

03-04-2020 Town Council Meeting Responses to Council Questions

ITEM #15: Receive the Fiscal Year (FY) 20 Second Quarter Affordable Housing Quarterly Report (October 1 - December 31, 2019)

Council Question:

Is it possible to get an update on the master leasing program we are supporting via community Home Trust? This seems like a promising model for supporting very low income residents so I am eager to hear CHT's perspective on whether it has been a cost effective way to provide "housing first" and supportive services.

Community Home Trust Response:

The Community Home Trust (CHT) is coming up on one year of administering the master leasing program. The program requirement for an eligible tenant was to be experiencing homelessness or imminent homelessness. We have 5 tenants participating whom were either in shelters or some type of transient housing. After nearly 1 year, the 5 original tenants are still leased, and all tenants are current on their rent. Four of the 5 tenants are receiving weekly support services provided by IFC. There have been a few lease violations, CHT has worked to resolve and overall the tenants have been responsive to resolving concerns promptly. When looking at whether or not the program is cost-effective, according to a [HUD study](#)¹ published in March, 2010 (and referenced in a recent OCAHAB presentation) the monthly cost to support 2 families and 3 individuals experiencing homelessness is estimated to be approximately \$12,000. Under the Master Leasing Program, our costs to provide housing for these same households has averaged \$4,300/month, representing a community savings of nearly \$8,000 per month. (In summary: In 2010 the costs to support a homeless individual were \$1,634-\$2,308/month. The estimated costs to support a family facing homelessness were \$3,184-\$20,031/month)

Council Question:

Where are/will the Grisham houses be placed?

Staff Response:

Three of the four Grisham cottages have been placed on Northside land banked properties at 603 Craig Street and 320 Lindsay Street. The Lindsay Street parcel is one of the two parcels the Town conveyed ownership to Self-Help for affordable housing. This parcel will utilize two of the Grisham cottages to form a duplex. Another cottage has been placed at Mitchell Lane, another parcel the Town conveyed to Self-Help. The current plan for that parcel is for the development of a tiny home duplex. The fourth Grisham Cottage was unable to be moved and has been torn down.

¹ https://www.huduser.gov/publications/pdf/costs_homeless.pdf

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Council Question:

What is the status of the housing locator position we helped to fund?

Staff Response:

The Council approved \$15,000 in this year's budget to jointly fund this position with the other local governments in Orange County. The position was to be housed at Community Empowerment Fund (CEF) and funding run through the Orange County Partnership to End Homelessness. In January of this year, CEF notified the local governments funding the position that the staff person serving in the housing locator role had accepted another position and that the organization would no longer be providing this service, effective the beginning of March. CEF staff shared openly about the challenges they experienced in building relationships with landlords and increasing the number of rental properties that accept Housing Choice Vouchers throughout the County. They did have success in developing resources related to housing access and maintaining a database of housing opportunities within Orange County.

Since we learned about this change, our Housing and Community staff notified the Manager and have been meeting with our counterparts in the other jurisdictions funding the position to discuss potential next steps. We are considering options to fill the immediate needs through the Orange County Partnership to End Homelessness. The Council will consider options for continuing to support this position as part of your FY21 Budget deliberations.

Council Question:

What is the status of the Chandler Woods parking situation for the affordable units?

Staff Response:

Staff and the Community Home Trust are finalizing an agreement with the developer that would provide 9 on-street parking spaces by permit only for the residents in the affordable townhomes, in addition to the designated off street spaces.

Council Question:

Could staff please include an update on the implementation of the manufactured housing strategy? How is it being implemented in the context of the Tar Heel MHP?

Staff Response:

Housing and Community staff continue to implement the strategies identified in our [Manufactured Homes Strategy](#)². Consistent with the Strategy, our team has continued to

² <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3531760&GUID=13618DD7-534B-4D67-8BD4-E1F9564701A1&Options=&Search=>

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explore housing options for residents facing displacement. We prepared the white paper (attached) outlining alternatives to resident displacement, which have been successful in other communities. Additionally, our Government Alliance on Race and Equity (GARE) team is considering potential pilot projects to address some of the racial equity issues our team identified related to mobile home parks and housing access. We anticipate selecting pilots by the end of the summer.

The Town has not yet received a revised development application for the proposing development on the site of Tar Heel Mobile Home Park. Housing and Community and Planning staff are staying in close communication with the owner/developer as well as community partners to receive regular updates, respond to questions and concerns from residents, and ensure compliance with our development review process. We are closely monitoring the applicant's efforts to proactively relocate residents.

