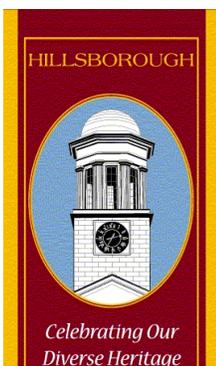




Orange County HOME Consortium



FY 2013 - 2014 Annual Action Plan



May 15, 2013

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FY 2013-2014 Action Plan

Narrative Responses

GENERAL

Executive Summary

Program Year 4 Action Plan Executive Summary:

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 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.

Prior to beginning to develop the 2013-2014 Annual Action Plan, public forums were held to receive citizen feedback regarding the housing and community development needs and proposed activities that should be included in the Plan. Public Forums were held by the Chapel Hill Town Council on February 27 and April 10, 2013 to receive citizen comments regarding housing needs and the proposed use of \$463,191 in CDBG funds in Chapel Hill and \$364,311 in HOME funds that the Orange County HOME Consortium expects to receive for Fiscal Year (FY) 2013-2014. The Orange County Board of County Commissioners held a public hearing on February 5, 2013 regarding housing needs and the proposed use of the \$364,611 in HOME funds. Comments from these public hearings are included in this Summary.

Summary of Comments Received

A copy of the approved minutes from the February 5, 2013 public hearing for Orange County has been included below.

Excerpt from the February 5, 2013 BOCC Approved Minutes

6. Public Hearings

a. Orange County Consolidated Housing Plan Update

The Board received comments from the public regarding the housing and non-housing needs to be included in the Annual Update of the 2010-2015 Consolidated Housing Plan for Housing and Community Development Programs in Orange County and proposed uses of 2013-2014 HOME funds.

Housing and Community Development Director, Tara Fikes said their last plan was completed in May of 2010 and they did identify three goals in Orange County. One of those goals was to provide decent and affordable housing for lower income households through the following efforts: 1) Assisting low income home owners living in sub-standard housing, 2) providing rental units for low income residents, 3) assisting people who lack indoor plumbing, 4) helping low income renters become home owners, and 5) help extremely low income renters find affordable housing.

She said that the second goal was to assist the homeless in finding housing as well as services to maintain housing, and the third goal was to assist in provision housing and services for the special needs population. She asked for any additional comments regarding needs in the community.

Tara Fikes said that the second purpose of this meeting was to hear comments about the proposed usage of the HOME investment partnership dollars. She said this program allows activities such as property acquisition, new construction, housing rehabilitation and rental assistance. She said they are unsure about final fund allocations for this year, but they are proceeding with the plan under the assumption that they will receive at least the same funds as last year, which equaled \$383,485. She said there has also been program investment and some projects that no longer require funding, leaving another \$180,000 available as well.

Chair Jacobs said affordable housing was a topic of conversation at the Board retreat last week and there will be a joint dinner meeting with Affordable Housing Advisory Board on March 12.

Commissioner Dorosin asked if there was there anything in this plan substantively different from last year's plan and he asked for clarification of how much of last years' money was allocated to the low income rental units.

Tara Fikes said that the plan is the same as it was last year and it is a five year plan that remains in place until 2015. With regard to the rental units, she said, \$50,000 was provided for rental assistance in support of the homeless outreach program. She said they also allocated \$37,000 for housing rehabilitation funding for complexes in Chapel Hill (Elliot Woods and Chase Park), and \$90,000 to EMPOWERMENT for purchase of rental apartments to rent to low income people.

Commissioner Dorosin asked if the latest copy of the CDBG, showing impediments to fair housing, could be provided, and Tara Fikes said yes.

PUBLIC COMMENT:

Susan Levy, Executive Director of Habitat for Humanity, gave a brief overview of 2012. She said there were twelve creative partnerships formed to build twelve new homes this past year. She said that eleven of those homes were in the Phoenix Place subdivision in Historic Rogers Road and one of those homes was in the Fairview Community. She noted that families who purchase from Habitat are local people who work and provide services within the community. She said that most of the families served, lived in overcrowded apartments, paid over 30% of their income for rent, and had high utility cost and lack of repair service. She noted that once the people move into Habitat homes, mortgage cost is often less than prior rental costs and utility cost is lower, which leaves more income to be spent in the local economy and to meet basic needs.

Susan Levy said that low and very low income households were also served through a new exterior repair program called Brush of Kindness, and she stressed the pressing need for these types of repair projects and the goal of increasing this service. She said Habitat had nearly 2000 volunteers, who logged more than 1700 volunteer hours. She noted that Habitat home owners paid a total of \$304,455 in property taxes. She said that HOME funds have been a critical factor in building efforts. She said that 225 homes have been built. Four homes are currently under construction and the demand for homes by qualified families has consistently exceeded demand. She noted that there are only seven lots left in Phoenix Place and Habitat will soon be moving on to a 28 home subdivision in Efland Cheeks Township. She recognized several home owners present who will be moving into Habitat Homes in the near future. She concluded by saying that Habitat will be requesting 2013 home funds for second mortgages for 15 new homes.

Deborah Burton said she is building her home here in Hillsborough in partnership with Habitat for Humanity and Orange County Schools. She thanked the Board for making this possible and asked them to continue funding this year to make this possible for other families.

Robert Dowling, Executive Director of Community Home Trust (CHT), said CHT implements inclusionary housing in Orange County and currently has 200 homes in its inventory. He said the expectation is to sell an additional 25 homes in the next 6 months; many of these homes will require public subsidies totaling more than \$300,000, which is available from HOME funds and other sources. He said there is a lot of turnover with townhomes and condominiums, not single family homes. When these properties turn over, subsidies are lost. He noted that median income has become flat but the costs of the homes increase, which increases the need for subsidies. He said they will be coming to the Board of County Commissioners to ask for HOME funds in the amount of \$60,000. He noted that \$40,000 will be used to keep homes affordable and \$20,000 will be for operating support. He said they could never have done this with the support of local governments. He said that this is the most difficult housing market he has seen.

Commissioner Dorosin said he is appreciative of all the work that has been done and he echoed the comments from the retreat. He said this plan should likely be re-visited sooner than 2015 in light of changes mentioned. He said this is an opportune time to be thinking more creatively. He said he has been haunted by the recent purchase of Abbey Court, which has 252 units and sold for \$7 million. He said these were the most affordable units in Orange County and now it looks as if the rent is going to be raised along with assessments. He said there is a need to talk about different ways of doing things, including manufactured housing and he would value advice from the professionals and the Affordable Housing Advisory Board.

Chair Jacobs noted that 1.3, page 32 talks about people not having indoor plumbing. He questioned how much this count has been reduced and Tara Fikes said she would get him that information.

Chair Jacobs said the Board heard on Friday that the Community Home Trust was recruiting people from Durham County to move into unoccupied Orange County housing.

Robert Dowling said he is not aware of this. He said he wrote a memo to the Board of County Commissioners asking for relief from some of the requirements if a home has not sold after a certain number of days. He said there are so many properties on the market and it is difficult to sell them, which puts a burden on CHT and makes the homeowners unhappy and frustrated. He said the memo requests relief from hurdles to allow interested buyers, who don't live or work here, to purchase the homes.

Chair Jacobs clarified that theoretically people outside of the county will be purchasing the homes if the Board waives those hurdles and Robert Dowling said yes, after 90 days.

Commissioner McKee asked if there was any thought to transfer these homes to rental properties, considering the number of homes on the market

Robert Dowling said there are several hurdles and CHT needs to stay focused on home ownership not rentals. He said another issue is that special use permits that are approved by local governments refer to home ownership, not rentals. He said if HOME funds are involved then Orange County does have a say in some of the hurdles.

Commissioner McKee said they may have to start thinking out of the box.

Commissioner Rich said the same letter came to the Town Council several months ago and it stated there are certain steps before Durham residents are looked at, thus giving Orange County residents preference. She said that it may be time to view that memo again.

Commissioner Dorosin asked if the CHT receives any discount on the HOA dues of condos in the high end markets.

Robert Dowling said this is by project. He said that for East 54 there is no discount but there is a transfer fee whereby private sector owners pay a 1% fee that is used to supplement dues. He said that Greenbridge also has transfer fees and at 140 West there is no transfer fee but there is an agreement with the Town of Chapel Hill. He said that it basically varies by project but that special assessments don't get built in and dues can rise, making transfer fees inadequate.

Commissioner Dorosin asked if the subsidies mentioned are upfront or if they are additional with homeowner dues.

Robert Dowling said that subsidies are put in at the initial sale, but because median income has declined and everything else goes up, creating the need to re-subsidize when it is transferred.

Chair Jacobs said he gave Tara Fikes some suggested topics from the retreat to share with the joint meeting on March 12.

Tara Fikes said their advisory board is reviewing the letter now.

A motion was made by Commissioner Rich seconded by Commissioner McKee to close the public hearing.

VOTE: UNANIMOUS

FY 2013 – 2014 HOME Program Activities and Projects

Homeownership Assistance

Funds would be allocated to the Community Home Trust to assist first time homebuyers earning less than 80 percent of the area median income to purchase homes county-wide. Funds would be provided as a grant to Community Home Trust.

(Requested amount: \$60,000) \$ 60,000

Funds will be allocated to Orange County Habitat for Humanity to provide deferred payment zero interest second mortgages for fifteen (15) homes throughout Orange County. Homes will be sold to households earning between 30 percent and 65 percent of the area median income.

(Requested amount: \$300,000) \$ 280,000

Operational Support

Funds would be allocated to the Community Home Trust as a Community Housing Development Organization for administrative expenses.

(Requested amount: \$20,000) \$ 20,000

Predevelopment and Acquisition

Funds would be provided to EmPOWERment, Inc. for acquisition and rehab of one condo unit in Collins Crossings in Carrboro for lease to households earning less than 50% of area median income.

(Requested amount: \$45,000) \$ 45,000

Funds would be provided to EmPOWERment, Inc. for the acquisition of a duplex unit in Chapel Hill for lease to households earning less than 50% of area median income.

(Requested amount: \$140,000) \$140,000

Tenant Based Rental Assistance

Funds would be provided to Housing for New Hope Inter-Church Council to support homeless outreach and increased housing support that assist the homeless of Orange County acquire permanent housing.

(Requested amount: \$50,000) \$43,475

Program Administration

\$33,341

TOTAL FY 2013 – 2014 HOME PROGRAM FUNDS

\$617,817

TOWN OF CHAPEL HILL

The citizen comments received at the Town of Chapel Hill's public forums held on February 27 and March 18, 2013, and applications received for funding are summarized below. All agencies that requested funding were required to submit an application.

In order for the agencies' activities to be eligible for Community Development Block Grant funding, the activities 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.

SUMMARY OF COMMUNITY COMMENTS FROM PUBLIC FORUMS Comments from the February 27 and March 18, 2013, Chapel Hill Town Council Public Forum

1. Terry Allebaugh, the Executive Director of Housing for New Hope, requested the Council's continued support requesting support for its services, specifically \$12,000 in CDBG funds to continue support for their housing specialist and \$50,000 in HOME funds for rental support.

Staff Comment: The approved Community Development Plan includes \$6,500 to support Housing for New Hope's outreach efforts.

2. Aubrey Vinson, a representative of the Chapel Hill-Carrboro Y, requested continued support for its after school program that serves children living in the Town's South Estes Drive public housing community. Without the Community Development program funds, the Y might not be able to continue this program.

Staff Comment: The approved Community Development Plan includes \$6,500 for the Y's after school program.

3. Jess Brandes, Projects Coordinator for CASA, requested funds to support the program's affordable rental housing program and their Supportive Housing Program which pairs tenants who are homeless or at risk of being homeless with a safe, quality, affordable apartment. The Supportive Housing Program currently serves 23 households in Chapel Hill and aims to keep these tenants permanently housed.

