

# BOARD OF ALDERMEN

ITEM NO. E(2)

## AGENDA ITEM ABSTRACT

MEETING DATE: April 23, 2002

**TITLE: A Request to Adopt a Resolution Approving the 2002 Consolidated Housing Plan Annual Update and the Proposed HOME Program Activities for 2002-2003**

DEPARTMENT: Community and Economic Development	PUBLIC HEARING: NO
ATTACHMENTS: A. Resolution B. 2002-03 Annual Update Summary	FOR INFORMATION CONTACT: James R. Harris, 918-7319; or Alderman Mark Dorosin

### PURPOSE

The purpose of this item is for the Mayor and Board of Aldermen to consider adopting a resolution approving the 2002 Consolidated Housing Plan Annual Update and the proposed HOME Program Activities for 2002-2003

### BACKGROUND

In 2000, a Consolidated Plan for Housing and Community Development Programs in Orange County was developed and approved by the U.S. Department of Housing and Urban Development (HUD). This document details the housing needs of very low income, low income and moderate-income families and special population groups in addition to outlining the strategies and plans for addressing those needs. The Consolidated Plan is required for all communities receiving HOME funds (Orange County HOME Consortium) and CDBG entitlement funds (Town of Chapel Hill).

Each year, local communities are required to submit an Annual Update to the Consolidated Plan to the State HUD Office by May 15<sup>th</sup> (Attachment B). This update includes the 2002-2003 Community Development Plan for the Town of Chapel Hill and the 2002-2003 HOME Program Action Plan for the Orange County HOME Consortium. Public hearings were held by the Chapel Hill Town Council on January 23 and March 26 and by the Orange County Board of Commissioners (BOCC) on February 5, 2002 to receive citizen comments regarding the update prior to development and subsequent submission to HUD.

The HOME Program Review Committee, comprised of an elected official from each local elected board as well as the Manager or his representative from participating jurisdictions, reviewed applications for HOME Program funding and developed the proposed HOME Program Design for the 2002-2003 Program Year. Alderman Mark Dorosin served as the elected representative for the Town of Carrboro and James Harris Director of Community and Economic Development is the Manager's representative.

A total of 16 applications were received from local non-profit organizations and other local governmental units requesting approximately \$1,263,500. There is approximately \$615,117 available in HOME funds available for fiscal year 2002. The recommended program design is detailed as follows:

**New Construction**

	Requested Amount	Recommended Funding
Funds would be allocated to Habitat for Humanity, an approved Community Housing Organization (CHDO), to assist in the construction of 12 detached single-family dwellings and 6 rental units on Rusch Road in Chapel Hill.	\$150,000	\$50,000

**Property Acquisition**

Funds would be used to assist the Orange-Person-Chatham Mental Health Agency acquire, and if necessary, rehabilitate houses in Orange County for rental occupancy by County residents with disabilities.	\$200,000	\$75,000
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Funds would be allocated to Residential Services, Inc. to purchase an existing home for adults with autism.	\$75,000	\$75,000
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Funds would be allocated to Affordable Rentals, Inc. to assist in the purchase of a duplex rental unit on McMasters Street in Carrboro for lease to low income families with incomes at 50% and below of median income.	\$70,000	\$70,000
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Funds would be allocated to the Community Revitalization Loan Program to support the purchase, rehabilitation, and resale of housing to eligible first-time homebuyers.	\$100,000	\$100,000
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Funds would be allocated to the Town of Chapel Hill to assist the Town Department of Housing purchase one dwelling unit to provide transitional housing for a public housing family transitioning to permanent housing.	\$90,000	\$28,117
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**Homebuyer Assistance**

Funds would be allocated to Habitat for Humanity to provide three (3) deferred second mortgages to first-time homebuyers with incomes below 80% of median income	\$40,000	\$40,000
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Funds would be allocated to Orange Community Housing and Land Trust to provide down-payment assistance for up to 22 newly constructed homes in two planned subdivisions in Chapel Hill. Eligible families would be first-time homebuyers with incomes below 80% of median income.	\$77,000	\$ 77,000
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Funds would be allocated to EmPOWERment to provide up to 10 deferred second mortgages to first-time homebuyers with incomes below 80% of median income.	\$150,000	\$100,000
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**Program Administration**

\$48,100

**TOTAL PROGRAM FUNDS**

\$ 663,217

This year, funding is being recommended for a new non-profit organization, Affordable Rentals, Inc., a local organization that has a mission of providing “an affordable and suitable place to live for residents of Orange County, NC whose income is between 30%-50% of the area median income.” In the interest of full public disclosure, Alderman Mark Dorosin is a member of the Board of Directors of Affordable Rentals and serves as Carrboro’s elected representative on the HOME Program Review Committee. Chapel Hill Councilman Bill Strom also serves on the Board of Directors of this organization.

A public comment period as required by HUD was established for April 9 – May 10, 2002 by notice in the Chapel Hill Herald. Copies of the Annual Update were made available at the Chapel Hill and Orange County Public Libraries.

Further, in accordance with the Orange County HOME Consortium Agreement approved in June 1996, as amended, the HOME Program Design for each year must be approved by all jurisdictions prior to submission to HUD. The Program Design was approved by Chapel Hill on April 22, 2002, Hillsborough on April 8<sup>th</sup> and Orange County on April 16, 2002.

**FINANCIAL IMPACT:** The Orange County HOME Consortium is scheduled to receive approximately \$481,000 in federal housing program funding. The required total local government match is \$108,225. Carrboro’s share of the match is 14% or \$15,152. This allocation includes \$73,992.00 in program income.

### **RECOMMENDATION**

The Manager recommends that the Board adopt a resolution approving the 2002 Consolidated Housing Plan Annual Update and the proposed HOME Program Activities for 2002-2003.