

Affordable Housing Annual Report

FISCAL YEAR 2025

(JULY 1, 2024 – JUNE 30, 2025)



Key Results



62

affordable homes developed



11 out of 14

recommendations implemented from our Affordable Housing Plan

1,300



affordable units estimated for completion over next 5 years



161

affordable units preserved, including 143 households assisted through the Property Tax Assistance Program

287

affordable housing units approved by Council



10.8%



of units approved by Council in private/market rate developments that are affordable

\$20M

launched Affordable Housing Loan Fund



4

Town employees assisted through our Employee Housing Program



\$2.8M

deployed to support community partner projects and programs

COMMUNITY INDICATORS

\$7,537,551 

Current Town Budget for
Affordable Housing Strategies



56%

of Renters spend
more than 30% of
income on Housing



\$671,674

Average Home
Sales Price



1,586

Total Units
Approved
Over Last
Year



\$105,900

Median Household
Income



19%

of Homeowners
spend more than
30% of income on
Housing



31%

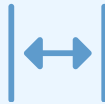
of Housing Units
affordable to
households with
income at 80% AMI



18%

of Units Approved
Over Last Year by
Council that are
affordable

1,900



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

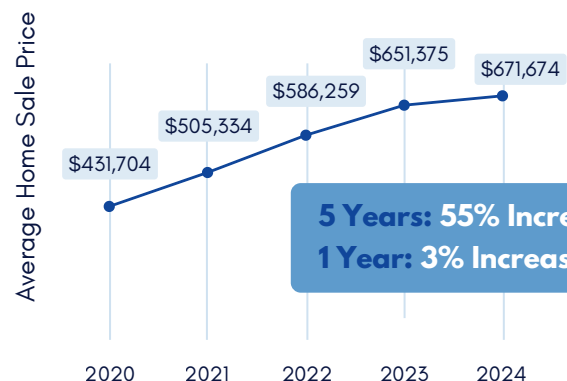
HOUSING COSTS

After rising dramatically between 2020 and 2022, housing costs have stabilized.