Staff Comment: The recommended Community Development Plan includes \$9,000 for the CASA's Supportive Housing Program.

4. At the forums on February 27 and March 18, Anita Badrock and Robert Dowling, representing the Community Home Trust, requested funds to support the organization's homeownership assistance program to reduce the sales price of homes for households earning less than 80% of the area median income. Mrs. Badrock also noted that Community Home Trust is requesting the same amount of funds as they have since 2008, and that this year they will be forced to finance homes from their reserve accounts. She stated that these practices are not sustainable for the long-term, and the Community Home Trust staff is looking forward to the upcoming Work Session with the Council to discuss these issues in more detail.

Staff Comment: The approved Plans include allocating \$20,941 of Community Development funds and \$80,000 of HOME Program funds. We also recommend allocating \$20,000 from the Town of Chapel Hill's Affordable Housing Fund to the organization to fulfill its request.

5. Rob Reda, representing Habitat for Humanity, which provides housing for low-income individuals in the community, requested \$300,000 in HOME funds to support the building of 15 homes, 8 of which will be in Chapel Hill. He also requested that affordable housing be a high-level priority in the Town's budget for the coming year.
6. Laura Moore, representing Habitat for Humanity Board of Directors, requested funds for construction expenses for its Phoenix Place development located in the Rogers Road community. Habitat for Humanity plans to build the remaining seven houses in the Phoenix Place neighborhood with these funds.
7. Riri Way, a resident of Phoenix Place, spoke in support of Habitat for Humanity's request. She expressed her support for the allocation of HOME funds to Habitat for Humanity.
8. Jennifer Prater, a resident of Phoenix Place, related her story of acquiring home ownership through a Habitat home. She encouraged the Town to support affordable housing as a priority in the budget.
9. Barbara Redman, a resident of Phoenix Place, also spoke in support of funding for Habitat for Humanity and encouraged the Town to add affordable housing as a line-item in the budget.

Staff Comment: The approved HOME Program plan includes \$300,000 for Habitat for Humanity's second mortgage program for homebuyers in Rusch Hollow, Phoenix Place, Fairview, and Tinnin Woods communities.

10. Delores Bailey, Executive Director of EmPOWERment, Inc., requested CDBG funds for its Career Explorers program. EmPOWERment, Inc. is also requesting HOME funding for purchasing affordable housing units and increasing their inventory of affordable units at all levels.

Staff Comment: The approved Plans include allocating \$3,000 of Community Development funds for EmPOWERment's Career Explorers Program and \$178,159 of HOME Program funds for property acquisition and renovations.

11. Hudson Vaughn, representing the Marian Cheek Jackson Center for Making and Saving History, said that his organization has met or is on track to meet the goals and measurements prioritized by the Town. The Jackson Center requested \$35,000 to continue support for their services. They are not asking for more than their allotted CDBG funds, but a way for the Town to use Affordable Housing Funds to meet the rest of the \$35,000 for their initiatives.

Staff Comment: The approved Community Development Plan includes allocating \$11,000 for the Marian Cheek Jackson Center's "Mobilizing Community Leadership and Broad-Based Partnerships for Fair Housing in Chapel Hill" program. We also recommend allocating \$24,000 from the Town of Chapel Hill's Affordable Housing Fund to the organization to fulfill its request.

12. Theresa Merritt-Watson, Executive Director of the Young People Institute, requested \$30,000 for their Applied Skill Training program, which trains at-risk high school students and provides them with outsourced work from business leaders in the community.

Staff Comment: The approved plan does not include funding for this project. Due to limited funds for public service activities funding was allocated to agencies with a strong track record.

SUMMARY

The Town of Chapel Hill expects to receive \$390,152 of entitlement grant funding from the U. S. Department of Housing and Urban Development (HUD); this represents the expected 5% decrease in allocation from FY2012-2013. We also propose to budget \$28,541 of program income received from the repayment of affordable housing related loans and \$44,498 of reallocated funds from completed activities. Therefore, we present a recommended budget of \$463,191.

Recommended Plan

The Chapel Hill Town Council approved the following activities for the 2013-2014 Community Development program:

1. Town of Chapel Hill - Renovation of Public Housing: \$165,000

The Council budgeted \$165,000 to perform comprehensive renovations at 12 of the 30 apartments at the Oakwood public housing neighborhood. Renovation work on the apartments at the Oakwood neighborhood would include replacement of tubs; lavatories, sinks, shower pan and head; abatement of asbestos; installation of ceramic tile floors in baths; replacement of existing outlets with GFI outlets; upgrade of electrical services; replacement of water and sewer lines; installation of new washer and dryer hook-ups; replacement of wall and base cabinets and countertops to include new range hoods and sinks; installation of new furnaces including air conditioning and water heaters; and replacement of interior and exterior doors; and site improvements.

2. Community Home Trust - Homebuyer Assistance: \$20,941

The Council allocated \$20,941 to the Community Home Trust for its Homebuyer Assistance Program to assist low-income buyers to purchase Community Home Trust homes in Chapel Hill. The majority of funds will be used at the 140 West development. The Council also reserved \$20,000 from the Affordable Housing Fund to fulfill this request.

3. Town of Chapel Hill - Code Enforcement: \$56,500

The Council approved use Community Development funds to support grant compliance and the increased enforcement efforts in the Northside and Pine Knolls neighborhoods and other neighborhoods around the University. Funds would be used to pay a portion of the salaries of a code enforcement officer and administrative clerk, a senior planner position, and the Planning Department's Office Manager to assist with grant compliance. We note that additional staff resources for enforcement are a priority identified by the Northside and Pine Knolls Community Plan.

4. Public Service Activities - \$64,900

The use of funds for public services that benefits households earning less than 80% of the area median income is eligible under federal Community Development regulations. Examples of public service activities include programs focusing on 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 is based on 15% of the Town's Community Development grant and program income received in fiscal year 2012-2013. We estimate this amount to be \$64,900 for 2013-2014.

We recommend that the Council allocate funds for eight community service programs. The information provided below includes the amount of funds each agency requested, its 2012-2013 allocation, and the preliminary staff recommendation.

Specifically, funds would be allocated for eight community service programs:

- Chapel Hill Police Department Youth Employment Program: \$22,900

The Youth Employment Program provides job skills training, employment experience, and economic opportunities to Chapel Hill youth aged 14-18 whose families earn less than 80% of the area median income, with the majority being from households earning less than 30% of the area median income. Many of the participants serve as interns in Town departments. Last summer, there were thirty participants in the program, and this year, the Police Department proposes enrolling the same number.

The Council has allocated Community Development funds to the Police Department to support this program since 1994. Based on our monitoring of the program, it has continued to be a highly successful program and has successfully met its goals by providing valuable work experience for the participants.

- Housing for New Hope: \$6,500

The Homeless Outreach and Housing Support Program assist those experiencing homelessness and the chronically homeless to improve their lives through obtaining and maintaining permanent housing and supportive services. Funding would be used to pay a portion of the salary for a Homeless Outreach worker.

The Council has allocated Community Development funds to Housing for New Hope since 2008 to support its homeless outreach efforts. As of March 2013, Housing for New Hope has used the Town's 2012-2013 allocation to provide assistance to over 76 people and enrolled eighteen unsheltered, homeless people in services and housing assistance.

This program would serve households earning less than 30% of the area median income.

- EmPOWERment, Inc.: \$3,000

The Career Explorers Program provides summer employment for youth ages 16-21 from low- to moderate-income households. The program is designed to provide youth an opportunity to discover valuable life and career skills that will better prepare them for future employment, financial management and assist in their social and emotional development. Program participants work 36 hours per week with local businesses.

In addition to the \$3,000 included in the preliminary Plan, EmPOWERment also intends to use \$3,000 from the 2012-2013 allocation to support this program. The Town has provided funding to the Career Explorers program in the past, most recently in 2010-2011.

This program would serve households earning less than 80% of the area median income.

- Chapel Hill Carrboro YMCA After School Outreach Program: \$6,500

The After School Outreach Program operates at the Chapel Hill/Carrboro YMCA, serving children living in the Pine Knolls neighborhood and the South Estes Drive and Airport Gardens public housing communities. Funds would be used to serve twelve eligible children.

Since 1994, the Town has provided Community Development funds to the YMCA for an afterschool program. The Outreach program has successfully merged with the YMCA's existing afterschool program held at the YMCA facility. In the current year, thirteen children are being served by the program. The YMCA continues to operate a program that meets the goals and objectives established by their Performance Agreement.

This program would serve households earning less than 30% of the area median income.

- Chapel Hill Training Outreach Project After School Enrichment Program: \$3,000

Orange County Family Resource Centers/Chapel Hill Training and Outreach requested \$5,000 for continued support of the South Estes Afterschool Program. This program provides provide a safe and supervised environment for children from the South Estes public housing community, the largest public housing community in Chapel Hill.

We believe that the provision of quality afterschool services and youth programs is an important activity and supports the Town's efforts in providing services to public housing residents. The Town has supported the program since 2003, and it continues to meet its goals by providing quality after school care and academic support for the children enrolled in the program.

This program would serve households earning less than 30% of the area median income.

- Volunteers for Youth, Inc.: \$3,000

Volunteers for Youth is requesting funds to continue support of its "Every Girl Counts" program. The goal of this program is to serve twelve middle-schools girls from low- to moderate-income families by improving school performances and teaching valuable life skills to its members. The program will include weekly life-skill workshops and visits to college campuses.

The Council has funded this program since 2011. There are currently fifteen middle-school girls enrolled in the program, and the program continues to meets the goals and objectives established by its Performance Agreement.

This program would serve households earning less than 80% of the area median income.

- Community Alternatives for Supportive Abodes (CASA): \$9,000

Community Alternatives for Support Abodes (CASA) is requesting funding for its Supportive Housing Program which pairs tenants who are homeless or at risk of being homeless with a safe, quality, and affordable apartment. In addition, the Program provides comprehensive and supportive property management services. In Chapel Hill, CASA assists 23 special needs households to live independently in their own apartments for the long term.

CASA has not requested funding for a public services program in the past, but the Town has supported their work with housing/construction funding from the Community Development funds, most recently in 2010-2011.

This program would serve households earning less than 30% of the area median income.

- Marian Cheek Jackson Center: \$11,000

The Marian Cheek Jackson Center is requesting funds for the “Mobilizing Community Leadership and Broad-Based Partnerships for Fair Housing in Chapel Hill.” This program would support the work of the Northside and Pine Knolls Community Plan and implement the Community Plan’s action steps related to the six identified community themes. In addition, the program would advance community-led housing initiatives which support proactive neighborhood engagement as identified in the Chapel Hill 2020 comprehensive plan.

We are also recommending that the Council allocate \$24,000 from the Affordable Housing Fund to support the Marian Cheek Jackson Center’s program per comments made at the Public Forum. Last year, the Council provided \$20,000 to the Marian Cheek Jackson Center from the Affordable Housing Fund for administrative support of its programs.

Funds would be used to support activities that serve households earning less than 80% of the HUD-published area median income.

5. Program Administration: \$78,030

Funds will be used for administration expenses for the Housing and Neighborhood Services division of the Planning Department. Funds would be used for oversight of the Community Development program and related affordable housing programs, as well as coordination with the U.S. Department of Housing and Urban Development and agencies that receive funding to maintain compliance with federal regulations.

Specifically, funds will be used for a portion of the salaries of the Housing and Neighborhood Services Manager and the Housing and Neighborhood Services Planner positions.

Annual Strategic Plan

As a growing community, the Orange County and the Town of Chapel Hill must successfully balance a diverse array of housing and community development issues. Given the range of competing needs, the community must invest its scarce public resources wisely. Therefore, as a general principle, the Town will attempt to expend public funds in a way that leverages the commitment of private sector support whenever possible.

