

## ATTACHMENT A

The U.S. Department of Housing and Urban Development has awarded the Orange County HOME Consortium \$ for fiscal year 2005-2006. In addition, the participating municipalities are required to contribute a 25% match of the grant funds after subtracting administration costs of \$. The total match requirement is \$. The Town's contribution to the matching funds is \$. Orange County, Chapel Hill and Hillsborough will contribute \$66,515, \$68,177 and \$8,314 respectively. Therefore, including program administration (allocated to the Orange County Department of Housing and Community Development), the Consortium has planned activities, including administration, for a total of \$905,336.

### **SUMMARY OF PROPOSED USES OF HOME AND AMERICAN DREAM DOWNPAYMENT INITIATIVE FUNDS**

#### **HOME Program**

The HOME Program Review Committee proposes the following use of 2004-2005 HOME Program funds:

Rental Assistance	HOME Consortium	\$236,431
Property Acquisition	Town of Chapel Hill	
	Transitional Housing Program	\$125,000
	Habitat for Humanity (Winmore)	\$125,000
Second Mortgage Assistance	EmPOWERment, Inc.	\$100,000
	Habitat for Humanity	\$ 80,000
Down Payment Assistance	Orange Community Housing and Land Trust (Pacifica and Winmore)	\$140,000
Infrastructure Development	Habitat for Humanity	\$ 25,000
Administration	Orange County Housing	\$ 73,905
TOTAL	\$905,336	

As in previous years, we propose to use funds from the general fund for the Town's matching contribution of \$23,280.

#### **American Dream Down Payment Initiative Program**

The Committee proposes to use \$54,145 to establish a County-wide second mortgage program.

## **The HOME PROGRAM**

In 1990, Congress enacted the HOME Investment Partnerships Act, better known as the HOME Program, in an effort to provide a new approach to housing assistance at the federal level. This federal housing block grant would afford state and local governments the flexibility to find a wide range of housing activities through creative and unique housing partnerships among states and localities, private industry, and nonprofit organizations.

In order to receive future HOME Program funds, each housing activity must fall in line with the following goals of the HOME Program:

1. To expand the supply of decent, safe, sanitary and affordable housing, with emphasis on rental housing, for very low- and low-income citizens;
2. To strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing; and
3. To encourage public, private and nonprofit partnerships in addressing housing needs.

Eligible activities for HOME Program funding include (from the Federal Regulations):

- Acquisition of property (including assistance to homebuyers)
- New construction
- Reconstruction
- Conversions
- Moderate rehabilitation of non-luxury housing with suitable amenities
- tenant-based rental assistance
- Relocation of displaced persons, families, businesses, or organizations
- Site improvements, acquisition of vacant land and demolition (under special conditions)
- Project soft costs
- operating expenses for community housing development organizations

A RESOLUTION APPROVING  
THE ORANGE COUNTY 2005-2006 HOME PROGRAM DESIGN  
Resolution No. 144/2004-05

BE IT RESOLVED, by the Town of Carrboro Board of Aldermen as a member of the Orange County HOME Consortium approve following activities for the 2005-2006 HOME Program.

**Property Acquisition**

Funds would be allocated to the Town of Hillsborough to acquire and renovate a dwelling unit in the Fairview community to resale to a first-time homebuyer earning less than 80% of area median income.

*(Requested amount: \$100,000)* \$100,000

Funds would be allocated to the Chrysalis Foundation to acquire property for a permanent supportive housing project that would provide housing for chronically homeless individuals and families.

*(Requested amount: \$200,000)* \$100,000

Funds would be allocated to Orange Community Housing and Land Trust to acquire, demolish, or renovate (if necessary and appropriate) housing in the Northside neighborhood in Chapel Hill.

*(Requested amount: \$100,000)* \$100,000

**Homeowner Assistance**

Funds would be allocated to Habitat for Humanity to provide four (4) deferred second mortgages to first-time homebuyers with incomes below 80% of median income in the Richmond Hills subdivision.

*(Requested amount: \$80,000)* \$80,000

Funds would be allocated to Orange Community Housing and Land Trust to provide down-payment assistance for up to three newly constructed townhomes in the Pacifica development in Carrboro. The dwelling units will be developed by the private sector, and then placed in the Land Trust. Eligible families would be first-time homebuyers with incomes below 80% of median income.

*(Requested amount: \$15,000)* \$15,000

Funds would be allocated to EmPOWERment to provide second mortgages to three (3) first-time homebuyers earning less than 80% of the area median income to buyers of the planned new condominiums on Davie Road in Chapel Hill.

*(Requested amount: \$75,000)* \$75,000

Funds would be allocated to Orange County to serve as match funds for a FY 2005 Individual Development Account (IDA) Program that will serve first-time homebuyers below 80% of area median income.

\$25,000

**Operational Support**

Funds would be allocated to Orange Community Housing and Land Trust as a Community Housing Development Organization for administrative expenses.

*(Requested amount: \$15,000)* \$15,000

**New Construction**

Funds would be allocated to Habitat for Humanity to provide funding for pre-development costs related to the development of a 17-acre vacant tract of land on Sunrise Road in Chapel Hill.

*(Requested amount: \$70,000)* \$70,000

Funds would be allocated to Habitat for Humanity to provide funding for infrastructure development of Phase II of the Rusch Hollow project located on Rusch Road in Chapel Hill. Habitat plans to build at least 12 dwelling units for sale to first-time homebuyers earning less than 60% of the area median income.

