

A RESOLUTION APPROVING THE
2002-2003 CONSOLIDATED HOUSING PLAN ANNUAL UPDATE AND
THE ORANGE COUNTY 2002-2003 HOME PROGRAM DESIGN
Resolution No. 136/2001-02

BE IT RESOLVED, by the Carrboro Board of Aldermen, as a member of the Orange County HOME Consortium, to approve following activities for the 2002-2003 HOME Program:

New Construction

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.	\$50,000
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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.	\$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
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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
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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
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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.	\$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
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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
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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.	\$100,000
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Program Administration

\$48,100

TOTAL PROGRAM FUNDS

\$ 663,217

BE IT FURTHER RESOLVED, that the Orange County Manager is hereby designated as the authorized representative of the County to act in connection with the submission of this plan and to provide such additional information as may be required by the U.S. Department of Housing and Urban Development.

2002-2003 Annual Update Summary

FY 2000-2005

Consolidated Plan for Housing and Community
Development Programs in Orange County, N.C.

including the.....

*Town of Carrboro
Town of Chapel Hill
Town of Hillsborough*

May 15, 2002

**Orange County Consolidated Plan for 2000-2005
Annual Update 2002-2003
Summary**

BACKGROUND

In an effort to streamline several programs, the U.S. Department of Housing and Urban Development now requires all jurisdictions that receive federal Community Development Block Grant (CDBG) funds, federal HOME Program funds, Emergency Shelter Grants (ESG) and grants for Housing Opportunities for People with AIDS (HOPWA) to submit a Consolidated Plan for Housing and Community Development Programs.

The Town of Chapel Hill receives federal Community Development Block Grant funding each year and the Orange County HOME Consortium receives HOME funding each year. Since the Town of Chapel Hill is a member of the Orange County HOME Consortium, the County is permitted to submit one plan that details the housing needs and activities of the entire County including Chapel Hill.

The Consolidated Plan not only serves as an application for each of the four programs, but also seeks to further the statutory goals of these programs through a collaborative process whereby a community establishes a unified vision of housing and community development actions to address identified housing needs.

The Orange County HOME Consortium submitted the 2000- 2005 Consolidated Plan to HUD on May 15, 2000 that was approved in July 2000. Each year, the Consortium is required to submit an annual update to the 2000- 2005 Consolidated Plan to the U.S. Department of Housing and Urban Development by May 15th each year.

Prior to beginning to developing the 2000-2005 Annual Update, public hearings were held to hear citizen comments regarding housing and community development needs and proposed activities that should be included in the Plan. A public hearing was held by the Chapel Hill Town Council on January 29, 2002 and March 27, 2002 to receive citizen comments regarding housing needs and the proposed use of \$445,000 in CDBG funds Chapel Hill will receive in the 2002-2003 fiscal year, as well as \$16,000 in program income, and \$485,000 that the Orange County HOME Consortium will receive in the 2002-2003 fiscal year. The Orange County Board of County Commissioners held a public hearing on February 5, 2002 regarding housing needs and the proposed use of \$481,000 in HOME funds the County HOME Consortium will receive in the 2002-2003 fiscal year, as well as \$73,992 in program income for a total of \$615,117.

After the public hearings, for the purposes of the HOME Program Review Committee comprised from each member of the consortium as well as the Manager or his representative reviewed applications for the HOME Program to develop the proposed HOME Program Design for the 2002-2003 Program Year. A total of 16 applications were received from local non-profit organizations and other local governmental units

requesting approximately \$1,263,500.

Town staff reviewed applications received for Community Development Block Grant (CDBG) in much the same manner. After both spending plans were developed and the draft Annual Update was completed, citizens were allowed to review the document and provide comments to local staff during the official public comment period of April 9, 2002 to May 10, 2002.

Each jurisdiction approved the Update prior to submission to HUD.

Housing Priorities

The Consolidated Plan for Orange County identified the following housing priorities for 2000-2001.

