This substantial amendment includes allocation of additional program income received and the reallocation of unexpended program funds. The Town has postponed major improvements to public housing neighborhoods, pending the assessment of our neighborhoods and creation of a Public Housing Master Plan. Funds originally programmed for public housing improvements have been reallocated to neighborhood revitalization activities. The Town has followed the Citizen Participation Plan process for publications, draft display, and public meetings to offer opportunity to obtain public input, prior to entering this amendment.

# Executive Summary

## AP-05 Executive Summary - 91.200(c), 91.220(b)

**1. Introduction**

The Town of Chapel Hill, North Carolina, is an entitlement community for the Community Development Block Grant Program (CDBG) as defined by the U.S. Department of Housing and Urban Development (HUD). The Town is also a member of the Orange County HOME Consortium in partnership with Orange County, the Town of Carrboro, and the Town of Hillsborough. Orange County is the lead entity in the Consortium and therefore is responsible for preparation and submission of the Five Year Consolidated Plan. Since the Town of Chapel Hill is a member of the Consortium, HUD has determined that the County is permitted to submit one Consolidated Plan that details the needs of the entire County, including Chapel Hill. The Five Year Consolidated Plan establishes the Consortium’s goals for the next five (5) years and outlines the specific initiatives the Consortium and its member jurisdictions will undertake to address the Community’s housing and community development needs.  The Town of Chapel is submitting an Action Plan to provide information about its CDBG program.

The Town of Chapel Hill has received Community Development grants since 1975 under the federal Housing and Community Development Act of 1974.  This legislation provides funds to cities and counties to carry out activities that benefit low- and moderate-income families including: housing repair, public improvements, acquiring land for housing and economic development.  For many years, the Town has used CDBG funds to renovate public housing, provide homeownership assistance, to support public services that serve low and moderate income households, and infrastructure improvements.

The primary objective of the Community Development program is to develop viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income households.  Federal regulations define low-income as up to 50% of the median income and moderate-income as up to 80% of the median family income.

**2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The following six (6) priorities and subsequent goals/strategies have been identified for the Orange County HOME Consortium for the period of FY 2015 through FY 2019 for the HOME Investment Partnerships (HOME) Program, and the Town of Chapel Hill’s Community Development Block Grant (CDBG) Program.

**HOUSING PRIORITY – (High Priority)**

There is a need to improve the availability and quality of the housing stock in the County by increasing the amount of decent, safe, sound, and accessible housing for homeowners, renters, and homebuyers that is affordable to low- and moderate-income persons and families.

Strategies include support of acquisition, housing rehabilitation, new housing construction, fair housing education and outreach, homeownership, and public housing.

**HOMELESS PRIORITY – (High Priority)**

There is a need for housing and support services for homeless persons, and persons who are at-risk of becoming homeless. Strategies include supporting the Continuum of Care, providing operation assistance and support services, prevention of homelessness and rapid rehousing programs, support rehabilitation and accessibility improvements to existing facilities that serve the homeless, and supporting the development of permanent supportive housing for homeless individuals and families.

**OTHER SPECIAL NEEDS PRIORITY – (High Priority)**

There is a continuing need for affordable housing, services, and facilities for persons with special needs, the elderly, and the disabled. Strategies include increasing the supply of housing for the elderly, persons with disabilities, and person with other special needs, supporting social service programs for this population, and improving accessibility of owner occupied housing.

**COMMUNITY DEVELOPMENT PRIORITY – (High Priority)**

There is a need to improve the public and community facilities, infrastructure, public services, and the quality of life for all residents in the County. Strategies for achieving this objective include improving community facilities, infrastructure, public services including public safety and municipal services, code enforcement, clearance of dilapidated structures and neighborhood revitalization.

**ECONOMIC DEVELOPMENT PRIORITY – (High Priority)**

There is a need to increase employment, self-sufficiency, education, job training, technical assistance, and economic empowerment of low and moderate income residents in the County.

Strategies include supporting and encouraging job creation and retention and training services, financial assistance to businesses, and promoting redevelopment of distressed areas.

**ADMINISTRATION, PLANNING, AND MANAGEMENT PRIORITY – (High Priority)**

There is a continuing need for planning, administration, management, and oversight of Federal, state, and local funded programs as well as an increase for cooperation amongst public and private partners and the communities in the Consortium. The Town’s strategy for overall coordination is to provide program management and oversight for the successful administration of Federal, state, and local funded programs.

