

Race and Equity Pocket Questions

Title and purpose of this initiative: Approval of FY25-29 OC Consolidated Plan and FY26 HOME Annual Action Plan

Department: Housing and Community Services

What are the racial and equity impacts?

BIPOC residents earn less on average than their white counterparts. Due to the far-reaching impacts of systemic racism, Black, Latino, and Native American workers are more likely than white workers to be in lower-paying fields like service and production, while white workers have greater accessibility to, and more regularly hold, management and leadership roles.¹ As of April 2025, the median weekly wage for a Black man was \$1,000 and for a Hispanic man it was \$929, compared to \$1,219 for a white man.² In 2024, Indigenous American workers earned \$0.77 for every white worker's dollar.³ White households currently own 85% of total household wealth in the US but make up only 66% of households.⁴

As a result of these disparities, BIPOC workers, specifically Black, Latino, and Indigenous workers, face larger gaps between their wages and the cost of housing than white workers. Subsequently, BIPOC residents have lower rates of rental success and homeownership and, conversely, higher rates of housing cost-burden, housing insecurity, and homelessness. Specifically, Black residents make up 57% of those experiencing homelessness in Orange County, while only comprising 12% of the population.⁵

In Orange County, the current Fair Market Rent (FMR) for a 2-bedroom apartment is \$1,875, ranking in the top 3 for most expensive FMRs in the state. This requires an hourly wage of \$36 to afford. Due to the high costs of housing in our area, 55% of renters are cost burdened (paying more than 30% of their gross monthly income on housing expenses), with 18% of homeowners having difficulty affording their homes. Overall, 31% of Orange County households are cost-burdened when it comes to housing. As research from the Consolidated Plan indicates, housing burden increases as income decreases. When looking at racial economic and housing disparities across the US and in our area specifically, it is clear the burden of high housing costs falls disproportionately on communities of color. In addition to the staggering overrepresentation of Black residents in the homeless population, data from the report suggests that Orange County's Latinx population is specifically and severely housing cost-burdened.⁶

The HOME Consortium's FY25-26 Annual Action Plan will create more opportunities for rental support in Orange County and preserve affordable homeownership units for people earning between 0% and 60% AMI, a population that is disproportionately made up of BIPOC. By financially servicing the housing needs of this low-to-moderate-income, largely BIPOC population in our County, Carrboro will contribute

¹ Bureau of Labor Statistics, 2020a; Allard & Brundage, Jr., 2019

² [Table 3. Median usual weekly earnings of full-time wage and salary workers by age, race, Hispanic or Latino ethnicity, and sex, first quarter 2025 averages, not seasonally adjusted - 2025 Q01 Results](#)

³ [Earnings Disparities by Race and Ethnicity | U.S. Department of Labor \(dol.gov\)](#)

⁴ [U.S. Wealth Gaps Remain Despite Widespread Gains | St. Louis Fed \(stlouisfed.org\)](#)

⁵ [Homelessness in Orange County | ocpeh \(ocpehnc.com\)](#)

⁶ [NCH-CountyProfile-Orange.pdf](#)



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to a more equitable housing landscape in our area. The Partnership hopes to dedicate \$351,651.70 in FY25-26 funds to three projects:

- \$147,628 for Repair and Rehabilitation of 15 units in Hillsborough owned by people living at 60% AMI or below
- \$147,628 for A Tenant-Based Rental Assistance (TBRA) program through the Orange County Partnership to End Homelessness (OCPEH), meant to target 12 households currently experiencing homelessness in the County, with zero income and multiple disabling conditions
- \$56,395.70 for acquisition and preservation of an affordable unit in Carrboro

The FY25-29 Consolidated Plan provides foundational guidance for the goals and activities outlined by the HOME FY26 Annual Action Plan, framing those goals in a timeline that allows them to be addressed strategically over the course of the five years. Approval of the Consolidated Plan is required for the Orange County HOME Consortium to receive and leverage the federal funds that will be used to complete the three projects listed above.

Who is or will experience community burden?

IF APPROVED –

1. Repair and Rehabilitation of 15 Homeownership Units
 - a. Surrounding neighbors and community who may suffer from noise pollution throughout the repair process.
 - b. Surrounding community who may suffer from traffic congestion, debris, and pollution from construction for surrounding community.
2. OCPEH Tenant Based Rental Assistance for 12 Households
 - a. 12 Orange County households currently experiencing homelessness who will have to begin coordinating across multiple supportive services, which could be difficult and confusing, especially as they attempt to navigate the experience of homelessness.
 - b. OCPEH, who may have trouble convincing landlords to work with the program and accept their payments keep this
 - c. OCPEH, who may face capacity issues and have other difficulty in implementing the project due to limited federal funding, uncertainty in the continuation of funding beyond the fiscal year, and reduced or eliminated HUD technical assistance.
3. Acquisition of 1 Affordable Unit in Carrboro
 - a. At this time, we do not believe that there is any community burden that will be experienced by the community via the acquisition of this property.

IF *NOT* APPROVED –

1. Repair and Rehabilitation of 15 Homeownership Units
 - a. 15 low-to-moderate income households in need of critical repairs will not receive the free repairs they need to make their homes safe and comfortable;
 - i. Issues of inhabitability could progress, forcing residents to leave their homes temporarily or permanently.



