



MEMORANDUM

Date: October 12, 2021
To: Carrboro Town Council
Through: Richard White, Town Manager
From: Rebecca Buzzard, Housing & Community Services Director

This Memorandum provides additional information on the work of the Housing & Community Services (HCS) Department during fiscal year 2020-2021. It seeks to address specific questions raised by Council Members during Town Council meetings or asked via email regarding HCS activities.

HCS was created in early 2020 to increase dedicated resources to two of the Town's strategic priority areas: (1) encourage development that is compact, dense, and appeals to diverse lifestyles and incomes; and (2) enhance and sustain the quality of life and place for everyone.

Specifically, HCS works to implement the Town's affordable housing goals, to strengthen the network of community nonprofits, and to connect Carrboro's most vulnerable residents to vital services.

EMERGENCY HOUSING ASSISTANCE

Carrboro continued the successful collaboration with Orange County, Chapel Hill, and Hillsborough for the Emergency Housing Assistance (EHA) program. A \$900,000 CDBG-CV grant currently funds EHA for Carrboro residents. In FY20-21, the Affordable Housing Special Revenue Fund and Council-allocated CARES Act funds provided EHA support. Revised outreach approaches were recommended through community listening sessions facilitated by Orange County and EmPOWERment (Attachment F). Based on information received from the listening sessions, and changes in eligibility requirements by funding partners, the program has greatly expanded access by incorporating a low barrier process.

The County does not track data on ineligible applications; however, ineligible applicants are referred to other resources. The HOPE Program serves households earning up to 80% of the area median income so if someone is income-ineligible for EHA they are referred to HOPE. County-wide demographic information is provided in Attachment F as well.

Besides outreach approaches, a question was also asked about mortgage assistance. In FY20-21, \$23,253 was spent on mortgage payments and arrears for four households in Carrboro. For the entire EHA program (excluding Carrboro), \$210,114 was spent for 54 households. Guidelines for a program that will provide Homeowner Assistance, administered by the NC Housing Finance Agency, are currently being reviewed by the Department of Treasury. When passed, \$273 million will be made available to NC residents to prevent mortgage delinquencies, defaults, displacements, and foreclosures for homeowners experiencing financial difficulties due to the coronavirus pandemic.

There was a fear that when the eviction moratorium ended in July 2021, that the County would experience a huge surge in evictions. However, the eviction numbers have remained relatively stable throughout the course of the pandemic. Staff is of the opinion that this is in large part due to the effectiveness of the EHA program.

RACE & EQUITY WORK

All HCS staff members have participated in the Government Alliance on Race and Equity (GARE) training entitled, "Advancing Racial Equity: The Role of Government." Members of the Affordable Housing Advisory Commission (AHAC) and Human Services Commission have been surveyed for available times to take the training which will be conducted this fall. The County hired a consultant to conduct a racial equity impact analysis of the EHA program. This analysis prompted the additional community outreach work noted above, increasing outreach to marginalized communities and seeking feedback from the community on the program. Staff members are working on a distribution plan of the findings and resulting changes implemented. The HCS staff is in the process of analyzing department policies, practices, and procedures through a racial equity lens, as guided by participation with the Racial Equity Core Team. HCS work is centered around serving those in our community who have been both intentionally and unintentionally left behind and neglected. AHAC members keep racial equity at the forefront of discussions, and ultimately their recommendations to Council. Racism is incorporated into housing policy and the town's work is to dismantle the systemic and structural barriers that have been put in place, and to prevent and deter unjust housing policies. Recommended changes will be forthcoming, guided in part by the Comprehensive Plan, and implemented with support from the Town's Racial Equity Officer and Core Team.

CLIMATE ACTION WORK

Last year, owner-occupied critical repair projects were often delayed due to COVID-19, nonprofits' inability to utilize volunteer labor, and homeowners' reluctance to having people in their homes. Therefore, the number of completed projects was fewer than normal, and these projects tended to be more narrow and emergent in scope. For example, one home had multiple plumbing leaks that destroyed the subfloor and was wasting 3,000 gallons of water a day. The Orange County Home Preservation Coalition conducts full weatherization at the end of a project, after all other repairs are complete. Staff suspect that the number of homes receiving broader weatherization will go up next year, as the backlog of repairs is addressed and new projects are approved.