**3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The Town of Chapel Hill and Orange County have a good performance record with HUD. The Town and County regularly meet the performance standards established by HUD. Each year the County, in partnership with the Town and other Consortium members, prepares its Consolidated Annual Performance Evaluation Report (CAPER). The Town submits detailed information about expenditures for and accomplishments of the CDBG program. This report is submitted within ninety (90) days after the start of the new program year. Copies of the CAPER are available for review at Orange County Housing, Human Rights, and Community Development Department, 300 W. Tryon Street, Hillsborough, NC and in Chapel Hill Town Hall.

The FY 2015 CAPER, which was the first CAPER for the FY 2015-2019 Five Year Consolidated Plan, was approved by HUD. In the FY 2015 CAPER, the Town of Chapel Hill expended 100% of its CDBG funds to benefit low- and moderate-income persons. The Town expended 13.99% of its funds during the FY 2015 CAPER period on public service, which is below the statutory maximum of 15%. The Town expended 14.06% of its funds during this CAPER period on Planning and Administration, which is below the statutory maximum of 20%. The Town is in compliance with the required 1.5 maximum drawdown ratio.

**4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

The Town of Chapel Hill, in compliance with its Citizen Participation Plan, advertised and held two (2) public forums on the Town’s housing and community development needs. The forums provided residents with the opportunity to discuss the Town’s CDBG Program.

Additionally, the County held public hearings, draft plan review comments were all used to develop the Consolidated Plan.

**5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The Town held its first public forum on housing and community development needs on November 7, 2016 at 7:00 pm.  Comments received at that public hearing are included in the attachments at the end of this Plan. A second forum was held on March 6, 2017 at 7:00 pm to receive comments on a preliminary plan for use of FY2017 CDBG funds. The Council adopted the CDBG Action Plan, the HOME Program Action Plan, and the submission of the Consolidated Plan on April 5, 2017.

The Town held 2 public forums (September 27, 2017 and November 1, 2017) to receive comments on the proposed 2017-2018 CDBG Annual Action Plan Amendment, including how to allocate program income and reallocate unexpended CDBG funds.

 Comments received at the public forums are included in the Attachments section at the end of this Action Plan.

**6. Summary of comments or views not accepted and the reasons for not accepting them**

All comments and suggestions that were received to date, have been accepted, attached, and incorporated into the plan documents.

**7. Summary**

## PR-05 Lead & Responsible Agencies - 91.200(b)

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

| **Agency Role** | **Name** | **Department/Agency** |
| --- | --- | --- |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| CDBG Administrator | CHAPEL HILL | Office for Housing and Community |

Table 1 – Responsible Agencies

**Narrative**

The Town of Chapel Hill is a member of the Orange County HOME Consortium, and Orange County serves as the Lead Agency. The Town of Chapel Hill is a CDBG Entitlement community and is responsible for submitting the CDBG Action Plan. In previous years, the Town's Action Plan was included in the Orange County Annual Update to the Consolidated Plan. The Town's 2015 and 2016 CDBG Action Plans are included in the 2015-2020 Consolidated Plan, and HUD is requiring the Town to submit a separate Action Plan for the CDBG program.

**Consolidated Plan Public Contact Information**

Renee Moye, Community Development Program Manager

Town of Chapel Hill

Office for Housing & Community

## AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

**1. Introduction**

While preparing the FY 2017-2018 Action Plan, the Town's Office of Housing and Community consulted with Orange County, social services agencies, housing providers, and members of the Orange County Partnership to End Homelessness (the Continuum of Care). Orange County also developed an online survey for stakeholders and residents to identify needs, gaps in the system, and programmatic goals for the next five years. Input from the meetings and surveys were used in the development of specific strategies and priorities for the Town's Action Plan and the County-wide Five Year Plan.

**Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).**

The Town of Chapel Hill's Office of Housing and Community works with the following agencies to enhance coordination:

* **Town departments** - The Office of Housing and Community includes public housing, affordable housing policy, and human services divisions. Our team works closely with internal departments to enhance coordination of affordable housing and community development activities. Partnering departments include Parks and Recreation, the Chapel Hill Public Library, Technology Solutions, the Police Department, Fire Department, Public Works, Planning and Sustainability, and Business Management Development. The Town uses federal and local funding to implement programs and activities that support the Town's affordable housing and community development goals.
* **Orange County** - The Town is an active participant in the Orange County HOME Consortium and many HOME-funded projects are located in Chapel Hill.
* **Towns of Carrboro and Hillsborough** - The Town works closely with the other municipalities in the County to coordinate affordable housing and community development efforts and initiatives.
* **Community Service Agencies** - The Town implements and also provides funds to agencies that provide services to low and moderate income households.
* **Housing Providers** - the Town provides implements and provides funds to providers that provide and support the development of affordable housing opportunities.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The Town is an active member of the Orange County Partnership to End Homelessness. The Partnership has recently begun implementing a Coordinated Entry system that prioritizes people for Permanent Supportive Housing; it will eventually expand to include Rapid Rehousing and other housing/services. The CoC's 100,000 Homes Taskforce meets monthly to collaborate on finding housing and services (MH, SA, medical, legal, etc.) for chronically and/or vulnerably homeless individuals. Orange County DSS and the Inter-Faith Council for Social Service provide Rapid Rehousing and Transitional Housing, respectively, targeted to families with children; they are both very actively involved in the Leadership Team and subcommittees and refer clients to each other. Earlier this month the CoC formed a working group with the Durham Veterans Administration, Volunteers of America and NC Coalition to End Homelessness to develop strategies to end Veteran homelessness in 2015.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction’s area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