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- b. Orange County could lose units of naturally occurring affordable housing if critical repairs to homeownership units are not addressed.
- 2. OCPEH Tenant Based Rental Assistance for 12 Households
 - a. 12 households currently experiencing homelessness who will not receive the financial assistance and supportive services they need to become permanently housed. This will have a disproportionate impact on communities of color, specifically Black residents, as the population of people experiencing homelessness in our community is 57% Black.
 - b. OCPEH may be unable to secure additional funding, resulting in the foregoing of the Tenant-Based Rental Assistance Program. This would impede the organization in working towards their goal of centering the Housing First Model. This would also sideline the only program in our area that would target people currently experiencing homelessness, with zero income, in securing and maintaining permanent housing, without the expectation that they must first secure income.
- 3. Acquisition of 1 Affordable Unit in Carrboro
 - a. EMPOWERment may have insufficient funds to acquire the property.
 - b. The Town of Carrboro could lose a unit of naturally occurring affordable housing.

Who is or will experience community benefit?

For the purposes of this question, unintended consequences are being analyzed as if the Consolidated and Annual Action Plans were approved.

- 1. Repair and Rehabilitation of 15 Homeownership Units
 - a. 15 low-to-moderate income households who will receive the critical repairs their homes require for them to maintain safe and comfortable residency.
 - b. The County who will effectively preserve 15 affordable homeownership units.
- 2. OCPEH Tenant Based Rental Assistance for 12 Households
 - a. 12 households currently experiencing homelessness, who will receive necessary rental assistance to secure and maintain housing. Due to our nation's history of government-sponsored and de facto racism, the population of people experiencing homelessness in our community is over 50% Black. Subsequently, we would expect Black residents to make up a large percentage of program participants (so long as OCPEH markets the program equitably).
 - b. OCPEH, who would benefit by having these funds available to support their project. It would allow them to carry out their mission and serve people in need of securing and maintaining affordable rental housing, through a Housing First approach. Successful leveraging of the funds could also be used as evidence for OCPEH's future funding applications.
 - c. Orange County will benefit from the increase in households who are permanently housed, thus decreasing homelessness in our County. This would contribute to the creation of a community where everyone has the resources and support they need to live a happy and healthy life.
- 3. Acquisition of 1 Affordable Unit in Carrboro
 - a. EMPOWERment will add an affordable rental unit to their inventory.
 - b. The Town of Carrboro would benefit through the preservation of an affordable housing unit.

What are the root causes of inequity?

American political, social, and financial systems have worked to actively marginalize people of color, specifically Black Americans. For hundreds of years, intentional actions have been taken to deny humanity, wealth and equitable education and employment for BIPOC. This has resulted in large racial disparities in educational opportunity, wealth and asset accumulation, and social mobility. Disparities have been created and widened through government sponsored intentional racism and marginalization in the form of enslavement, forced displacement and loss of homeland of indigenous peoples, Jim Crow era policy, redlining, restrictive zoning ordinances, predatory and barrier-ridden lending practices, the American Credit System, over-policing of communities of color, the illegality of rent control in NC, and white power structures' lack of willingness to address, and explicit desire to maintain, racial disparities. Inequity also continues as the culture of these racist legal codes persists long after the abolition of such codes. For our department's work specifically, this history and modern context have set the stage for our current reality: a county where over 50% of those experiencing homelessness are Black, despite Black residents making up only 12% of the population.

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

For the purposes of this question, unintended consequences are being analyzed as if the Consolidated and Annual Action Plans were approved.

1. Repair and Rehabilitation of 15 Rental Units
 - a. Possibly Positive Unintended Consequences
 - i. Critical repair could lead to greater energy efficiency and have a positive effect on the local environment.
 - b. Possibly Negative Unintended Consequences
 - i. Construction debris could have a potentially negative effect on the local environment in the short-term.
 - ii. Congestion from construction vehicles, closed roads, etc., could affect commutes for community members.
 - iii. General pollution and noise pollution from the construction could occur.
2. OCPEH Tenant Based Rental Assistance for 12 Households
 - a. Possibly Positive Unintended Consequences
 - i. Increasing diversity of income, housing, and experience in the area could lead to greater diversity in business development opportunities in the immediate area.
 - b. Possibly Negative Unintended Consequences
 - i. Many eligible applicants will take the time and resources to apply for this affordable housing opportunity with high hopes and will not be approved for a unit. Many people, especially BIPOC residents, already feel that their housing needs are not heard or prioritized, and this experience could further contribute to that negative feeling.
 - ii. New residents could face financial struggles in paying for moving costs.
3. Acquisition of 1 Affordable Unit in Carrboro
 - a. Possibly Positive Unintended Consequences



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- i. The surrounding community could be strengthened through the maintenance of the existing home and new residents of the unit could add to social health and well-being of the community.
- b. Possibly Negative Unintended Consequences
 - i. At the time, we do not believe there are any negative unintended consequences associated with acquisition of the unit

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 racial disparities in housing, preservation of Black neighborhoods, and increasing housing options for extremely low-income households, who are disproportionately BIPOC. This lens is vitally important in all aspects of the Town's work, and especially in housing where there are blatant disparities along racial lines.

Additionally, the Department will work closely with Orange County to ensure that the repair company is held to high standards in regard to community safety, inconvenience, and pollution. We will also monitor EMPOWERment to ensure that their project is running smoothly and work with the County to ensure that communications about the programs are shared with equity in mind. The department has frequently utilized door-to-door outreach to promote programs and events.