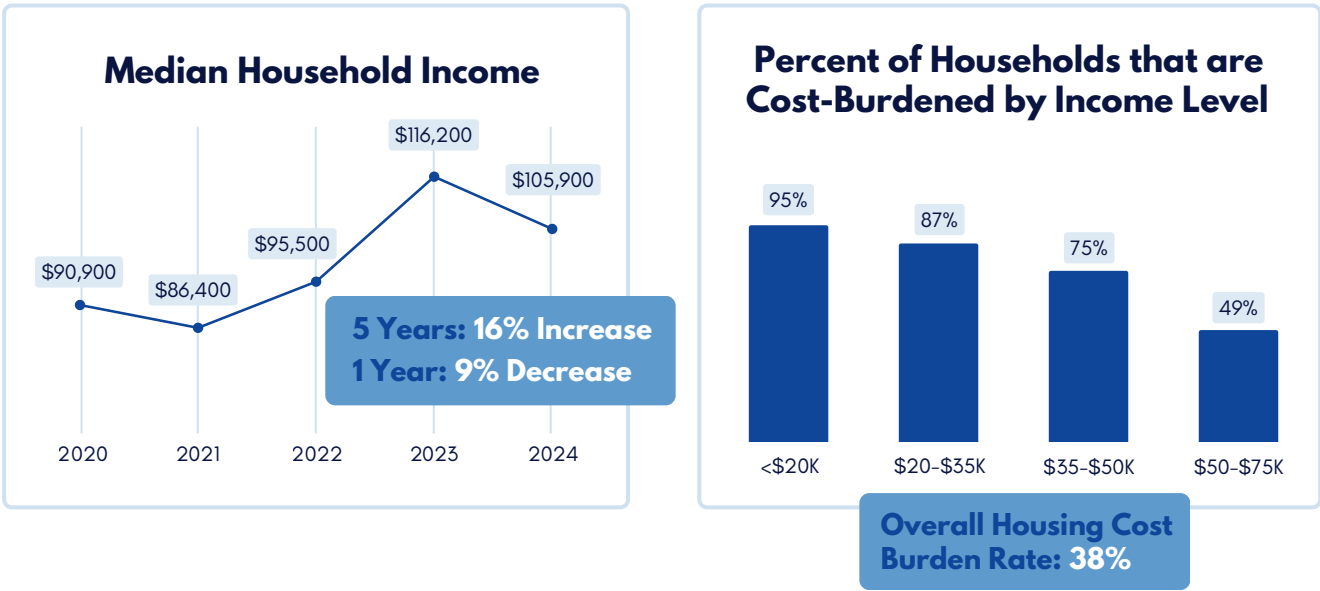
Rise in Rental Rates



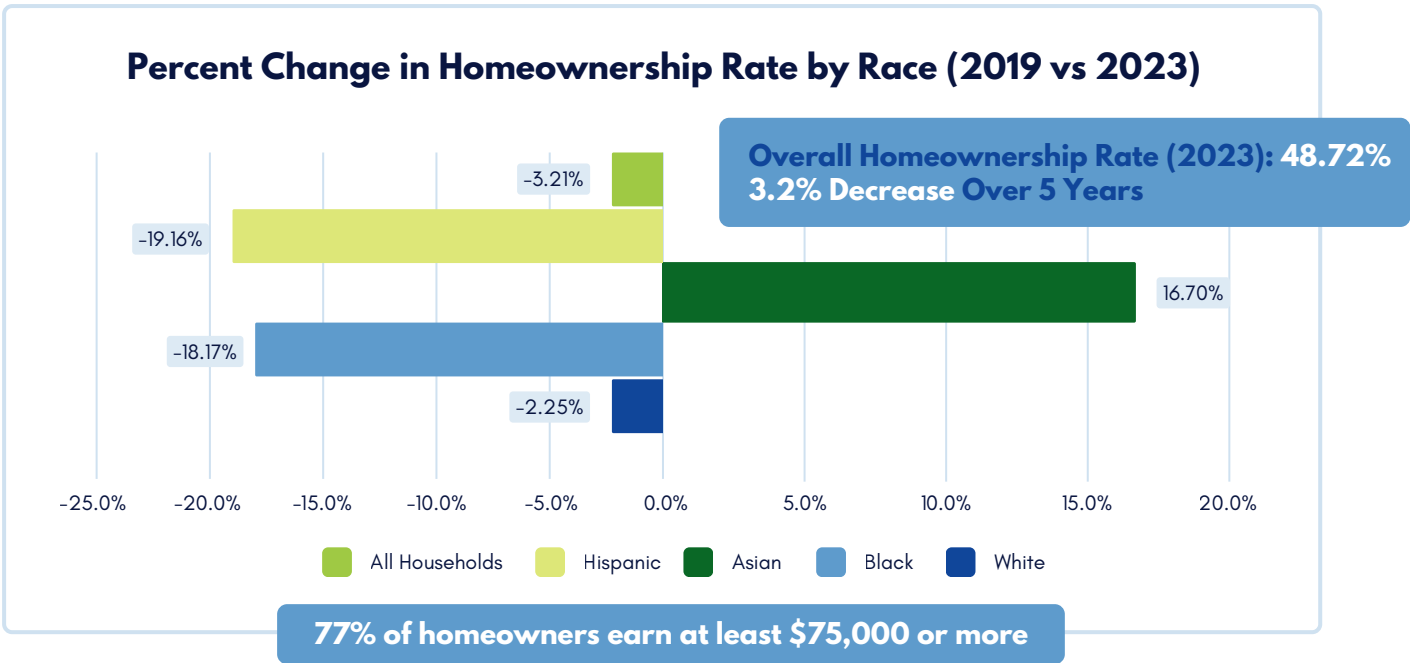
Rise in Home Values



Household incomes decreased in 2024 for the first time in several years, but many households remain cost burdened.



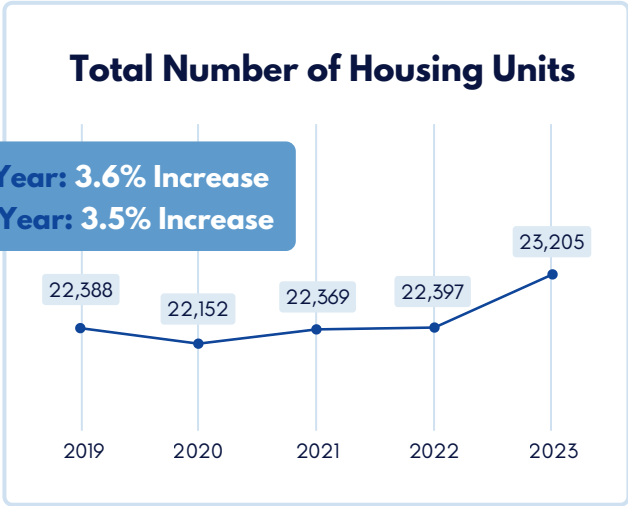
The overall homeownership rate has decreased slightly over the past 5 years. Black and Hispanic households saw a nearly 20% decrease in homeownership rates during this time.