In mid-January, staff received the update below from the current owner/development on their efforts to proactively relocate residents in the area under consideration for redevelopment to other areas within the park.

- *The owner stated that they remain committed to relocating all households in the affected area to other lots within the park. He is offering various options, including purchase of a new mobile home moving existing mobile homes if suitable for relocation (at no charge to the resident)*
- *There were 16 households originally located within the front portion of the park that would be impacted if redevelopment occurs, 4 households have already moved:*
 - *Single family home occupants found new home at another park in Chapel Hill*
 - *Elderly couple moved into old office (mobile home) on site within the park*
 - *Two households moved away*
- *Currently, 12 households are still living in the potentially affected area.*
- *The onsite property managers have conducted one-on-one interviews with all households in the potentially affected area to learn about their preferences for relocation. They reported:*
 - *5 households want to buy a new mobile home on site*
 - *5 households want to have their existing home relocated*
 - *2 households are uncertain - may not be able to move their existing home and may not want to purchase*

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- *The owner anticipates that 4 households will be relocated to existing approved lots on other areas of the site before they receive approval for their plans (note that they have received necessary town approvals to do this)*
- *Once the 4 homes mentioned above are moved, there will be 8 households remaining in the potentially affected area that will be moved if the development application is approved and construction begins*

Council Question:

For the displacement support funds, can you share where those who have received assistance live/lived?

Council Question:

What is the breakdown of the nine households assisted between assistance with rental deposits, utility deposits and displacement?

Staff Response:

Of the 198 households that resided at the Park Apartments, Bell Properties, who managed the Park Apartments, reported that 100% of households were able to relocate within Orange County and 46% within Chapel Hill. Dozens of Park residents have utilized the housing locator services provided through the Town's Housing Displacement Assistance Program (HDAP) and ten households have received financial assistance available through the Program.

Nine households received rental and utility assistance or HDAP assistance in the first half of this fiscal year. Five of the nine received HDAP assistance with the remaining four households receiving rental and utility assistance.



Manufactured Housing Strategy

Menu of Housing Options – Land Purchase

August 2019



Overview: This memo introduces three housing models for the Town to consider applying to the manufactured home communities in Chapel Hill facing the threat of redevelopment. This memo analyzes how these three housing models accommodate economic development interests while also preserving existing affordable housing and limiting resident displacement and disruption.

The Town's [Manufactured Home Strategy](#) calls for developing a menu of housing options for Council to consider to address the threat of redevelopment in local manufactured home communities. Staff identified the three housing models described below based on their ability to successfully meet the Town's economic development and affordable housing interests around these sites, including:

1. Compatibility with needs and preferences of the manufactured home residents, detailed in the [Resident Engagement Report](#) presented to Council in June 2018.
2. Creating certainty for residents' future
3. Minimizing displacement of and disruption to residents
4. Preserving existing and creating new affordable housing
5. Stimulating economic development
6. Alignment with future land use plans and Bus Rapid Transit
7. Minimize costs and dollars invested from the Town

The matrix at the end of the memo analyzes how each of these models could meet the Town's goals.

Models

1. Town-Led Mixed-Income Redevelopment Project – City of Boulder, CO

Background: In August 2017, the City of Boulder purchased the [Ponderosa Mobile Home Park](#) with plans to preserve long-term affordability and replace outdated infrastructure. The City committed to working with the community of 68 Ponderosa households (190 residents) to develop and implement a plan for addressing the housing needs of the community while ensuring minimal displacement. The Park was purchased for \$4.2 million with funding from the City and CDBG Disaster Recovery assistance for infrastructure replacement.

Goals: This purchase was informed by several goals and drivers identified through engagement with Ponderosa residents, including:

- Minimize disruption to the owners and residents
- Minimize displacement
- Improve community resiliency
- Retain affordability
- Create certainty for the future
- Minimize costs to the Town and maximize dollars invested



How it Works: Boulder's plan used resident engagement as the foundation for the development of project solutions, believing that understanding the community and its needs would lead to the best solutions. Through extensive resident engagement by Boulder City staff and consultants, Boulder created [a plan](#) to

develop a mix of housing types on the property that allows residents a range of housing choices, including single-family, duplexes, and carriage houses.

The plans call for a phased redevelopment to ensure no residents are displaced in the process. The City anticipates partnering with the local Habitat for Humanity to construct the residential units. The homes will be owned by the residents. The development plan is currently in the development review phase and construction is expected to begin in early 2020.



One-For-One Home Replacement

Phasing of the project allows people to move from their current home to a new home without having to leave Ponderosa for a long construction period.