1. Provide rehabilitation assistance for very low and low-income homeowners and renters.
2. Reduce the number of owner-occupied and rental housing units without indoor plumbing.
3. Provide assistance to households at less than 80 percent of median family income to connect existing public water and sewer systems.
4. Facilitate the construction of new or substantially rehabilitated housing units that are affordable to families below 60% of the area median income.
5. Facilitate the construction of up to 50 new units of rental housing affordable to very low and low-income families.
6. Create transitional housing units for shelter residents who can live independently.
7. Assist local non-profit human service agencies to provide a continuum of housing options for special populations, including older adults, the disabled, the mentally ill, and persons with AIDS.
8. **Facilitate the purchase of new and existing housing units by first-time homebuyers with incomes 80% and below of the area median income. (NEW)**

Non-housing Community Development Priorities

1. Provide economic development opportunities to low and moderate income citizens in Chapel Hill.
2. Revitalize the business areas serving low-income neighborhoods of Chapel Hill.

3. **Provide funds to activities that support other Community Development objectives and activities, especially activities that compliment Neighborhood Revitalization activities or serve public housing residents. (NEW)**

Description of Key Projects

The 2000-2005 Consolidated Plan for Orange County and subsequent Annual Updates identified the following key projects:

- ❑ Land acquisition, rehabilitation, and public services for children in the Pine Knolls and Northside neighborhoods.
- ❑ Rehabilitation of public housing in the Lindsay Street neighborhood and refurbishing the public housing units.
- ❑ Housing rehabilitation deferred loans to low-income owner and renter households.
- ❑ Acquisition and rehabilitation of two rental units by the Orange-Person-Chatham Mental Health Agency for a severe, persistently mentally ill county resident.
- ❑ Capitalizations of a Community Revitalization Fund to support the purchase/rehabilitation of existing structures for resell to low-income families.
- ❑ Construction of a 32 unit townhouse development in the Meadowmont subdivision in Chapel Hill.
- ❑ Provide second mortgage assistance to first-time homebuyers for purchasers of housing developed and/or sponsored by local non-profit organizations.
- ❑ Public service activities that compliment Neighborhood Revitalization activities or serve public housing residents including after-school programs and summer work programs.
- ❑ Provide funding for acquisition of land for future development by area non-profit organizations.

CITIZEN PARTICIPATION

Summary of Comments and Community Development Requests

The citizen comments and requests for funding received at the January 29, and March 26, 2002 public hearings held by the Chapel Hill Town Council are summarized below. We note that all agencies that requested funding were required to submit an application.

Affordable Housing Requests

Activities eligible for Community Development funding must meet one of three National Objectives:

- Benefit low- and moderate-income persons; or
- Aid in the prevention or elimination of slums and blight; or
- Treat urgent needs posing an immediate threat to public health and welfare.

Examples of eligible activities include acquisition and /or renovation of property, second mortgage assistance, and site development.

The following agencies submitted applications for affordable housing activities.

1. Chapel Hill Department of Housing

The Chapel Hill Department of Housing requested \$198,000 of Community Development Program funds for the following purposes: \$115,000 to renovate twenty-two apartments in the Airport Gardens public housing community; and \$83,000 to continue the Five Year Refurbishing Program to refurbish about fifty apartments.

Comment: We propose to budget \$115,000 for renovation of Airport Gardens and \$55,000 for refurbishing apartments. We recommend a reduction in the refurbishing budget because approximately \$25,000 remains in the refurbishing budget for the current year. The Town's public housing is an important source of affordable rental housing and the Town's investment in this property should be maintained. The renovation of public housing units is an eligible Community Development activity. Based on past levels of spending activity, we believe \$55,000 in new funds plus continued access to current funds will be sufficient for this activity in the 2002-2003 year.

2. Habitat for Humanity of Orange County

Habitat for Humanity requested \$100,000 of Community Development funds for development of up to twelve single-family homes and six rental units in three duplexes on land it owns on Rusch Road. The homes would be available to very low-income households earning 50% or less of median income.

At the March 26 public hearing, a representative of Habitat requested the Town's support for development of the Rusch Road subdivision.

Comment: The acquisition of property is an eligible Community Development program activity, and this project would meet the objectives of the Consolidated Plan to provide homeownership opportunities for low-income households. In 2001-2002 the Council budgeted \$50,000 of Community Development funds and \$50,000 from the Housing Loan Trust Fund for this project.

