

A RESOLUTION APPROVING THE
ORANGE COUNTY FY 2008-2009 HOME PROGRAM DESIGN
Resolution No. 132/2007-08

BE IT RESOLVED; by the Town of Carrboro Board of Aldermen as a member of the Orange County HOME Consortium approve the following activities for the 2008-2009 HOME Program:

1. Housing Rehabilitation: \$435,226

The Review Committee recommends allocating \$435,226 to Community Alternatives for Supportive Abodes (CASA) for the renovation of ten one-bedroom apartments on Pritchard Avenue Extension in Chapel Hill. The units would be rented to very low income individuals who may have disabilities or be formerly homeless.

2. Homeownership Assistance: \$100,000

The Review Committee proposes to allocate \$100,000 to Orange Community Housing and Land Trust to assist first time homebuyers earning less than 80% of the area median income to purchase Land Trust homes throughout Orange County. The majority of homes would be located in the Chapel Hill/Carrboro area.

3. Second Mortgage Assistance: \$120,000

The Committee recommends allocating \$120,000 to Habitat for Humanity to provide deferred payment zero-interest second mortgages on six homes throughout Orange County. The homes would be built in 2008 and 2009 and would be sold to households earning between 30% and 80% of the area median income.

4. Sewer Construction: \$56,250

The Review Committee proposes to allocate \$56,250 to the Town of Hillsborough to construct infrastructure to provide sewer service to six new homes in partnership with Habitat for Humanity.

5. Operational Support: \$33,000

The Committee recommends allocating \$33,000 to the Orange Community Housing and Land Trust for administrative expenses related to implementing its HOME Program funded projects. As a designated Community Housing Development Organization for the HOME Program, the Land Trust is eligible to receive funds for administration of a housing program.

6. Administration: \$66,176

The remaining \$66,176 would be allocated to the Orange County Housing and Community Development Department for administration of the HOME program. Housing projects funded with Orange County HOME Program funds are subject to the County's 99-year long-term affordability policy, and must remain affordable for 99 years. Orange County records deed restrictions on the property with the Register of Deeds for affordable housing projects.

For a total of \$810,652

BE IT FURTHER RESOLVED, that the Town 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.

HOME Program Review Committee Report

Summary of Applications for
2008-2009 HOME Program Funding

1. Community Alternatives for Supportive Abodes (CASA)

CASA requests \$232,619 of HOME Program funds to be used for costs associated with the renovation of ten one-bedroom apartments on Pritchard Avenue Extension in Chapel Hill.

Comment: CASA also requested \$232,619 of Community Development funds for this project. The preliminary recommendation includes \$435,226 of HOME Program funds for this project. The preliminary Community Development plan includes \$30,000 for this request. If funding from both sources is approved, this request would be fully funded. We believe that CASA's proposal compliments the current efforts underway to end chronic homelessness and supports the statements and action in the 10-Year Plan to End Chronic Homelessness in Orange County.

2. EmPOWERment, Inc.

EmPOWERment Inc. requests \$21,500 of HOME Program funds for pre-development costs for property located in the Pine Knolls neighborhood. EmPOWERment intends to build a three bedroom home on the site to be sold to a household earning less than 80% of the area median income.

EmPOWERment also requests \$75,000 of HOME Program funds to renovate rental properties it owns and other properties it manages on behalf of Affordable Rentals, OPC Mental Health Association.

Comment: The preliminary plan does not include funding for these projects. EmPOWERment could request the Consortium to consider reallocating funds that were previously allocated to the organization for other activities to fund the application for pre-development costs. The Committee does not recommend funding for the proposed rehabilitation program at this time because the scope of work included in the application was not clear.

3. Habitat for Humanity

Habitat for Humanity requests \$300,000 to provide deferred payment zero-interest second mortgages on fifteen homes throughout Orange County that would be built in 2008 and 2009. Each qualified buyer would receive a \$20,000 second mortgage. Homes would be sold to households earning between 30% and 80% of the area median income.

Comment: The preliminary plan includes \$120,000 for this request. This amount would allow Habitat to provide assistance to six homebuyers.

4. Town of Hillsborough

The Town of Hillsborough requests \$56,250 of HOME Program funds to construct infrastructure to make sewer service available to 32 existing homes and facilitate construction of 6 new houses in partnership with Habitat for Humanity.

Comment: The preliminary HOME Program plan matches the request for \$56,250.

5. Orange Community Housing and Land Trust

Orange Community Housing and Land Trust requests \$150,000 to assist buyers with purchasing Land Trust homes in Orange County. The majority of homes will be located in the Chapel Hill / Carrboro area. The Land Trust made a general request for HOME funds at the Council's January 30, 2008 Public Forum.

Comment: The preliminary plan includes \$100,000 for this request. The preliminary Community Development plan also includes \$100,000 to support this request.

The Land Trust also requests \$55,000 to assist with operating costs associated with HOME-funded developments. Funds would be used to support staffing needed to manage the increased volume of activity that is expected of the Land Trust as a result of inclusionary housing policies.

Comment: The Committee's recommendation includes \$33,000 for this request, the maximum allowed under federal regulations. Because the Land Trust meets the Department of Housing and Urban Development's criteria for designation as a Community Housing Development Organization, it can receive a maximum of 5% of the HOME Program grant for operational support for HOME assisted projects.

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