The four (4) jurisdictions participating in the Orange County HOME Consortium – Orange County, Towns of Chapel Hill, Hillsborough and Carrboro – support the Orange County Partnership to End Homelessness' (OCPEH) budget on a pro-rata basis. The funding covers the salary of the Homeless Programs Coordinator, HMIS fees for the CoC and miscellaneous costs. The OCPEH is the CoC and comprises a Leadership Team and several subcommittees. The Orange County Partnership to End Homelessness has not traditionally been involved in comprehensive plans, strategic development plans, or Consolidated Plan. However, this year the CoC has fully participated in the planning, development, and writing of the Orange County HOME Consortium's Five Year Consolidated Plan.

**2. Agencies, groups, organizations and others who participated in the process and consultations**

Table 2 – Agencies, groups, organizations who participated

|  |  |  |
| --- | --- | --- |
| 1 | **Agency/Group/Organization** | HABITAT FOR HUMANITY OF ORANGE COUNTY, NC |
| **Agency/Group/Organization Type** | Housing Services - Housing Service-Fair Housing |
| **What section of the Plan was addressed by Consultation?** | Housing Need Assessment |
| **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?** | Habitat for Humanity was consulted to obtain information about housing needs. The organization also participated in the Council's public forums and requested funds to support its Home Preservation program designed to perform repairs on homes owned by lower income households (often elderly). |
| 2 | **Agency/Group/Organization** | Community Home Trust |
| **Agency/Group/Organization Type** | Housing Service-Fair Housing |
| **What section of the Plan was addressed by Consultation?** | Housing Need Assessment |
| **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?** | The Community Home Trust was consulted as part of the Consolidated Plan process to ascertain the housing needs throughout the County. The organization also participated in the Town Council's public forums on housing and community development needs. |
| 4 | **Agency/Group/Organization** | DHIC, INC |
| **Agency/Group/Organization Type** | Housing |
| **What section of the Plan was addressed by Consultation?** | Housing Need Assessment Market Analysis |
| **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?** | DHIC was consulted to obtain information about housing needs in Chapel Hill. |
| 5 | **Agency/Group/Organization** | Marian Cheek Jackson Center for Saving and Making History |
| **Agency/Group/Organization Type** | Housing Services - Housing Services-homeless Services-Education Services-Employment Service-Fair Housing |
| **What section of the Plan was addressed by Consultation?** | Housing Need Assessment Market Analysis |
| **Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?** | The Town and the Jackson Center met throughout the year to identify housing and community development needs of the Northside, Pine Knolls and Rogers Road neighborhoods. |

**Identify any Agency Types not consulted and provide rationale for not consulting**

The Town consulted with the appropriate agencies for development of this Action Plan.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

| **Name of Plan** | **Lead Organization** | **How do the goals of your Strategic Plan overlap with the goals of each plan?** |
| --- | --- | --- |
| Continuum of Care | Orange County Partnership to End Homelessness | The goals are compatible. |
| Chapel Hill 2020 Comprehensive Plan | Town of Chapel Hill | The goals are compatible. |
| Chapel Hill Affordable Housing Strategy | Town of Chapel Hill | The goals are compatible. |
| Chapel Hill Rental Housing Strategy | Town of Chapel Hill | The goals are compatible. |
| Northside and Pine Knolls Community Plan | Town of Chapel Hill | The goals are compatible. |

Table 3 - Other local / regional / federal planning efforts

**Narrative**

## AP-12 Participation - 91.401, 91.105, 91.200(c)

**1. Summary of citizen participation process/Efforts made to broaden citizen participation**

**Summarize citizen participation process and how it impacted goal-setting**

The citizen participation process for development of the Action Plan was consistent with the Town's Citizen Participation Plan. Two public forums were held to receive feedback on housing and community development needs and on a preliminary plan for use of funds. In addition, we published notice of the meetings in the local newspaper.

The citizen participation process for development of the Action Plan Amendment was consistent with the Town's Citizen Participation Plan. Two public forums were held to receive feedback on the allocation and preliminary use of additional program income as well as the reallocation and preliminary use of unexpended CDBG funds. In addition, we published notice of the meetings in the local newspaper.

