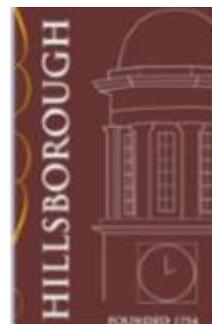

Orange County, North Carolina HOME Consortium

300 W. Tryon Street
Hillsborough, NC 27278

PROGRAM YEAR 2022 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

HOME Consortium Members: Orange County,
Town of Carrboro, Town of Chapel Hill, and
Town of Hillsborough



CAPER

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Executive Summary

In accordance with the Federal Regulations found in 24 CFR Part 570, Orange County, North Carolina has prepared this Consolidated Annual Performance and Evaluation Report (CAPER) for the period of July 1, 2022 through June 30, 2023, referred to as Program Year 2022 (or “PY 2022”). The CAPER describes the activities undertaken during this time period for funding from the U.S. Department of Housing and Urban Development (HUD) under the HOME Investment Partnership Program (HOME). The projects/activities and accomplishments described in this CAPER principally benefited low- and moderate-income households.

The Orange County, North Carolina, HOME Consortium is a Participating Jurisdiction under the U.S. Department of Housing & Urban Development (HUD) HOME Investment Partnerships Program (HOME). Under the HOME Program, local governments are able to join together to form a consortium in order to receive HOME funding for affordable housing. The Orange County HOME Consortium is made up of four members: Orange County, the Town of Carrboro, the Town of Chapel Hill, and the Town of Hillsborough. The Town of Chapel Hill also receives Federal Community Development Block Grant (CDBG) funding each year.

The following is the overall program narrative based on the Five Year Consolidated Plan and Annual Action Plans. This is the CAPER for the third year of the 2020-2025 Five Year Consolidated Plan. It provides information on how the funds received by the County through the HUD programs were used, including an explanation on the leveraging and matching of funds.

Funds Available

Orange County had the following grant funds available during Program Year (PY) 2022, the time period of July 1, 2022 through June 30, 2023. This chart only includes funds received during PY 2022. Any other prior program year funds that were spent during PY 2022 are not included.

	HOME
PY 2022 Entitlement Grant	\$443,498
Program Income	\$13,306
Local Match	\$99,787
Total Funds Available	\$512,241

Funds Expended

The following chart shows funds that were expended during the time period of July 1, 2022 through June 30, 2023. There were no expenditures from Program Year (PY) 2022 other than for administration; all funds expended on program activities were prior program year funds that had not been drawn down until this time period.

	HOME	Match
PY 2022	\$0	\$0

PY 2021	\$325,794.75	\$108,598.25
PY 2020	\$44,647.50	\$14,882.50
PY 2019	\$77,426.40	\$25,808.80
PY 2018	\$29,214.94	\$9,738.31
Total Funds Expended	\$477,083.59	\$159,027.86

Regulatory Caps and Set Asides

Orange County’s program administration expenditures were within the regulatory cap for the HOME programs. This is shown in the table below:

	HOME
PY 2022 Entitlement Grant	\$443,498
PY 2022 Program Income	\$13,306
Administrative Cap Percentage	10%
Maximum Allowable Expenditures	\$44,350
Total Administration Expenditure	\$22,226.76

HOME CHDO Set-Aside

The Consortium expended \$0 of its PY 2022 CHDO funds during this CAPER period.

	HOME
PY 2022 Entitlement Grant	\$443,498
CHDO Set-Aside Minimum Percentage	15%
Minimum Allowable Set-Aside	\$66,524.70
Actual CHDO Set-Aside	\$0

Program Year 2022 HOME Budget

The Orange County HOME Consortium received \$443,498 in HOME entitlement funds for Program Year (PY) 2022. The Consortium also received \$13,306 in HOME program income and Consortium members collectively provided \$99,787 in HOME Match.

The chart below lists the PY 2022 HOME activities that were funded.