The following presentation utilizes this performance-centered approach to outline the County and Town’s approach to housing and community development in the upcoming year. This approach includes identifying goals, objectives and strategies; determining what resources are necessary to achieve these goals; analyzing and evaluating performance data; and using that data to drive improvements in organization. All objectives and performance indicators are based on a one year time frame.

Goal 1 – Provide Decent and Affordable Housing for Lower-Income Households

This goal includes retaining existing affordable housing stock, increasing the availability of affordable permanent housing in standard condition without discrimination, providing affordable rental housing and providing affordable housing that is accessible to job opportunities.

Priority Needs

- 1.1 Low income (< 80% AMI) homeowners that live in substandard housing
- 1.2 Rental units for low income (<60% AMI) residents
- 1.3 Low income (<80% AMI) homeowners that do not have indoor plumbing or adequate connections to existing public water and sewer systems
- 1.4 Low income (60-80% AMI) renters that are potential homebuyers
- 1.5 Very low income (<60% AMI) homeownership
- 1.6 Eliminate barriers to affordable housing
- 1.7 Extremely Low income (<30% AMI) renters looking for affordable rental housing

Goal 2 – Provide Housing and Services for Homeless Populations

This goal includes assisting homeless persons to obtain services and housing, and assisting persons at risk of becoming homeless.

Priority Needs

- 2.1 Service-enriched transitional housing for homeless persons
- 2.2 Reduce Chronic Homelessness
- 2.3 Increase Employment
- 2.4 Prevent Homelessness
- 2.5 Increase Access to Services
- 2.6 Increase Public Participation in Ending Homelessness

Goal 3 – Provide Housing and Services for Special Needs Populations

This goal includes assisting persons with special needs in obtaining supportive housing and in accessing a continuum of services specific to their unique needs.

Priority Needs

- 3.1 Service-enriched housing for persons with special needs
- 3.2 Continuum of services for special populations including older adults, disabled, mentally ill, persons with AIDS and at-risk youth

Goal 4 – Increase Capacity and Scope of Public Services.

This priority of the Consolidated Plan is to increase the capacity and scope of public services for low and moderate income families and individuals. The needs of residents with limited incomes for a unique variety of public services can be acute. Consolidated Plan funding will be used to leverage other resources to provide needed services.

Priority Need

- 4.1 Increase capacity and expand the scope of Public Services in order to reach out to more low-to-moderate income residents.

The following table shows the proposed sources and uses of funding available to Orange County for FY 2013-2014 from the U.S. Department of Housing and Urban Development. More detailed descriptions are provided in the Annual Plan portion of this document.

Fiscal Year 2013-2014 Funding	
Sources of Funds	Amount
<u>HOME Program</u>	
2013 Grant	\$333,418
Matching Funds (cash match)*	75,019
Program Income	31,220
Prior Year Funding	178,160
<u>Community Development Block Grant</u>	
2013 Grant	\$390,152
Reallocated Funds – Completed Activities	\$44,498
Program Income	\$28,541
Total	\$1,081,008
Uses of Funds	Amount
<u>HOME Program</u>	
Property Acquisition – EmPOWERment, Inc.	\$185,000
Homeownership Assistance – CHT	\$56,000
Homeownership Assistance – Habitat for Humanity	\$280,000
Operations Support-CHT	\$20,000
Tenant Based Rental Assistance – Housing for New Hope	\$43,475
Administration	\$33,342
<u>Community Development Block Grant</u>	
Public Housing Renovation - Town of Chapel Hill	\$165,000
Homeownership Assistance-CHT	\$20,941
Public Service Activities	\$64,900
Code Enforcement – Town of Chapel Hill	\$56,500
Program Administration	\$78,030
Total	\$1,081,008

* HOME Program matching funds requirements will be met with cash.

General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.

Orange County HOME Consortium Response:

Rolling hills, forests, and farmland converge with cosmopolitan urban cities and small rural towns in Orange County. This unique mix of landforms brings to the County an abundance of historical, social, and cultural resources. Additionally, Orange County anchors the western corner of the Research Triangle, a regional economic engine home to some of the world's leading technological companies as well as major federal research institutions. Orange County encompasses four Cities to include: Hillsborough, Chapel Hill, Carrboro, and Mebane.

The county is also divided into seven townships, though these political divisions no longer carry legal standing: Cedar Grove, Little River, Cheeks, Hillsborough, Eno, Bingham, and Chapel Hill.

Demographics

As of the 2010 Census count, Orange County had a total population of 133,801. The County's racial makeup consisted of 74% White, 15.928% Black or African American, 0% American Indian and/or Native Alaskan, 7% Asian, 0% Pacific Islander, 4% from other races, and 3% from two or more races; 8.2 were Hispanic or Latino of any race. This demographic data, along with data broken out for each of Orange County's four municipalities, is depicted in Table 1, below. According to the 2010 Census count for Orange County as a whole, there were 50,085 households out of which 20.9% had children under the age of 18 living with them; 44.6% were married couples living together, 9.4% had a female householder with no husband present, and 43% were non-families. The average household size was 2.36 and the average family size was 2.95.

Orange County Demographic Profile Highlights					
	Orange County	Chapel Hill	Carrboro	Hillsborough	Mebane
Total population	133,8017	57,233	19,582	6,087	7,284
Male	56,038	21,961	8,164	2,523	3,480
Female	62,189	26,754	8,618	2,923	3,804
One race	116,204	47,813	16,376	5,326	7,184
White	92,272	37,973	12,195	3,282	5,638
Black or African American	16,298	5,565	2,273	1,897	1,273
American Indian and Alaska Native	457	203	61	28	17
Asian	4,845	3,497	864	31	45

Native Hawaiian and Other Pacific Islander	20	12	1	0	1
Other race	2,312	563	982	88	210
Two or more races	2,023	902	406	120	100
Hispanic or Latino	5,273	1,564	2,062	152	382

As Orange County Demographic Highlights: [Source: Census 2010, Summary File 1] there were 49,369 households [an increase of 1.64% over the 2000 Census count], of which 31.2% had children under the age of 18 living with them. Out of the total 49,369 households, 46.5% were married couples living together. The 2006 – 2008 Census estimates also revealed 10.4% of families had a female head of household with no husband present. Orange County also had 39.8% non-family households. The average household size was 2.34 and the average family size was 2.88.

The 2006 – 2008 Census estimates put the total population of Orange County at 124,168. The racial makeup of the County was 76.21% White, 12.99% Black/African American, 0.37% American Indian and/or Alaskan Native, 5.66% Asian, and 2.86% some other race; the American Community Survey did not estimate the size of the Hispanic or Latino populations. Historical trends in Orange County’s racial makeup between 1990 and 2008 are depicted in the tables below.

Demographic Profile Highlights 2006-2008 Estimates*		
	Orange County	Chapel Hill
Total population	124,168	54,972
One race	121,799	53,993
White	94,631	41,886
Black or African American	16,130	5,773
American Indian and Alaska Native	461	80
Asian	7,023	5,328
Native Hawaiian and Other Pacific Islander	29	13
Other race	3,525	913
Two or more races	2,369	979
Hispanic or Latino**	--	--

Demographic Profile Highlights: 2006-2008 Estimates

[Source: 2006-2008 American Community Survey 3-year estimates]

FY 2013-2014* 2006-2008 Estimates were not available for Carrboro, Hillsborough, and Mebane.

** No 2006-2008 estimated data was available for the number of Hispanic or Latino individuals in Orange County.

Orange County Historical Demographic Trends							
	White	Black/African American	American Indian/ Alaskan Native	Asian	Native Hawaiian/ Other Pacific Islander	Other race	Hispanic/Latino
1990	75,871	14,893	286	2,325	36	440	5,273
2000	92,272	16,298	457	4,845	20	2,312	3,480
2006-2008*	94,631	16,130	461	7,023	29	3,525	--

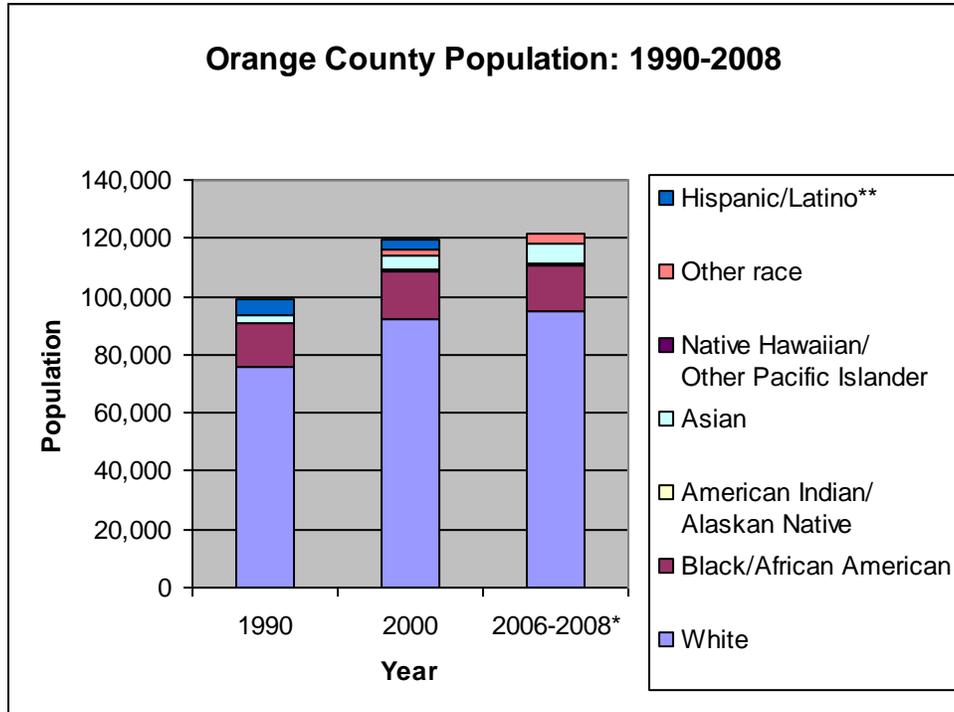
Orange County Demographic Trends: [Sources: Census 1990 Summary Tape File 1, Census 2000 Summary File 1, and 2006-2008 American Community Survey 3-year estimates]

Note: No 2006-2008 estimated data was available for the number of Hispanic or Latino individuals in Orange County.

- * Denotes Estimate

Based on this historical data, between 1990 and 2008, Orange County has seen a 24.7% increase in the White population, an 8.3% increase in the Black or African American population, a 302% increase in the Asian population, and a 34.0% decrease in the Hispanic or Latino population.

The historical shift in Orange County’s racial makeup is depicted in Figure 1 [below]. Over the 18-year period researched, Orange County has become more racially diverse. Whites have consistently made up the majority of the population while the Black or African American population has fluctuated. The most dramatic increase in the population of any one race is displayed by Asians, who grew from 2,325 in 1990 to 7,023 in 2006-2008, an increase of over 300%. Growth in the populations of other races (namely White, Black/African American, and American Indian/Alaskan Native) appears to have largely stabilized after a period of more rapid growth between 1990 and 2000. A variety of economic and other influences may have driven these historical population trends and shifts; however, the Orange County Housing & Community Development Department should be aware of these shifts, and continue to monitor demographic data to determine if any racially-motivated “steering” practices are contributing factors.



Orange County Population: 1990-2008 [Sources: Census 1990 Summary Tape File 1, Census 2000 Summary File 1, and 2006-2008 American Community Survey 3-year estimates]

* Denotes Estimate

** Data on the number of Hispanic or Latino individuals in Orange County was not available for 2006-2008

Using Census 2000 data (the most complete dataset currently available), Orange County had a total minority population of 28,571 compared with an overall population of 118,227, giving the County a minority population of 24%. For the purposes of this calculation, all racial or ethnic groups not categorized as “Non-Hispanic White” are considered minority groups. Using data compilations from the Federal Financial Institutions Examination Council [FFIEC], which are based upon Census 2000 data, demographic research was also conducted within Orange County at the census tract level. This detailed level of analysis is necessary in order to determine the existence of racial or ethnic segregation patterns and the degree to which these minority populations are concentrated throughout the County. As depicted in the accompanying table [Table 3], the concentrations of minority populations within Orange County ranges widely.