In 2015, through the Consolidated Plan process, a survey was developed by Orange County to obtain resident input. The survey was made available on the Town, County, Carrboro and Hillsborough websites, and in a hard copy version available in the County Offices, the Hillsborough Town Hall, the Carrboro Town Hall, and the Chapel Hill Town Hall. Spanish language versions of both the online and hard copy surveys were made available in accordance with Orange County’s Citizen Participation Plan. The County received 84 completed surveys and 17 completed surveys in Spanish. All of these comments are included in the Consolidated Plan.

Through the citizen participation process, the Town used citizen input to develop how the plan will serve the low- and moderate-income population to reach the goals set forth in the Five Year Consolidated Plan.

**Citizen Participation Outreach**

| **Sort Order** | **Mode of Outreach** | **Target of Outreach** | **Summary of**  **response/attendance** | **Summary of**  **comments received** | **Summary of comments not accepted and reasons** | **URL (If applicable)** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | Newspaper Ad | Non-targeted/broad community | N/A | This ad was included in the Chapel Hill News and TOWNweek publications (October 23, October 30, and November 6)to solicit attendance and public comments at the November 7, 2016 Public Forum for the 2017-2018 CDBG Needs Assessment. | N/A | http://www.townofchapelhill.org/home/showdocument?id=33671 ; http://www.townofchapelhill.org/home/showdocument?id=33647 |
| 2 | Public Hearing | Non-targeted/broad community | The Town Council held a public hearing on November 7,2016. Three citizens spoke about housing and community development needs for Chapel Hill. | The three people representing agencies who spoke, advocated for their agency's programs and thanked the Town Council for their ongoing support. | All comments were accepted. | http://www.townofchapelhill.org/Home/Components/Calendar/Event/8262/15?curm=11&cury=2016; http://chapelhill.granicus.com/MetaViewer.php?view\_id=7&eve |
| 3 | Newspaper Ad | Non-targeted/broad community | N/A | This ad was included in the Chapel Hill News and TOWNweek publications (February 19, February 26, and March 5)to solicit attendance and public comments at the March 6, 2017 Public Forum for the 2017-2018 CDBG Program. | N/A | http://www.townofchapelhill.org/home/showdocument?id=34738;http://www.townofchapelhill.org/home/showdocument?id=34656 |
| 5 | Newspaper Ad | Non-targeted/broad community | N/A | This ad was included in the Chapel Hill News and TOWNweek publications (September 10, September 17, and September 24, 2017)to solicit attendance and public comments at the September 27, 2017 and November 1, 2017 Public Forum for the Amendment to the 2017-2018 CDBG Program. | N/A | http://www.townofchapelhill.org/home/showdocument?id=37067; http://www.townofchapelhill.org/home/showdocument?id=37160 |
| 6 | Public Meeting | Non-targeted/broad community | The Town Council held an initial public hearing on September 27, 2017, on the proposed 2017-2018 Annual Action Plan Amendment. | There were no comments received. | There were no comments received. | http://chapelhill.granicus.com/MetaViewer.php?view\_id=7&event\_id=1330&meta\_id=173286 |
| 7 | Public Meeting | Non-targeted/broad community | The Town Council held a second public hearing on November 1, 2017, on the proposed 2017-2018 Annual Action Plan Amendment. One citizen spoke, and expressed support of the proposed amendment. | One citizen spoke about the need for increased inventory of affordable housing and affordable rental housing in Chapel Hill, and expressed support of the 2017-2018 Annual Action Plan Amendment. | All comments were accepted. | http://chapelhill.granicus.com/MetaViewer.php?view\_id=7&event\_id=1334&meta\_id=178318 |

Table 4 – Citizen Participation Outreach

# Expected Resources

## AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

**Introduction**

The Town of Chapel Hill's CDBG allocation for 2017-2018 is

**Anticipated Resources**

| **Program** | **Source of Funds** | **Uses of Funds** | **Expected Amount Available Year 1** | | | | **Expected Amount Available Remainder of ConPlan**  **$** | **Narrative Description** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Annual Allocation: $** | **Program Income: $** | **Prior Year Resources: $** | **Total:**  **$** |
| CDBG | public - federal | Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services | 380,825 | 38,046 | 280,773 | 699,644 | 700,000 | The 2017-2018 program plan includes affordable housing acquisition, owner-occupied single-family housing repair and home improvements, administration, code enforcement for target neighborhoods, public housing improvements, neighborhood revitalization, and public services. Public service programs are focused on homeless case management and youth employment. |

Table 1 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The Town will continue to seek additional funding to support our housing and community development efforts. There are no match requirements for CDBG.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The Town will continue to evaluate inventory of Town-owned land to determine if there are sites suitable for development of affordable housing or other purposes. This would include consideration of the Town-owned public housing communities.

