



## Legislation Text

File #: [23-0400], Version: 1

### Approve the 2023-2024 HOME Investment Partnership Program Annual Plan.

**Staff:**

Sarah Osmer Viñas, Director  
Nate Broman-Fulks, Assistant Director  
Megan Culp, Community Development Program  
Manager

**Department:**

Affordable Housing and Community Connections

**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 \$539,839 of 2023-2024 HOME Program funds for eligible affordable housing projects. HOME funded projects must benefit households earning 80% or less of the area median income (\$76,400 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).
- To enhance collaboration around affordable housing among the jurisdictions in the County, [the Orange County Local Government Affordable Housing Collaborative](#) <[http://chapelhill.granicus.com/Viewer.php?view\\_id=21&clip\\_id=3270&meta\\_id=174509](http://chapelhill.granicus.com/Viewer.php?view_id=21&clip_id=3270&meta_id=174509)> (the Collaborative) was formed in 2017.
  - 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.
  - Mayor Pro Tem 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 2023-2024 HOME Program Plan.

**Recommendation(s):**

That the Council:

1. Approve a spending plan recommended by the Collaborative for use of \$539,439, including \$429,496 of 2023-2024 Orange County HOME Program funds, \$13,306 in program income, and \$96,637 local match funding.
2. Authorize this plan to be incorporated into the Annual Update to the 2020-2024 Consolidated Plan for Orange County.

**Summary of Recommended Plan:**

	Requested	Collaborative Recommendation
CASA - Homestead Gardens Construction	\$512,000	\$446,489
Pee Wee Homes - Hill St. Construction	50,000	50,000
Administration (10% of HOME, required per statute)	42,950	42,950
<b>Total</b>	<b>\$604,950</b>	<b>\$539,439</b>

**HOME Investment Partnership Funding Process Overview**

- November 1, 2022: The Orange County Board of County Commissioners held a public hearing to receive comment on the 2021-2022 HOME Program Consolidated Annual Performance Report and assess community needs for development of the 2023-2024 HOME Annual Action Plan.
- February 21, 2023: Application submission deadline.
- March 9, 2023: Local Government Affordable Housing Collaborative met to review and evaluate applications to make recommendations.
- April 1, 2023: Orange County Staff posted the recommended HOME Investment Partnership Annual Program Plan for public review and comment on the County’s website.
- April 4, 2023: The Orange County Board of County Commissioners held a public hearing to receive comments on the recommended 2023-2024 HOME Program Plan.
- May 2, 2023: The Orange County Board of County Commissioners and Carrboro Town Council consideration of the HOME Program Plan.
- May 8, 2023: Hillsborough Town Council consideration of the HOME Program Plan.
- The next steps are:
  - If all jurisdictions of the Consortium approve the plan, Orange County will submit the Plan to HUD, as the annual update to the 2020-2024 Consolidated Plan.
  - County posts the approved annual HOME plans on the [HOME Program website <https://www.orangecountync.gov/2336/HOME-Program>](https://www.orangecountync.gov/2336/HOME-Program).
  - County enters into Performance Agreements with agencies, according to the approved program plan.

**Key Issues:**

- HUD requires that at least 15% of the \$429,496 in HOME Program funds, or \$64,424, be reserved for use by Community Housing Development Organizations (CHDOs).
  - Both CASA and Pee Wee Homes qualify as CHDOs, meeting this requirement.
- The total local match requirement is \$96,637 and each jurisdiction contributes based on population. Below is the breakdown of match allocations by jurisdiction based on 2020 Census data:
 

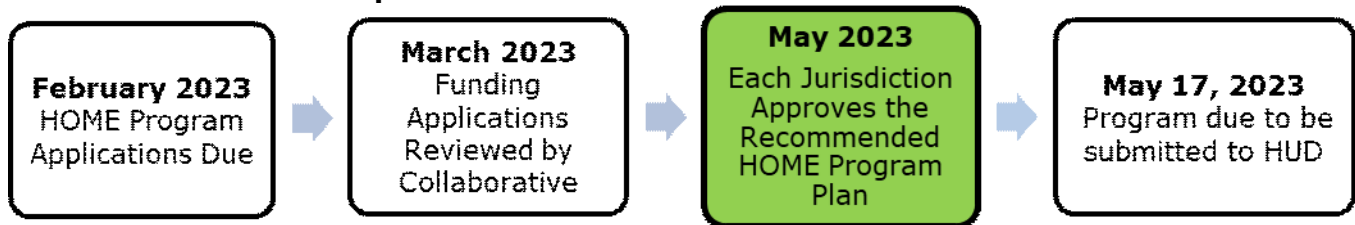
▪ Chapel Hill	\$ 38,365
▪ Carrboro	\$ 13,819
▪ Hillsborough	\$ 6,281
▪ Orange County	\$ 38,172
<b>Total HOME Local Match</b>	<b>\$96,637</b>

  - 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 \$38,365. 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 2023-2024 HOME Program Plan
- 2023-2024 HOME Program Annual Plan Summary of Activities

**A RESOLUTION APPROVING THE 2023-2024 HOME INVESTMENT PARTNERSHIP PROGRAM ANNUAL PLAN (2023-05-10/R-4)**

WHEREAS, Orange County held two public forums to receive resident comments and proposals regarding the use of 2023-2024 HOME Program funds; and

WHEREAS, the HOME program application review team reviewed and evaluated funding applications received for proposed 2023-2024 HOME program activities; and

WHEREAS, HUD requires grantees to provide local match funds which the four local jurisdictions contribute proportionally based on population, and the Town of Chapel Hill's 2023-2024 match allocation is \$38,365.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Chapel Hill that the Council approves the following 2023-2024 HOME Investment Partnership Program Annual Plan to be carried out by the members of the Orange County HOME Consortium:

- |   |  |                  |
|---|--|------------------|
| • | CASA - New Affordable Rental Development (CHDO)          | \$ 446,489       |
| • | Pee Wee Homes - New Affordable Rental Development (CHDO) | \$ 50,000        |
| • | Administration   | \$ <u>42,950</u> |

**Total HOME Funds for Project Activities** **\$539,439**

BE IT FURTHER RESOLVED that the Council approves the use of \$38,365 for the Town of Chapel Hill's portion of the overall HOME local match.

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 10<sup>th</sup> day of May, 2023.

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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.