*(Requested amount: \$200,000)* \$100,000

Funds would be allocated to InterFaith Council for Social Service for pre-development costs related to development of a Residential Center for homeless men. The Center would offer emergency and longer term housing and provide services for homeless citizens.

*(Requested amount: \$250,000)* \$75,000

**Rental Assistance**

Funds would be provided for short-term rental assistance for tenants of cooperative housing in the County operated by Weaver Community Housing Association. The program will operate in a similar manner to the Section 8 Program and provide rental subsidies for a period of two years to families at or below 50% of the area median income.

*(Requested amount: \$26,000)* \$26,000

Funds would be provided for rental assistance for approximately 5 - 10 low-income families leasing standard property in Orange County. The program will operate in a similar manner to the Section 8 Program and provide rental subsidies for a period of two years to families at or below 50% of the area median income. This is an extension of the program begun in the 2004-2005 program year.

\$127,102

**Program Administration**

\$ 70,794

**TOTAL HOME PROGRAM FUNDS**

**\$978,896**

**BE IT FURTHER RESOLVED**, that the Manager is hereby designated as the authorized representative of the Town 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.

**SPECIAL MEETING NOTICE**

Orange County and the Towns of Carrboro, Chapel Hill, and Hillsborough are presently developing our Five Year Consolidated Plan to be submitted to the U.S. Department of Housing and Urban Development (HUD). This Plan will define how HUD funding will be spent in the next five years and must be submitted no later than May 15, 2005.

Your input into the development of this Plan is important. As a result, you are invited to join other local government officials (including staff and elected officials) in a discussion of our area's community development and affordable housing needs. The meeting will be held on:

**Thursday, February 24, 2005**

**6:30 pm**

**Carrboro Town Hall  
301 W. Main Street  
Carrboro, NC 27510**

If you have questions, please feel free to contact our office at 919-245-2490.  
We look forward to seeing you!

**Public Hearing**

**Orange County Consolidated Housing Plan**

The Orange County Board of Commissioners received comments from the public regarding the housing and non-housing needs to be included in the 2005-2009 Consolidated Housing Plan for Housing and Community Development Programs in Orange County and proposed uses of 2005-2006 HOME funds. Housing and Community Development Director Tara Fikes summarized the information in the agenda abstract. The County last completed a plan in 2000, so HUD requires a new plan by May 13, 2005. In addition to the public hearing, they will hold two community meetings – February 22nd at Orange County Public Library Conference Room and March 1st at the Southern Human Services Center.

**PUBLIC COMMENT:**

Ann Henley, Vice-President of Inter-Faith Council for Social Service, read a prepared statement. She said that there have been discussions of the growing problem of homelessness and the future direction of the IFC in Orange County. A report was completed, and the group met in August 2004 with the Board of Directors. There are core elements of the plans, as follows:

- development of a new Men's Residential Facility offering emergency and longer term housing services and a progressive program model equivalent to IFC's HomeStart program for women and children;
- establishment of a Comprehensive Services Center, to include consolidated food (kitchen/pantry) services; an intensive case management component; employment training and placement; and an emergency assistance and communications center;
- creation of a strong Community Involvement component; and
- the enhancement of the HomeStart program.

She spoke about IFC's central principles and what has happened over the past five months, such as:

- there is close collaboration with local officials to evaluate (zoning/site development/cost issues) three potential sites for the Men's Residential Facility;
- The Board of Directors is having frequent discussions about use of our Carrboro property for a Comprehensive Service Center;
- Funds have been obtained from a foundation for a capital feasibility study; and
- A volunteer-driven Community Involvement component is being developed to raise community awareness about the homeless.

Also, IFC and Orange County's HUD Continuum of Care group have joined to create a Community Initiative to End Homelessness to serve as the umbrella for creation of a 10-year plan to end homelessness and follow up on outcomes from the recent community roundtable on homelessness. IFC asks that the County Commissioners and other local administrators recognize that homeless persons are in urgent need of continuum of

services and they ask that these unmet needs and activities be included and addressed in the 2005-2009 Orange County Consolidated Housing Plan.

Dennis Bradshaw is the Executive Director of Residential Services, Inc. They have been providing residential services for the developmentally disabled in Orange County for 31 years. He wants to make sure that the needs of people with developmental disabilities and other disabilities are not lost in the process. He said that there are more than 30 local people on waiting lists for their services alone. He made reference to a recent article in the Wall Street Journal where a nationwide survey showed that there are 80,000 people with developmental disabilities that are waiting for services. Even more unknown is the number of people living with families that have aging caregivers. The article cited that there are 700,000 people in the United States whose primary caregiver is 60 years of age and older. These individuals will need services at some point because their caregivers will no longer be able to take care of them. He asked that this need be recognized.

Robert Dowling, Executive Director of Orange Community Housing and Land Trust, spoke regarding the consolidated plan. He said that he understands that Tara Fikes has engaged the services of a private consultant to help with a needs assessment. He said that the consultant could tell what the true needs are. He said that the County Commissioners' task force of 2000-2001 made rental housing a priority and that all of the agencies that do affordable housing have a difficult time providing rental housing. He said that Orange Community Housing and Land Trust have mostly worked with home ownership over the last few years and there has been tremendous growth, which has been a strain. He said that they would be asking for some operating revenues from the HOME funds and also some funds for Northside.

Chair Carey said that additional section 8 vouchers was one of the items discussed with Senator Dole's legislative liaison, and there was not much encouragement in view of the President's recommendation on the budget. They will continue to raise the issue.

Tara Fikes said that they would be coming back in April with a draft plan. Written comments will continue to be accepted.