**Discussion**

There are limited resources available to address the needs identified in the Town’s Five Year Consolidated Plan or the Action Plan.  The County has received a multi-million dollar bond that could be used to help address affordable housing and community development activities in Chapel Hill.  The University of North Carolina has partnered with Self Help Credit Union and the Marian Cheek Jackson Center to provide funds to acquire and develop sites in the Northside Neighborhood of Chapel Hill, for affordable housing.

# Annual Goals and Objectives

**AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)**

**Goals Summary Information**

| **Sort Order** | **Goal Name** | **Start Year** | **End Year** | **Category** | **Geographic Area** | **Needs Addressed** | **Funding** | **Goal Outcome Indicator** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | HS-1 Housing Rehabilitation | 2015 | 2019 | Affordable Housing Public Housing | Town-wide | Housing Priority | CDBG: $80,000 | Homeowner Housing Rehabilitated: 13 Household Housing Unit |
| **2** | HS-4 Homeownership | 2015 | 2019 | Affordable Housing | Town-wide | Housing Priority | CDBG: $25,000 | Homeowner Housing Added: 2 Household Housing Unit |
| **3** | CD-1 Community Facilities | 2015 | 2019 | Non-Housing Community Development | Public Housing Neighborhood | Housing Priority Community Development Priority | CDBG: $25,765 | Other: 5 Other |
| **4** | CD-3 Public Services | 2015 | 2019 | Non-Housing Community Development | Northside Neighborhood Pine Knolls Neighborhood Public Housing Neighborhood Town-wide | Community Development Priority | CDBG: $58,000 | Public service activities other than Low/Moderate Income Housing Benefit: 80 Persons Assisted |
| **5** | CD-4 Code Enforcement | 2015 | 2019 | Non-Housing Community Development | Northside Neighborhood Pine Knolls Neighborhood | Housing Priority Community Development Priority | CDBG: $50,000 | Housing Code Enforcement/Foreclosed Property Care: 20 Household Housing Unit |
| **6** | CD-6 Revitalization | 2015 | 2019 | Affordable Housing Public Housing Non-Housing Community Development | Town-wide | Housing Priority Community Development Priority | CDBG: $383,379 | Homeowner Housing Rehabilitated: 5 Household Housing Unit Buildings Demolished: 1 Buildings Other: 4 Other |
| **7** | AM-1 Overall Coordination | 2015 | 2019 | Non-Housing Community Development | Town-wide | Administration, Planning, and Management Priority | CDBG: $77,500 | Other: 1 Other |

Table 2 – Goals Summary

**Goal Descriptions**

|  |  |  |
| --- | --- | --- |
| **1** | **Goal Name** | HS-1 Housing Rehabilitation |
| **Goal Description** | Housing rehabilitation for low-to-moderate income homeowners, town-wide, through Habitat for Humanity and Rebuilding Together of the Triangle. |
| **2** | **Goal Name** | HS-4 Homeownership |
| **Goal Description** | Property acquisition for low-to-moderate income households homeownership opportunity. |
| **3** | **Goal Name** | CD-1 Community Facilities |
| **Goal Description** | Public Housing Neighborhood Improvements |
| **4** | **Goal Name** | CD-3 Public Services |
| **Goal Description** | Public Service activities include a Summer Youth Employment Program and Homeless Case Management Services |
| **5** | **Goal Name** | CD-4 Code Enforcement |
| **Goal Description** | Code Enforcement |
| **6** | **Goal Name** | CD-6 Revitalization |
| **Goal Description** | Neighborhood Revitalization |
| **7** | **Goal Name** | AM-1 Overall Coordination |
| **Goal Description** | Administration of the CDBG program. |

## AP-35 Projects - 91.420, 91.220(d)

**Introduction**

The Town of Chapel Hill employs a comprehensive strategy to community development, recognizing that simultaneous investments in housing, facilities, infrastructure, and services are necessary in order to truly improve the living environment for low- and moderate-income residents.  Therefore, the housing and homelessness strategies previously discussed in this Consolidated Plan do not stand alone.  Those programs are complimented by existing public facilities and public services initiatives.  Continued investment in each of these areas will ensure a vital and comprehensive strategy for serving low- and moderate-income residents for years to come.

Projects will include:

1. Affordable Housing: This project will include acquisition for LMI household homeownership, LMI homeowner rehabilitation, and code enforcement support.