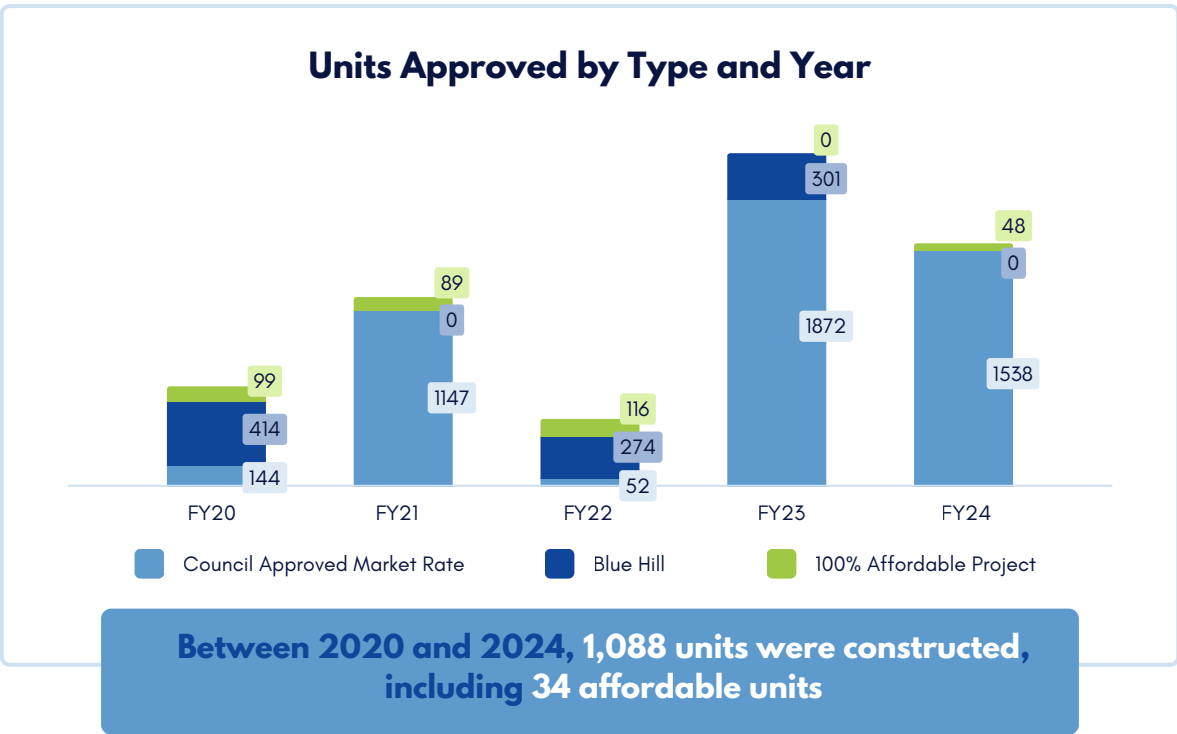
*Note: The Other category experienced a 148% increase in the homeownership rate, which is likely influenced by an increase in the percent of the population that identified as Other.

HOUSING GROWTH AND APPROVALS

After several years of negative or nominal growth, the local housing inventory saw the **largest increase in at least 10 years.**

