

Chatham County Housing Trust Fund



Policy Guidelines

Fiscal Year 2021-2022

Chatham County Affordable Housing Advisory Committee

Effective: September 18, 2018

Updated: March 07, 2021

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.**

For information regarding the reimbursement of impact fees, please go to this link – and go to the “Programs and Policies” section of the page, then click on “Chatham County Affordable Housing Fee Reimbursement Policy”.

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 the event that funds are returned or added to the HTF after projects have been selected and award have been formally approved and announced, the Affordable Housing Advisory Committee (AHAC) may choose to do any of the following with those additional funds:

- a) Review requests that were not fully funded and recommend awarding an additional amount of funds to the project with the most points.
- b) Recommend that additional funds be added to the next fiscal year’s Housing Trust Fund cycle; or
- c) Recommend funds for other target, strategic housing efforts.

Once a decision has been made by AHAC, the recommendation will be brought to the Board of Commissioners, who will review for final approval.

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.**

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.

5. Any expenditure of these funds must satisfy the North Carolina Constitution's public purpose requirement, which requires that public funds be expended for the benefit of all citizens. See N.C. Constitution Article V, Section 2(1). Funds must also be spent on projects, programs, or services that Chatham County has the authority to directly provide according to statutory authority in N.C.G.S. §153A-449.

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

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.

What is considered affordable housing?

Under this policy, “affordable housing” is defined as being 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 Incomes are determined by the U.S. Department of Housing & Urban Development (HUD) for the Durham-Chapel Hill Metro Area on an annual basis.

Chatham County – Durham-Chapel Hill, MSA, 2021 Income Limit (HUD)

<u>Median Family Income</u>	<u>FY 2020 Income Limit Category</u>	<u>Household Size</u>			
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
<u>\$90,900</u>	<u>30% AMI - Extremely Low Income</u>	<u>19,100</u>	<u>21,800</u>	<u>24,550</u>	<u>27,250</u>
	<u>50% AMI - Very Low Income</u>	<u>31,850</u>	<u>36,400</u>	<u>40,950</u>	<u>45,450</u>
	<u>80% AMI - Low Income</u>	<u>50,900</u>	<u>58,200</u>	<u>65,450</u>	<u>72,700</u>
	<u>100% AMI - Median Income</u>	<u>63,700</u>	<u>72,800</u>	<u>81,900</u>	<u>90,900</u>
	<u>120% AMI</u>	<u>76,440</u>	<u>87,360</u>	<u>98,280</u>	<u>109,080</u>

Source: https://www.huduser.gov/portal/datasets/il/il2020/select_geography.odn

For any questions about the Housing Trust Fund guidelines or application process, please reach out to Stephanie Watkins-Cruz, Policy Analyst, Chatham County Manager’s Office.

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