2. Public Services: This project will include a summer youth employment program and homeless case management services.

3. Administration: This project is the administration of the grant program.

4. Public Housing: This project will include various public housing improvements (drainage, sidewalks, play structure replacement, repair, and/or replacement).

| **#** | **Project Name** |
| --- | --- |
| 1 | Affordable Housing |
| 2 | Community Public Services |
| 3 | Administration |
| 4 | Public Housing Improvements |

Table 3 – Project Information

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

The Town and County are not only attempting to meet the needs of the community but also affirmatively further fair housing. It is essential to engage in not only community building activities and fund needed improvements in low and moderate income areas but also to provide opportunities for residents to live in non-impacted areas.

## AP-38 Project Summary

**Project Summary Information**

|  |  |  |
| --- | --- | --- |
| **1** | **Project Name** | Affordable Housing |
| **Target Area** | Northside Neighborhood Pine Knolls Neighborhood Public Housing Neighborhood Town-wide |
| **Goals Supported** | HS-1 Housing Rehabilitation HS-4 Homeownership CD-1 Community Facilities CD-4 Code Enforcement CD-6 Revitalization |
| **Needs Addressed** | Housing Priority Community Development Priority |
| **Funding** | CDBG: $538,379 |
| **Description** | Affordable housing activities will include acquisition for resale to LMI households, acquisition to increase inventory of available affordable rental housing units, home repairs and modifications for LMI home preservation, support of code enforcement efforts in target areas, and neighborhood revitalization activities. The funding amount includes reallocation of unexpended FY14-15 and FY15-16 funds, in the amount of $285,337. |
| **Target Date** | 9/30/2018 |
| **Estimate the number and type of families that will benefit from the proposed activities** | Proposed affordable housing activities will benefit an estimated 50 LMI households. |
| **Location Description** | Affordable housing activities will take place Town-wide, with special focus on the Northside, Pine Knolls, and public housing neighborhoods. |
| **Planned Activities** | Planned activities under affordable housing include the following:  Community Home Trust  - acquisition for LMI household resale  Habitat for Humanity - LMI homeowner preservation rehabilitation  Rebuilding Together of the Triangle - LMI homeowner safe, healthy repairs  Code Enforcement - supporting efforts in the Northside and Pine Knolls neighborhoods  Neighborhood Revitalization - revitalization efforts of neighborhoods Town-wide |
| **2** | **Project Name** | Community Public Services |
| **Target Area** | Town-wide |
| **Goals Supported** | CD-3 Public Services |
| **Needs Addressed** | Community Development Priority |
| **Funding** | CDBG: $58,000 |
| **Description** | Community Public Service activities will include providing case management services to homeless women and families, and employment opportunities for youth from LMI households in Chapel Hill. |
| **Target Date** | 9/30/2018 |
| **Estimate the number and type of families that will benefit from the proposed activities** | We are estimating that 80 LMI individuals/families will benefit from the youth employment program and homelessness case management. |
| **Location Description** | Public service actvities are Town-wide. |
| **Planned Activities** | Planned activities under this project include:   * Inter-Faith Council - Residential Services Homelessness Case Management * Town of Chapel Hill - Summer Youth Employment Program |
| **3** | **Project Name** | Administration |
| **Target Area** | Town-wide |
| **Goals Supported** | AM-1 Overall Coordination |
| **Needs Addressed** | Administration, Planning, and Management Priority |
| **Funding** | CDBG: $77,500 |
| **Description** | Administration of the CDBG program. |
| **Target Date** | 9/30/2018 |
| **Estimate the number and type of families that will benefit from the proposed activities** |  |
| **Location Description** |  |
| **Planned Activities** | Overall Administration of the CDBG program. |
| **4** | **Project Name** | Public Housing Improvements |
| **Target Area** | Public Housing Neighborhood |
| **Goals Supported** | HS-1 Housing Rehabilitation CD-1 Community Facilities CD-6 Revitalization |
| **Needs Addressed** | Housing Priority Community Development Priority |
| **Funding** | CDBG: $25,765 |
| **Description** | Public Housing improvement activities will include urgent/emergent repair to buildings/units, site improvements (i.e. sewer or drainage improvements), sidewalk installation and/or repair, neighborhood cleanups, and recreation improvements including replacement of unsafe play structures. |
| **Target Date** | 9/30/2018 |
| **Estimate the number and type of families that will benefit from the proposed activities** | We estimate that 50 households will benefit from publc housing improvements. |
| **Location Description** | Public housing improvement activities will be undertaken within the Chapel Hill public housing communities. |
| **Planned Activities** | Public housing improvement activities may include comprehensive rehabilitation, urgent/emergent repair of buildings/units, site improvements (i.e. sewer or drainage improvements), sidewalk installation and/or repair, neighborhood cleanups, and recreation improvements including replacement of unsafe play structures. |

## AP-50 Geographic Distribution - 91.420, 91.220(f)

**Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

CDBG funding will be spend within the Town of Chapel Hill's jurisdiction. Approximately 7% of funding will be spent to support activities focused in our target neighborhoods of Northside and Pine Knolls, while approximately 4% of funding will support improvements in Chapel Hill's Public Housing neighborhoods, and approximately 89% will be spent Town-wide.