Project ID Number	Project Title/Description	2022 HOME Budget	2022 HOME Expenditures
HOME-22-01	Habitat for Humanity – Homebuyer Assistance	\$167,241	\$0.00
HOME-22-02	Community Empowerment Fund- Homebuyer Assistance	\$90,000	\$0.00
HOME-22-03	EmPOWERment, Inc. – Rental Acquisition	\$105,000	\$0.00
HOME-22-04	Rebuilding Together of the Triangle- Mobile Home Replacement	\$150,000	\$0.00

	Administration	\$44,350	\$9,824.63
	Total	\$556,591	\$9,824.63

**Only HOME Match budgeted for this project, no 2020 HOME Entitlement funds. As such, this activity is not set up in HUD's reporting system, IDIS, and does not have a project ID number.*

Orange County spent \$0 of its PY 2022 HOME allocation on direct project costs. The County spent \$9824.63 of the PY 2022 admin funds on personnel costs and overhead. During the 2022 CAPER period, the County expended **\$477,083.59** in Entitlement Funds from prior Program Years, plus \$159,027.86 in local Match.

As shown above, of the funds that were awarded in the 2022 Program Year (in May of 2022), only administration funds were actually disbursed in that program year. This is typical of projects that apply for and are awarded Orange County HOME funds. Organizations typically apply for HOME funds well in advance of when they actually need them, so most projects do not begin the Environmental Review process or enter into Development Agreements until near the end of the program year in which they applied (e.g., spring or summer of the following year).

Below is an example of a typical timeline for the Orange County HOME Program:

Orange County releases HOME Program application for upcoming year	December (prior year)
HUD releases HOME allocations for Participating Jurisdictions and Consortia	February/March
Orange County HOME Program applications are due	February
The Collaborative reviews HOME applications and creates a funding recommendation for the elected bodies of each jurisdiction	March/April
The Collaborative's funding recommendations go before the elected bodies for approval	April/May
Orange County HOME Program Year (for reporting purposes) officially starts (aligned with the County Fiscal Year)	July
The County may begin conducting Environmental Reviews of HOME Awardees' projects*	July*
Organizations awarded HOME funds (HOME Awardees) may begin executing HOME Written Agreements with the County (also called Development Agreements)*	July*
Other HUD-required items (depending on the type of HOME project):	Once Environmental Review and Development Agreement are complete (often 9-12 months after start of the program year, depending on the HOME Awardee's project timeline)*
<u>Homebuyer Assistance</u>	
• Executed HOME Written Agreement between the HOME Awardee and homebuyer	
• Homebuyer Underwriting	
• Homebuyer Counseling	
• Property Appraisal	
<u>Rental or Ownership Acquisition</u>	

- Property Appraisal
- Tenant-Based Rental Assistance
- Income Verification Forms
- HOME Rental Assistance Agreement
- HOME Rent Reasonableness Certification
- Minimum Habitability Checklist
- HOME Lease Addendum

The County disburses HOME funds to HOME awardees

Once the above requirements are met

**Typically, organizations apply for HOME funds well in advance of when they actually need them, so most projects do not begin the Environmental Review process or enter into Development Agreements until near the end of the program year in which they applied (e.g., spring or summer of the following calendar year)*

Public Input Process and Public Comments Received

The draft Orange County Program Year 2022 Consolidated Annual Performance and Evaluation Report (CAPER) was made available for public display and comment on the County website at www.orangecountync.gov/2336/HOME-Program and available upon request at the Orange County Housing Department (THE COUNTY) office. A public hearing on the draft CAPER was held on September 5, 2023 and public notice of the hearing and on the public comment period was published in *The Herald Sun* and *La Noticia* on Monday, August 21, 2023. The public comment period ran August 21, 2023 to September 5, 2023.

No Public comments were received on the 2022 CAPER.

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

This year's CAPER reports on the actions and achievements the HOME Consortium accomplished in Program Year (PY) 2022.

