

FY 2020-2021 Annual Action Plan

AP-15 Expected Resources

Introduction

The Orange County HOME Consortium anticipates receiving \$374,851 in HOME funds for FFY 2020/PY 2021. Based on funding from the past five years, we expect the Orange County HOME Consortium will receive about \$350,000 each year over the next five-year period. The following represents the County's anticipated resources for future years:

- FFY 2020 = \$374,851 HOME Funds + \$13,000 Program Income
- FFY 2021 = \$350,000 HOME Funds + \$0 Program Income
- FFY 2022 = \$350,000 HOME Funds + \$0 Program Income
- FFY 2023 = \$350,000 HOME Funds + \$0 Program Income
- FFY 2024 = \$350,000 HOME Funds + \$0 Program Income
- Total = \$1,774,851 HOME Funds + \$13,000 Program Income = \$1,787,851

The accomplishments of these projects/activities will be reported in the FFY 2020 Consolidated Annual Performance and Evaluation Report (CAPER).

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	374,851	13,000	0	387,851	1,400,000	Five years of funding at the estimated funding level each year.

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The Orange County HOME Consortium will leverage additional funds from a variety of sources to address the needs identified in this plan. Orange County is the recipient of the North Carolina Housing Finance Agency Essential Single-Family Rehabilitation Loan Pool (ESFRLP) and Urgent Repair Program (URP) funds. Each recipient of ESFRLP funds is awarded \$190,000 to conduct moderate rehabilitation for owner-occupied homes belonging to households earning below 80% AMI. For URP, the County has typically received \$80,000 each year to provide emergency repairs to address threats to life, health, and safety for owner-occupied homes belonging to households earning below 50% AMI.

The Orange County HOME Consortium uses cash as its local match for HOME funds. It is estimated that this match will be \$93,713 for this program year. These funds will be used for tenant-based rental assistance (TBRA) in the newly created countywide Housing Help Rapid Re-Housing program administered by the Orange County Department of Housing and Community Development.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Some of the Consortium's member jurisdictions own surplus land and regularly evaluate their inventory to identify sites suitable for affordable housing activities, including the Town of Chapel Hill's public

housing communities. All member jurisdictions actively collaborate with private and public entities to assist them in acquiring property for projects that address the needs identified in this plan. For example, the jurisdictions are involved in the Northside Neighborhood Initiative, a land bank in historically black neighborhoods in Chapel Hill and Carrboro that is funded in part by the University of North Carolina, the Center for Community Self-Help, and the Oak Foundation.

Discussion

Although there are limited resources available to address the needs identified in the Consolidated Plan, the Town and the Consortium member jurisdictions are continuously collaborating to maximize what resources are available and develop new ones.

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Rental Construction	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs		Housing for People Experiencing Homelessness Housing for Low- and Moderate-Income Households Integrated Housing for People with Service Needs	HOME: \$256,228	Rental units constructed: 56 Household Housing Unit
2	Home Buyer Assistance	2020	2024	Affordable Housing		Housing for Low- and Moderate-Income Households	HOME: \$94,138	Direct Financial Assistance to Homebuyers: 3 Households Assisted

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Rental Construction
	Goal Description	New construction of rental units that are affordable to people with low incomes.
2	Goal Name	Home Buyer Assistance
	Goal Description	Provide direct assistance to buyers to help them purchase affordable homes.

AP-35 Projects

Introduction

The Orange County HOME Consortium proposes to undertake the following activities with the FFY 2020 HOME funds.

#	Project Name
1	Habitat – Homeownership Assistance
2	CASA – Rental Development
3	EmPOWERment – Rental Development
4	Administration – 2020