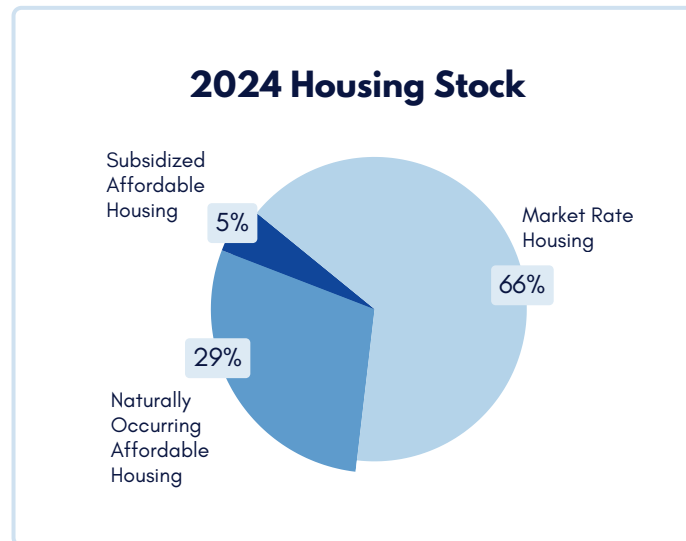


6,094 housing units were approved between 2020 and 2024, an average of about 1,200 per year. 14% of these units are affordable.

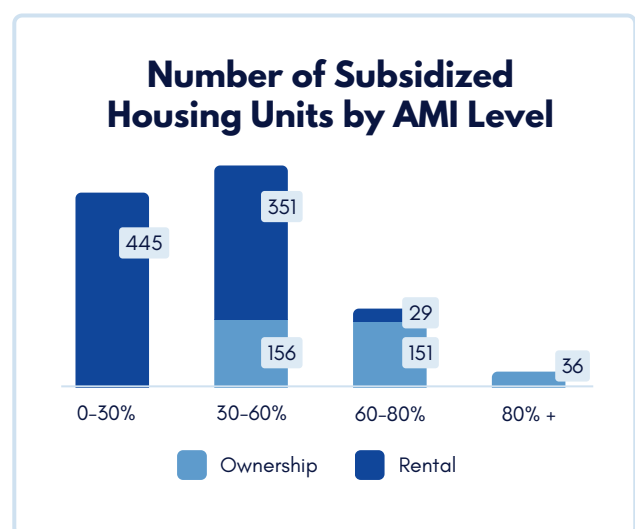
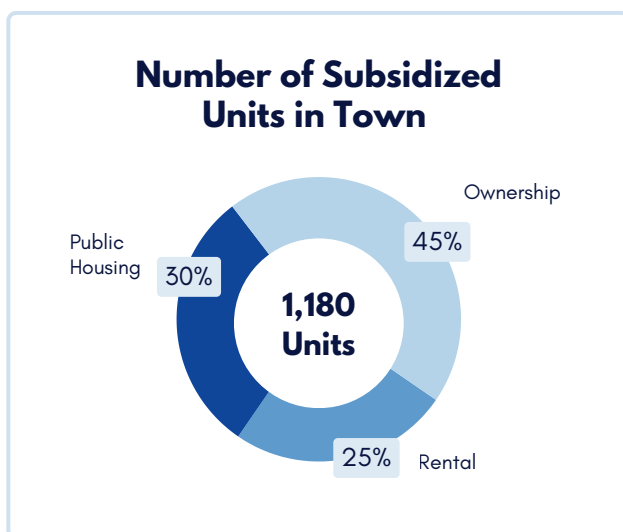


AFFORDABLE HOUSING INVENTORY

About **1/3** of the **housing stock** in Chapel Hill is affordable; most of these are **naturally affordable, or unsubsidized housing**.



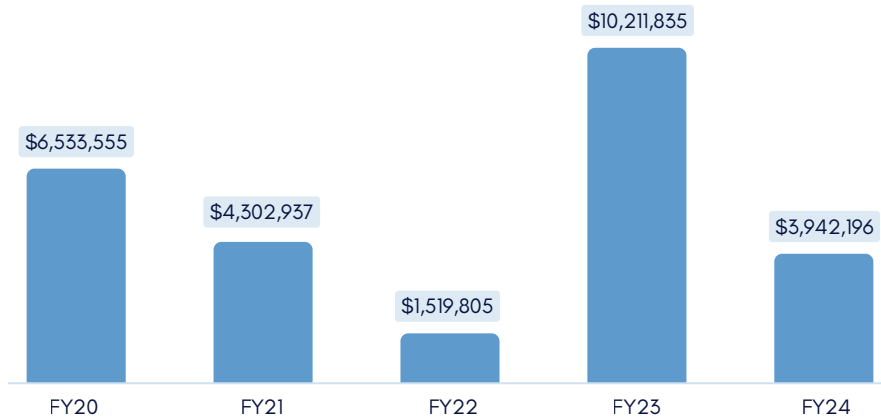
The Town currently has **1,180** subsidized units. This number has **increased by more than 6% (70 units)** over the past 5 years.