The 2022 CAPER outlines which activities the County undertook with HOME funds during PY 2022 (July 1, 2022 - June 30, 2023). Orange County is the lead entity and administrator for the HOME funds. The Orange County HOME Consortium received \$443,498 in HOME entitlement funds for PY 2022; \$13,306.32 in HOME program income; and Consortium members collectively provided \$99,787 in HOME Match. In PY 2022, the County budgeted and expended PY 2022 HOME funds to address the following goals:

- **Rental Acquisition** – Budget \$105,000 | Expended \$0
- **Home Buyer Assistance** – Budget \$257,241 | Expended \$493,923
- **Mobile Home Replacement** Budget \$105,000 | Expended \$0
- **Grant Administration** – Budget \$44,350 | Expended \$9,824.63

Additionally, the County expended HOME funds from prior Program Years on the following strategies:

- **Rental Assistance** – During this 2022 CAPER period, the County expended \$142,188.45 Total

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	HOME
White	13
Black or African American	45
Asian	17
American Indian or American Native	0
Native Hawaiian or Other Pacific Islander	0
Multiple races	7
Client Doesn't know/ refused	4
Total	86
Hispanic	47
Not Hispanic	35
Client did not answer	4
Total	86

Table 1 – Table of assistance to racial and ethnic populations by source of funds

Narrative

Orange county was able to support a total of 86 individuals with HOME funds this year. The data collected shows that we supported 12 White individuals, 45 Black or African American individuals, 7 Multi-racial individuals, and 17 Asian individuals during this CAPER period.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	0	0
HOME	public - federal	\$512,241	\$636,111.45

Table 2 - Resources Made Available

Narrative

Orange County received the following funds during the time period of July 1, 2022 through June 30, 2023:

- **PY 2022 HOME Allocation:** \$443,498.00
- **Funds disbursed from 2022 Fund:** \$0
- **HOME Match:** \$99,787
- **HOME Program Income:** \$13,306.32
- **Total:** \$512,241+ Prior year funds

HOME Match received for PY 2022:

- **Town of Carrboro:** \$14,270
- **Town of Chapel Hill:** \$39,615
- **Town of Hillsborough:** \$6,486
- **Orange County:** \$39,416
- **Total:** \$99,787

HOME Program Income received in PY 2022:

- **Community Home Trust (repayment of mortgage for the Landings):** \$13,306.32
- **Total:** \$13,306.32

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
County-wide	100	100	The County assisted 45 households during this CAPER period in this Target Area

Table 3 – Identify the geographic distribution and location of investments

Narrative

The allocations and priorities were established by stakeholder meetings, follow-up surveys from service providers and public meeting.

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Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

HOME Match

- The Orange County HOME Consortium uses cash as its local match for HOME Funds. Cash match is contributed from the general funds of each of the four members of the Consortium (Orange County and the Towns of Carrboro, Chapel Hill, and Hillsborough). This year the local match contribution for the PY 2022 HOME award was **\$99,787**.
- HOME Match liability is incurred as HOME Entitlement funds are disbursed. In PY 2022 (July 1, 2022 – June 30, 2023), \$477,083.59 in HOME Entitlement funds were disbursed, incurring \$99,787 in Match liability. The actual amount of Match funds disbursed for PY 2022 was **\$159,027.86**. HUD officially tracks Match liability and contribution on the Federal fiscal year (October to September), not on Orange County HOME Consortium's Program Year (July to June). This can lead to a mismatch in how Match liability is tracked by HUD versus the Consortium.

Other Resources Leveraged

- Orange County was awarded North Carolina Housing Finance Agency Essential Single Family Rehabilitation Loan Pool (SFRLP) funds to rehabilitate households that are at or below 80% of AMI. The County received \$190,000 in SFRLP 2020 funds.
- Orange County was awarded North Carolina Housing Finance Agency Urgent Repair Program funds for emergency home repairs and modifications. The County received \$132,000 in URP 2022 funds and also contributed \$40,000 in local match.

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
0	13,306	0	0	13,306

Table 4 – Program Income

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Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	0	0	0	0	0	0
Number	0	0	0	0	0	0
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	0	0	0			
Number	0	0	0			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 5 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

Table 6 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		0		0		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 7 – Relocation and Real Property Acquisition

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CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	1	24 individuals
Number of Non-Homeless households to be provided affordable housing units	28	45 households
Number of Special-Needs households to be provided affordable housing units	0	35 households
Total	29	45 households

Table 8 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	34
Number of households supported through The Production of New Units	0	11
Number of households supported through Rehab of Existing Units	2	0
Number of households supported through Acquisition of Existing Units	27	0
Total	29	45

Table 9 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

- **HOME-22-01 – Habitat for Humanity – Homebuyer Assistance:** Provide assistance to an estimated 6 low-income households for the purchase of affordable homes. \$475,000 was requested and \$167,241 was awarded.
- **HOME-22-02 Community Empowerment Fund – Homebuyer Assistance:** New down payment assistance program for 20 households. \$50,000 was requested and \$90,000 was awarded. Flexibility was given on serving less than 20 people if needed.