**Geographic Distribution**

| **Target Area** | **Percentage of Funds** |
| --- | --- |
| Northside Neighborhood | 4 |
| Pine Knolls Neighborhood | 3 |
| Public Housing Neighborhood | 4 |
| Town-wide | 89 |

Table 4 - Geographic Distribution

**Rationale for the priorities for allocating investments geographically**

The Town and County are not only attempting to meet the needs of the community but also affirmatively further fair housing. It is essential to engage in not only community building activities and fund needed improvements in low and moderate income areas but also to provide opportunities for residents to live in non-impacted areas.

**Discussion**

## AP-75 Barriers to affordable housing -91.420, 91.220(j)

**Introduction**

To address the Impact Fee, the Orange County Board of Commissioners adopted an impact fee reimbursement policy, which provides funds to nonprofit housing developers constructing rental and owner-occupied housing. This enables non-profits to pay these fees without passing the costs on to the prospective renters or homebuyers. With this reimbursement, the Board works to alleviate barriers to affordable housing.

Strategies have been designed to help eliminate or reduce the impact of the identified barriers. The following recommendations included in the AI promote fair housing for the Orange County Consortium:

**Actions it planned 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**

* Increase the educational opportunities and provide training relating to Fair Housing through workshops, forums and presentations
* Target specific protected groups for fair housing information
* Continue to consult with local lending institutions
* Provide training to housing providers and consumers about their obligations and rights.
* Continue to work with the County and Town governments to develop appropriate legislation and ordinances to assist with the development of affordable housing
* Monitor and track the Inclusionary Zoning Ordinance enacted by the Town of Chapel Hill for effectiveness in the development of affordable housing and utilize as a model ordinance for adoption by the Towns of Carrboro and Hillsborough and Orange County for implementation if positive results are determined.

The affordable housing provisions of the proposed Inclusionary Zoning Ordinance [1] drafted by the Town of Chapel Hill apply to homeownership developments in any of the following categories:

* Single-family or two family development, or subdivision of land to create residential lots that involve:
* at least 5 single-family dwelling units or 2-family dwelling units; or at least 5 single-family lots; or two-family lots in which six (6) or more residential units are allowed by the Chapel Hill Land Use Management Ordinance, either individually or as part of the same subdivision.
* Multi-family unit developments that create at least 5 multi-family dwelling units; or
* Renovation or reconstruction of an existing building that contains multi-family dwelling units, and that increases the number of dwelling units from the number of dwelling units in the original structure by at least 5; or
* Any change in use of all or part of an existing building from a non-residential use to a residential use that has at least 5 dwelling units.

For development applications involving any of the above, provisions for affordable housing must be included as part of the development proposal.

As with other types of development, Orange County’s supply of affordable housing is dictated by a variety of factors, the most significant being project affordability, availability of land and infra-structure, developer preference for building high-end housing, and government regulation. To address the Educational Impact Fee, the Orange County Board of Commissioners adopted an impact fee reimbursement policy, which provides funds to non-profit housing developers constructing rental and owner-occupied housing to enable them to pay the fee without passing the cost to the prospective renters or homebuyers. With this reimbursement, the Board works to alleviate barriers to affordable housing.

**Discussion**

## AP-85 Other Actions - 91.420, 91.220(k)

**Introduction**

The Orange County HOME Consortium has developed the following actions which addresses obstacles to meeting underserved needs, fosters affordable housing, reduces lead-based hazards, reduces the number of poverty families, develops institutional structures, and enhances coordination between public and private housing and social service agencies.

**Actions planned to address obstacles to meeting underserved needs**

Despite County and non-profit service provider efforts, there remains a significant number of obstacles to meeting underserved needs.  The following are some of the 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 for residents of all income levels.
* There is a lack of housing choice for people aging in place.

**Actions planned to foster and maintain affordable housing**

The Town Council has taken action to address affordable housing challenges:

1. The Council committed local funds to support the creation and preservation of affordable housing in Chapel Hill. The Affordable Housing Fund (established by funds received from private sector in lieu of providing affordable housing within new developments) and the Affordable Housing Development Reserve (over $1 million in FY17-18) will help the Town achieve its affordable housing goals.