We propose to budget \$17,000 of Community Development funds to acquire the additional property. Because of the schedule of the development approval process, we do not expect that Habitat will be able to begin construction until April 2003 and therefore would not spend all of the requested funding in the 2002-2003 program year. We recommend that the Council consider reserving \$83,000 of 2003-2004 Community Development funds for this activity for the balance of the requested funds. Because of the new federal guidelines involving possible sanctions of our grant if funds are not spent, we do not recommend budgeting all the requested funds in one year.

3. Residential Services

Residential Services requested \$75,000 to purchase a home in an existing neighborhood in Chapel Hill would be available to four adults with autism, each earning below 30% of area median income. Each resident would have his or her own room and would share the kitchen, dining, and living areas with other residents. The agency has also requested \$75,000 of HOME Program funds for this project.

Comment: If the home is located in one of the community development focus areas of Pine Knolls or Northside neighborhoods, we could consider either partially or fully funding the project with Community Development funds set aside for Neighborhood Revitalization. However, we suggest that priority for use of these funds be for neighborhood improvements in the Sykes Street strategy area. We note that the HOME Program Review Committee recommends budgeting \$75,000 of 2002-2003 HOME Program funds for this activity.

4. First Baptist and Manley Estates

First Baptist and Manley Estates requested \$36,960 for the following purposes: \$33,000 to construct an additional 20 parking spaces to serve residents' needs; and \$3,960 for an adult computer/learning lab.

Comment: We have reviewed the Community Development regulations and conferred with our HUD representative and determined that purchasing computer equipment for a computer lab is not an eligible use of Community Development program funds. We informed the Managing Agent of the facility that Community Development funds could be used purchase computer equipment if a specific program were developed to support these

activities. If the organization were to develop a program, we could consider funding this portion of the request in the future. We also do not recommend funding for the twenty parking spaces because of the overall emphasis on affordable housing objectives contained in the Consolidated Plan.

We note that First Baptist also submitted an application for HOME Program funds for the parking lot expansion. Orange County staff has determined that this activity would not be eligible for HOME Program funding.

5. Carrboro/Chapel Hill Cooperative Housing Association (with EmPOWERment, Inc.)

The Carrboro/Chapel Hill Cooperative Housing Association requested \$100,000 to create an Affordable Senior Housing Cooperative. The project would contain six units for senior citizens earning less than 60% of the area median income. The organization has also requested \$100,000 of HOME Program funds for this project.

Comment: If the agency is able to identify a house in one of the community development focus areas of Pine Knolls or Northside neighborhoods, the project may be eligible for Neighborhood Revitalization funds. However, we recommend that priority for use of these funds over the next year be for neighborhood/housing improvements in the Sykes Street strategy area.

6. Sewer Connection Assistance to Rogers Road Residents

A resident of the Rogers Road neighborhood requested assistance from the Town to help Rogers Road residents connect to the public sewer system.

Comment: Community Development funds could be used to provide assistance to help lower income households connect to the public sewer system. We understand that connection could be possible through the construction of the infrastructure for Habitat for Humanity's proposed project on Rusch Road. Because the infrastructure will not be completed during the 2002-2003 fiscal year, we recommend that the residents of the Rogers Road request sewer connection assistance from the Council during the 2003-2004 budget process.

7. Community / Public Service Requests

The use of funds for public service activities is eligible under federal Community Development regulations. Examples of public service activities includes programs concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, homebuyer down payment assistance or recreational needs. The amount of Community Development funds used for public services cannot exceed 15% of the Town's Community Development grant (\$66,150 in 2002-2003).

In addition to meeting one of the National Objectives listed above, community or public service activities must provide:

- (1) a new service; or
- (2) a quantifiable increase in the level of an existing service than what was provided over the last fiscal year.

In the past, the Council has funded public service projects that support other Community Development objectives and activities, especially public housing and Neighborhood Revitalization. Some emphasis has also been placed on job training for low-income residents. We evaluated the following applications in terms of previous performance and their relationship to other Community Development objectives. In general, we are recommending that some funding be set aside for community services, but that the Council emphasizes housing objectives as contained in the Consolidated Plan.

The following agencies submitted applications for Community / Public Service activities:

1. Chapel Hill – Carrboro YMCA

The Chapel Hill – Carrboro YMCA requested \$13,860 of Community Development funds to continue operation of After School Programs for children living in the Pine Knolls neighborhood and South Estes Drive public housing community.