For each of the County’s 22 Census tracts (as defined for the 2000 Census),

following table displays the tract’s total population along with the actual number of persons belonging to the various racial and ethnic groups. Each tract’s minority population is also shown as a percentage of the tract’s total population. Minority populations range as high as 47.1% in Tract 107.03 to 12.2% in Tract 108.02. Similarly wide ranges exist within specific racial and ethnic groups. Whereas 2,235 Black or African Americans were counted in Tract 111.01, only 133 were counted in

Tract 114. A perhaps even more striking tendency to concentrate is found among Asians, whose population ranged from a total of just 7 in Tract 108.01 to 703 in Tract 112.03.

Racial Composition By Orange County Census Tract												
Tract Code	General Geography	Tract Population	Tract Minority %	Number of Families	# of House-holds	Non-Hisp White Population	Tract Minority Population	American Indian Population	Pacific Islander Population	Black Population	Hispanic Population	Other Population/ Two or More Races
107.01	Carrboro	1938	31.73	538	708	1323	615	3	33	496	62	21
107.02	Carrboro	8510	32.35	1980	3372	5757	2753	16	354	1293	909	181
107.03	Carrboro	5170	47.12	841	2611	2734	2436	9	286	1004	1022	115
107.04	Carrboro	4614	16.88	923	2208	3835	779	11	240	286	166	76
108.01	Cedar Grove	4567	33.04	1311	1748	3058	1509	29	7	1244	178	51
108.02	Little River	4148	12.22	1308	1603	3641	507	12	12	386	57	40
109	Eno	8207	15.57	2358	3241	6929	1278	31	71	886	191	99
110	Hillsborough	5987	24.79	1610	2360	4503	1484	13	19	1178	190	84
111.01	Cheeks	6373	40.92	1838	2443	3765	2608	31	15	2235	252	75
111.02	Cheeks	4798	19.78	1358	1896	3849	949	16	41	553	247	92
112.01	Chapel Hill	7579	25.28	1886	2988	5663	1916	16	703	722	344	131
112.02	Carrboro	5043	18.5	1371	1893	4110	933	13	82	604	159	75
112.03	Bingham	5076	15.21	1400	2055	4304	772	21	17	541	136	57
113	Chapel Hill	2400	45.96	362	1127	1297	1103	7	46	917	93	40
114	Chapel Hill	3717	13.69	550	1561	3208	509	18	233	133	69	56
115	Chapel Hill	2023	20.37	447	1024	1611	412	14	55	222	91	30
116	Chapel Hill	9295	26.21	252	1773	6859	2436	50	743	1313	175	155
117	Chapel Hill	4852	18.4	394	1265	3959	893	23	318	417	49	86
118	Chapel Hill	2692	17.01	560	1144	2234	458	3	120	209	89	37
119	Chapel Hill	8419	20.05	2139	3546	6731	1688	22	576	635	315	140
121	Chapel Hill	6291	21.41	1437	2705	4944	1347	24	463	506	235	119
122	Chapel Hill	6528	18.17	1554	2645	5342	1186	6	426	395	244	115

Racial Composition by Orange County Census Tract

[Source: FFIEC 2009 Population Report]

By converting raw numbers into percentages, a more useful set of statistics emerges wherein the various Census tracts can be more directly compared with one another. The following table [Table 4] depicts the same data contained in Table 3 as percentages. Among all tracts, the average minority tract population is 24.3%.

Accordingly, tracts with minority population percentages greater than 30% are considered to be unusually high and have been highlighted in yellow. Blue highlighting has been used to designate populations within specific racial or ethnic groups that are considerable higher than average.

Percentage Racial Composition By Orange County Census Tract										
Tract Code	General Geography	Tract Population	Non-Hisp White Population	Tract Minority Population	American Indian Population	Asian/Hawaiian/Pacific Islander Population	Black Population	Hispanic Population	Other Population/Two or More Races	
107.01	Carrboro	1938	68.3%	31.7%	0.2%	1.7%	25.6%	3.2%	1.1%	
107.02	Carrboro	8510	67.6%	32.4%	0.2%	4.2%	15.2%	10.7%	2.1%	
107.03	Carrboro	5170	52.9%	47.1%	0.2%	5.5%	19.4%	19.8%	2.2%	
107.04	Carrboro	4614	83.1%	16.9%	0.2%	5.2%	6.2%	3.6%	1.6%	
108.01	Cedar Grove	4567	67.0%	33.0%	0.6%	0.2%	27.2%	3.9%	1.1%	
108.02	Little River	4148	87.8%	12.2%	0.3%	0.3%	9.3%	1.4%	1.0%	
109	Eno	8207	84.4%	15.6%	0.4%	0.9%	10.8%	2.3%	1.2%	
110	Hillsborough	5987	75.2%	24.8%	0.2%	0.3%	19.7%	3.2%	1.4%	
111.01	Cheeks	6373	59.1%	40.9%	0.5%	0.2%	35.1%	4.0%	1.2%	
111.02	Cheeks	4798	80.2%	19.8%	0.3%	0.9%	11.5%	5.1%	1.9%	
112.01	Chapel Hill	7579	74.7%	25.3%	0.2%	9.3%	9.5%	4.5%	1.7%	
112.02	Carrboro	5043	81.5%	18.5%	0.3%	1.6%	12.0%	3.2%	1.5%	
112.03	Bingham	5076	84.8%	15.2%	0.4%	0.3%	10.7%	2.7%	1.1%	
113	Chapel Hill	2400	54.0%	46.0%	0.3%	1.9%	38.2%	3.9%	1.7%	
114	Chapel Hill	3717	86.3%	13.7%	0.5%	6.3%	3.6%	1.9%	1.5%	
115	Chapel Hill	2023	83.1%	21.3%	0.7%	2.8%	11.5%	4.7%	1.5%	
116	Chapel Hill	9295	73.8%	26.2%	0.5%	8.0%	14.1%	1.9%	1.7%	
117	Chapel Hill	4852	81.6%	18.4%	0.5%	6.6%	8.6%	1.0%	1.8%	
118	Chapel Hill	2692	83.0%	17.0%	0.1%	4.5%	7.8%	3.3%	1.4%	
119	Chapel Hill	8419	80.0%	20.0%	0.3%	6.8%	7.5%	3.7%	1.7%	
121	Chapel Hill	6291	78.6%	21.4%	0.4%	7.4%	8.0%	3.7%	1.9%	
122	Chapel Hill	6528	81.8%	18.2%	0.1%	6.5%	6.1%	3.7%	1.8%	
Average		5374	75.9%	24.3%	0.3%	3.7%	14.4%	4.3%	1.5%	

Percentage Racial Composition by Orange County Census Tract
 [Source: 2009 FFIEC Census Report]

Note that a high population of a specific minority group does not necessarily indicate a high minority tract population overall. For example, all those tracts with high Black/African American populations are also high minority tracts but, of those tracts where Asians concentrate in unusually high percentages, none are high in overall minority populations.

Based on this Racial Composition by Census Tract data, the Census tracts with the highest minority concentrations are Tracts 107.01, 107.02, 107.03, 108.01, 111.01, and 113. In most cases, these high minority tracts have unusually high

concentrations of only one specific minority group. While tracts 107.02 and 107.03 have very high Hispanic concentrations, the concentration of other minority groups in those tracts are generally no more than average. Similarly, tracts 107.01, 108.01, 111.01, and 113 contain very high Black concentrations but other minority groups concentrate in those tracts generally no more than average (except in Tract 108.01, which has both a high Black and a high American Indian population). This indicates a tendency of minority groups to concentrate in certain areas of the County, but not in areas where members of any other racial or ethnic group are also concentrated.

2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a) (1)) during the next year and the rationale for assigning the priorities.

Orange County HOME Consortium Response:

As a growing community, Orange County and the Towns of Chapel Hill, Hillsborough and Carrboro must successfully balance a diverse array of housing and community development issues. Given the range of competing needs, the community must invest its scarce public resources wisely. Therefore, as a general principle, the County will attempt to expend public funds in a way that leverages the commitment of private sector support whenever possible. Through the public participation and consultation process, the County has identified the community's overall goals and priorities as follows:

- Provide decent and affordable housing for low to moderate income households, including providing affordable rental for <30% AMI residents
- Provide housing and services for homeless populations with special needs
- Increase the capacity and scope of Public Services

3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

Orange County HOME Consortium Response:

The following are obstacles to meeting underserved needs in Orange County along with the Consortium's actions that are intended to minimize the impact of these obstacles:

- The current economic and housing crisis has decreased tax revenues for the County and Towns. Recognizing the heightened scarcity of available public funds, the Consortium will seek opportunities for leveraging private funds and will fund those projects of greatest strategic importance to the Consortium.
- As mixed use/mixed income communities continue to add amenities to new home construction, home costs continue to rise in Orange County despite the current housing market slowdown. It is increasingly difficult to fund projects that meet low and moderate income criteria. Orange County will continue to work with local groups, and municipalities, to determine the areas that qualify for funding by researching and evaluating alternative areas.

- As the population of Orange County continues to grow, the lack of affordable land has become a major barrier to the development of Affordable Housing, especially when taking into account that the Town of Chapel Hill and the County will not develop infrastructure beyond the Urban Services Boundary. By waiving building permit fees and providing zoning incentives, the members of the Consortium plan to minimize the obstacles to affordable housing development.
 - There are a limited number of developers and builders who are capable of building Affordable Housing. The profit potential for middle and upscale housing draws most builders to that range of development, leaving few contractors willing to work in the Affordable Housing arena. Also, the high cost of land, costly permitting fees and the length of time to get housing projects approved is prohibitive to the development of Affordable Housing. This obstacle will be mitigated through the waived permit fees and zoning incentives already discussed.
4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

Orange County HOME Consortium Response:

By drawing upon financial resources available to the Consortium through HUD and by instituting or strengthening partnerships with County departments, municipalities, and nonprofit organizations, the Consortium will have sufficient resources available to accomplish the Plan goals.

The following table provides a conservative estimate of the total amount of funding that is expected to be available through HUD over the course of the five years covered by this Plan. The estimates for CDBG and HOME are based on 80% of the current FY 2010 funding level, multiplied by five (to arrive at a cumulative five-year figure). CDBG and HOME Program Income estimates are based on 80% of the projections listed in the Consortium’s 2009 Annual Action Plan. The estimate for HOME Matching Funds is 25% (the minimum amount of match required) of the five-year HOME estimate.

Grant Program	Amount
CDBG (Town of Chapel Hill)*	\$2,533,620
CDBG Program Income**	\$29,352
HOME (Orange County Consortium)*	\$2,913,108
HOME Program Income**	\$204,232
HOME Matching Funds*	\$728,277
TOTAL	\$6,408,589

* 80% of FY 2010 allocations for the next 5 years

** 80% of average program income over the past 5 years

Strategic partners who will assist in the implementation and management of the Plan include the following:

Orange County
The Town of Chapel Hill
The Town of Carrboro
The Town of Hillsborough
The Community Home Trust
Habitat for Humanity of Orange County, NC
The Banks Law Firm
InterFaith Council for Social Service
Orange Congregations in Mission
The Joint Orange-Chatham Community Action Agency
EmPOWERment, Inc.
USDA/Rural Development
Chapel Hill Training & Outreach Agency
Chapel Hill-Carrboro YMCA
Inter-Church Council Housing Corporation
Housing for New Hope
CASA
Volunteers for Youth

Managing the Process

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.