TOWN FUNDING FOR AFFORDABLE HOUSING

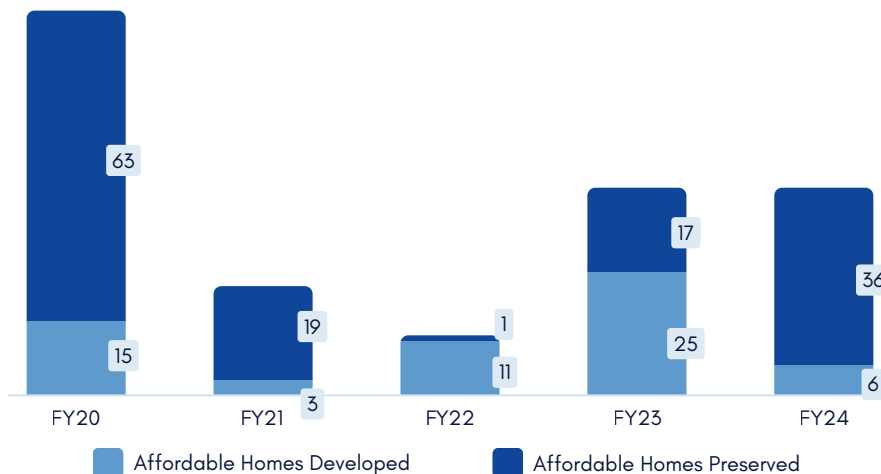
The Town has allocated **more than \$26 million** to address local affordable housing needs over the last 5 years.