Comment: We propose to budget \$13,500 to the YMCA to continue its after school program for youths living in the Pine Knolls neighborhood and South Estes Drive public housing community.

Since 1994, the Town has provided Community Development funds to the YMCA for its After School Program at the Pine Knolls Community Center. In 1999, the YMCA established a similar program at the South Estes Drive Community Center. This year, approximately three children from Pine Knolls and fourteen children from South Estes were served by these programs. In February, the YMCA moved the program from the South Estes Drive Community Center to the YMCA facility so the children could receive a more enriching after school experience.

2. Orange County Literacy Council

The Orange County Literacy Council requested \$11,500 to continue funding a Program Coordinator position for its Computer-based literacy program. The Program provides computer-based literacy and GED classes to public housing residents and low-income Chapel Hill residents.

At the March 26 public hearing Executive Director Lucy Lewis stated that she supported

the staff recommendation for use of Community Development funds.

Comment: We believe that the Literacy Council operates a needed service for public housing and other lower-income Chapel Hill residents in an effective manner. We recommend that the Council allocate \$11,500 to the Literacy Council.

The Town Council previously appropriated \$15,000 of 1999–2000 Community Development funds to the Literacy Council to establish the computer literacy lab program, and \$9,000 of 2001-2002 funds to expand the program. The Literacy Council has provided computer literacy tutoring at South Estes, Trinity Court/Pritchard Park, and the Hargraves Community Center using equipment purchased with Community Development funds. The agency has also provided one-on-one tutoring for lower income Chapel Hill residents at various sites. During the 21 months of the initial grant, the Literacy Council served 65 lower income Chapel Hill residents. The Literacy Council has continued to outreach to public housing residents and other low-income citizens to try to recruit program participants.

3. Chapel Hill Police Department

The Chapel Hill Police Department requested \$5,160 to help fund a Summer Youth Work Program. The Police Department proposes to recruit approximately ten, 14-17 year old youths who reside in Pine Knolls, Northside, or public housing neighborhoods. The youths would work twenty hours per week in various Town departments including Police, Housing, Public Works, Parks and Recreation, the Fire Department, the Town Clerk, and the Library. The funds would pay the youths' salaries at a pay rate of \$6.00/hour.

Comment: We recommend that the Council provide \$5,500 of Community Development funds for this program. We believe it would provide an enriching work experience for youth from the areas targeted for neighborhood revitalization. The Police Department has successfully operated this program since 1995.

4. EmPOWERment, Inc.

EmPOWERment has requested \$7,000 to provide a Transitional Housing Financial Education program to public housing residents who wish to move out of public housing into the housing market. Harvey Reid of H.R. Consulting, who would provide classes and one-on-one counseling to participants in the Town's Transitional Housing Program, would implement the program.

At the March 26 public hearing, Harvey Reid stated that EmPOWERment was seeking funds to provide financial literacy counseling to public housing residents.

Comment: Though provision of financial education for public housing residents would be an eligible Community Development activity, we do not recommend funding this program at this time. A similar service is currently being provided by the Town's ACHIEVE program

operated by the Housing Department. We have met with Mr. Reid and suggested that he discuss with the Housing Department the financial counseling program that is currently sponsored by the Town to determine if his program could be incorporated into the existing ACHIEVE program. If during the year we determine that there is a strong need for additional financial management services for public housing residents, EmPOWERment could request Neighborhood Revitalization funding for this activity.

5. Youth Creating Change Serteen Club

In March 2001, the Youth Creating Change Serteen Club requested Community Development funds from the Town to open a youth arcade in the Northside neighborhood. At that time, we recommended that if the group's business plan were more fully developed and other resources and funding were committed, the Council could consider using up to \$9,000 of Community Development program income or reallocate residual Community Development funds to match the funds raised. The group has since modified its original proposal and has instead opened a retail shop on North Graham Street.

We have met with Youth Creating Change representative Maxecine Mitchell and informed her that for this new proposal, Community Development funds could be provided if the group developed a job training program for youths.

At the March 26, 2002 public hearing, Maxecine Mitchell requested funds for Youth Creating Change in the current fiscal year.