Table 3 – Project Information

AP-38 Project Summary

Project Summary Information

1	Project Name	Habitat - Homeownership Assistance
	Target Area	County-wide
	Goals Supported	Home Buyer Assistance
	Needs Addressed	Housing for Low- and Moderate-Income Households
	Funding	HOME: \$94,138
	Description	Funds will be allocated to Habitat for Humanity of Orange County to provide deferred payment, zero interest second mortgage loans for an estimated three newly constructed homes in the Fairview community in Hillsborough and the Northside neighborhood in Carrboro/Chapel Hill.
	Target Date	12/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	Three families earning 30-60% AMI
	Location Description	The Fairview community in Hillsborough and the Northside neighborhood in Carrboro/Chapel Hill
	Planned Activities	Direct homebuyer assistance
2	Project Name	CASA - Rental Development
	Target Area	County-wide
	Goals Supported	Rental Construction
	Needs Addressed	Housing for People Experiencing Homelessness Housing for Low- and Moderate-Income Households Integrated Housing for People with Service Needs
	Funding	HOME: \$200,000
	Description	Funds will be allocated to CASA as gap financing for a 48-unit rental community on Merritt Mill Road in Carrboro/Chapel Hill. Five of these units will be considered HOME-assisted (based on the proportion of HOME funds to total funding in the project). Nine units total will be set aside for people with disabilities, with priority for people experiencing homelessness.
	Target Date	12/31/2022

	Estimate the number and type of families that will benefit from the proposed activities	48 households earning no more than 60% AMI, nine of which include a person with a disability
	Location Description	Merritt Mill Road in Chapel Hill/Carrboro
	Planned Activities	Rental development
3	Project Name	EmPOWERment - Rental Development
	Target Area	County-wide
	Goals Supported	Rental Construction
	Needs Addressed	Housing for Low- and Moderate-Income Households
	Funding	HOME: \$56,228
	Description	Funds will be allocated to EmPOWERment for development of an 8- to 10-unit rental community on Johnson Street in Chapel Hill.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	Eight to ten households earning no more than 80% AMI
	Location Description	Johnson Street in Chapel Hill
	Planned Activities	Rental development
4	Project Name	Administration – 2020
	Target Area	County-wide
	Goals Supported	Rental Construction Home Buyer Assistance
	Needs Addressed	Housing for People Experiencing Homelessness Housing for Low- and Moderate-Income Households Integrated Housing for People with Service Needs
	Funding	HOME: \$37,485
	Description	Administration, planning, and policy setting for HOME funds.
	Target Date	6/30/2021

	Estimate the number and type of families that will benefit from the proposed activities	Administration will support HOME-funded housing activities.
	Location Description	N/A
	Planned Activities	Administration

AP-50 Geographic Distribution

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The Orange County HOME Consortium relies on program partners to identify geographic areas of need and direct assistance to those areas. For the FFY 20 program, HOME funds will be directed to the Fairview community in Hillsborough and the Northside neighborhood in Chapel Hill/Carrboro, through Habitat for Humanity, off of Merritt Mill Road in Chapel Hill/Carrboro, through CASA, and to the Pine Knolls community in Chapel Hill, through EmPOWERment.

The Fairview community is just north of downtown Hillsborough, near Orange County government agencies, UNC Hospital's Hillsborough campus, Durham Technical College, several parks and recreational areas, and within a half mile of a bus stop. The community has several existing Habitat homes. Many Fairview residents are black and Latinx.

The Northside neighborhood is a historically black neighborhood in Chapel Hill/Carrboro. Northside is famous its role in the Civil Rights movement and has several lifelong residents in their 90s (and older). The neighborhood has faced encroachment by student rental housing in recent years due to its proximity to the University of North Carolina at Chapel Hill, which has threatened affordability and neighborhood character.

Merritt Mill Road is on the line between Chapel Hill and Carrboro, connecting West Rosemary Street and South Greensboro Street. The road is proximate to Pine Knolls, another historically black neighborhood. It is on a bus line and close to both downtown Carrboro and Chapel Hill, and the many services and amenities located in those areas.

Pine Knolls is a historically black neighborhood in Chapel Hill/Carrboro.

Geographic Distribution

Target Area	Percentage of Funds
County-wide	100

Table 4 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The Consortium affirms the importance of affirmatively furthering fair housing, by investing resources not only in low- and moderate-income areas, but creating housing opportunities for households with lower incomes in more affluent areas of the county.

AP-55 Affordable Housing

Introduction

The Orange County HOME Consortium will use its HOME funds to support second mortgage assistance for home buyers and as financing for affordable rental development. The one-year goals for affordable housing in the county supported by FFY 2020 funds are as follows.

