

BOARD OF ALDERMEN

ITEM NO. A(2)

AGENDA ITEM ABSTRACT

MEETING DATE: May 11, 2010

TITLE: A Resolution Approving the 2010-11 HOME Program Action Plan

DEPARTMENT: Community and Economic Development	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: 1. Resolution	FOR INFORMATION CONTACT: James Harris 918-7319

PURPOSE

The purpose of this item is to request that the Board of Aldermen adopt a resolution approving the 2010-2011 Orange County Home Program Design and updating the 2010-2015 Consolidated Plan for Orange County.

SUMMARY

The U.S. Department of Housing and Urban Development has awarded the Orange County HOME Consortium \$728,277 of 2010-2011 HOME Program funds. In addition, the participating municipalities are required to contribute a 25% match of the grant funds after subtracting administrative costs of \$72,827. The total match requirement is \$163,862. The Town's contribution to the matching funds is \$22,941. Orange County, Chapel Hill, and Hillsborough will contribute \$65,545, \$67,183, and \$8,193 respectively. Therefore, including the 2010-2011 grant funds allocated to the Orange County HOME Consortium (\$728,277) and the required local match (\$163,862), the Consortium is planning activities for a total of \$892,139.

In previous years, the Board appropriated funds from the General Fund for the Town's portion of the local match.

Recommended Plan

The HOME Program Review Committee proposes the following use of 2010-2011 HOME Program funds:

1. ARC of North Carolina	New Construction	\$150,000
2. Habitat for Humanity	Second Mortgage Assistance	\$150,000
3. Orange County	Comprehensive Rehabilitation	\$124,312
4. InterFaith Council	Predevelopment Costs	\$115,000
5. InterChurch Council	Rehabilitation of Rental Property	\$100,000
6. EmPOWERment	Acquisition of Rental Property	\$ 75,000
7. Community Home Trust	Homeownership Assistance	\$ 75,000
	Operational Support	\$ 30,000
8. Orange County	Program Administration	<u>\$ 72,827</u>
		\$892,139

The HOME Program Review Committee recommends the following one-year plan for 2010-2011:

1. ARC of North Carolina: \$150,000

(Requested Amount: \$400,000)

Funds would be allocated to the ARC of North Carolina to construct a six-unit apartment building for adults with developmental disabilities. The building would be located in the Meadowmont development and would consist of four one-bedroom/one-bathroom apartments and two, two-bedroom/two-bathroom apartments.

2. Habitat for Humanity: \$150,000

(Requested Amount: \$300,000; 2009-2010 Allocation: \$250,000)

The Committee recommends allocating \$150,000 to Habitat for Humanity to provide deferred payment, zero-interest second mortgages for homebuyers in the Phoenix Place Subdivision in Chapel Hill. The homes would be sold to households earning less than 60% of the area median income.

3. Comprehensive Rehabilitation: \$124,312

(Requested Amount: \$124,312)

Funds would be used to provide deferred loans to rehabilitate low-income owner-occupied housing in Orange County. The program would be administered by the Orange County Department of Housing and Community Development.

4. InterFaith Council for Social Services (IFC): \$115,000

(Requested Amount: \$300,000; 2009-2010 Allocation: \$185,000)

The Review Committee also recommends allocating \$115,000 to the IFC for infrastructure and predevelopment costs related to the development of a 50-plus bed transitional housing facility for homeless men. The facility is proposed to be located on a 1.66-acre of property located on Martin Luther King, Jr. Boulevard. The preliminary Community Development plan also includes \$100,000 for this request.

5. Inter-Church Council Housing Corporation (InChuCo): \$100,000

(Requested Amount: \$298,718 of HOME and Community Development funds)

The Committee recommends allocating funds to the InChuCo to renovate the Elliott Woods and Chase Park affordable rental apartments. The preliminary Community Development Program plan also includes \$80,000 for this project.

6. EmPOWERment, Inc.: \$75,000

(Requested Amount: \$155,000)

The Committee proposes to allocate \$75,000 to EmPOWERment to purchase a property in the Northside neighborhood that would be preserved for affordable rental housing.

7. Community Home Trust: \$105,000

(Requested Amount: \$105,000; 2009-2010 Allocation: \$169,033)

The Review Committee proposes to allocate funds to the Community Home Trust for the following activities:

- Homeownership Assistance (\$75,000) – Funds would be used to assist first time homebuyers earning less than 80% of the area median income to purchase Land Trust homes throughout Orange County. The preliminary Community Development plan also includes \$90,000 for this request.
- Operational Support (\$30,000) - The Committee recommends allocating \$30,000 to the Community Home 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.

8. Administration: \$72,827

(2009-2010 Allocation: \$73,331)

Funds for administration of the HOME Program would be allocated to the Orange County Housing and Community Development Department.

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.

FISCAL IMPACT

The fiscal impact is \$21,941. This amount has been included in the 2010-11 Budget.

RECOMMENDATION

The town staff recommends that the Board adopt the attached resolution that would:

1. Approve a plan developed by the HOME Program Review Committee for use of \$892,139 of 2010-2011 HOME Program funds; and
2. Authorize this plan to be incorporated into the 2010-2015 Consolidated Plan for Orange County.