Last year, the Town supported 5 new projects, homes owned by low-income seniors in Carrboro. The repairs were more emergent in scope. They addressed: non or poorly operating HVAC systems, severe plumbing and electrical issues, poorly fitting doors, and critical modifications to allow the homeowner to age in place. The Town also supported the rehab of 12 apartment units owned by Empowerment, Inc. The majority of the work was focused on renovating kitchens and bathrooms, including replacing older plumbing fixtures with low-flow fixtures, installing shower and toilet shut off valves, and installing water efficient toilets.

Finally, the Town supported the rehab of 1700 North Greensboro Street, the former "AIDS House." This house will provide 7 units of permanent supportive housing in Carrboro. Energy efficient features include:

- LED lighting and occupancy sensors in each room.
- Replace windows with low-E windows.
- Update insulation from R-30 to R-38.
- Energy star appliances in the kitchen and laundry room.
- Low flow plumbing fixtures.

NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH)

As noted in Attachment D, HCS staff have been tracking vulnerable properties. The Affordable Housing Issues and Opportunities Report, created as part of the Comprehensive Plan, provides additional information. Official NOAH properties, those that rent at rates that are broadly affordable to households at around 50 percent of Area Median Income (AMI), without public subsidy (~\$750-\$1000), are limited to a few complexes, and local government cannot typically compete with the private market for these multifamily residences. Some granting agencies provide specific assistance to support the long term affordability for NOAH and will be further investigated.

Much of the home preservation work supported by the Town is done in identified neighborhoods at risk for gentrification, such as Lloyd-Broad, and staff watches the market for vulnerable homes to be listed for sale. Ideally, a model like the Northside Neighborhood Initiative (NNI) and a large funding source (NNI had a \$3M no interest loan from UNC), would be identified to facilitate preservation work, help combat gentrification, and specifically target historically African American communities.

HOUSING STRATEGIES UPDATE

Manufactured Home Communities

On May 4, 2021 HCS staff presented to Council an overview of Carrboro's four manufactured home communities, and Council discussed the development of a regional policy to preserve existing communities and to mitigate resident displacement if preservation or redevelopment as affordable housing cannot be achieved. Over the summer, Housing staff from all jurisdictions collaborated on the development of a draft strategy intended to be implemented County-wide.

The Manufactured Homes Strategy Action Plan has three main goals: (1) preserve manufactured home communities; (2) minimize resident displacement due to redevelopment; and (3) create a relocation package to provide meaningful relocation assistance options for residents facing displacement.

The draft plan has been reviewed by the HOME Collaborative and is currently being reviewed by all jurisdiction's affordable housing boards and commissions. Their feedback will be included when the Plan is presented to all elected bodies later this fall.

Town-Owned Land Use - Affordable Housing

On June 19, 2018, Council received a presentation from Planning and the Manager's Office staff on the use of Town-owned land to create affordable housing. Three parcels were identified and prioritized for affordable

housing: Crest Street, Hill Street, and Pathway Drive. On February 17, 2021, the AHAC recommended to Council that the 106 Hill Street parcel be donated to Pee Wee Homes, pending the approval of variance and rezoning requests. The rezoning was approved on September 28, 2021. This parcel will provide three small homes for individuals earning 30% AMI or less, and who are often exiting homelessness.

The remaining two parcels have the potential to create a higher number of units and a policy is needed to guide the development process. HCS staff researched town-owned land use for affordable housing nationally, including existing policies and best practices. In addition, Housing and Planning staff worked with UNC MPA candidate, Anna Whitus, on her thesis on the use of local government-owned property to create affordable housing. Based on this research, staff have drafted an outline of a policy for the use of town-owned land and will develop it further with feedback from the AHAC and in concordance with revised goals and strategies included in the Comprehensive Plan upon its adoption.