Comment: On tonight's agenda is a recommendation to adopt a process for amending the 2001-2002 Community Development program to budget \$9,000 of Community Development program income to fund a job training component of this request.

**Summary of Comments and Applications
for 2002-2003 HOME Program Funding**

The following comments were received at public hearings held by the Council on January 29 and March 26 and the County Commissioners on February 5, 2002:

- 1) Susan Levy, Executive Director of Habitat for Humanity requested \$200,000 of HOME funds to partially fund construction of infrastructure for a subdivision it plans to build on Rusch Road in Chapel Hill. At the March 26 public hearing, Glenn Greenstreet requested funding for Habitat to support development on Rogers Road.
- 2) At the Council and the County Commissioners public hearings, Robert Dowling, Executive Director of Orange Community Housing and Land Trust, requested \$77,000 of HOME Program funds for down payment assistance for twenty-two first time homebuyers in the Larkspur and Vineyard Square (formerly The Homestead). Households would earn less than 80% of the median and the homes would be placed in the Land Trust.
- 3) At the Council's public hearings, Nancy Milio, representing Affordable Rentals, Inc., requested that the Council focus HOME Program funds on affordable rental housing.
- 4) Chris Moran, Executive Director of the Inter Faith Council, requested that the HOME funds be targeted for those earning less than 30% of the area median income and to serve the needs of the homeless population. He also suggested using funds for rental assistance and that more Section 8 vouchers should be made available.
- 5) Karen Dunn, representing Orange Person Chatham Mental Health Association, requested funds to renovate apartments and build single room occupancy units for its clients.

The following agencies submitted applications for 2002-2003 HOME Program funding.

- 1) Affordable Rentals, Inc.

Affordable Rentals, Inc. requests \$70,000 to purchase a property on McMasters Street currently owned by EmPOWERment. The property would be made available as permanently affordable rental housing for households earning between 30% and 50% of the area median income.

Comment: The HOME Program Review Committee proposes to allocate \$70,000 for this project.

2) Affordable Rentals, Inc.

Affordable Rentals, Inc. also requests \$70,000 to purchase and rehabilitate seven condominium units in Abbey Court in Carrboro. Units would be rented to households earning between 30% and 50% of the area median income.

Comment: The HOME Program Review Committee does not propose funding for this activity at this time. Because this is a new organization, we recommend funding one project with the group at this time and evaluating its progress before allocating additional funds to this agency.

3) Chapel Hill Department of Housing

The Chapel Hill Department of Housing requests \$90,000 of HOME Program funds to develop a transitional rental housing program for public housing residents. The program would be a stepping-stone for families between public housing and the private housing market. Funds would be used to purchase a house in Chapel Hill.

Comment: The Review Committee recommends allocating \$28,117 to the Chapel Hill Housing Department. Funds could be used in conjunction with \$75,000 of 1997 Orange County Affordable Housing Bond funds allocated to the Town to acquire a house for the Transitional Housing Program.

4) EmPOWERment, Inc.

EmPOWERment requests \$150,000 to provide subordinate mortgages on properties in Orange County. EmPOWERment requests that the program have flexibility with respect to lien position (i.e. it should be allowable for the funds to be used as third or lower position mortgages). EmPOWERment intends to assist ten to fifteen first time homebuyers with this fund.

Comment: The Committee recommends allocating \$100,000 to EmPOWERment for this activity.

5) EmPOWERment, Inc.

EmPOWERment also requests \$100,000 for community revitalization funds to assist EmPOWERment with acquisition and rehabilitation of existing properties in Orange County.

Properties would be resold to households earning less than 80% of the area median income, and the funds would be converted into deferred second mortgages to the buyers.

Comment: The Committee recommends allocating \$100,000 for this activity. Funds could be used by a qualified 501(c) (3) non-profit organization.

6) EmPOWERment, Inc. on behalf of the Carrboro/ Chapel Hill Cooperative Housing Association

EmPOWERment and the Cooperative Housing Association request \$100,000 of HOME Program funds to acquire and rehabilitate a house in Carrboro or Chapel Hill to develop an affordable housing co-op for very low-income senior citizens.

Comment: The Committee does not recommend funding for this project. The Committee members supported the model of cooperative housing, it does not appear that there is a strong organizational structure in place to manage this project.