One Year Goals for the Number of Households to be Supported	
Homeless	
Non-Homeless	50
Special-Needs	9
Total	59

Table 5 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	
The Production of New Units	56
Rehab of Existing Units	
Acquisition of Existing Units	3
Total	59

Table 6 - One Year Goals for Affordable Housing by Support Type

Discussion

The Consortium will fund the following projects with FFY 2020 HOME funds:

- **Habitat for Humanity – Home Buyer Assistance:** Funds will be allocated to Habitat for Humanity of Orange County to provide deferred payment, zero interest second mortgage loans for an estimated three newly constructed homes in the Fairview community in Hillsborough and the Northside neighborhood in Carrboro/Chapel Hill.
- **CASA - Rental Development:** Funds will be allocated to CASA as gap financing for a 48-unit rental community on Merritt Mill Road in Carrboro/Chapel Hill. Five of these units will be considered HOME-assisted (based on the proportion of HOME funds to total funding in the project). Nine units total will be set aside for people with disabilities, with priority for people experiencing homelessness.
- **EmPOWERment – Rental Development:** Funds will be allocated to EmPOWERment for

development of an 8- to 10-unit rental community on Johnson Street in Chapel Hill.

- **Administration – 2020:** Administration, planning, and policy setting for HOME funds.

AP-60 Public Housing

Introduction

Public housing in Orange County is provided by two entities—the Orange County Housing Authority (OCHA) and the Town of Chapel Hill’s Office of Housing and Community. Housed within the Orange County Department of Housing and Community Development, OCHA oversees approximately 613 Housing Choice Voucher (HCV, commonly known as Section 8), of which 607 are tenant-based and six are project-based. OCHA does not manage any public housing units or special-purpose vouchers like HUD-VASH or Family Unification Program. OCHA is overseen by a seven-member Board.

Actions planned during the next year to address the needs to public housing

The Orange County HOME Consortium will undertake the following to address the needs of HCV holders:

- In partnership with the Towns and local nonprofits, work to increase the number of landlords willing to participate in the HCV Program
- Work to streamline the design and administration of the housing stabilization funds (designed to help low-income renters, including HCV holders, secure and maintain stable housing) offered by the County and each of the Towns
- Ensure units in which households in the HCV Program live are safe and healthy, by conducting Quality Control inspections on a subset of units
- Implement a "Move On" program, in which people with Permanent Supportive Housing Vouchers (PSHVs) whose service needs have lowered considerably and/or who no longer need services are transitioned to HCVs, freeing up PSHVs for more vulnerable individuals with higher service needs

Actions to encourage public housing residents to become more involved in management and participate in homeownership

OCHA does not own any public housing units. However, OCHA has HCV holder involvement on its Board and encourages HCV holders to become homeowners.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

OCHA is not designated as troubled. It received a score of 93% in its 2019 SEMAMP rating.

Discussion

There is a lack of housing in Orange County that is affordable to households with very low incomes, so rental assistance programs such as the HCV Program are essential in creating affordability for these households within the private market. OCHA will continue to engage landlords in order to create access to more units for HCV holders, and identify ways to maximize its federal and local resources for rental assistance and housing stabilization activities.

AP-65 Homeless and Other Special Needs Activities

Introduction

The Orange County Partnership to End Homeless (OCPEH) coordinates the Orange County Continuum of Care (CoC). The organization is jointly funded by four local governments: Orange County and the Towns of Carrboro, Chapel Hill, and Hillsborough.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

OCPEH's HOME Committee (no relation to the HOME Investment Partnerships Program) consists of about 20 housing and service providers that interact with people who are experiencing chronic and/or particularly vulnerable homelessness, many of whom have disabilities. Service providers involved include nonprofits, DSS and other county departments, UNC Hospitals, veterans organizations, law enforcement, private attorneys, and more. The Committee meets monthly to collaborate on finding housing and services (e.g., medical, mental health, substance use, and legal services) for these people. The CoC uses its Coordinated Entry system to assess people's needs, score their level of need, and prioritize them for permanent supportive housing, and conducts street outreach program to reach people who are living unsheltered. However, OCPEH has identified street outreach as an area in the County's homeless services system in need of more funding.

Addressing the emergency shelter and transitional housing needs of homeless persons

Orange County's only emergency shelter is run by the Inter-Faith Council for Social Service (IFC). IFC also offers a transitional housing program for men. The Freedom House Recovery Center provides residential mental health and substance use services for men, women, children, and families (in addition to outpatient and crisis services), and there are several Oxford Houses in the County that provide transitional housing for people in recovery from substance use disorder. The County does not have a domestic violence shelter.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The CoC operates a Rapid Re-Housing program for veterans with state ESG money, but OCPEH has identified this area as a gap in need of increased funding and better alignment with best practice (i.e., flexible, individualized mix of services, financial assistance, and housing navigation). From January to April 2019, there were 105 people on the waiting list for Rapid Re-Housing compared with 65 people during the same time period in 2018, and there is currently no Rapid Re-Housing program for non-

veterans.

