

## **Race and Equity Pocket Questions**

**Title and purpose of this initiative:** Approval of Recommended Funding from the Affordable Housing Special Revenue Fund.

**Department:** Housing and Community Services

### **What are the racial and equity impacts?**

Renters of color earn disproportionately less than white renters. Black, Latino, and Native American workers are more likely than white workers to be employed in sectors with lower median wages, like service or production, while white workers are more likely to be employed in higher-paying management and professional positions (Bureau of Labor Statistics, 2020a; Allard & Brundage, Jr., 2019). Even within the same occupations, however, the median earnings for white workers are often higher than the median earnings for Black and Latino workers. As a result of such disparities, Black and Latino workers face larger gaps between their wages and the cost of housing than white workers (Out of Reach Report, National Low-Income Housing Coalition, 2022).

In Orange County, the current fair market rent is \$1,631 and requires an hourly wage of \$31.37 to afford. The fair market rent has increased 24% in the last year and 55% over the last five years. As a result, 54% of renters have difficulty affording their homes. (*The 2024 Housing Need in Orange County*, North Carolina Housing Coalition, January 2024.)

**Critical repairs, modifications, and weatherization of older homes:** Some populations are disproportionately burdened by negative health effects from unhealthy home environments caused by poor insulation, plumbing and electrical issues, poor ventilation, etc.: the elderly, low-income, and Black households. In addition, all three populations are more likely to be burdened by high energy costs. (Farris J. *Housing, Weatherization, and Health*. UNC Chapel Hill Department of Health Sciences Community Practice Lab; 2023.)

- Funding the EmPOWERment request would support the acquisition of 10 rental units, currently occupied by low-income households, and would keep the units as Naturally Occurring Affordable Housing (NOAH) instead of potentially being sold to a buyer uninterested in providing affordable housing.
- Funding the Pee Wee Homes request would add 3 new, small homes to Carrboro's affordable housing stock and would provide homes for 3 individuals earning less than 30%AMI and who are often transitioning from being unhoused.
- Funding the Rebuilding Together of the Triangle request would support critical repairs and modifications for two Carrboro homes owned by long-time Black homeowners so that they can lower their utility bills and age in place.

**Who is or will experience community burden?**

EmPOWERment project: The ten households currently occupying the units off Homestead Road may experience a burden if the units are sold to another buyer who is not committed to keeping the units affordable. They may face higher rent in their current home or struggle to find another affordable unit in Carrboro or elsewhere in the county.

Pee Wee Homes project: Three individuals exiting homelessness would not be able to transition to affordable housing if these homes are not built.

RTT project: Four people would continue to live in aging homes in need of repairs, weatherization, including heating and cooling systems, and face high utility bills if the project isn't funded.

EmPOWERment, Pee Wee Homes, and RTT may experience an increased financial burden in pursuing their projects.

**Who is or will experience community benefit?**

EmPOWERment: 59 people currently living in 10 rental units.

Pee Wee Homes: 3 people to live in the small homes. These people have not yet been selected.

Rebuilding Together of the Triangle: 4 people living in 2 homes.

The 3 nonprofits will benefit by having these funds available to complete their projects.

**What are the root causes of inequity?**

The root causes of inequity are poverty (caused by intentional actions to deny wealth and equitable education and employment), as well as policies & practices such as: enslavement, government-sponsored intentional racism such as redlining; restrictive zoning ordinances; lending practices that create barriers; the illegality of rent control in NC; and white power structures' lack of willingness to address disparities.

**What might be the unintended consequences of this action or strategy?**

Future applicants to the AHSRF (April 2024 cycle) would face fewer funds available for their projects. These requests, because they must meet the AHSRF eligibility requirements, could create or preserve additional affordable housing units in Carrboro for households earning 80% or below of the area median income.

**How is your department planning to mitigate any burdens, inequities, and unintended consequences?**

The department continues to engage with jurisdictional peers and community partners to advance affordable housing in the community and to address racial inequities in housing under the guidance of the One Orange Countywide Racial Equity Framework and the Town's Office of Race and Equity. Since this department was formed our work has been increasingly focused on



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racial disparities in housing, preservation of Black neighborhoods, and increasing housing options for extremely low-income households.