Orange County HOME Consortium Response:

The Orange County Consortium is made up of several local government entities. These entities have various responsibilities for administering programs and activities through a variety of departments as described below.

Orange County is responsible for administration of the Section 8 program for the County, the CDBG Small Cities program and serves as the lead agency for the Orange County HOME Consortium.

The Town of Chapel Hill is the administrator of the Town's CDBG entitlement program. The Town also conducts long-range planning and policy design for housing development and implements the Town's Inclusionary Zoning and affordable housing program.

The Town of Carrboro administers the Carrboro CDBG Small Cities program and the planning department is responsible for planning and policy design for housing development. The Town also has a successful revolving loan fund for small businesses.

The Town of Hillsborough is responsible for planning and policy development for the Town.

2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.

Orange County HOME Consortium Response:

Most of the nonprofit organizations work closely together on housing issues. Local government staffs work with the nonprofits on a regular basis, since many nonprofit activities are supported with local funds. The following organizations provided a key role in the development of this 5-year Consolidated Plan:

- **Community Home Trust** is a housing development corporation, whose operating budget is funded by Orange County, Chapel Hill and Carrboro. The organization utilizes the land trust model for homeownership to create permanently affordable housing opportunities for Orange County residents.
- **Habitat for Humanity of Orange County** is a strong local affiliate of the national organization and strives to develop affordable units within Orange County, the Town of Hillsborough and Town of Chapel Hill.
- **InterFaith Council for Social Service (IFC)** operates a homeless shelter and is a chief advocate for the homeless population. IFC also offers a program to prevent homelessness through financial assistance to families that are at risk of losing their permanent housing.
- **Orange Congregations in Mission** serves northern Orange County, offering programs that prevent homelessness through financial assistance to families that are at risk of losing their permanent housing.
- **The Joint Orange-Chatham Community Action Agency** is a local community action agency offering a wide variety of rehabilitation, weatherization, counseling and financial assistance to very low-income families.
- **EmPOWERment, Inc.** is a community development corporation that promotes models of community building, problem solving and social action to mobilize low-income communities to build shared vision and power for community change.
- **Community Alternatives for Supportive Abodes (CASA)** is a non-profit a developer of affordable multi-unit rental properties for residents who are low-income or have mental and/or physical disabilities.

Private Industry

Private lenders (especially those interested in achieving the lending goals of the Community Reinvestment Act), public lenders like Rural Development, builders, realtors and developers, are entities whose assistance is crucial to the success of housing initiatives undertaken in Orange County.

Utility companies develop construction and energy conservation standards to reduce energy costs. They also provide information and training on energy-saving practices in home, such as how to install insulation and weather stripping. Low-interest loans

are available from utility companies for the purchase and installation of insulation, high efficiency heat pumps and other energy conservation measures.

Public Housing Authorities

The Town of Chapel Hill Department of Housing operates 336 conventional public housing units.

The Orange County Housing Authority Board operates the Section 8 Housing Voucher Program. The program provides approximately 623 vouchers to low income families. The Orange County Board of Commissioners appoints a seven member Housing Authority Board who serves as the governing board and the managerial affairs of the County conform to applicable County ordinances and policies. A resident advisory board has been established to include Section 8 residents in the decision-making process. The Orange County Housing Authority Board of Commissioners sets policy for the public housing functions and approves the Annual Public Housing Agency Plan.

3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Orange County HOME Consortium Response:

The existing coordination of services has been enhanced with the creation of the Orange County HOME Consortium whose members include Orange County, Carrboro, Chapel Hill and Hillsborough.

Additionally, in an effort to facilitate communication with other local housing nonprofit organizations, the members of the HOME Program Consortium will convene semi-annual meetings with these organizations. Items shared during these meetings will include clarification of federal and state housing program regulations and discussion of local housing programs and initiatives.

Citizen Participation

1. Provide a summary of the citizen participation process.

Orange County HOME Consortium Response:

Participation of the general public and also public organizations is extremely important to HUD and to the development of a consolidated plan. To maximize citizen participation, Orange County held a public hearing on February 5, 2013 to receive citizen comments regarding the Annual Action Plan. The public hearing was advertised in local newspapers in advance. The meetings were held in Orange County at the following location.

Tuesday, February 5, 2013
Hillsborough Commons - DSS Conference Room
106 Mayo Street
Hillsborough, NC 27278
7:00 P.M.

Additionally, the Town of Chapel Hill conducted two public forums. The meetings were advertised in the local newspapers and on the Town's website:

Wednesday, February 27, 2013
Wednesday, April 10, 2013
Town Council Public Forum
Town Hall Council Chambers
405 Martin Luther King Blvd.
Chapel Hill, NC 27514
7:00 P.M

A draft of the Annual Action Plan was made available on the Orange County, Town of Hillsborough, Town of Chapel Hill and Town of Carrboro websites for review and in the office of the Orange County Housing, Human Rights and Community Development Department.

2. Provide a summary of citizen comments or views on the plan.

**Comments from the Orange County Board of County Commissioners
February 5, 2013 board meeting:**

1. Robert Dowling, Executive Director of the Community Home Trust indicated that they would request \$60,000 in HOME funds to subsidize town homes in the Ballantine and 140 West Franklin developments. The Community Home Trust will request \$20,000 for operational expenses.

Susan Levy, Executive Director of Habitat for Humanity, Inc., stated that Habitat would request \$300,000 for second mortgage assistance in the Phoenix Place subdivision, Chapel Hill, Fairview in Hillsborough and Tinnin Woods subdivision in Efland Cheeks Township, Efland, NC.

**Summary of Comments from February 27, 2013
Community Development and HOME Program Pubic Forum**

13. Terry Allebaugh, the Executive Director of Housing for New Hope, stated that Housing for New Hope is requesting support for their housing programs to end homelessness, specifically \$12,000 in CDBG funds to continue support for their housing specialist and \$50,000 in HOME funds for rental support.
14. Aubrey Vinson, the Youth Director at the Chapel Hill-Carrboro YMCA stated that the YMCA's Afterschool Outreach Program, which provides a safe, positive afterschool experience for children from low-income housing, is requesting continued funding to support the program. Mr. Vinson stated that without the Community Development program funds, the YMCA might not be able to continue this program.
15. Jess Brandes, Projects Coordinator for CASA, said that CASA is requesting funds to further their efforts to provide affordable rental housing and in specific their Supportive Housing Program in Chapel Hill which pairs tenants who are homeless or at risk of being homeless with a safe, quality, affordable

- apartment. The Supportive Housing Program currently serves 23 households in Chapel Hill and aims to keep these tenants permanently housed.
16. Anita Badrock, the Operations Manager at the Community Home Trust, stated that the Community Home Trust is in need of funds to make homes affordable to new buyers, for the resale of existing homes, for support of existing homes, and for operational support. Anita also noted that the Community Home Trust is requesting the same amount of funds as they have since 2008, and this year they will be forced to finance homes from their reserve accounts; she stated that these practices are not sustainable for the long-term, and the Community Home Trust staff is looking forward to the upcoming Work Session with the Council to discuss these issues in more detail.
 17. Rob Reda, representing Habitat for Humanity, which provides housing for low-income individuals in the community, presented Habitat for Humanity's request for \$300,000 in HOME funds to support the building of 15 homes, eight of which will be in Chapel Hill. He also requested that affordable housing be a high-level priority in the budget for the coming year.
 18. Laura Moore, a representative of the Habitat for Humanity Board of Directors, is requesting HOME funds to build the remaining seven houses in the Phoenix Place neighborhood. Phoenix Place neighborhood has provided safe, affordable housing for 50 low-income households. She also requested that affordable housing be a priority in the Town's budget for the coming year.
 19. Riri Way, a resident of Phoenix Place, spoke in support of Habitat for Humanity's request. She said that her parents purchased their home through Habitat for Humanity, and she expressed her support for the allocation of HOME funds to Habitat for Humanity.
 20. Jennifer Prater, another resident of Phoenix Place, related her story of acquiring home ownership through a Habitat home. She encouraged the Town to support affordable housing as a priority in the budget.
 21. Barbara Redman, a homeowner in Phoenix Place, also spoke in support of funding for Habitat for Humanity and encouraged the Town to add affordable housing as a line-item in the budget.
 22. Delores Bailey, Executive Director for EmPOWERment, Inc., is requesting CDBG funds for its Career Explorers program that provides structured summer employment opportunities for low-income youth in Orange County. EmPOWERment, Inc. is also requesting HOME funding for purchasing affordable housing units and increasing their inventory of affordable units at all levels.

2. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.

Orange County HOME Consortium Response:

The public hearings were held in central locations in the County that are accessible to public transportation lines. All facilities were ADA accessible and a Spanish interpreter was available upon request.

Public Notices were published in local newspapers and online on the County and Towns' websites, which included the location and time of the public hearing.

The Executive Summary, as well as the entire 2010-2015 Consolidated Plan was available for public review and comment.

3. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

Orange County HOME Consortium Response:

All comments were received, none were rejected. As such, all Public Comments received were incorporated into the Annual Plan Update as appropriate.

Institutional Structure

1. Describe actions that will take place during the next year to develop institutional structure.

Orange County HOME Consortium Response:

With the creation of the Community Home Trust, Orange County, Chapel Hill, Carrboro and Hillsborough demonstrated the desire to cooperate among the several jurisdictions to provide the best housing assistance that will serve the low-income residents of Orange County. With respect to coordination of resources, funded agencies will communicate with appropriate staff regarding projects in progress, applications submitted to state and federal funding agencies, programs that are particularly successful or troublesome, and other sharing of information and sources of funds.

Monitoring

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

Orange County HOME Consortium Response:

To insure that each recipient of HOME, CDBG, and other federal funds operates in compliance with applicable federal laws and regulations, Orange County and the Town will continue to implement a monitoring strategy that closely reviews Subrecipient activities and provides extensive technical assistance to prevent future compliance issues.

The Orange County Consortium will implement a risk analysis matrix for monitoring all appropriate CDBG/HOME subrecipients for each Fiscal Year (FY). This risk analysis closely mirrors the Community Planning Development (CPD) Notice 04-01, Issued February 2, 2004 and CPD Notice 02-11, which delineates the relevant factors to monitor for determining the risk level for the Consortium or subrecipients. Once projects have been approved and subrecipients have been issued subrecipient agreements, the staff conducts a four page risk analysis worksheet that looks at Financial Capacity; Management; Planning and National Objectives.

Each subrecipient is graded and its score is listed in one (1) of three categories: low risk: 0-30 points; moderate risk: 31-50 points; and high risk: 51-100 points. Based on the scoring for each subrecipient, the Consortium determines its annual monitoring schedule based on the number of moderate and high risk subrecipients. As a general rule, the staff will monitor on-site all moderate and high risk subrecipients on an annual basis, typically at the midway point of the Fiscal Year. Conversely, the low-risk subrecipients are monitored on-site every other Fiscal Year during the same timeframe, and desk reviews are conducted throughout the year.

When a subrecipient's risk assessment calls for an on-site monitoring, the following procedures are followed:

- The PJ reviews its own files on the subrecipient to be monitored, particularly quarterly reports, performance agreements, and payment requests.
- A visit is made to the subrecipient. PJ staff meets with subrecipient staff, reviews financial and administrative management, and visits program sites.

Documents requested of the subrecipient may include: personnel policies; annual audit; by-laws; fidelity bond; insurance policy; financial policies; tenant selection policies; and marketing strategy.

- An exit conference is held with subrecipient staff to discuss concerns and recommendations and to give the subrecipient agency an opportunity to ask questions or clarify policies.
- The PJ prepares a draft of the monitoring assessment letter to the subrecipient agency's Director for review. The subrecipient is given the opportunity to make corrections or provide additional information.
- Formal assessment letter is sent from the PJ to Director and Board Chairperson for the subrecipient.
- Staff presents the monitoring letter at a regularly scheduled Board meeting to respond to questions or concerns.
- The subrecipient submits its response to the assessment letter.