Service providers, such as IFC, Community Empowerment Fund (CEF), and Cardinal Innovations (the LME/MCO for Orange County), provide case management services to clients experiencing homelessness and can help connect them to housing. Orange County has also seen success in implementing a homeless diversion program, and currently diverts about 25% of households presenting for a shelter bed using a mix of strengths-based guided conversation plus flexible funding.

However, there is a great need for affordable housing units in the County, particularly income-based rental units that can be accessed by people experiencing or at risk of homelessness. This gap presents a continuous challenge for connecting people experiencing homelessness with permanent housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The CoC partners with UNC Hospitals and the Orange County Department of Social Services (DSS) Foster Care division, and has developed discharge policies with local and regional institutions. The CoC also assisted in the creation of the Outreach Court, now known as the Community Resource Court (CRC), North Carolina's first specialty court for people experiencing homelessness who are offered mental health evaluations and treatment plans in lieu of going to jail for misdemeanor crimes. CRC is a collaboration between the UNC Center for Excellence in Community Mental Health and the 15B District Court Judge's Office. Defendants are typically referred to CRC by their attorney or by the district attorney's office, although anyone is able to make a recommendation for a referral. Court requirements include monthly attendance to a therapeutic court session and compliance with recommended mental health or substance use treatment. Upon graduation from the court, the participant is given some type of legal benefit such as dismissal of criminal charges.

The County also administers a Housing Stabilization Fund for people who self-refer or are referred by service providers (including IFC, CEF, DSS, and the Orange County Criminal Justice Resource Department) and are experiencing housing insecurity. The fund can pay for rent/utility arrears, security/utility deposits, first month's rent, and certain other one-time expenses to help households at risk of homelessness become or remain stably housed. The Towns of Carrboro, Chapel Hill, and Hillsborough also offer similar resources.

AP-75 Barriers to Affordable Housing

Introduction

The Orange County HOME Consortium worked with the Center for Urban and Regional Studies at the University of North Carolina Chapel Hill to conduct an Analysis of Impediments to Fair Housing Choice (AI). The AI includes an analysis of Orange County laws, regulations, and administrative policies, procedures, and practices that affect the location, availability, and accessibility of housing. The AI also includes an assessment of conditions, both public and private, that affect fair housing choice.

The AI identified the following impediments to fair housing:

- **A lack of affordable housing has resulted in severe rent burdens among many renters, especially those with low and moderate incomes.** A majority of renters in the county are rent-burdened—spending over 30% of household income toward rent and utilities; this figure exceeds 85% for households earning below \$35,000 and is still over half for households earning \$35,000–\$49,999. Meanwhile, over 80% of households earning under \$20,000 are severely rent-burdened (meaning they pay over half their income toward rent and utilities), as are nearly 40% of households earning \$20,000–\$34,999.
- **African Americans and Hispanics face difficulties receiving conventional mortgage loans.** The denial rate for first-lien, conventional mortgages for African Americans is consistently over four times that of Whites, and the denial rate for Hispanics is between two and four times that of Whites as well. The most common reasons for denial, as noted in the HMDA data, are credit history for African Americans (33% of all denial reasons) and debt-to-income ratio for Hispanics (49% of all denial reasons).
- **Based on the number of fair housing complaints filed, disabled persons face difficulties accessing fair housing.** Nearly half of all fair housing complaints filed in the 2010–2018 period were filed due to discrimination based on disability. Given that the county’s population with a disability is approximately 12,500, and that over a quarter of the elderly are also disabled, this is a significant barrier to fair housing.
- **There exists a lack of subsidized rental properties outside the Towns of Chapel Hill and Carrboro.** The only public housing in the county is located in Chapel Hill, and the vast majority of other subsidized properties are located in either Chapel Hill or Carrboro. To that end, six subsidized developments exist in Hillsborough, one exists in the Orange County portion of Mebane, and only one subsidized property exists in unincorporated Orange County.
- **Zoning throughout the county largely restricts the development of denser, more affordable housing.** Only a handful of areas in the county are zoned for moderately dense residential development (over four lots or units per acre), and resident opposition can complicate or inhibit the development of denser housing in those areas. Given the high cost of land in service-rich neighborhoods of Chapel Hill and Carrboro, low-density zoning can prevent the construction of affordable housing.