Affordable Housing Funds Allocated to Projects



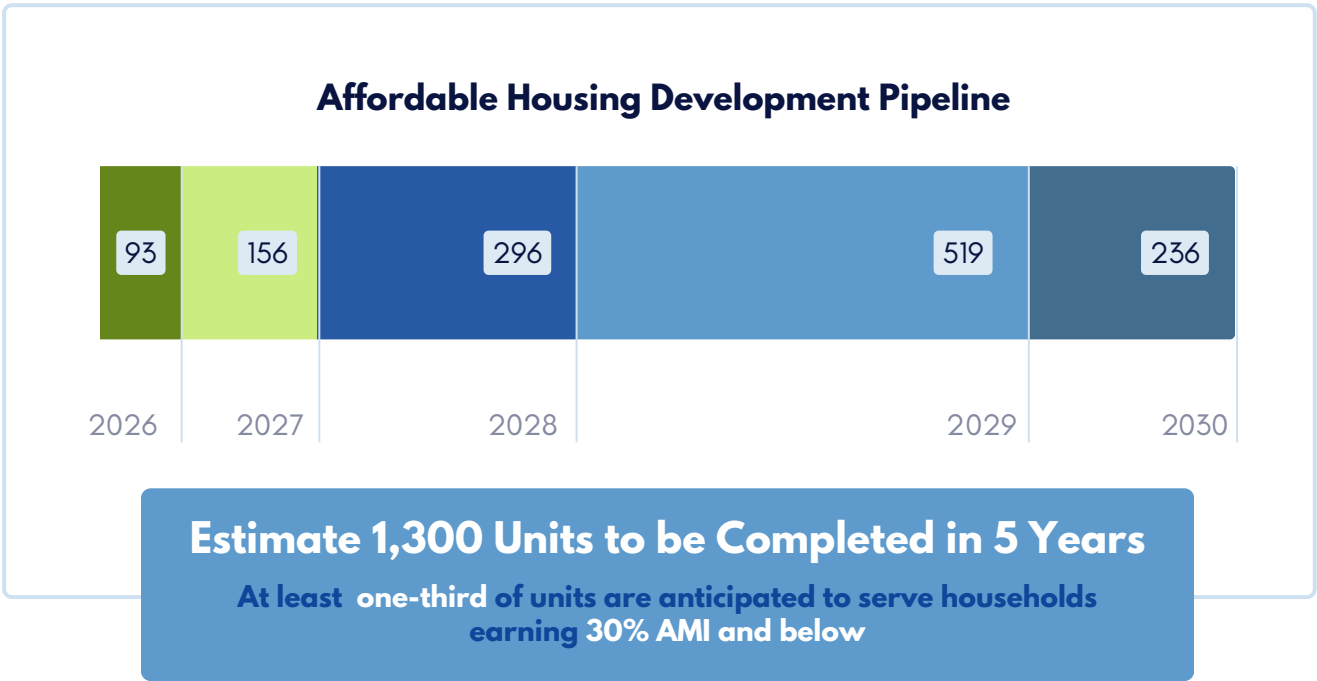
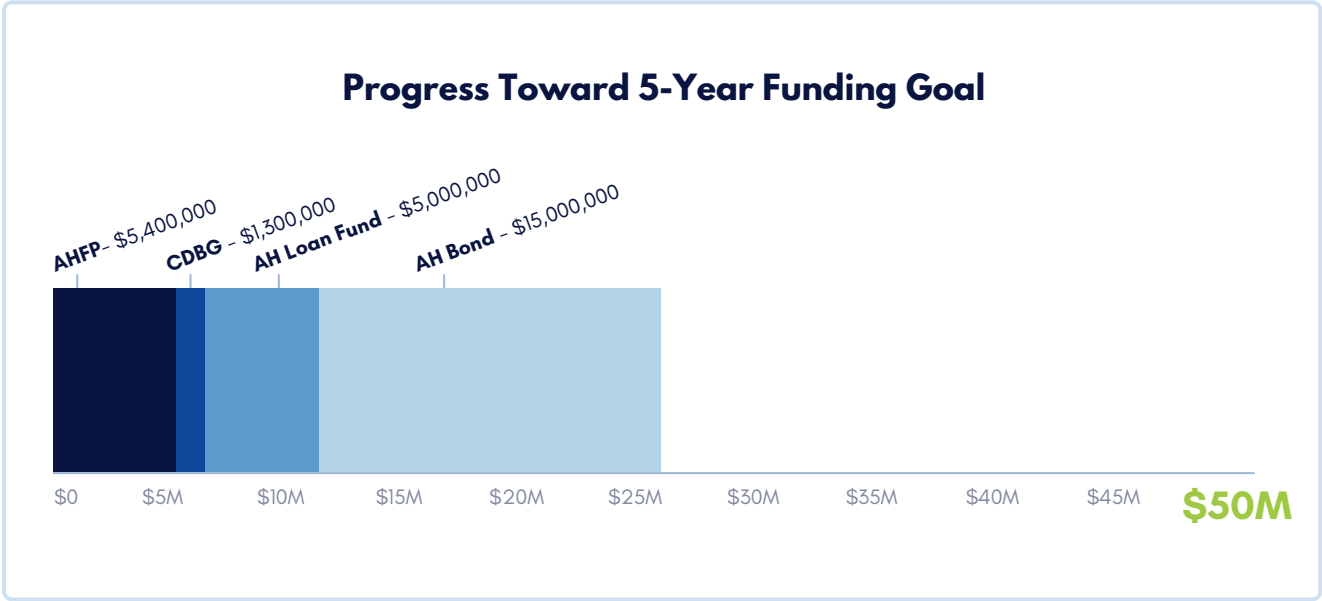
Local funding has leveraged >\$98 million over past 5 years

Number of Units Developed and Preserved with Funding from Town



***Does not include Emergency Housing Assistance or Property Tax Assistance**

While the Town has secured resources to meet half of our funding goal, **more resources are needed** to fully implement the Town’s Affordable Housing Plan to expand and preserve affordable housing.



