



## Legislation Text

File #: [21-0378], Version: 1

### Approve the 2021-2022 HOME Investment Partnership Program Annual Plan.

**Staff:**

Loryn Clark, Executive Director  
Sarah Osmer Viñas, Assistant Director  
Nate Broman-Fulks, Affordable Housing Manager  
Megan Culp, Community Development Program Manager

**Department:**

Housing and Community

**Overview:** The Orange County HOME Consortium receives an annual allocation of federal [HOME Investment Partnership Program](https://www.hudexchange.info/programs/home/) funds from the U.S. Department of Housing and Urban Development to address County-wide affordable housing needs. The recommended plan includes funding eligible affordable housing projects for use of \$677,267 of 2021-2022 HOME Program funds. HOME funded projects must benefit households earning 80% or less of the area median income (\$72,700 for a four-person household).

**Background**

- Orange County is the lead entity for the HOME Program Consortium.
- The Consortium includes four participating jurisdictions (Chapel Hill, Carrboro, Hillsborough, and Orange County).
- In 2017 the HOME Consortium was expanded to create the [Orange County Local Government Affordable Housing Collaborative](http://chapelhill.granicus.com/MetaViewer.php?view_id=21&clip_id=3270&meta_id=174509). The purpose of the Collaborative is to enhance collaboration around affordable housing among the jurisdictions in the County.
  - The Collaborative includes elected officials and staff from the each of the four participating jurisdictions and serves as the HOME Program Consortium application review team, charged with developing an annual HOME Program plan.
  - Council Member Karen Stegman represents the Chapel Hill Town Council on the Collaborative.
- All participating jurisdictions must approve and authorize submission of the plan prior to submittal to the U.S. Department of Housing and Urban Development (HUD).
- The Collaborative recommends the Council review and approve a 2021-2022 HOME Program Plan.



**Recommendation(s):**

That the Council:

1. Approve a spending plan recommended by the Collaborative for use of \$677,267, including \$378,743 of 2021-2022 Orange County HOME Program funds, \$13,306 in program income, \$85,218 local match funding, and \$200,000 of 2020-2021 HOME Program funding returned by CASA when their project was approved for LIHTC.
2. Authorize this plan to be incorporated into the Annual Update to the 2020-2024 Consolidated Plan for Orange County.

**Summary of Recommended Plan:**

• Habitat for Humanity - Second Mortgage Assistance	\$ 434,393
• Pee Wee Homes - Rental Construction	\$ 100,000
• EmPOWERment, Inc. - Rental Acquisition (meets 15% CHDO minimum)	\$ 105,000
• Administration (10% of HOME grant, per statute)	\$ 37,874

**Total HOME Funds for Project Activities** **\$677,267**

**Key Issues:**

- HUD requires that at least 15% of the \$378,743 HOME Program funds, or \$56,811, be reserved for use by Community Housing Development Organizations (CHDOs).
  - EmPOWERment, Inc. was the only CHDO application received. The recommended funding plan meets the 15% CHDO requirement with a \$105,000 allocation to EmPOWERment.
- The total local match requirement is \$85,218 and each jurisdiction contributes based on population:

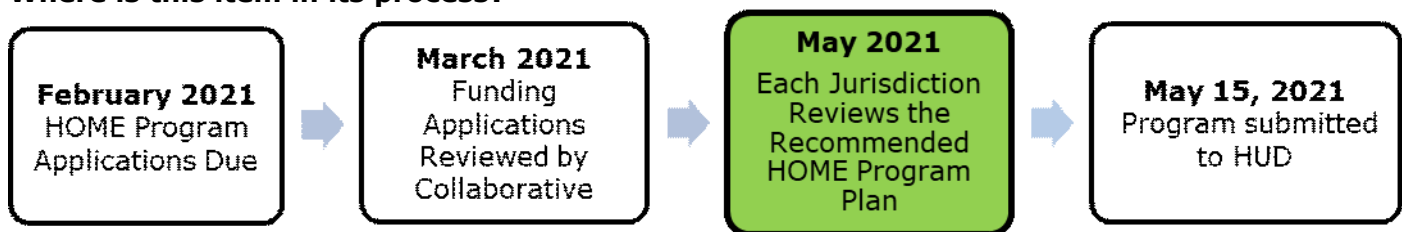
▪ Chapel Hill	\$34,939
▪ Carrboro	\$12,783
▪ Hillsborough	\$ 4,261
▪ Orange County	\$33,235
<b>Total HOME Local Match</b>	<b>\$85,218</b>

  - As in previous years, we propose to use funds from the Affordable Housing Fund for the Town’s portion of the match requirement.
- Housing projects funded with Orange County HOME Consortium Program funds are subject to the County’s 99-year long-term affordability policy and must remain affordable for 99 years. Orange County records deed restrictions on the property with the Register of Deeds for affordable housing projects.
- If an agency does not implement a project after funding is awarded, the Collaborative would return to the governing bodies of the participating jurisdictions with a proposed plan for reallocation of funds.

**Fiscal Impact/Resources:**

- The recommended plan proposes to provide funds as grants to non-profit organizations for affordable housing activities.
- Participation in the HOME Program requires a local match. The Town’s portion is \$34,939. As in previous years, we propose to use an allocation from the Affordable Housing Fund for this purpose.

**Where is this item in its process?**



 **Attachments:**

- Resolution Approving the 2021-2022 HOME Program Plan
- 2021-2022 HOME Program Annual Plan Summary of Activities

**A RESOLUTION APPROVING THE 2021-2022 HOME INVESTMENT PARTNERSHIP PROGRAM ANNUAL PLAN (2021-05-05/R-3)**

WHEREAS, Orange County held two public forums to receive resident comments and proposals regarding the use of 2021-2022 HOME Program funds; and

WHEREAS, the HOME program application review team reviewed and evaluated funding applications received for proposed 2021-2022 HOME program activities.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council approves the following 2021-2022 HOME Investment Partnership Program Annual Plan to be carried out by the members of the Orange County HOME Consortium:

• Habitat for Humanity - Second Mortgage Assistance	\$ 434,393
• Pee Wee Homes - Rental Construction	\$ 100,000
• EmPOWERment, Inc. - Rental Acquisition (15% CHDO minimum)	\$ 105,000
• Administration	\$ 37,874

**Total HOME Funds for Project Activities**

**\$677,267**

BE IT FURTHER RESOLVED that the Council authorizes this plan to be incorporated into the Annual Update to the 2020-2024 Consolidated Plan, for submission to the U.S. Department of Housing and Urban Development.

This the 5<sup>th</sup> day of May, 2021.

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**The Agenda will reflect the text below and/or the motion text will be used during the meeting.**

By adopting the resolution, the Council authorizes this plan to be incorporated into the Annual Update to the 2020-2024 Consolidated Plan, for submission to the U.S. Department of Housing and Urban Development.