2. The Council has also approved plans developed to increase and maintain affordable housing opportunities in Chapel Hill: The Affordable Housing Strategy and the Affordable Rental Housing Strategy identify goals and strategies for affordable housing in Town.

3. The Town has begun a process to revamp our Land Use Management Ordinance that regulates development in Chapel Hill. The revised document may include incentives to develop affordable housing and remove barriers to creating affordable housing opportunities.

**Actions planned to reduce lead-based paint hazards**

In Orange County, evaluations (risk assessments) of lead-based paint in housing units will be conducted by on a case-by-case basis and lead abatement will be prescribed as needed for dwellings targeted for rehabilitation. In addition, all assisted housing tenants will be informed of the hazards of lead-based paint. The Orange County Health Department will provide ongoing consultation to local housing staff as appropriate.

**Actions planned to reduce the number of poverty-level families**

Orange County and the Town of Chapel Hill have targeted significant CDBG and HOME resources within core low-income areas to execute their anti-poverty strategy. These resources will act as catalysts to invite additional public and private investment of capital and services; increase the quantity and quality of affordable housing; and help low to moderate-income residents acquire needed information, knowledge and skills to improve their employment opportunities.

Under North Carolina’s Work First initiative, Orange County has developed a local plan to assist those most in need and forms the basis for its anti-poverty activities. Orange County’s current Work First population [recipients of Temporary Assistance for Needy Families, TANF] faces major obstacles in obtaining and retaining employment because they are competing for jobs with a highly skilled workforce. Unskilled and semi-skilled workers without a high school diploma or a recent connection to the workforce are unable to obtain jobs that provide a living wage. Barriers such as substance abuse, criminal records and chronic physical and mental health problems have no quick fix. They are resolved as a result of participant commitment, adequate resources and over time. Under the Work First initiative, Orange County will provide the following:

* First Stop—provides a continuum of services including job search and job preparedness
* Childcare—provides daycare subsidy payments and assisting with After-School Programs
* Transportation—provides expanded transportation routes, vehicle donations and financial assistance to address transportation needs
* Substance Abuse Services—provides initial screening, assessment, and residential and outpatient treatment services
* Family Violence Option—provides full assessment of domestic violence, counseling and support group sessions, and coordination of services such as emergency housing, transportation and legal services
* Child Welfare Services—provides collaboration of services to ensure the safety and well-being of children
* Emergency Assistance—provides housing, food and utility assistance
* Family Success Alliance - serves a defined geographic area (a zone) and its children with a seamless "pipeline" of evidence-based programs, services, and supports from cradle to career

The Anti-Poverty Strategy is the unifying thread that ties the housing, homeless, public housing and non-housing community development strategies together as one comprehensive plan for reducing the number of families that fall below the poverty level. In addressing each of the three components below, the Anti-Poverty Strategy simultaneously links and implements the various strategies, goals and objectives contained throughout this Consolidated Plan to promote self-sufficiency and empowerment.

**Actions planned to develop institutional structure**

With the creation of the Community Home Trust, Orange County, Chapel Hill, Carrboro and Hillsborough demonstrated the desire to cooperate among the several jurisdictions to provide the best housing assistance that will serve the low-income residents of Orange County.  With respect to coordination of resources, funded agencies will communicate with appropriate staff regarding projects in progress, applications submitted to state and federal funding agencies, programs that are particularly successful or troublesome, and other sharing of information and sources of funds.

**Actions planned to enhance coordination between public and private housing and social service agencies**

The existing coordination of services has been enhanced with the creation of the Orange County HOME Consortium whose members include Orange County, Carrboro, Chapel Hill and Hillsborough.

The Town also meets regularly with housing and service providers implementing activities identified in the Northside and Pine Knolls Community Plan, the Affordable Housing Strategy, and the Affordable Rental Housing Strategy.

**Discussion**

# Program Specific Requirements

**AP-90 Program Specific Requirements - 91.420, 91.220(l)(1,2,4)**

**Introduction**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

**Community Development Block Grant Program (CDBG)**

**Reference 24 CFR 91.220(l)(1)**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

|  |  |
| --- | --- |
|  | |
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 0 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| **Total Program Income:** | **0** |

**Other CDBG Requirements**

|  |  |
| --- | --- |
|  | |
| 1. The amount of urgent need activities | 0 |

|  |  |
| --- | --- |
|  |  |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income.Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 100.00% |

**Discussion**

We plan to use FY 2017-2018 to determine overall benefit of CDBG funds. With the exception of program administration, the Town continues to allocate 100% of program funds to benefit low and moderate income households in Chapel Hill.

 This Annual Action Plan covers July 1, 2017 through June 30, 2018.

**Attachments**

**Citizen Participation Comments**

**Grantee SF-424's and Certification(s)**