Actions it planned to remove or ameliorate the negative effects of public policies that serve

as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Based on the impediments above, the AI makes the following recommendations. Details on these recommendations are explained more fully in the AI.

- Seek more funds for subsidized housing. Low- and moderate-income households are disproportionately rent-burdened, and recently, rents have increased faster than wages.
- Encourage development of some subsidized housing outside of Chapel Hill and Carrboro.
- Educate landlords, property managers, and other housing providers about fair housing law and reasonable accommodation, especially as they pertain to persons with disabilities.
- Offer educational courses on mortgage lending and building credit scores that are geared toward African American and Hispanic borrowers.
- Encourage cooperation and coordination between the affordable housing advisory boards in the county.
- Explore funding options for a best-practices Rapid Rehousing program to serve homeless individuals and families in Orange County.
- Identify ways to protect residents of mobile home parks who may be under threat of displacement.
- Consider areas to strategically up-zone to promote the development of affordable housing.

AP-85 Other Actions

Introduction

The Orange County HOME Consortium has developed the following actions to address obstacles to meeting underserved needs, foster affordable housing, reduce lead-based hazards, reduce the number of families living in poverty, develop institutional structures, and enhance coordination between public and private housing and social service agencies.

Actions planned to address obstacles to meeting underserved needs

Despite efforts by the County, Towns, and other affordable housing actors and service providers, there remain significant obstacles to meeting the needs of underserved people and communities. The most recent concern is the COVID-19 pandemic and its economic impacts, particularly for renter households with lower incomes who are experiencing unprecedented job loss and housing instability.

One way the HOME Consortium is addressing this situation is by shifting local match funds for FFY 2020 to be used for tenant-based rental assistance through the County's newly-created Housing Help Rapid Re-Housing program. The County has also expanded the parameters of its locally-funded Housing Stabilization Fund to be able to cover emergency housing-related costs, such as short-term hotel stays, to help stabilize households who are experiencing or at risk of experiencing homelessness so they can safely search for permanent housing and lower their exposure to COVID-19 by having a safe, non-congregate place to stay. Furthermore, the Towns and County are working to align their four housing assistance funds to streamline the application process and provide better service to residents in need.

Actions planned to foster and maintain affordable housing

Using FFY 2020 HOME funds, the Consortium will help local nonprofit agencies undertake the following projects to foster affordable housing:

- **Habitat for Humanity – Home Buyer Assistance:** Funds will be allocated to Habitat for Humanity of Orange County to provide deferred payment, zero interest second mortgage loans for an estimated three newly constructed homes in the Fairview community in Hillsborough and the Northside neighborhood in Carrboro/Chapel Hill.
- **CASA - Rental Development:** Funds will be allocated to CASA as gap financing for a 48-unit rental community on Merritt Mill Road in Carrboro/Chapel Hill. Five of these units will be considered HOME-assisted (based on the proportion of HOME funds to total funding in the project). Nine units total will be set aside for people with disabilities, with priority for people experiencing homelessness.
- **EmPOWERment – Rental Development:** Funds will be allocated to EmPOWERment for development of an 8- to 10-unit rental community on Johnson Street in Chapel Hill.
- **Administration – 2020:** Administration, planning, and policy setting for HOME funds.

Actions planned to reduce lead-based paint hazards

The Consortium ensures that County rehabilitation staff and the contractors they work with are

knowledgeable and up-to-date on lead-based paint (LBP) requirements of all federal housing programs, distributes information on LBP hazards to all households that participate in County housing programs, conducts LBP inspections and assessments as necessary, and implements environmental control or abatement measures for LBP hazards as applicable in all federally-funded projects. This strategy allows Orange County to: be in full compliance with all applicable LBP regulations; control or reduce, to the extent feasible, all LBP hazards in housing rehabilitated with federal funds; and reduce the number of incidences of elevated blood lead levels in children.