- **HOME-22-03 – EmPOWERment, Inc. – Rental Acquisition:** Our plan was to provide funds to purchase 1 townhome in Carrboro. \$105,000 was requested and \$105,000 was awarded. CHDO set aside \$66,525. Unfortunately the environmental review was not done in time for the closing and we are now planning to reallocate those funds to another rental acquisition.
- **HOME-22-04 Rebuilding Together of the Triangle – Mobile Home Replacement:** Purchase of 2 mobile homes to replace existing units. \$150,000 was requested and \$150,000 was awarded.
- **HOME-22-04 – Administration 2022:** Funds were allocated to provide program management and oversight for the successful administration and leveraging of Federal, State and local funded programs, including support of collaborative initiatives, research and planning services for special studies, environmental clearance, fair housing and compliance with all federal, state and local laws and regulations.

Discuss how these outcomes will impact future annual action plans.

We do not foresee any outcomes impacting future annual action plans.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	0	35
Low-income	0	6
Moderate-income	0	4
Total	0	45

Table 10 – Number of Households Served

Narrative Information

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

The Orange County Partnership to End Homelessness (OCPEH) coordinates among homeless service providers, directs grant activities for the Continuum of Care (CoC) and Emergency Solutions Grant (ESG) annual competition, and administers four direct service programs. The latest Orange County Plan to End Homelessness was adopted in May of 2019. The plan is structured into eight main objectives with 12 action steps to ensure that homelessness is a rare, brief and one-time experience and to sustain an end to homelessness in Orange County. The plan is available at: <https://www.ocpehnc.com/plan>. The primary breakthrough objective of the plan is to fill homeless system gaps. The most recent Gaps Analysis was updated in December 2021 and consists of 15 gaps across housing and services. The most recent Gaps Analysis is available at: <https://www.ocpehnc.com/gaps-analysis>. Additionally, OCPEH has a draft of an Updated to Homeless Systems Gaps Analysis incorporating feedback through December 2022.

The Continuum of Care completes an annual "Point in Time Count" each January to determine the number of people experiencing homelessness on one night in Orange County. The 2023 Point-In-Time Count was conducted in January of 2023. This count identified 126 people who experienced homelessness in Orange County. There were 36 people living unsheltered and 90 people in shelters.

The Orange County Partnership to End Homelessness provides Coordinated Entry via a centralized access point, the Housing Helpline, which connects residents with housing resources and other services. The Helpline is accessible by phone (919-245-2655) or e-mail (housinghelp@orangecountync.gov) and in-person for a total of three days per week at two locations. In order to provide the needed resources to County residents, the Department and Housing Helpline staff collaborate with other community service providers, including: the Orange County Departments of Social Services, Aging, Health, and Criminal Justice Resource Department; Habitat for Humanity; CASA; EmPOWERment; Community Home Trust; Compass Center; Inter-Faith Council for Social Services; Durham Veterans Affairs Medical Center; Freedom House; Orange County Rape Crisis Center; UNC Hospitals, Community Empowerment Fund; and the two County public school districts. Housing Helpline staff direct people to the resources they need to prevent homelessness, to divert people from homelessness, to emergency housing referrals, and to permanent housing referrals via case conferencing using a by-name list at the HOME Committee. Permanent housing referrals are available for veterans programs, including HUD-VASH and SSVF, for Housing Choice Vouchers and Emergency Housing Vouchers, for Permanent Supportive Housing, and for Rapid Re-housing.

In the fall of 2020, in partnership with the Orange County Criminal Justice Resource Department, OCPEH

launched the Street Outreach, Harm Reduction and Deflection program. The program connects people living unsheltered in Orange County with housing and services. The team expanded to four members, including three peer navigators and a clinical coordinator, in June 2022. SOHRAD uses a relationship-based model, provide ongoing engagement, response, and case management to people living unsheltered with the goal of reducing harm and deflecting individuals from criminal justice system involvement.