7) Habitat for Humanity

Habitat for Humanity requests \$150,000 of HOME Program funds to partially fund the construction of infrastructure for its Rusch Road subdivision in Chapel Hill. Habitat intends to construct twelve detached single family homes and three duplex rental units on the site.

Comment: The Committee recommends allocating \$50,000 for this project.

8) Habitat for Humanity

Habitat also requests a \$40,000 of HOME Program funds to provide deferred second mortgage assistance for three Habitat homebuyers earning less than 50% of the area median income. Two of the homes would be located in Carrboro and one would be located in Efland.

Comment: The Committee recommends allocating \$40,000 for this activity.

9) Orange Community Housing and Land Trust

The Land Trust requests \$77,000 to provide down payment assistance to twenty two households that will purchase homes in the Larkspur and Vineyard Square (formerly The Homestead) developments in Chapel Hill. Homes would be sold to first-time homebuyers earning less than 80% of the area median income. All homes would be placed in the land trust.

Comment: The Committee recommends budgeting \$77,000 for this project.

10) Orange Person Chatham Mental Health Association

Orange Person Chatham Mental Health Association requests \$200,000 to acquire and, if necessary, renovate four to six properties in Orange County to be rented to its clients with severe disabilities earning below 30% of the area median income.

Comment: The Committee recommends allocating \$75,000 for this project.

11) Residential Services, Inc.

Residential Services, Inc requests \$75,000 of HOME Program funds to purchase a house in Orange County to provide affordable housing to four adults with autism. Residential Services estimates that the project will benefit individuals earning less than 30% of the area median income.

Comment: The Committee recommends allocating \$75,000 for this project.

The following applications were also submitted for funding but have been determined to be ineligible for funding under the HOME Program Guidelines:

- 1) First Baptist Church and Manley Estates requested \$33,000 of HOME Program funds to expand its existing parking lot to accommodate twenty additional parking spaces.
- 2) EmPOWERment Inc., on behalf of the Carrboro/ Chapel Hill Cooperative Housing Association requested \$58,500 to refinance an existing loan it currently has on property it owns on Hillsborough Road in Carrboro.
- 3) EmPOWERment requested \$15,000 for capacity building that would provide funds for staff development and training for agencies that receive HOME Program funding.
- 4) EmPOWERment requested \$15,000 for a housing counseling program.
- 5) Affordable Rentals requested \$45,000 for operational expenses.

B. Available Resources

The following federal resources are expected to be available during the coming Fiscal Year to address the priority needs and specific objectives identified in the strategic plan.

Federal Programs		
CDBG funds	\$445,000	<i>Town of Chapel Hill</i>
HOME funds	\$481,000	<i>Orange County HOME Consortium</i>
Local Resources (Local General Fund)		
Town of Chapel Hill Housing Loan Trust Fund	\$65,000	Meadowmont, et. al
Town of Chapel Hill	\$16,000 \$44,372	<i>CDBG Program Income HOME Program Match</i>
Town of Carrboro	\$12,987	<i>HOME Program Match</i>
Town of Hillsborough	\$ 5,411	<i>HOME Program Match</i>
Orange County	\$45,455 \$73,992	<i>HOME Program Match HOME Program Income</i>
TOTAL RESOURCES	\$1,189,217	

C. Planned Activities

**TOWN OF CHAPEL HILL
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
JULY 1, 2002 THROUGH JUNE 30, 2003**

The U.S. Department of Housing and Urban Development has informed us that the Town of Chapel Hill will receive \$445,000 of Community Development funds in fiscal year 2001-2202. In addition, the budget includes \$12,000 of program income received during the 2001-2002 program year and \$4,000 of program income that we anticipate receiving during the 2002-2003 program year. Therefore, we propose activities for a total of \$461,000.

Priority: Provide rehabilitation assistance for very low- and low-income homeowners and rental housing serving very low and low income tenants.

We propose to budget \$115,000 of Community Development funds for the rehabilitation of twenty-six units at the Airport Gardens public housing community. Community Development funds would be used for architectural work related to the renovation and a portion of the Assistant Housing Director's salary for oversight of the public housing renovation projects. Housing Capital Grant funds would be used for renovation expenses for the community. Proposed renovation work would include the abatement of lead-based paint and asbestos, replacement of windows and screens, replacement of interior and exterior doors, replacement of furnaces, replacement of floor tiles, replacement of bathtub liners and surrounds, bathroom fixtures, plumbing and electrical upgrades, and interior and exterior painting.

