

Chatham County Housing Trust Fund

Policies and Guidelines



This document contains Housing Trust Fund policy as approved by the Chatham County Affordable Housing Advisory Committee and Board of County Commissioners. This document also includes more detailed information on project and applicant eligibility, county funding policies, key dates, and the application and award process.

Prospective applicants for the 2024-2025 Housing Trust Fund award cycle should use only information published on the [Chatham County Housing Trust Fund webpage](#). Documents for prior award cycles are no longer valid.

Any questions related to the Housing Trust Fund should be directed to Chatham County Housing and Community Development Officer Jamie Andrews (jamie.andrews@chathamcountync.gov).

Housing Trust Fund Policies

The following is a replication of the Housing Trust Fund Policy Guidelines as approved by the Chatham County Board of County Commissioners on August 19th, 2024, at the recommendation of the Affordable Housing Advisory Committee.

Overview

The Chatham County Housing Trust Fund was created in 2018 by the Chatham County Board of Commissioners with the goal of affirmatively furthering fair housing choice for all residents. Housing Trust Fund money is intended to support the provision of low interest loans and modest grants to encourage development of new affordable housing or preservation of existing affordable housing within Chatham County. The fund may also provide smaller grants for reimbursement of fees related to affordable housing development or for studies and other housing related projects if funding allows.

Housing Trust Fund Management

Funding for the Housing Trust Fund is approved as part of the annual county budget cycle at the discretion of the Board of Commissioners. This typically includes an allocation from the Chatham County General Fund, leftover fund balance from prior fiscal years, and a portion of revenue received from county sales taxes.

The Affordable Housing Advisory Committee oversees the annual application and review process with support from county staff. Following solicitation of proposals, the Affordable Housing Advisory Committee reviews applications and provides recommendations to the Board of Commissioners. Funding decisions are ultimately the prerogative of the Board of Commissioners.

If additional funds are made available after the current Housing Trust Fund application cycle closes and projects have been selected and approved for award, the Affordable Housing Advisory Committee may recommend any of the following for approval by the Board of Commissioners:

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

Housing Trust Fund Priorities

Housing Trust Fund monies are used to advance the following priorities:

1. Construct and preserve affordable housing for low and moderate income households.

2. Support diverse affordable housing options, including varied housing types, sizes, and locations, with an emphasis on increasing affordable choices and mitigating harmful outcomes.
3. Preserve existing affordable housing through renovation, repair, and retrofitting or extension of affordability restrictions of existing legally binding affordable housing.
4. Provide safe and affordable housing options for all future residents, including older adults, people with physical, neural, or other disabilities, people who are or were experiencing homelessness, and veterans, among others.
5. Support sustainable development with attention to environmentally conscious materials or architecture and strategies to reduce the environmental impact of new development.
6. Encourage high impact or innovative models of affordable housing.

Eligibility Criteria

1. The Chatham County Housing Trust Fund will financially support proposals that address affordable housing needs while in line with North Carolina State Statutes and requirements established by Chatham County policies. In addition:
2. All projects must fulfill the public purpose of providing affordable housing for low- and moderate-income households. The following definitions and limitations apply in this context:
 - a. "Households" refers to any number of persons sharing a dwelling unit, including individuals living alone.
 - b. "Affordable housing" refers to dwelling units for which the sum of occupancy expenses do not exceed thirty (30) percent of the occupant's gross income.
 - c. "Low-income" refers to incomes not greater than sixty (60) percent of the Area Median Income for different household sizes in Chatham County as reported by the U.S. Department of Housing and Urban Development.
 - d. "Moderate Income" refers to incomes not greater than eighty (80) percent of the Area Median Income for different household sizes in Chatham County as reported by the U.S. Department of Housing and Urban Development.
3. All projects must take place within Chatham County and must comply with applicable planning and zoning requirements.
4. All applicants must provide regular reports on impacts, expenditures, and other relevant information as established in an awardee agreement.
5. All awardees must be eligible for receipt of public funds in North Carolina and Chatham County.
6. Applicants must have a valid tax identification number and be an organization, agency, state, or local government.
7. 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.
8. Agencies may not apply for funding for the same program from different county sources.

9. Nonprofit agencies that are funded as part of the general fund may not apply for annual competitive funding awards via this policy.

Reviewed by Chatham County Affordable Housing Advisory Committee on August 1, 2024.

Approved by the Chatham County Board of County Commissioners on August 19, 2024.

The 2024-2025 Cycle

For the 2024-2025 (FY25) funding cycle, the Housing Trust Fund (HTF) includes an allocation from the county General Fund and revenue from the county quarter-cent sales tax to provide grants, low-interest loans, and emergency housing support in a sum not to exceed \$300,000.

The HTF is also intended to provide the flexibility to support smaller grants for fee reimbursement, research, or other reasonably related costs that advance county priorities, under the oversight and advice of the Chatham County Affordable Housing Advisory Committee (AHAC). This document outlines specific requirements and functions of the HTF in order to advance county housing policies and priorities. Eligibility

Applicant Eligibility

All applicants should carefully review the information provided by Chatham County in published HTF-related documents and ensure that they meet all requirements outlined in the Chatham County Nonprofit Agency Funding Policy, which is linked on the Chatham County Housing Trust Fund webpage. This section outlines primary eligibility requirements. Entities that do not meet eligibility criteria should not apply.

