



## **Carrboro Affordable Housing Fund: Description of Affordable Housing Construction Funding Program**

**Description** A loan program to expend funds from the affordable housing fund for the purpose of paying some or all of the expenses associated with the construction of affordable housing.

**Eligible Uses:** These funds may be used to pay labor, materials, license, permits, etc. during the construction process of residences being constructed for sale

**Requirements:** All funds so advanced must be repaid upon transfer of title to a qualified individual or individuals, and the closing of the permanent financing loan on said property.

The Board of Aldermen may elect to allow some or all of such construction loans related to site improvements or construction to be forgiven where it makes the project more feasible with one or more of the following findings:

- 1) The project serves low-income households making less than 80% of the area median income,
- 2) The grant funds would serve to reduce the high costs to the beneficiaries, and where difficult topography, other environmental constraints or public facility access such as water or sewer would raise the cost of the development and would reduce the affordability of the project for low-income households.