In order to facilitate desk-reviews of subrecipients who are not monitored on-site, subrecipients are required to submit detailed regular reports that describe the progress of their programs, including rates of expenditure. Quarterly report deadlines are: April 15th (Jan–Mar); July 15th (Apr–June); October 15th (July–Sept); and Jan 15th (Oct–Dec). Final reports include a summary of the program's accomplishments—including the actual number of beneficiaries—and a description of how funds were used. In certain situations, such as rental housing development, annual reports (due July 15) may be required after the project is completed for the duration of the affordability period.

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Lead-based Paint

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

Orange County HOME Consortium Response:

In Orange County, evaluations (risk assessments) of lead-based paint in housing units will be conducted by on a case-by-case basis and lead abatement will be prescribed as needed for dwellings targeted for rehabilitation. In addition, all assisted housing tenants will be informed of the hazards of lead-based paint. The Orange County Health Department will provide ongoing consultation to local housing staff.

HOUSING

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.

Orange County HOME Consortium Response:

Orange County plans to achieve the following objectives during the next year, dependent on available funding:

Affordable rental subsidy	20
Affordable Rental Housing Rehabilitated	3
Affordable Rental Housing Acquired	3
First-time homebuyers assisted:	20

The County will examine options that will promote higher density, mixed-use development, and the preservation of open space.

2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Orange County HOME Consortium Response:

HOME Program	
Tenant-Based Rental Assistance – Housing for New Hope	\$44,096
Homebuyer Assistance – Community Home Trust	\$56,000
Operations Support-Community Home Trust	\$20,000
Property Acquisition	\$185,000
Habitat for Humanity	\$280,000
Administration	\$33,342

Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.

Orange County HOME Consortium Response:

Key activities of the Chapel Hill Department of Housing are:

Administration

1. To manage the public housing apartments in accordance with the HUD guidelines and policies of the Town of Chapel Hill.
2. To provide staff support to the Public Housing Advisory Board.
3. To administer the Housing Capital Fund.

Resident Services

1. To recertify eligibility for public housing tenancy every 12 months.
2. To continue to provide financial and homeownership training opportunities for participants in the Transitional Housing Program.

Maintenance

1. To maintain the public housing apartments in a decent, safe, and sanitary condition.
 2. To continue to refurbish public housing apartments.
 3. To complete preventative maintenance, safety inspections, and repairs in all 336 housing units.
2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Orange County HOME Consortium Response:

This is not applicable as there are not troubled agencies within Orange County or any of its municipalities.

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Orange County HOME Consortium Response:

To address the Impact Fee, the Orange County Board of Commissioners adopted an impact fee reimbursement policy, which provides funds to nonprofit housing developers constructing rental and owner-occupied housing. This enables non-profits to pay these fees without passing the costs on to the prospective renters or homebuyers. With this reimbursement, the Board works to alleviate barriers to affordable housing.

Strategies have been designed to help eliminate or reduce the impact of the identified barriers. The following recommendations included in the AI promote fair housing for the Orange County Consortium:

- Increase the educational opportunities and provide training relating to Fair Housing through workshops, forums and presentations
- Target specific protected groups for fair housing information
- Continue to consult with local lending institutions
- Provide training to housing providers and consumers about their obligations and rights.
- Continue to work with the County and Town governments to develop appropriate legislation and ordinances to assist with the development of affordable housing
- Monitor and track the Inclusionary Zoning Ordinance enacted by the Town of Chapel Hill for effectiveness in the development of affordable housing and utilize as a model ordinance for adoption by the Towns of Carrboro and Hillsborough and Orange County for implementation if positive results are determined.

The affordable housing provisions of the proposed Inclusionary Zoning Ordinance¹ drafted by the Town of Chapel Hill apply to homeownership developments in any of the following categories:

- Single-family or two family development, or subdivision of land to create residential lots that involve:
 - ❖ at least 5 single-family dwelling units or 2-family dwelling units; or
 - ❖ at least 5 single-family lots; or
 - ❖ two-family lots in which six (6) or more residential units are allowed by the Chapel Hill Land Use Management Ordinance, either individually or as part of the same subdivision.
- Multi-family unit developments that create at least 5 multi-family dwelling units; or
- Renovation or reconstruction of an existing building that contains multi-family dwelling units, and that increases the number of dwelling units from the number of dwelling units in the original structure by at least 5; or
- Any change in use of all or part of an existing building from a non-residential use to a residential use that has at least 5 dwelling units.

For development applications involving any of the above, provisions for affordable housing must be included as part of the development proposal.

As with other types of development, Orange County's supply of affordable housing is dictated by a variety of factors, the most significant being project affordability, availability of land and infra-structure, developer preference for building high-end housing, and government regulation. To address the Educational Impact Fee, the Orange County Board of Commissioners adopted an impact fee reimbursement policy, which provides funds to non-profit housing developers constructing rental and owner-occupied housing to enable them to

¹ Chapel Hill, North Carolina Draft Inclusionary Zoning Ordinance Ideas for Administrative Manual, February 16, 2010, <http://www.townofchapelhill.com>.

pay the fee without passing the cost to the prospective renters or homebuyers. With this reimbursement, the Board works to alleviate barriers to affordable housing.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).

Orange County HOME Consortium Response:

The Consortium does not propose to invest HOME funds in activities that are not described in § 92.205(b).

2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.

Orange County HOME Consortium Response:

All properties receiving financial assistance from Orange County for homeownership activities must ensure that the housing remain affordable to families with incomes of 80% or less of the area median for at least 99 years from the date of initial assistance.

Right of First Refusal

A right of first refusal or right to purchase is accomplished by means of a Declaration of Restrictive Covenants on the property purchased by the first-time homebuyer. Any assignment, sale, transfer, conveyance or other disposition of the property will not be effective unless the following procedures are followed.

If the original homebuyer or any subsequent qualified homebuyer contemplates a transfer to a non low-income household, the buyer must send Orange County and/or the sponsoring nonprofit organization a notice of intent to sell at least 90 days before the expected closing date. If Orange County and/or the sponsoring nonprofit organization elect to exercise its right of refusal, it will notify the buyer within 30 days of its receipt of the notice and will purchase the property within 90 days.

If neither Orange County nor the sponsoring nonprofit organization advises the buyer in a timely fashion of its intent to purchase the property, then the Buyer is be free to transfer the property in accordance with the equity sharing provisions described below.

Equity Sharing

Orange County provides its financial assistance as deferred second loans secured by a 40-year Deed of Trust and Promissory Note, forgivable at the end of 40 years. This Deed of Trust and Promissory Note constitute a lien on the property, subordinate only to private construction financing or permanent first mortgage financing.

The 99 year period of affordability for each individual housing unit is secured by a declaration of restrictive covenants that incorporate a right of first refusal that may be exercised by a sponsoring nonprofit organization and/or Orange County. This

declaration of restrictive covenants is further secured by a deed of trust. The nonprofit organization and/or the County are responsible for compliance with the affordability requirement throughout the affordability period, unless affordability restrictions are terminated due to the sale of the property to a non-qualified buyer.

If the buyer no longer uses the property as a principal residence or is unable to continue ownership, then the buyer must sell, transfer or otherwise dispose of their interest in the property to a new homebuyer whose annual income does not exceed 80% of the area median. However, if the property is sold during the affordability period to a non-qualified homebuyer to be used as their principal residence, the net sales proceeds² or "equity" will be divided equally between the seller and the County. If the initial County contribution does not have to be repaid because the sale occurs more than 40 years after the County contribution is made, then the seller and the County will divide the entire equity realized from the sale.

Any proceeds from the recapture of funds will be used to facilitate the acquisition, construction, and/or rehabilitation of housing for the purposes of promoting affordable housing.

3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
 - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
 - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
 - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

RECAPTURE PROVISIONS

The HOME recapture provisions are established at §92.253(a)(5)(ii), and unlike the resale approach, permit the original homebuyer to sell the property to any willing buyer during the period of affordability while the PJ is able to recapture all or a

² New sales proceeds equals the gross sales price less selling costs, the unpaid principal amount of the original first mortgage and the unpaid principal amount of the initial County contribution and any other initial government contribution secured by a deferred payment promissory note and deed of trust.

portion of the HOME-assistance provided to the original homebuyer. Two key concepts in the recapture requirements – *direct subsidy to the homebuyer* and *net proceeds* - must be understood in order to determine the amount of HOME assistance subject to recapture, and the applicable period of affordability on the unit. The recapture approach requires that all or a portion of the *direct subsidy* provided to the homebuyer be recaptured from the *net proceeds* of the sale.

Direct HOME subsidy is the amount of HOME assistance, *including any program income* that enabled the homebuyer to buy the unit. The direct subsidy includes down payment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price. If HOME funds are used for the cost of developing a property and the unit is sold below fair market value the difference between the fair market value and the purchase price is considered to be directly attributable to the HOME subsidy.

Net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. Under no circumstances can the PJ recapture more than is available from the net proceeds of the sale.

Recapture provisions cannot be used when a project receives only a development subsidy and is sold at fair market value, because there is no direct HOME subsidy to recapture from the homebuyer. Instead, resale provisions must be used.

The recapture option is used by most PJs because it is generally easier to administer than the resale option. The recapture option works well when the sale of the property will most likely preserve affordability without the imposition of resale restriction.

Homebuyer housing with a recapture agreement is not subject to the affordability requirements after the PJ has recaptured the HOME funds in accordance with its written agreement. If the ownership of the housing is conveyed pursuant to a foreclosure or other involuntary sale, the PJ must attempt to recoup any net proceeds that may be available through the foreclosure sale. Because all recapture provisions must be limited to net proceeds, the PJ's repayment obligation is limited to the amount of the HOME subsidy, if any, that it is able to recover.

The written agreement between the homebuyer and the PJ, as well as mortgage and lien documents are typically used to impose the recapture requirements in HOME-assisted homebuyer projects under recapture provisions. The purpose of these enforcement mechanisms is to ensure that the PJ recaptures the direct subsidy to the HOME-assisted homebuyer if the HOME-assisted property is transferred. Unlike the resale option, deed restrictions, covenants running with the land, or other similar mechanisms are not required by the HOME rule to be used in homebuyer projects under the recapture option. However, many PJ's choose to use these mechanisms for enforcing the affordability period and as notification of the transfer of the property.

Orange County HOME Consortium Response:

The Consortium does not propose to use HOME Program funds to refinance existing debt (including debt secured by multi-family housing rehabilitated with HOME funds); this question is not applicable.

4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:

- a. Describe the planned use of the ADDI funds.
- b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
- c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Orange County HOME Consortium Response:

The Consortium will not receive ADDI funds; this question is not applicable.

- 5. Describe the policy and procedures the PJ will follow to affirmatively market housing containing five or more HOME-assisted units.

Orange County HOME Consortium Response:

The County of Orange has adopted the following HOME Affirmative Marketing Policy for use in the Orange County HOME Program in accordance with 24 CFR 92.351. The policy applies to all rental and homebuyer projects containing five or more HOME-assisted units.

1. Methods for informing the public, owners, investors and potential tenants about fair housing law and affirmative marketing policy.

- a. Application or proposal packets for HOME projects will include a fair housing brochure and language that discrimination in housing is prohibited. A copy of the County's Civil Rights Ordinance (that includes Fair Housing) and the Affirmative Marketing Policy will be available upon request.
- b. All newspaper advertisements and brochures used to publicize the HOME program and solicit participation from the public will display the Equal Housing Opportunity logo. In addition, an Equal Housing Opportunity Poster is on display in the Housing and Community Development office and discrimination complaint forms are made available to the public.

2. Requirements and practices that owners must follow to comply with affirmative marketing.

Any method used by an owner to advertise a unit for sale or rent must indicate the owner's adherence to fair housing practices. This could be demonstrated by using the Equal Housing Opportunity logo or phrase.