Applicants may not apply for funding for the same project from multiple county funding sources.

Entities that have been in operation for fewer than three (3) years will not apply be considered for a grant award on their own. However, such entities may apply as part of a joint venture with an entity that has been in operation for at least five (5) years. In any such joint ventures, the more senior organization must submit the application on behalf of both organizations, and include with their application a memorandum of understanding (MOU) outlining responsibilities for each organization and funding arrangements and certifications and disclosures for both organizations. The county will review any submitted MOU and reserves the right to recommend and/or require changes for compliance with county policies and interests.

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.

Project Eligibility Requirements

All funds from an HTF award must be used to develop or preserve affordable housing for low and moderate-income households. Projects eligible for HTF funds are various, but generally fit into either the preservation or development category.

Income Requirements for Project Beneficiaries

HTF funds shall be used only to support development or preservation of affordable housing units for LMI households. Inclusion of housing that will be reserved and affordable specifically for households earning different AMI levels (for example, 30 percent AMI or 120 percent AMI) may strengthen applications for funding.

Household income limits for FY25, as provided by HUD, are reflected in the table below.

2024 Income Limits for Various Household Sizes in Chatham County, as part of the Durham-Chapel Hill Metropolitan Statistical Area					
AMI level	1-person	2-person	3-person	4-person	5-person
Thirty percent	\$22,250	\$25,400	\$28,600	\$31,750	\$36,580
Sixty percent (low income)	\$44,475	\$50,850	\$57,187	\$63,525	\$68,625
Eighty percent (moderate income)	\$59,300	\$67,800	\$76,250	\$84,700	\$91,500
More information here: https://www.huduser.gov/portal/datasets/il/il2024/select_geography.odn					

Preservation Projects

Preservation projects maintain and extend the longevity of existing owner-occupied affordable housing units, typically via home repair and rehabilitation efforts. Such efforts may include:

- Emergency repairs
- Structural repairs
- Repair or replacement of major systems (roof, electrical, plumbing, HVAC, etc.)
- Accessibility improvements
- Energy or other resource efficiency upgrades
- Weatherization upgrades

Development Projects

Development projects result in a net gain of affordable housing units. Typical development efforts include:

- Acquisition of land, potentially including existing built assets, for development or provision of affordable housing
- New construction of housing for affordable rental or purchase
- Substantial rehabilitation of existing structures for affordable housing use

- Conversion of market rate units to affordable housing through purchase, covenant, deed restriction, and similar strategies.

Mixed Income Developments

The HTF is intended to provide a versatile funding tool, and projects that include units intended for rent or sale to households that are not either low-income or moderate-income may be eligible for funding. The following restrictions apply:

- Housing Trust Fund monies may be used only for costs related specifically to affordable housing units. This can include appropriate hard and soft costs on a pro-rata basis, based on the share of the project that will result in affordable housing development.
- A minimum of twenty percent (20%) of units in a mixed-income development must be reserved exclusively for sale or rental to low-income households, that is, households with incomes below sixty percent (60%) AMI. A greater share of units reserved for this population or units for moderate-income households may strengthen applications.
- Units reserved for low-income households must be conveyed to such residents by the same conveyance method enjoyed by other residents. For example, a development of homes in which the majority are intended for sale at market rate may not offer its affordable units as rentals.

Preserving Affordability

Units developed with HTF money must remain affordable for LMI households for a minimum of 30 years, either through a deed covenant, rental covenant, or another agreement outlining long-term affordability commitments. Longer-term affordability commitments, including affordability in perpetuity, are preferred.

Project Timeliness

Applications will only be considered for funding during this application cycle if the described project is expected to begin within the current fiscal year, or prior to June 30, 2025. Projects that will not begin before this date should not apply.

Projects funded with Low Income Housing Tax Credits (LIHTC) are exempt from the requirement to start their project on or prior to June 30, 2025. However, the applicant must apply for LIHTC prior to this date. Any award granted to an applicant seeking this exception is contingent on award of tax credits.

Awardees should complete their projects within 18 months of the conclusion of this fiscal year: December 31, 2026. The county may grant extensions in certain circumstances.

All other dates referenced in the Key Dates table below apply. Any major impediments to project timeliness should be communicated to the county as soon as possible.

Applicant Questions or Concerns

In the interest of fairness, all information provided to any applicant will be made available to every applicant. To that end, every response from HTF administrators to prospective applicants, will be published on the Chatham County Housing Trust Fund webpage.

Questions or concerns from applicants should be submitted in one of two ways:

1. Applicants are encouraged to bring questions or concerns to the informational sessions referenced above. Notes from these sessions will be published after the session.
2. Applicants may email their questions to the Chatham County Housing and Community Development Officer (see coversheet). Please include "HTF" in your subject line.