We propose to appropriate \$55,000 of Community Development funds to continue the public housing refurbishing program. This program includes minor repairs of public housing units.

We would also use \$3,000 for a portion of the Community Development Coordinator's salary for oversight of this program.

This activity is located in an existing public housing community which is in an area of both low/moderate and minority concentration. This is a continuation of the Town's efforts to renovate existing public housing communities.

<i>Anticipated Beneficiaries:</i>	<i>50 households earning less than 80% of the median income</i>
<i>Accomplishments:</i>	<i>50 renovated public housing apartments</i>
<i>Anticipated Completion Date:</i>	<i>September 30, 2003</i>

\$173,000

Priority: Facilitate the construction of new or substantially rehabilitated housing units that are affordable to families earning less than 80 of the median family income.

We propose to budget \$148,500 of Community Development funds to continue neighborhood revitalization activities. We recommend that we concentrate use of funds in the in the Northside, Pine Knolls, and public housing neighborhoods. Funds could be used for second mortgage assistance, property acquisition or renovation, code enforcement, demolition, public improvements, or community service activities. Activities must serve households earning less than 70% of the HUD published area median income.

We recommend an increase in these funds this year to underscore the recent emphasis on improvements in the Sykes Street area of the Northside neighborhood. We propose to continue our efforts in this area by undertaking an interdepartmental effort with the Police Department, Planning, Inspections, and Public Works to improve the neighborhood environment. Specific activities in the Sykes Street area would include acquisition and rehabilitation of housing for homeownership, code enforcement, and where necessary, demolition of unsafe homes. We will continue to examine the feasibility of locating sidewalks in the area, and continue to evaluate the objectives of a possible realignment of the Sykes/Nunn/Whitaker Street intersection.

We propose to use \$40,000 for the cost of the Community Development Coordinator and Program Monitor's time for administration of this activity.

<i>Anticipated Beneficiaries:</i>	<i>5 households earning less than 70% of the area median income</i>	
<i>Accomplishments:</i>	<i>Acquisition of 5 properties</i>	
<i>Anticipated Completion Date:</i>	<i>June 30, 2003</i>	
		\$188,500

We propose to budget \$17,000 to Habitat for Humanity to acquire property adjacent to property Habitat currently owns on Rusch Road located off of Rogers Road. Habitat intends to develop sixteen houses on the land for households earning less than 50% of the area median income. Acquisition of the additional property would allow Habitat to develop a larger subdivision.

We propose to use \$5,000 for the cost of the Community Development Coordinator and the Program Monitor's time for administration of this activity.

<i>Anticipated Beneficiaries:</i>	<i>12 households earning less than 50% of the area median income</i>	
<i>Accomplishments:</i>	<i>12 single family homes</i>	
<i>Anticipated Completion Date:</i>	<i>December 2003</i>	
		\$22,000

Priority: Provide funds to activities that support other Community Development objectives and activities, especially activities that compliment Neighborhood Revitalization activities or serve public housing residents.

We propose to budget \$13,500 to the Chapel Hill–Carrboro YMCA to continue operation of after school programs for children living in the Pine Knolls neighborhood and the South Estes Drive public housing community.

Anticipated Beneficiaries: 20 children of households earning less than 80% of the area median income

Accomplishments: Free childcare for 20 children

Anticipated Completion Date: June 30, 2003

\$13,500

We also propose to budget \$11,500 to the Orange County Literacy Council to continue to operate computer-based literacy programs to public housing residents and other lower income Chapel Hill residents.

Anticipated Beneficiaries: 30 individuals earning less than 80% of the area median income

Accomplishments: Provision of literacy related services

Anticipated Completion Date: June 30, 2002

\$11,500

We propose to budget \$5,500 to the Chapel Hill Police Department to sponsor a summer work program for youths living in the Pine Knolls, Northside and public housing communities. The youths would work approximately twenty hours per week in various Town Departments including Police, Housing, Public Works, Parks and Recreation, Fire, Town Clerk and the Library.

