

2019-2020 HOME Program Plan Summary

The Orange County Local Government Affordable Housing Collaborative (the Collaborative) met on February 28, 2019, to review applications for HOME funding, and recommends the following 2019-2020 program plan:

Summary of Recommended Plan:

• Habitat for Humanity - Second Mortgage Assistance	\$ 181,392
• Orange County- Tenant-Based Rental Assistance & Rapid Rehousing	\$ 141,004
• EmPOWERment, Inc. - Acquisition	\$ 32,455
• EmPOWERment – Acquisition (CHDO Set Aside of 15% of FY19-20 grant)	\$ 52,545
• EmPOWERment – Acquisition (CHDO Set Aside of 15% of FY18-19 grant)	\$ 60,201
• Administration	<u>\$ 35,030</u>

Total 2019-2020 HOME Funds for Project Activities **\$502,627**

1. Habitat for Humanity: \$181,392

Habitat requests \$240,000 in HOME funds as second mortgage assistance for eight (8) newly constructed homes in the Fairview community in Hillsborough, Northside neighborhood in Chapel Hill, and the Homestead Road area in Chapel Hill. Second mortgage assistance will allow the homes to be affordable to buyers earning between 30% and 60% of the area median income (AMI).

The Collaborative recommends allocating \$181,392 in HOME funds to support second mortgage assistance.

2. Orange County –Tenant-Based Rental Assistance & Rapid Rehousing: \$141,004

The County will leverage local funds to provide rental assistance for low-income persons, including utility and security deposit payments. Tenant-based rental assistance (TBRA) is a rental subsidy that can be used to help individual households afford housing costs such as rent and security deposits. Funding may also be used to assist tenants with utility deposits but only when HOME is also used for rental assistance or security deposits.

3. EmPOWERment: \$145,201 (\$52,545 FY19-20 CHDO Set Aside + \$60,201 FY18-19 CHDO Set Aside + \$32,455 Additional Project Funding)

EmPOWERment requests \$304,800 in HOME funds for acquisition of three (3) units for affordable housing rental purposes; two (2) units in the Hillmont Apartment Complex in Carrboro and one (1) single-family home in the Pine Knolls neighborhood in Chapel Hill. The target population consists of households earning 51-80% of Area Median Income. EmPOWERment proposes to leverage \$30,000 from the United Way of the Greater Triangle and the EmPOWERment operating fund.

The U.S. Department of Housing and Urban Development (HUD) requires that a minimum of 15% of HOME allocations be reserved for use by a Community Housing Development Organization (CHDO). EmPOWERment is applying for funds, as a CHDO.

The Collaborative recommends allocating \$145,201 in HOME funds to support acquisition of either the two (2) units in the Hillmont Apartment Complex in Carrboro, or the one (1) single-family home in the Pine Knolls neighborhood in Chapel Hill. The Collaborative

articulated a preference towards acquisition of the two (2) units in the Hillmont Apartment Complex, since 1-bedroom units are currently in high demand.

4. Program Administration: \$35,030

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