

Town of Davidson's Affordable Housing Fund

The Affordable Housing Fund holds the payment-in-lieu contributions from applicants who provide payment-in-lieu for affordable dwelling units instead of the actual units. Monies received into that fund are used for affordable housing activities which are approved by the Town Board.

Housing Fund Priorities

The following affordable housing priorities have been recommended for the fund by the Affordable Housing Steering Committee:

1. Housing Needs Assessment- Finalized by end of May.
2. Rental- Rental housing will be prioritized over homeownership projects, with the goal toward a minimum of 50% of the annual appropriations (averaged over 2 years) to rental projects through a grant or loan to a low income housing tax credit developer, or other developer of low income multifamily rental properties, or town purchase of land to be used for multifamily low income rental housing.
3. Homeownership- Homeownership will be supported by providing down payment assistance to income qualified buyers. The Town has an existing down payment program that provides assistance to households that earn between 50% and 80% of the area median income (AMI). This program is funded by federal HOME funds. Funds from the Affordable Housing Fund will be used to provide down payment assistance for households that earn between 80% and 120% the AMI adjusted for household size. The majority of our police officers and other municipal employees, for example, are in this income category. The assistance can be up to \$7000 and will be limited to six households per year (\$42,000). With the exception that the homes must be in the Town's affordable housing program, the loan will be identical to the HOME fund program. HOME funds are provided in the form of a no interest, no payment, declining balance loan that is forgiven after 5 years of ownership. The loan is secured by a deed of trust, promissory note, and recapture agreement. Income eligibility will be determined by the Davidson Housing Coalition (DHC) or other town approved housing agency.
4. Preservation of Affordable Housing- Preservation can be accomplished by renovation and rehabilitation of existing affordable housing. Affordable housing funds will be used to supplement Habitat's low income housing repair program and DHC's HAMMER program. Supplemental funding must be approved by the Affordable Housing Steering Committee. Funds are not available for individuals seeking to renovate or repair their own home.

Application Process

The Town maintains an open application process for the Affordable Housing Fund. Applications are accepted at any time throughout the fiscal year; however, loan approvals remain subject to the availability of funds and projects must demonstrate support of the Town's affordable housing goals.

1. A \$30.00 non-refundable application fee must accompany each application for down payment assistance. Applications will be approved by DHC or another town approved housing agency.
2. Applications for funds to support a multifamily rental project must be reviewed by the Affordable Housing Committee with a recommendation for final approval to the Town Board.
3. Applications from Habitat or DHC for housing rehabilitation or repair will be approved by the Affordable Housing Steering Committee.
4. Applications will be available on the Town's website.