3. Procedures to be used to inform and solicit applications from persons in the housing market area that are not likely to apply.

- a. The Housing, Human Rights and Community Development Department will conduct outreach to very low income and minority neighborhoods. Flyers and brochures will be distributed to community centers and community based non-profit organizations. Applications will periodically be taken at sites within the neighborhoods to give homeowners with transportation difficulties the opportunity to apply for HOME assistance. Special presentations regarding the

HOME projects will be made periodically to churches and community groups and other similar groups.

All rental vacancies on HOME assisted units must be reported to the County's Housing and Community Development office to be posted and made available to the public. Low-income persons applying for or receiving housing assistance use the property listings to locate housing units. Since the County receives referrals from other social service agencies, this should assure that very low income, minority or homeless families would have the opportunity to be informed of available rental units.

4. Documentation by County and owners to assess results of efforts to affirmatively market units.

- a. The Housing and Community Development Department will maintain an Affirmative Marketing File in which all notices to the media, public service announcements, news articles, and paid advertisements are kept.
- b. The Housing and Community Development Department has developed a rental rehabilitation application form to be used by landlords in accepting applications from prospective tenants. The purpose of this form is:
 1. To assist the landlord in gathering information such as rent history and employment, etc.
 2. To provide notice that the owner adheres to fair housing practices and to encourage citizens to report any discrimination to the Housing and Community Development Department. This will be another means of notifying the public of their fair housing rights.
 3. Data concerning the family's race, ethnic group, sex and age of head of household will be requested with an explanation that the information is being collected voluntarily to assure non-discrimination in leasing the unit.
 4. To provide the owner a means of documenting compliance with affirmative marketing, the owner will be required to retain these applications and submit them to the Housing and Community Development office as each vacancy is filled.
- c. Owners are required to submit a copy of all published rental or resale advertisements as documentation of compliance with the Affirmative Marketing Plan.

5. Description of how an owner's efforts will be assessed and what corrective actions will be taken when an owner fails to follow affirmative marketing.

- a. Initial leasing of all units will be monitored closely to assure that lower income families initially occupy all units and that affirmative marketing was used. In those units leased to tenants unassisted through Section 8 vouchers, the rental application forms will be reviewed to determine the effectiveness of advertisements and outreach attempts. Annually, the tenants in each HOME

rental rehabilitation unit will be recertified as an eligible low or moderate-income household.

First time homebuyers assisted through the HOME program will be required to comply with all fair housing practices in the sale of their property. Homeowners will be monitored annually during their periods of affordability for compliance with all HOME program requirements.

- b. Each owner's affirmative marketing attempts will be assessed annually. If a blatant disregard of the policies has been demonstrated, the Housing and Community Development Department will refer the matter to the Department of Human Rights and Relations to be considered as a possible violation of the County's Civil Rights Ordinance.

As a last resort, after counseling and continued lack of compliance, an owner may be required to repay, upon demand, the HOME assistance received from the County. The owner's agreement will clearly state the procedures and reasons for the County to declare an owner in default of the terms of the agreement thereby calling the promissory note due for immediate payment.

Specific Homeless Prevention Elements

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction’s plan for the investment and use of funds directed toward homelessness.

Orange County HOME Consortium Response:

The Consortium expects to utilize the following funding sources during the next year to address the homeless needs identified:

❑ Orange County Consortium	
➤ HOME funds:	\$ 52,010
❑ Town of Chapel Hill	
➤ CDBG funds:	\$ 10,000
Total	\$ 62,010

2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.

Orange County HOME Consortium Response:

The Continuum will continue working to create a less fragmented service system with fewer gaps in services. The overall coordination of the range of services offered by the Continuum is enhanced through strong community partnerships, community education, and development of an HMIS system, and partnerships with various local, state and federal groups that address the many factors impacting homelessness in the community.

The Orange County Continuum of Care continues to strive toward the goals laid out in Orange County’s 10-Year Plan to End Chronic Homelessness. These goals, which have been incorporated into this Consolidated Plan, include adding additional permanent housing, implementing an HMIS system and facilitating community discussion of homeless issues.

3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2014. Again, please identify barriers to achieving this.

Orange County HOME Consortium Response:

The following are the strategies outlined in the CoC's 10-Year Plan to End Homelessness to reduce Chronic Homelessness. The Orange County Consortium is adopting these strategies and incorporating them into its Consolidated Plan.

- **Strategy 1.1:** Establish an assertive street outreach program that targets unsheltered homeless people at natural gathering places throughout Orange County.
 - **Strategy 1.2:** Establish an outreach system in Northern Orange County that uses the congregate feeding programs as a place to begin identifying those who are chronically homeless in the rural part of the county.
 - **Strategy 1.3:** Create an Assertive Community Treatment (ACT) Team that targets those who are chronically homeless and integrates the team with the above outreach efforts.
 - **Strategy 1.4:** Ensure that both inpatient and outpatient substance abuse treatment is made available to those chronically homeless individuals who desire that service. If inpatient treatment is necessary, make sure that permanent housing is not lost during the inpatient stay.
 - **Strategy 1.5:** Identify strategies designed to address the needs for shelter and services for individuals with complex behaviors that result in being banned from kitchen/shelter services.
 - **Strategy 1.6:** Sheltered chronically homeless people will be able to move into permanent housing by receiving the services necessary for them to obtain and maintain permanent housing.
 - **Strategy 1.7:** 40 units will be rehabbed/rented/built to provide permanent supportive housing (including the use of Assertive Community Treatment Teams) for the chronic homeless in Orange County within the first 3-5 years of the plan.
 - **Strategy 1.8:** Ensure that nonprofit developers have the organizational and financial capacity to create new housing units within the community for the chronically homeless.
 - **Strategy 1.9:** Identify a wide variety of sites for housing the chronically homeless throughout the county in the most fair and effective places within the county.
 - **Strategy 1.10:** Establish a rigorous evaluation mechanism that measures the cost of individuals who are chronically homeless before and after they are receiving housing and support services.
4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.

Orange County HOME Consortium Response:

Goal 3: Prevent Homelessness

- **Strategy 3.1:** Youth aging out of the foster care system will maintain a relationship with human services in order to prevent homelessness.
 - **Strategy 3.2:** Begin examining the data and relevant strategies designed to work with unemancipated youth between the ages of 16-18 who are running away.
 - **Strategy 3.3:** Those exiting prison, the military, hospitals and other health related institutions will not be discharged into homelessness.
 - **Strategy 3.4:** Assess the actual need and develop step down housing for those exiting inpatient substance abuse treatment services. This housing should create a safe and supportive environment designed to promote recovery.
 - **Strategy 3.5:** Those with unstable housing will receive the necessary services to prevent loss of housing. This includes families who are doubled up that may lose their housing, those who are experiencing an immediate health care crisis that jeopardizes their housing, and those who have received eviction notices.
 - **Strategy 3.6:** Develop a plan designed to address the current gap in affordable housing units available to homeless families and individuals.
 - **Strategy 4.7:** Increase access to community resources (jobs, housing, services, and childcare) in order to develop a maximum 90-day length-of-stay strategy for homeless persons in shelters to facilitate their return to permanent housing.
 - **Strategy 5.5:** Develop strategies that demonstrate “proven results” to the taxpayers of Orange County. Include specific values for the benefits associated with investing in mental health.
5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Orange County HOME Consortium Response:

Discharge coordination and planning is particularly important in Orange County due to the hospital downsizing initiative mandated by the North Carolina Mental Health Reform. The hospital downsizing plan calls for discharging well-functioning patients to the community to allow them to recover in the most appropriate and least restrictive setting. To respond to this initiative and to help prevent hospital discharge from resulting in homelessness, the OPC Area Program has obtained state funding for two full-time staff to serve as Community Integration Coordinators. Each client targeted for placement back in the community has access to community capacity funding to assist them in reaching their highest level of functioning in the community. This funding is earmarked for housing needs, as well as psychiatric, vocational and other community supports.

Additionally, hospital social workers currently contact the Project for Psychiatric Outreach to the Homeless (PPOH) social worker during patient discharge planning to assure that mental health services are available to patients that become clients of the Inter-Faith Council for Social Services. The PPOH is a psychiatric clinic at the IFC Community House. The PPOH social worker and the social worker crisis services of University of North Carolina Hospital are in the process of creating more comprehensive follow-up services for homeless individuals who are patients of UNC.

In addition to these efforts, the Orange County Continuum of Care (CoC) is currently working closely with the Durham County and Wake County CoC's to develop a uniform Discharge Planning policy.

Emergency Shelter Grants (ESG)

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

Orange County HOME Consortium Response:

The Consortium will not receive ESG funds; this question is not applicable.

Community Development

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.

Town of Chapel Hill Response:

The Town of Chapel Hill employs a comprehensive strategy to community development, recognizing that simultaneous investments in housing, facilities, infrastructure, and services are necessary in order to truly improve the living environment for low- and moderate-income residents. Therefore, the housing and homelessness strategies previously discussed in this Consolidated Plan do not stand alone. Those programs are complimented by existing public facilities and public services initiatives. Continued investment in each of these areas will ensure a vital and comprehensive strategy for serving low- and moderate-income residents for years to come.

A. Public Services

Public transportation, health services, and employment training are all important facets of Chapel Hill's efforts to provide outstanding services, particularly to its low- and moderate-income residents.

a. Status of Existing Services

Public Transportation

Chapel Hill Transit provides fare-free public transportation service throughout the Chapel Hill, Carrboro, and UNC community. Working together with Orange Public Transportation and the Triangle Transit Authority, Chapel Hill Transit plays an invaluable role in the comprehensive regional transportation network. Though options in addition to general public bus service are available to residents throughout the County, residents outside the more urban areas of Chapel Hill, Carrboro, and Hillsborough are generally underserved.

Health Services

Orange County residents are offered health services to include clinical dental services for adults and children, nutrition counseling, tobacco prevention, preventive health, immunizations, family planning, maternity care, and primary care provided through County-operated facilities.

Employment Training

The Regional Partnership Workforce Development Board provides a JobLink Career Center in Chapel Hill, serving as a one-stop service center for job seekers and employers. The JobLink center provides

recruiting assistance to employers, assists job seekers with resumes and job searches and offers a wide array of other various services. Under North Carolina's Work First initiative, federal Temporary Assistance for Needy Families [TANF] funds are utilized through programs that emphasize job skills and services aimed at enhancing TANF recipients' ability to provide for the needs of their families. Additional workforce development activities are available to a broader cross section of County residents to better prepare the local workforce to take advantage of new jobs within the County.

b. Priority Needs

Need	Priority
Handicapped Services	High
Transportation Services	High
Substance Abuse Services	High
Employment Training	High
Health Services	High
Other Public Services	High

B. Infrastructure/Public Improvements

Providing essential services such as transportation, water, and sewer service to Chapel Hill and Orange County residents requires an infrastructure system that balances the reliable performance of existing systems with the need to build system capacity necessary to accommodate future growth.

a. Status of Existing Infrastructure

Water & Sewer

Orange County's water needs are met by four independent providers:

- Orange Water and Sewer Authority (serving Chapel Hill and Carrboro)
- Town of Hillsborough (serving Hillsborough)
- Orange-Alamance Water System/Efland Sewer System (serving rural western Orange and eastern Alamance County)
- Graham-Mebane Water System/Town of Mebane (serving Mebane)

In general, these water systems appear poised to meet the needs of Orange County residents well into the future. Forward-thinking leadership has secured additional water sources both in the form of expanded reservoirs (an OWASA planned expansion will add 2.8 billion gallons to its Stone Quarry Reservoir) and through inter-agency and inter-governmental agreements (OWASA reached an agreement in 2005 to purchase water from the City of Burlington).