To ensure adequate time to review and respond to all applicant questions, applicants should submit all questions prior to 5 pm on Friday, November 8th. Responses to all questions will be published by 5 pm on Wednesday, November 13th.

Submission

All applications should be submitted using the form linked on the Chatham County Housing Trust Fund webpage. If an applicant is unable to submit their application via this method, other methods for submission may be permitted upon request. Alternate delivery methods will not extend the application deadline; allow for the required time for shipment or transmission.

No proposal can be modified after it is submitted and the application is closed. Should an applicant submit two applications for the same project prior to the application deadline, only the latter application will be reviewed. The former will not be considered in any capacity.

Templates of required documents and certain optional documents can be found on the Chatham County Housing Trust Fund webpage. Documents should be submitted in their original format (i.e. a PDF should be submitted as a PDF) through dropboxes included in the submission form or with an alternative submission method.

Applications must be received by the deadline indicated above. In the interest of fairness, only information submitted by the applicant will be considered. The county will not request additional information or clarification on incomplete proposals.

Late or incomplete submissions will not be considered. An extension will only be permitted if there are technical issues with the submission method.

Evaluation

After the application cycle closes, AHAC will review all HTF applications for completeness and alignment with guidelines and priorities. AHAC will then score the applications based on applicable scoring criteria. Criteria are provided for both new construction projects and preservation projects as to encourage fairness and reasonable evaluation. Scoring criteria are available for review on the Chatham County Housing Trust Fund webpage. Applications will then be ranked against other applications based on the percentage of total points received.

Applications may be dismissed or rejected for funding for any reason at AHAC's discretion. Typical reasons for dismissal or rejection include but are not limited to the following:

- The proposed development does not align with the eligibility criteria.
- The proposed development does not adequately advance identified priorities.
- The applicant has demonstrated poor past performance in carrying out projects or complying with funding guidelines.
- The application was late or did not include required information.

AHAC will formally recommend applications for review and approval by the Chatham County Board of County Commissioners (BOCC) based on their evaluation, the quality of an application relative to other applications, and available funds. The BOCC makes final decisions regarding awards and award amounts. Final award amounts for approved applicants (or awardees) may differ from the amount requested by applicants or the funding amounts recommended by AHAC, largely based on available funds and commissioner discretion.

Awards

Following approval from the BOCC, applicants will be notified of their funding awards. Final decisions are expected to be announced via email by the end of January 2025. If there is a delay for any reason, applicants will be informed about the changes to the timeline and next steps. More information about the timeline for this application cycle can be found in Key Dates below.

Funded agencies will be required to sign an agency agreement prior to receiving funding. This agreement will outline specific next steps and responsibilities including fund disbursement, reporting requirements, legal obligations and procedures in the event of nonperformance. Once signed agreements are executed by both parties, funding will be disbursed, typically between March and May 2025.

As stated in the Project Eligibility Requirements, all approved projects must begin before the conclusion of FY25 (June 30, 2025). Projects must be completed within 18 months of the conclusion of the 2024-2025 fiscal year, or December 31, 2026.

If an awardee, through no significant fault of their own, is unable to complete their project or expend all funds within this timeline, they may request a one-time extension for up to an additional 12 months. If an awardee anticipates a major potential delay in completing the project, they should inform the county as early as possible as part of their regular reporting. More transparency is always preferable to less transparency.

To be considered for an extension, the awardee must submit a request for extension to the Chatham County Housing and Community Development Officer (see coversheet) on or before November 15, 2026. This request should include documentation that the awardee has made reasonable progress on the project, demonstrated a good faith effort to meet the 18-month timeline, and an explanation of impediments. The Affordable Housing Advisory Committee will review and approve or deny any extension requests.

If a project is not completed within the provided timeframe, the County notify the awardee that the funds are expected to be repaid within six months.

Reporting

Awardees are expected to provide semiannual reporting to the county during the award period. A document describing general reporting expectations can be found on the Chatham County Housing Trust Fund webpage.

Key Dates

Key Dates for the FY25 Application Cycle:

September 18	Application materials published
October 7	Application submission begins
October 10	Optional information and Q+A session 1
November 4	Optional information and Q+A session 2
November 8	Last day to submit application questions
November 17	Application submission closes at 11:59 PM.
November 20	Applications referred to AHAC for individual review
December 5	Applications reviewed by AHAC for recommendation
January 6 or 20	County commissioners review AHAC recommendations for funding approval
January 31	Applicants informed of BOCC selections and award amounts, contingent on previous actions

Key Dates for the FY25 Award Period:

February 2025	Awarded applicants sign agency agreements
March-May	Funds are disbursed to applicants
June 30	Final day for applicants to begin funded projects
December 31	Quarter 2 of FY26 ends, report 1 due February 28, 2026
June 30, 2026	Quarter 4 of FY26 ends, report 2 due August 31
July-December	Applicants invited to provide updates at a regular AHAC meeting
November 15	Requests for extension due
December 31	Projects Complete, Comprehensive Report Due February 28, 2027