Addressing the emergency shelter and transitional housing needs of homeless persons

Of the 90 people in shelters or transitional housing programs counted in the 2023 Point-in-Time Count, 47 of those were in emergency shelters and 43 were in transitional housing.

The Orange County Partnership to End Homelessness reported the following number of beds on in the 2022 Housing Inventory Count:

- Transitional Housing: 52 beds
- Emergency Shelter: 68 beds
- Permanent Supportive Housing: 43 beds
- Rapid Re-Housing: 43 beds
- Other Permanent Housing: 282 beds

Orange County does not have a domestic violence shelter, but the domestic violence service provider, Compass Center, started an emergency housing program in scattered site apartments in 2020 for three households.

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

OCPEH works on homelessness prevention and diversion extensively. Flexible homelessness diversion funding is available via the Housing Helpline and any households who have less than two weeks of stable housing or who have been experiencing homelessness for two week or less are guided through a structured conversation to determine if there are any safe places, other than shelter, that the household can go. Coupled with the flexible diversion funding, these conversations have led to about 20% of eligible households being diverted from homelessness.

OCPEH partners with the Local Reentry Council to offer services and housing referrals to people exiting jail or prison. OCPEH partners with DSS to help youth exiting foster care to connect with resources available and avoid homelessness. OCPEH partners with UNC Healthcare to find short- and long-term

housing options for people exiting health care settings. OCPEH partners with Freedom House and other mental health service providers to connect their clients with services and housing. OCPEH partners with the wide network of human services agencies in Orange County to ensure anyone with housing needs are connected with emergency and permanent housing referrals as needed.

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

OCPEH works on many different fronts to increase exits to permanent housing and decrease the length of time homeless for households in our system, and average and median lengths of time homeless system-wide. As part of coordinated entry, OCPEH administrates the by-name list and manages regular case conferencing meetings to ensure people are connected to resources, ensure people do not fall through the cracks in the human service system, and coordinate permanent housing referrals. OCPEH prioritizes Permanent Supportive Housing referrals for people experiencing chronic homelessness. OCPEH coordinates the monthly standing meeting of the Orange County Veterans Experiencing Homelessness Working Group to review the veteran by-name list. OCPEH also administers a Rapid Re-Housing Program with State ESG, ESG CV and HOME TBRA funds. Beginning in October 2022, this program will be expanded with HUD CoC funds. During the veteran and other coordinated entry processes, OCPEH also connects households to other housing programs available in the community, including the Section 8/Housing Choice Voucher program, veterans programs like SSVF and HUD-VASH, the Targeting/Key program, and the Transitions to Community Living Initiative and Independent Living Initiative. The CoC's Plan to End Homelessness and its overall approach to ending and preventing homelessness is based on the HEARTH Act and Federal Strategic Plan to End Homelessness goals and strategies.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Public housing in Orange County is provided by two entities—the Orange County Housing Authority (OCHA) and the Department of Public Housing in the Town of Chapel. Housed within the Orange County Department of Housing and Community Development, OCHA does not manage any public housing units, but oversees 686 Housing Choice Vouchers (HCV, commonly known as Section 8), all of which are tenant-based. OCHA currently has 20 HUD-VASH vouchers, five Foster Youth to Independence (FYI) vouchers and 19 Emergency Housing Vouchers (EHVs). OCHA is also exploring the possibility of implementing project-based vouchers within the next year. OCHA is overseen by a seven-member Board.

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

- In partnership with the Towns and local nonprofits, the County worked to increase the number of landlords willing to participate in the HCV Program. In 2021, Orange County Housing Department's Housing Access Coordinator arranged two "landlord workshops" to recruit more landlords to accept vouchers and to help connect voucher holders and other low-income households with affordable housing options.
- The County worked to streamline the design and administration of the housing stabilization funds (designed to help low-income renters, including HCV holders, secure and maintain stable housing) offered by the County and each of the Towns. In spring of 2020, a streamlined program called the Emergency Housing Assistance program was created using funds from the County and Towns, as well as Coronavirus Relief Funds and other state and federal funding sources.
- OCHA ensured units in which households in the HCV Program live are safe and healthy by conducting Quality Control inspections on a subset of units.
- The County laid the groundwork to implement a "Move On" program, in which people with Permanent Supportive Housing Vouchers (PSHVs) whose service needs have lowered considerably and/or who no longer need services are transitioned to HCVs, freeing up PSHVs for more vulnerable individuals with higher service needs.