Actions planned to reduce the number of poverty-level families

The Orange County Family Success Alliance (FSA), modeled after proven national programs such as the Harlem Children's Zone and the Promise Neighborhoods Institute, is founded on the understanding that no one organization or individual can single-handedly change the way poverty harms our children and our communities. FSA is dedicated to building a comprehensive system of engagement on education and health, with built-in family and community support. It is staffed by the Orange County Health Department and supported by work groups made up of staff members of participating advisory council organizations. Initial funding for FSA was awarded by the Orange County Board of County Commissioners through the Social Justice Fund.

FSA's 2019-2022 Strategic Plan outlines three goals: (1) children are healthy and prepared for school, (2) children and youth are healthy and succeed in school, and (3) families, neighborhoods, and institutions support the healthy development of children. These goals are approached through four strategic areas. The first is family empowerment. Over the 2019-2022 period, FSA is evolving its current "navigator" model, in which peer leaders build trusting relationships with families living in poverty, into a more comprehensive family empowerment model that will bring families together to learn, build on strengths and knowledge, and together work to better navigate systems and to uncover their personal and collective power to affect systems change. The second strategic area is partnership. FSA collaborates with cross-sector agencies to center parent expertise and priorities and aims to shift more power into the hands of parents to co-create programs and initiatives in the community. The third area is systems change, by involving community members whose lives are most directly and deeply affected by poverty in leadership and decision making in order to dismantle institutionalized racism and other oppressive systems. The final strategy area is foundational work. This means building internal infrastructure in FSA to support strategic goals.

Actions planned to develop institutional structure

OCPEH has thoroughly analyzed the institutional structure and service delivery system for homelessness in Orange County, identified ten gaps in the system, and calculated the costs of filling those gaps. OCPEH has either identified existing programs and partners, or worked to set up the necessary infrastructure, through which to fill most of these gaps, and some funding has already been secured. Of the estimated \$1.7 million yet to be secured, OCPEH has approached Orange County and the Towns of Carrboro, Chapel Hill, and Hillsborough to ask each jurisdiction to contribute a portion of the funds. In addition to filling the homeless system gaps, OCPEH also aims to improve existing projects and processes and

improve the quality of homeless service delivery.

AP-90 Program Specific Requirements

Introduction

The Orange County HOME Consortium receives an annual allocation of HOME funds. The questions below related to the HOME program are applicable to the Consortium. Questions related to the CDBG program are applicable only to the Town of Chapel Hill and are addressed separately in Chapel Hill's Annual Action Plan.

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

- 1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

The Orange County HOME Consortium use general revenue funds as its local match for HOME funds. Orange County also provides funds for additional administrative costs to operate the program above the 10% allowable cost that may be pulled from the HOME award.

- 2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

HOME funds used for homeownership assistance require an Affordability Period based on the amount of HOME assistance. The Orange County HOME Consortium will use resale provisions to enforce the HOME Affordability Period for all homeownership projects, including those in which direct assistance is provided to the buyer and homeownership unit development. Under the resale provisions, if homebuyers assisted with HOME funds choose to sell their HOME-assisted property within the HOME Affordability Period, they must sell to qualified low-income buyers and the resale price will be determined according to a formula that ensures affordability to the new buyer and a fair return on investment to the original HOME-assisted buyer.

The HOME Affordability Period for homeownership assistance is based on the level of assistance provided to fund a unit or as direct assistance to a buyer (see the chart below). Direct assistance to the homebuyer is defined as HOME funding that reduces the purchase price below fair market value and includes any down payment or subordinate financing provided on behalf of the purchase. Direct assistance does not include HOME funds provided to a developer to cover the unit production costs that do not reduce the purchase price below fair market value.

HOME Funds Provided to a unit or as direct assistance to buyer	HOME Affordability Period
<\$15,000	5 years
\$15,000 – \$40,000	10 years
>\$40,000	15 years

The full Orange County Resale Provisions are available online:

<http://orangecountync.gov/2336/HOME-Program>

- 3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

See above.

- 4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The Orange County HOME Consortium does not intend to refinance any existing debt for multifamily housing that will be rehabilitated with HOME funds.

Discussion

The Market Analysis portion of the 2020 Consolidated Plan found that Orange County has high housing costs and insufficient units for low-income households, particularly extremely low-income households earning below 30% AMI--only 5% of rental units in the County are affordable to households at this income level. As such, the Consortium has identified the need for tenant-based rental assistance (TBRA), and will be directing HOME funds and local Match funds to fill this gap.