or create additional affordable and workforce housing within Chatham County with the overall goals of affirmatively furthering fair housing choice for all residents. The fund may also provide small grants for reimbursement of fees or for studies and other housing related projects if funding allows.

Funding for the HTF is a set aside provided by the Chatham County general fund on an annual basis. Fund balance may exist from prior HTF application cycles and may be utilized during the current application cycle. **In addition to the general fund transfer, for the first time, Article 46 Sales Tax Revenue is also being added for the FY23 HTF Application and Award Cycle.**

For the FY23 HTF Application Cycle the following amount is available: \$300,000

FY23 HTF Applications open August 8, 2022

FY23 HTF Applications are due by 1:00pm on October 17, 2022

If additional funds are made available after the HTF closes and projects have been selected and approved for award, the Affordable Housing Advisory Committee (AHAC) may choose to do any of the following:

- a) Review requests that were not fully funded and recommend an additional award to the project(s) with the most points; or
- b) Recommend that additional funds be added to the next fiscal year's Housing Trust Fund cycle; or
- c) Recommend funds for other targeted strategic housing efforts; or
- d) **Decide to accept additional proposals outside of the traditional HTF Application and Award cycle.**

All decisions recommended by AHAC are taken to the Chatham County Board of Commissioners (BOC) for final approval.

What is considered affordable housing?

Under this policy, "affordable" is defined as being housing that does not cost more than 30% of a household's gross income (rent/mortgage and includes utilities and insurance). Under this policy, "affordable housing" is defined as housing affordable to households with annual incomes at or below 80% of the Area Median Income. "Workforce housing" is defined as being affordable to households with annual incomes at or below 120% of the Area Median Income. The Area Median Income limits are determined by the U.S Department of Housing and Urban

Development (HUD) on an annual basis. Chatham County is a part of the Durham-Chapel Hill Metropolitan Statistical Area (MSA).

Chatham County – Durham Chapel Hill, MSA, 2022 Income Limits (HUD)

Median Family Income	2022 Chatham Income Limits				
		1-person	2-person	3-person	4-person
\$95,500	30% of AMI	\$20,100	\$22,950	\$25,800	\$28,650
	50% of AMI	\$33,450	\$38,200	\$43,000	\$47,750
	60% of AMI	\$40,110	\$41,520	\$46,680	\$51,840
	80% of AMI	\$53,500	\$61,650	\$68,800	\$76,400
	100% of AMI	\$66,850	\$76,400	\$85,950	\$95,500
	120% of AMI	\$80,220	\$91,680	\$103,140	\$114,600

Source: <https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn>

Housing Trust Fund Priorities

1. To increase the supply of affordable housing near resources like grocery stores, public transportation, schools, jobs, and healthcare.
2. To reduce and avoid undue concentrations of poverty and subsidized housing.
3. To incentivize development of affordable and workforce housing for low-and moderate-income households
4. To promote diversity and vitality of neighborhoods.
5. To preserve existing affordable housing through renovation, repair, and retrofitting or extension of affordability restrictions of existing legally binding affordable housing.
6. **To support high impact or innovative models of affordable housing.**

Eligible Applicants

1. Applicants must have a valid tax identification number and be an organization, agency, state, or local government.
2. The county does not fund start-up agencies. All agencies that apply for funding must have been in operation for at least three (3) years prior to being considered for a grant award.
3. Agencies may not apply for funding for the same program from different county sources.
4. Nonprofit agencies that are funded as part of the general fund may not apply for annual competitive funding awards via this policy.

Eligible Activities

The Chatham County Housing Trust Fund will financially support proposals that address affordable housing needs. Examples of possible proposals include but are not limited to the following:

1. Construction of new housing for sale or rent, including land acquisition, hard and soft costs.
2. Preservation of existing affordable housing.
3. Conversion or adaptive reuse of existing non-residential structures for affordable housing.
4. Purchase, rehabilitation, or other eligible improvements of existing housing units that are substandard, and/or in need of energy efficiency improvements and/or accessibility modifications.
5. Purchase and rehabilitation or conversion of market rate developments to affordable housing.

Basic Project Selection Criteria

While a range of activities are eligible, all proposals must contain the following:

1. At least 20% of the development must be affordable to households with incomes at or below 120% of the Area Median Income, adjusted for household size. *
2. Comply with the applicable jurisdiction's zoning, land development, and other housing policies.
3. Development or proposed project must be within Chatham County.

Certification for Non-Profit Agencies

County staff will review applicant information for all nonprofit agencies applying for county funds to ensure compliance with the certification requirements. Staff will assess the agency's financial and legal status and complete a certification checklist. Agencies that do not have all the necessary requirements will be notified that the application is not complete and may be given an opportunity to complete the certification requirements. If an award is made, no funding will be released to an agency until all certification requirements are complete to the county's satisfaction.

For more information about the certification process, see our County Non-Profit funding policy at – www.chathamcountync.gov/residents/nonprofit-partners-grantees/nonprofit-grants-policy