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

OCHA does not own any public housing units. However, OCHA has HCV holder involvement on its Board and encourages HCV holders to become homeowners. Additionally, OCHA has revived its Homeownership Voucher program, which allows HCV clients to use their subsidy toward mortgage payments. OCHA staff has sent applications to about dozens of interested clients so far, and several have been approved to seek financing. The Department of Public Housing in the Town of Chapel Hill provides programs and services for public housing residents, as well as the broader neighborhood and community. These include community clean-ups, neighborhood pop-ups, a weekly food bank program, a

Reading Partners program, National Night Out, senior bingo (in conjunction with the Hargraves Community Center), an International Potluck, and a 2020 Census Information Center.

Actions taken to provide assistance to troubled PHAs

OCHA is not designated as troubled. OCHA’s current rating is “High Performer” and received a score of 93% in its 2019 SEMAP rating.

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CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The Analysis of Impediments to Fair Housing in Orange County, completed in April 2020, recommends a combination of strategies to address barriers to fair housing, including amending land use policies that create barriers to affordable housing. The following strategies are discussed in the AI report:

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

Much of the county is zoned for low-density residential, which can be more expensive to build upon and thus inhibits the construction of affordable housing units. The Towns of Chapel Hill and Carrboro have enacted Inclusionary Zoning Ordinances to encourage developers to set-aside 15% of new units in residential developments that have more than five (5) units for people with low-and-moderate incomes. The Town of Chapel Hill's Inclusionary Zoning Ordinance also incentivizes affordable housing by providing development bonuses including density bonuses and floor area bonuses and waiving certain development-related fees for the affordable units. In recent years, voters in Orange County and the Town of Chapel Hill have approved affordable housing bonds to fund the development of new affordable units. Orange County passed a \$5 million bond in 2016 and the Town of Chapel Hill passed a \$10 million bond in 2018. These measures to increase affordable housing could be coupled with additional strategies to up-zone land and promote more housing development, particularly in areas with low transportation costs and access to services.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Despite County and service provider efforts, there remain significant obstacles to meeting underserved needs. The following are obstacles to meeting these needs in Orange County:

- The demand created by a continued population growth, including growth from the University, creates a housing shortage.
- A tight rental housing market and escalating rental rates in the urban areas of the County increases costs for all income levels.
- There is a lack of housing choice for people aging in place.

Furthermore, the fallout from the COVID-19 pandemic still continues to increase housing instability for many County residents due to business closures and job losses, creating the need for significant scale -up in the County’s provision of emergency rent and utility assistance (through the Emergency Housing Assistance program), housing resource navigation and referrals (through the Housing Helpline), and non-congregate shelter for people experiencing homelessness.

Orange County’s population is growing, with population growth concentrated mainly in the higher income household category. This growth has raised the value of housing, both owner- and renter-occupied, and created a shortage of decent, safe and affordable housing for very low >30%, low >50%, and moderate >80% income persons. Orange County’s highest priority is to address issues of affordable housing in the County. During this CAPER period, the County used its limited financial resources to address affordable housing issues and other needs addressed in this plan by funding the projects that would create more housing opportunities for County residents.

In PY 2022, the Orange County HOME Consortium funded the following activities to increase affordable housing opportunities:

- HOME-22-01 – Habitat for Humanity – Homebuyer Assistance
- HOME-22-02 Community Empowerment Fund – Homebuyer Assistance
- HOME-22-03 – EmPOWERment, Inc. – Rental Acquisition
- HOME-22-04 Rebuilding Together of the Triangle – Mobile Home Replacement