Roads & Transportation Systems

Interstate Highways I-40 and I-85 pass through Orange County. Additionally, over 750 miles of state-maintained highways travel

through the County. Connectivity between Orange County and its dynamic Research Triangle region will allow the County and its towns to keep a competitive edge as the area’s population grows. At the same time, this connectivity will ensure low- and moderate-income residents can access the full breadth of jobs and opportunities available. Planning for future growth and for the maintenance of existing roadways and transit systems will be crucial to the County’s success and prosperity.

b. Priority Needs

Need	Priority
Water Improvements	Medium
Street Improvements	Medium
Sidewalks	Medium
Sewer Improvements	Medium
Storm Water Improvements	Medium
Other Infrastructure Needs	Medium

C. Public Facilities

From community centers to public parks to libraries and health centers, Orange County residents have access to an array of high-quality public facilities.

a. Status of Existing Facilities

Parks and Community Centers

The Orange County Parks and Recreation Department is dedicated to the purpose of enriching the physical, social and emotional quality of life of the people of Orange County. The Department provides a variety of enjoyable and affordable recreation programs for individuals of all ages and abilities and strives to offer programs that respond to the changing needs and interests of the community. Additionally, the Parks and Recreation Department is committed to providing clean and safe parks, preserves and greenways throughout the County, to protecting and preserving the elements of natural and cultural heritage within its parks, and to promoting the stewardship of these sites through educational and conservational programs and practices.

The following parks, community centers, and recreation centers are maintained by Orange County:

- Efland-Cheeks Park & Community Center
- Cedar Grove Park
- Central Recreation Center
- Eurosport Soccer Center
- Little River Regional Park
- Fairview Park (under construction)

The Town of Chapel Hill offers a variety of additional parks and similar amenities offering:

- Aquatics Center
- Swimming Pools
- Baseball, Softball, and multi-purpose Fields
- Batting Cage
- Skate Park
- Climbing Wall
- Community Centers
- Community Clay Studio
- Dog Parks
- Community Rose Garden
- Gymnasiums
- Picnic Shelters
- Tennis Courts
- Volleyball Courts
- Bocce Ball Courts
- Numerous Trails, Parks, and Greenways

Libraries

The Orange County Libraries exist to meet the recreational, educational, and informational reading needs of the citizens of Orange County through books and other library materials of general public interest. The library serves as a center for reliable information and promotes the communication of ideas. The library promotes an informed and enlightened citizenry and strives to strengthen the fabric of the community.

With a main library in Hillsborough, two additional branch libraries [in Chapel Hill and Hillsborough] and a “cybrary” in Carrboro, Orange County Libraries provide citizens free access to books, periodicals, audiobooks, CDs, DVDs, computers, and internet as well as book clubs, children’s programs, computer classes, public meeting space, and even an art gallery.

Additionally, Orange County and the Town of Chapel Hill jointly support the separate Town of Chapel Hill Public Library. Use of the library’s services is free of charge to both Town and County residents. Recognizing that highly specialized research collections and resources are available to all North Carolina residents through the University Library of UNC – Chapel Hill, The Town of Chapel Hill Public Library offers complimentary library services, with a particular focus on children’s collections and recreational material.

Health Centers

The Orange County Health Department provides three facilities to serve various health-related needs of residents: the Richard L. Whitted Human Services Center in Hillsborough, the Southern Human Services Center in Chapel Hill, and the Carr Mill Mall in Carrboro. Clinical dental services for adults and children, nutrition counseling, tobacco prevention, preventive health, immunizations, family planning, maternity care, and primary care are all services provided through

these important facilities. The mission of the Orange County Health Department is to enhance the quality of life, promote the health, and preserve the environment for all people in the Orange County community.

b. Priority Needs

Need	Priority
Neighborhood Facilities	Low
Parks and/or Recreation Facilities	Low
Health Facilities	Low
Parking Facilities	Low
Solid Waste Disposal Improvements	Low
Asbestos Removal	Low
Non-Residential Historic Preservation	Low
Other Public Facility Needs	Low

D. Economic Development

Economic Development initiatives in Chapel Hill seek to proactively develop the potential of agriculture and small business, providing the County with an important source of new growth and innovation.

a. Status of Existing Initiatives

Small Business Economic Development

A loan program, resource guide, and a Small Business and Technology Development Center all provide valuable resources to small businesses in the County. These efforts are assisted by additional resources contributed by the Chapel Hill Downtown Economic Development Corporation, and the Chapel Hill-Carrboro Chamber of Commerce.

b. Priority Needs

Need	Priority
Rehabilitation of Commercial and/or Industrial	Low
C/I Infrastructure	Low
Other Commercial and/or Industrial Improvements	Low
Micro-Enterprise Assistance	Low
ED Technical Assistance	Low
Other Economic Development	Low

- Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

Town of Chapel Hill Response:

Goal 4 – Increase Capacity and Scope of Public Services

<i>Priority 4.1 – Increase capacity and expand the scope of Public Services in order to reach out to more low- to moderate-income residents.</i>	
Strategies:	<ul style="list-style-type: none"> - Strengthen partnerships with non-profits and other related associations (community building, education, family services, etc.) - Promote public services opportunities for area low-income residents - Build community capacity and better coordinate services through the regular dissemination of information. Examples may include Community Development Day workshops, self-help workshops, activity updates, etc. - Continue to work with area Chambers of Commerce and others to promote the economic development of the community
Output Indicators:	<ul style="list-style-type: none"> - The plan includes funding for seven public services to activities that serve low-mod income residents.

Antipoverty Strategy

- Describe the actions that will take place during the next year to reduce the number of poverty level families.

Orange County HOME Consortium Response:

The 2006-2008 American Community Survey Census data reported that 15,318 people in Orange County (14.2%) had incomes below the poverty level—an increase of 3,576 people since 1990. Based on 2000 Census data, approximately 6.2% of families and 14.1% of the total population in Orange County fell below the poverty line. Of all children under the age of 18, 9.0% lived in poverty while 7.4% of all County residents aged 65 or greater had income below the poverty level. Families living below the poverty level were more common in Chapel Hill and Hillsborough, but Carrboro showed a significantly higher percentage of individuals in poverty compared with all other Orange County municipalities.

In addition to housing problems, persons living in poverty often have other social service needs. Many of them lack the basic skills necessary to obtain and hold decent jobs. Some of them are single mothers who need affordable childcare while they seek or maintain jobs. Others need treatment for medical or substance abuse problems. Many of those living below the poverty level are children who would benefit from special programs to address their educational, recreational and self-esteem issues. The sheer number and variety of problems faced by people living in poverty often have a tendency to overwhelm even the most capable and determined people, creating a phenomenon of cyclical, generational poverty.

The high costs of homeownership in Orange County and the lack of safe, affordable rental housing continue to be major challenges for low-income families. Rental households face serious challenges with high cost, inadequate supply, and competition with university students for limited housing stock. Access to transportation or to communities that are practically walkable also presents a difficulty, particularly outside Chapel Hill and Carrboro.

Orange County and the Town of Chapel Hill have targeted significant CDBG and HOME resources within core low-income areas to execute their anti-poverty strategy. These resources will act as catalysts to invite additional public and private investment of capital and services; increase the quantity and quality of affordable housing; and help low to moderate-income residents acquire needed information, knowledge and skills to improve their employment opportunities.

Under North Carolina's Work First initiative, Orange County has developed a local plan to assist those most in need and forms the basis for its anti-poverty activities. Orange County's current Work First population [recipients of Temporary Assistance for Needy Families, TANF] faces major obstacles in obtaining and retaining employment because they are competing for jobs with a highly skilled workforce. Unskilled and semi-skilled workers without a high school diploma or a recent connection to the workforce are unable to obtain jobs that provide a living wage. Barriers such as substance abuse, criminal records and chronic physical and mental health problems have no quick fix. They are resolved as a result of participant commitment, adequate resources and over time. Under the Work First initiative, Orange County will provide the following:

- First Stop—provides a continuum of services including job search and job preparedness
- Childcare—provides daycare subsidy payments and assisting with After-School Programs
- Transportation—provides expanded transportation routes, vehicle donations and financial assistance to address transportation needs
- Substance Abuse Services—provides initial screening, assessment, and residential and outpatient treatment services
- Family Violence Option—provides full assessment of domestic violence, counseling and support group sessions, and coordination of services such as emergency housing, transportation and legal services
- Child Welfare Services—provides collaboration of services to ensure the safety and well-being of children
- Emergency Assistance—provides housing, food and utility assistance

The Anti-Poverty Strategy is the unifying thread that ties the housing, homeless, public housing and non-housing community development strategies together as one comprehensive plan for reducing the number of families that fall below the poverty level. In addressing each of the three components below, the Anti-Poverty Strategy simultaneously links and implements the various strategies, goals and objectives

contained throughout this Consolidated Plan to promote self-sufficiency and empowerment.

Improve the Quality and Availability of Affordable Housing

Eliminating many of the physical signs of poverty is a key element in the anti-poverty strategy. The housing, public housing and community revitalization initiatives work toward fulfilling this goal. The County and Town will direct significant resources toward the creation of affordable housing and coordinating the efforts of local nonprofit and for-profit providers. Affordable housing is the foundation for achieving self-sufficiency.

Provide For and Improve Public Services

Important long-term goals in the strategy to reduce and eliminate poverty include providing services to residents. Specifically, the strategy includes an emphasis on the provision of operational subsidies for service providers.

Neighborhoods and Economic Development

Another component of the anti-poverty strategy includes goals and objectives for improving the living and business environments throughout the Town of Chapel Hill. The consolidated plan includes strategies to demolish or reuse vacant properties and encourage businesses to invest in the Town. The Town of Chapel Hill will target funding to focus CDBG and housing efforts to revitalize low and moderate income communities within the overall community. Orange County will continue to focus its efforts on a County-wide basis.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.

Orange County HOME Consortium Response:

Orange County has identified two priority needs related to non-homeless populations with special needs. Each priority is outlined below along with the strategies proposed to meet the needs and the output indicators expected.

Goal 3 – Provide Housing and Services for Populations with Special Needs

<i>Priority 3.1 – Service-enriched transitional housing for persons with special needs</i>	
Strategies:	<ul style="list-style-type: none"> - Promote and make public service funds available to homeless agencies that operate emergency shelters - Partner with other funding agencies to encourage the development of transitional housing (SRO's, group homes) that is service-enriched - Continue to strengthen partnerships with the local Continuum of Care - Provide property acquisition funding to eligible non-profits and for-profits to develop transitional housing
Output Indicators:	- Development of housing for 4 families with developmental disabilities
<i>Priority 3.2 – Continuum of services for special populations including older adults, disabled, mentally ill, persons with AIDS and at-risk youth</i>	
Strategies:	<ul style="list-style-type: none"> - Promote and make public service funds available to agencies that serve identified special populations - Partner with other funding agencies to encourage the development of transitional housing (SRO's, group homes) that is service-enriched - Continue to strengthen partnerships with local service providers - Support applications for federal supportive housing funds - Provide property acquisition funding to eligible non-profits and for-profits to develop permanent housing for those with special needs
Output Indicators:	- Career and employment programs funded

2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Orange County HOME Consortium Response:

The Consortium expects to utilize the following funding sources during the next year to address the non-homeless special needs identified:

<ul style="list-style-type: none"> □ Orange County Consortium <ul style="list-style-type: none"> ➤ HOME funds: \$ 0 □ Town of Chapel Hill <ul style="list-style-type: none"> ➤ CDBG funds: <u>\$ 55,500</u> 	<p>Total \$ 55,500</p>
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Housing Opportunities for People with AIDS

Orange County HOME Consortium Response:

The Consortium will not receive HOPWA funds; this section is not applicable.

Specific HOPWA Objectives

Orange County HOME Consortium Response:

The Consortium will not receive HOPWA funds; this section is not applicable.

CERTIFICATIONS