2. Nonprofit-Led Mixed-Use Redevelopment Project – Habitat for Humanity - Charlottesville, VA

Background: In 2012, [Habitat for Humanity of Greater Charlottesville](#) successfully implemented the transformation of a manufactured home park without resident displacement. Sunrise Park, near downtown Charlottesville, was a mobile home community of 16 households threatened by redevelopment. Habitat purchased the community for \$1.24 million through Habitat funds, a loan from the Virginia Housing Development Authority, and private donations. Habitat developed a mixed-income, mixed-use community with extensive resident engagement. Habitat is now replicating and building on this model in the [Southwood](#) community in Charlottesville.

Goals:

- Serve as a national blueprint for redevelopment without displacement
- Create affordable homeownership options
- Create small business opportunities



How it Works: [The Sunrise plan](#) called for a phased mixed-income project so that the original sunrise residents could remain on site while their future housing was constructed. The resulting 70 unit mixed-income neighborhood includes housing options that maximize land use and affordable housing stock, including single-family homes, apartments, and condominiums, while building on the strengths of the original mobile home court, including shared community outdoor spaces.

The Southwood [planned redevelopment](#) will have 800 residential units, more than half of which will be affordable, and as much as 200,000 square feet of commercial space. The affordable units will be built by Habitat directly or provided by private developers. Current residents will receive right of first refusal on affordable units, and will be offered mortgages with affordable terms. Habitat is also in the process of negotiating five years of free rent in the commercial space for mobile home park residents who want to start a business.

AARP has created a [Resource Guide](#), building on the lessons learned at Sunrise Park, which offers tools and strategies to enable organizations to transform mobile home parks into successful mixed-income communities without displacement.



3. Resident-Owned Community – ROC USA - Nationwide

Background: [ROC USA](#), is national organization with regional affiliates providing lending and technical assistance to residents in purchasing and managing their manufactured home communities. ROC USA has assisted in the creation of over 225 resident owned manufactured home communities in 15 states across the country.

Goals: Benefits of resident owned communities:

- Control of monthly lot rent, community repairs and improvements
- Lifetime security against unfair eviction
- Liability protection (members are not personally liable for association loans)
- Building a strong sense of community



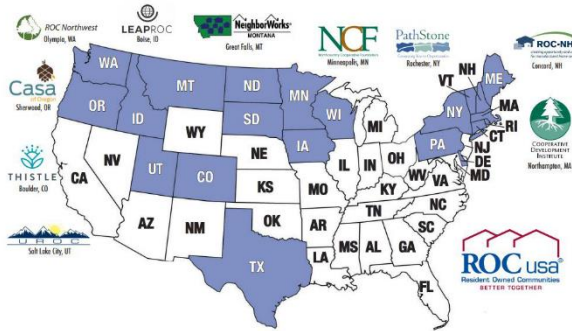
How it Works: In a resident-owned community, homeowners form and join a non-profit cooperative association. The cooperative borrows the money for purchase from ROC USA Capital, whose sole mission is lending to resident owned community. Each cooperative member contributes a maximum \$1,000 joining fee while their lot fees go toward paying off the mortgage and running the new business that is their community. ROC USA Capital has financed 55 resident-owned community purchases with an average loan of \$2.67 million.

Each household is a member of the cooperative, which owns the land and manages the community. Members continue to own their own homes individually and an equal share of the land beneath the entire neighborhood.

Residents make major decisions by democratic vote. Members elect a board of directors, which appoints committees to carry out various tasks and manage the day-to-day operations of the organization.

[Carolina Common Enterprise](#), based in Durham, is in the process of affiliating with ROC USA. If this nonprofit secures its affiliate status, the first in the state, they could provide the technical assistance needed to community residents to successfully own and manage their community.

226 ROCs in 15 States



Town Goals Analysis

Below is an analysis of how each model could meet the Town’s goals, if the Town were to gain site control of any of the Manufactured Home Communities in Chapel Hill.

Goal	Project Model		
	Boulder Mixed-Income	Charlottesville Mixed-Use	Resident-Owned
Meet Resident Housing Needs and Preferences	Green	Green	Green
Create Certainty for Residents Future	Green	Green	Green
Minimize Displacement	Green	Green	Green
Minimize Disruption to Residents	Yellow	Yellow	Green
Preserve Affordable Housing	Green	Green	Green
Create New Affordable Housing	Yellow	Green	Red
Stimulate Economic Development	Yellow	Green	Red
Meet Future Land Use Plans along BRT	Yellow	Green	Red
Minimize Costs and Maximize Dollars Invested	Red	Yellow	Green

- = High achievement of the goal
- = Moderate achievement of the goal
- = Low achievement of the goal