**Only HOME Match budgeted for this project, no 2020 HOME Entitlement funds*

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

In Orange County, evaluations (risk assessments) of lead-based paint in housing units were conducted on a case-by-case basis and lead abatement was prescribed as needed for dwellings assisted with rehabilitation funds. In addition, all assisted housing tenants were informed of the hazards of lead-based paint. The Orange County Health Department provided ongoing consultation to local housing staff. During this CAPER period, no units were abated for lead based paint in the County using HOME funds.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The latest HUD CHAS data (2014-2019) indicates that 30% of Orange County households (both renters and home owners) are cost burdened, meaning they spend more than 30% of their income on housing. Of all renters and homeowners in Orange County, about 15% are severely cost burdened, spending more than half of their income on housing. Cost burden is most prevalent among extremely low-income households earning 30% or below the area median income. Three-quarters (75%) of all very low income households are cost burdened by their housing, with 69% of these very low-income households spending over half of their income on housing. While extremely low-income households only represent 13% of all households in the county, they constitute 33% of all cost burdened households 60% of all severely cost burdened households. These statistics demonstrate the urgent and ongoing need for more affordable housing options in Orange County for low- and moderate-income households.

The Orange County HOME Consortium continued to address issues of affordable housing in the County through funding the following activities in program year 2022:

- HOME-22-01 – Habitat for Humanity – Homebuyer Assistance
- HOME-22-02 Community Empowerment Fund – Homebuyer Assistance
- HOME-22-03 – EmPOWERment, Inc. – Rental Acquisition
- HOME-22-04 Rebuilding Together of the Triangle – Mobile Home Replacement

**Only HOME Match budgeted for this project, no 2020 HOME Entitlement funds*

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The Orange County Housing Department continued to coordinate activities among public and private agencies and organizations in the county to ensure the goals established in the latest Five Year Consolidated Plan are consistently met and addressed by more than one agency. The Housing Department continued to facilitate and coordinate the linkages between these public and private partnerships and developed new partnership opportunities.

The private sector was an important collaborator in the services and programs associated with the Five-Year Consolidated Plan. The private sector brought additional resources and expertise that was used to supplement existing services or fill gaps in the system. Lenders, affordable housing developers, business and economic development organizations, and private service providers offered a variety of assistance to residents such as health care, small business assistance, home loan programs, and assisted housing, among others. The County continued to collaborate with local financial institutions, private housing developers, and local realtors.

The Orange County Partnership to End Homelessness (OCPEH) has thoroughly analyzed the institutional

structure and service delivery system, identified fourteen gaps in the system, and calculated the costs of filling those gaps. OCEPH has either identified existing programs and partners, or worked to set up the necessary infrastructure, through which to fill most of these gaps, and some funding has already been secured. In addition to filling the homeless system gaps, OCEPH also aims to improve existing projects and processes and improve the quality of homeless service delivery.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

Orange County works with the following agencies to enhance coordination:

- **Orange County Housing Authority** – Administers and operates the Section 8 Housing Choice Voucher Program.
- **Social Services Agencies** – Administers programs and support services to low- and moderate-income persons.
- **Housing Providers** – Rehabilitates and develops affordable housing and provides housing options for low- and moderate-income households.
- **Orange County Partnership to End Homelessness** – Coordinates the County’s homeless outreach and prevention effort.

Each year, as part of the HOME application planning process, local agencies and organizations are invited to submit proposals for HOME funds for eligible activities. These groups participate in the planning process by attending the public hearings, informational meetings, question and answer meetings, and completing survey forms.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

Orange County prepared an Analysis of Impediments to Fair Housing Choice in 2020 to coincide with the Consortium’s FY 2020-2025 Five Year Consolidated Plan. The report identified the following five main impediments to fair housing:

- A lack of affordable housing has resulted in severe rent burdens among many renters, especially those with low and moderate incomes.
- African Americans and Hispanics face difficulties receiving conventional mortgage loans.
- Based on the number of fair housing complaints filed, disabled persons face difficulties accessing fair housing.
- There exists a lack of subsidized rental properties outside the Towns of Chapel Hill and Carrboro.
- Zoning throughout the county largely restricts the development of denser, more affordable housing.

Based on the fair housing impediments identified, the AI recommends the following strategies to

address these barriers:

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

displacement.

- Consider areas to strategically up-zone to promote the development of affordable housing.

Orange County implemented an Eviction Diversion Program in 2021 which continues to assist residents with housing legal issues and eviction cases. This County Manager's office also handles discrimination and fair housing complaints for the County, education and outreach, and provides fair housing resources for the community.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Ongoing Monitoring for Rental Housing

Annual reports and periodic onsite inspections (at least once every three years) will be required after the project is completed for the duration of the HOME Affordability Period.