Anticipated Beneficiaries: 10 youths earning less than 80% of the area median income

Accomplishments: 10 youths will receive job training skills

Anticipated Completion Date: June 30, 2002

\$5,500

We propose to use \$13,000 for the cost of the Community Development Coordinator and the Program Monitor's time for administration of the three public service activities listed above.

\$13,000

Program Administration

\$34,000

TOTAL \$461,000

**TOWN OF CHAPEL HILL
CAPITAL FUND GRANT PROGRAM
JULY 1, 2002 through JUNE 30, 2003**

1. Renovations at Airport Gardens \$413,000

We propose to renovate approximately 13 of the 26 apartments at the Airport Gardens neighborhood. Proposed renovation work would include the replacement of windows and screens, replacement of interior and exterior doors, replacement of furnaces, air conditioning, replacement of ranges and refrigerators, replacement of floor tiles, replacement of bathtub liners and surrounds, bathroom fixtures, plumbing and electrical upgrades, interior and exterior painting, replacement of drainage system and landscaping.

The remaining 13 Airport Garden apartments would be renovated as additional funding becomes available.

2. Management Improvements \$ 61,500

We propose to reserve \$61,500 for Management Improvements. Managements Improvements includes programs and activities that will be provided for residents of public housing.

A portion of these funds will be used to support the activities of the Residents' Council. The proposed use of funds would include, but not be limited to, support of activities provided for public housing residents. We would work with the Residents' Council to determine the funding level and specific activities to incorporate into a performance agreement. (Please see Attachment 3).

We also propose to reserve funds for the ACHIEVE! Family Self-Sufficiency Program and drug use prevention activities.

3. Other Cost \$137,000

This activity includes the cost of professional services to design and write specifications for the renovation work, and the cost of day-to-day monitoring of the renovation work, the preparation of work records, and interviewing of workers as required by HUD. It also includes the cost of general administration of the Capital Fund Program, maintenance training and the relocation of residents affected by the renovations.

TOTAL FUNDING AVAILABLE \$611,500

HOME INVESTMENT PARTNERSHIP PROGRAM
July 1, 2003 through June 30, 2003

Priority: **Facilitate the construction of new or substantially rehabilitated housing units that are affordable to families below 60% of the area median.**

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 six (6) rental units on Rusch Road in Chapel Hill.

Anticipated Beneficiaries: *Twelve (12) families earning less than 50% median income*
Accomplishments: *12 single-family homes*
Anticipated Completion Date: *December 31, 2004*

\$50,000

Funds would be allocated to Residential Services, Inc. to purchase an existing home for use by adults with autism.

Anticipated Beneficiaries: *4 individuals earning less than 50% median income*
Accomplishments: *1 housing unit*
Anticipated Completion Date: *December 31, 2003*

\$75,000

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.

Anticipated Beneficiaries: *Two (1) families earning less than 50% median income*
Accomplishments: *One (1) duplex housing unit*
Anticipated Completion Date: *December 31, 2003*

\$70,000

Funds would be allocated to the Community Revitalization Loan Program to support the purchase, rehabilitation, and resale of housing to eligible first-time homebuyers.

Anticipated Beneficiaries: *Five families earning less than 80% median income*
Accomplishments: *Five (5) housing units*
Anticipated Completion Date: *December 31, 2003*

\$50,000

Funds would be allocated to the Town of Chapel Hill to purchase one dwelling unit to provide transitional housing for a public housing family transitioning to permanent housing.

Anticipated Beneficiaries: One (1) families earning less than 50% median income
Accomplishments: One (1) housing unit
Anticipated Completion Date: December 31, 2003

\$90,000

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.

Anticipated Beneficiaries: Three (3) families earning less than 50% median income
Accomplishments: Three (3) housing units
Anticipated Completion Date: December 31, 2002

\$40,000

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.

Anticipated Beneficiaries: 22 families earning less than 80% median income
Accomplishments: 22 housing units
Anticipated Completion Date: December 31, 2003

\$77,000

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.

Anticipated Beneficiaries: 10 families earning less than 80% median income
Accomplishments: 10 housing units
Anticipated Completion Date: December 31, 2003

\$100,000

Priority: To assist local nonprofit human service agencies to provide a continuum of housing options for special populations including older adults, disabled, mentally ill, and persons with AIDS.