FISCAL YEAR 2025

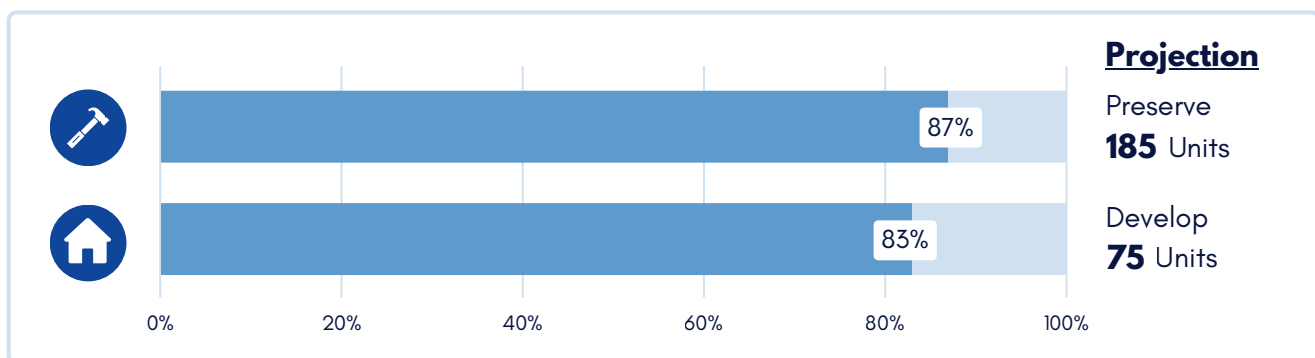
QUARTER 3 AND QUARTER 4 HIGHLIGHTS

- Town funding supported 132 low- and moderate-income homeowners pay their 2024 property taxes.
- 3 Town employees received rental assistance.
- 3 out of 4 affordable townhomes were completed in the market rate Stanat's Place community. Community Home Trust will identify buyers to purchase the permanently affordable units.
- Habitat for Humanity completed an additional 15 units at Weavers Grove, for a total of 24 townhomes that will be sold to households earning between 50% and 80% of the Area Median Income (AMI).
- Town provided downpayment subsidy through the Community Empowerment Fund to a second low-income homebuyer purchasing a Weavers Grove unit.
- Residential Services, Inc. completed the conversion of a single family home into a group home serving 6 low-income individuals with intellectual and developmental disabilities.
- Partners completed the rehabilitation of 7 homes owned by low-income homeowners – 2 by the Preservation Coalition and 5 emergency repairs through the Northside Neighborhood Initiative.
- Council approved nearly \$700,000 in Community Development Block Grant funding for the 2025-2026 program year to support community development and affordable housing programs that will support 50 units and 120 households.
- Council approved \$1.3 million from the local Affordable Housing Funding Program. This funding will support the development of 53 units and the preservation of 4 units.

Fiscal Year 2025 Progress to Date



Progress Towards Fiscal Year 2025 Projection



*Preservation projection no longer includes Emergency Housing Assistance

SPOTLIGHT ON AFFORDABLE HOUSING PROGRAMS

Transitional Housing

The [Transitional Housing Program](#) supports low-income families transition from the Town's public housing to private market housing, homeownership, or private rental housing. Since 2001, the Town has housed more than 25 tenants in 21 units of varying types scattered throughout Town. The Town oversees the maintenance and repairs of the units.

Eligible residents demonstrating consistent rent payment can live in one of the Town's units for up to five years while saving 20 percent of their rent in a savings account to be put toward future rent or downpayment at program exit. Participants work with program staff toward personal financial and housing goals.



After

Key program outcomes in Fiscal Year 2025 include:

- Hired a dedicated Program Coordinator
- Town completed renovations on two units

Employee Housing Program

Since 2020, The Town's [Employee Housing Program](#) has supported Town employees to live in the community they serve by offering home buyer assistance and rental assistance to income-eligible employees. As of June 2025, the program has supported 19 employees. One received downpayment assistance and the rest received rental assistance to move closer to Town. The assistance helped some to secure stable and quality housing.

Key program outcomes in Fiscal Year 2025 include:

- Hired a dedicated Program Coordinator
- Received and processed 28 applications, a program record.
- 4 employees received rental assistance totaling about \$20,000. 2 of these employees moved from an unstable housing situation.
- Secured additional program funding to expand the program in Fiscal Years 2026 and 2027.



PROGRAM SUCCESS STORY

Quran was homeless when he first began as a Town transit operator in February 2024. He moved away from his family of 6 in Virginia in hopes of securing a job with a livable wage to support them. Quran lived in a motel and sometimes abandoned buildings during the early weeks of his employment with Chapel Hill Transit.

After receiving his first paychecks, securing food stamps, and finding supplemental jobs, the rest of his family joined him in NC. They stayed in a 200 square foot extended stay hotel room for 10 months until he learned of the Town's employee housing program.

Once his application for rental assistance was approved, Quran was able to apply the assistance to an apartment he found near downtown Chapel Hill, minutes from his Transit job.

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, 2019–2023 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, Affordable Housing Development Reserve, Affordable Housing Bond, 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.



Prepared by Town of Chapel Hill Affordable Housing & Community Connections (AHCC) staff – August 2025.

To learn more about the Town of Chapel Hill’s affordable housing work:

www.chapelhillaffordablehousing.org