If there are observed deficiencies for any of the inspectable items in the property standards, a follow-up onsite inspection to verify that deficiencies are corrected must occur within 12 months. Health and safety deficiencies must be corrected immediately. For properties that have been found to have health and safety deficiencies, the County will conduct inspections every year for three years; after three years, if no new health and safety deficiencies have been found, the three-year onsite inspection schedule will resume.

The property owner must annually certify to the Consortium that each building and all HOME- assisted units in the project are suitable for occupancy.

The County will monitor projects for compliance with the requirements of the contract documents including rent and occupancy, maintenance of the property, ongoing financial feasibility of the project, maintenance and use of reserves, and recordkeeping.

Tenant-Based Rental Assistance

All housing occupied by tenants receiving HOME tenant-based rental assistance must meet Housing Quality Standards (HQS). The County staff perform annual onsite inspections of rental housing occupied by tenants receiving HOME-assisted TBRA to determine compliance with these standards.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The draft Orange County Program Year 2022 Consolidated Annual Performance and Evaluation Report (CAPER) was made available for public display and comment on the County website at www.orangecountync.gov/2336/HOME-Program and available upon request at the Orange County Housing Department office. A public hearing on the draft CAPER was held on September 5, 2023 and

public notice of the hearing and on the public comment period was published in *The Herald Sun* and *La Notícia* on Monday, August 21, 2023. The public comment period ran from August 21, 2023 to September 5, 2023.

Public comments received on the 2022 CAPER and responses from the Orange County HOME Consortium are below.

- comments received will be inserted after the public comment period ends.

DRAFT

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

No properties were inspected during PY 2022. During the monitoring that occurred in June 2023 we monitored 3 properties. We received feedback from HUD that we need to monitor on a regular basis. As a result, we have put a plan in place to ensure that properties that have received HOME funds in the past are scheduled for walk-through inspections on a regular basis.

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

The Orange County HOME Consortium did not inspect any units in PY 2021 due to the COVID-19 pandemic and significant staff turnover. The Orange County's Department of Housing and Community Development's three certified housing inspectors will perform all future inspections. The County's goal is to develop a timetable to inspect all its HOME-assisted rental units that are still within their period of affordability and submit this timetable to HUD.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

Orange County HOME Consortium continued to follow its Affirmative Marketing Policies and Procedures. The Affirmative Marketing Policy is in all of the HOME Subrecipient Agreements and is applicable to projects that have contained five or more units. Most of the Consortium's HOME projects that have been developed do not meet this threshold. Orange County HOME Consortium provided all HOME funded projects and all sub-recipients with the Affirmative Marketing Policy, when applicable. The marketing of units is the responsibility of the housing provider to undertake in accordance with the Affirmative Marketing Policy.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

The HOME Consortium received \$13,306.32 in program income this program year.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

The Orange County HOME Consortium worked in cooperation with the non-profit housing providers to address the County's affordable housing needs through the use of HOME funds, Low-Income Housing Tax Credits, and other State and Federal funds. The HOME Consortium funded the following projects to address the Consortium's housing needs:

- HOME-22-01 – Habitat for Humanity – Homebuyer Assistance
- HOME-22-02 Community Empowerment Fund – Homebuyer Assistance
- HOME-22-03 – EmPOWERment, Inc. – Rental Acquisition
- HOME-22-04 Rebuilding Together of the Triangle – Mobile Home Replacement

**Only HOME Match budgeted for this project, no 2020 HOME Entitlement funds*

Orange County's population is growing. However, the population growth is mainly in the higher income household category. This raises the value of both owner- and renter-occupied housing, and creates a shortage of decent, safe and affordable housing for low- and moderate-income households. HUD CHAS data on housing cost burden indicates that Orange County is facing an affordability crisis for lower income persons who cannot afford to live in the southern and eastern parts of the County. Targeting HOME funds to these projects will help the HOME Consortium reach the top priorities identified in the 2020-2025 Consolidated Plan of providing housing for people experiencing homelessness and providing housing for low- and moderate-income households.