

Race and Equity Pocket Questions

Title and purpose of this initiative: Authorize the Mayor to Execute a Revised Memorandum of Understanding for the Orange County Partnership to End Homelessness (OCPEH)

Department: Housing and Community Services

What are the racial and equity impacts?

In Orange County, the current Fair Market Rent (FMR) for a 2-bedroom apartment is \$1,631, around 37% higher than the average across North Carolina.¹ This requires an hourly wage of \$31.37 to afford. The FMR has increased in Orange County by 24% in the last year and 55% over the last five years, resulting in 54% of renters having difficulty affording their homes.² When looking at racial economic disparities across the US and in our area specifically, it is clear that the burden of high housing costs falls disproportionately on communities of color.

BIPOC residents earn less on average than their white counterparts. Due to the far-reaching impacts of systemic racism and both historical and current policy, 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.³ Even in the same professions, BIPOC workers earn less than their white counterparts. In 2024, Black workers made \$0.76 for every dollar made by white workers. For Latino workers it was \$0.73, and for Native American workers, \$0.77.⁴ In 2022, white households owned 85% of total household wealth in the US but made up only 66% of households.⁵

As a result of these disparities, BIPOC workers face lower wages and less capital to account for the cost of housing than white workers. Subsequently, BIPOC residents have lower rates of rental success and homeownership and, conversely, higher rates of housing insecurity and homelessness. Specifically, Black residents make up over 50% of those experiencing homelessness in Orange County, while only comprising 12% of the population. Comparatively, white residents represent 77% of Orange County's population and only 40% of those experiencing homelessness.⁶

Adopting the FY25 MOU with OCPEH will support the Partnership in continuing their work to end homelessness in Orange County. This has important race and equity impacts, as the

¹ [FY 2024 Fair Market Rent Documentation System — Statewide Summary for North Carolina \(huduser.gov\)](https://www.huduser.gov/portal/publications/fairmarketrent/fy2024/fy2024-fmr-documentation-system-statewide-summary-for-north-carolina)

² *The 2024 Housing Need in Orange County*, North Carolina Housing Coalition, January 2024

³ Bureau of Labor Statistics, 2020a; Allard & Brundage, Jr., 2019

⁴ [Earnings Disparities by Race and Ethnicity | U.S. Department of Labor \(dol.gov\)](https://www.dol.gov/eoisa/2022/0000/2022-00001.pdf)

⁵ [U.S. Wealth Gaps Remain Despite Widespread Gains | St. Louis Fed \(stlouisfed.org\)](https://www.stlouisfed.org/outreach/docs/2022/08/20220801_wealth_gaps.pdf)

⁶ [Homelessness in Orange County | ocpeh \(ocpehnc.com\)](https://www.ocpehnc.com/)



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experience of homelessness disproportionately touches BIPOC, low-income households, and disabled people. Addressing the issues of homelessness and housing insecurity directly supports more equitable outcomes in our community for marginalized populations, across many areas of life. The Housing First Model, which OCPEH and other local homelessness service providers have adopted, asserts that securing housing for those experiencing homelessness should be the priority for service providers. Research indicates that when someone has a safe and dignified home to call theirs, they are much more likely to have success in their goal pursuit in other life areas, like employment, financial well-being, and more.⁷

Who is or will experience community burden?

IF APPROVED – By providing Census-based funding to OCPEH, the Towns and County may be burdened financially, and this support could potentially take resources from other departments and initiatives that could have benefited from those funds.

IF NOT APPROVED – The members of the unhoused community who are not served through the direct service programs, or who may not have equitable access to these resources, may be burdened.

Additionally, OCPEH would experience organizational burden in pursuing their mission to end homelessness, as they would lose a primary funder and key local government partner who currently supports their work. OCPEH staff may subsequently experience burden via workload, costs of staffing, and the lack of critical resources such as an adequate number of income-based rental units. Non-profits that partner with OCPEH may also experience additional workload and cost burdens.

Who is or will experience community benefit?

IF APPROVED - Unhoused individuals and families will benefit from Town support of OCPEH by accessing critical services and programs focused on locating and subsidizing housing.

Taxpayers will experience benefit since it is less expensive to provide services and fill gaps in services than it is to continue homelessness.⁸

OCPEH will benefit from the financial support provided through the MOU. This support funds critical staff positions who carry out the provided services, allowing OCPEH to work towards their mission statement.

Partnering nonprofits will also benefit from the continuation of services provided to the community. The nonprofits and OCPEH often serve the same individuals or families, thus

⁷ [Evidence-Behind-Approaches-That-End-Homelessness-Brief-2019.pdf \(usich.gov\)](#)

⁸ [Ending Chronic Homelessness Saves Taxpayers Money - National Alliance to End Homelessness](#)



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extending their reach and impact. Nonprofits like the Inter-Faith Council and the Community Empowerment Fund collaborate closely with OCPEH to ensure clients are sufficiently supported.

The Towns and County that provide funding to the OCPEH via the MOU benefit by enabling and supporting an organization that assists the Towns and County in addressing the needs of the unhoused population within their jurisdictions. This has the potential to ease the burden on Housing and Community Services, Police, and Fire departments, who most often support the unhoused population in our community.

IF NOT APPROVED – The Town may experience a financial benefit from not funding OCPEH. This funding could be used in other departments for important initiatives.

What are the root causes of inequity?

American political, social, and financial systems have worked to actively marginalize many different groups. This has often come in the form of denying rights or access to systems and institutions that greatly benefit one's livelihood, education, and health. For hundreds of years, intentional actions have been taken to deny humanity, wealth and equitable education and employment for BIPOC, women, and disabled people, creating cycles of poverty and social marginalization. This has resulted in large 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 lack of protections for disabled people, the lack of rent control in NC, and white power structures' lack of willingness to address, and explicit desire to maintain, racial disparities.

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

With limited affordable housing stock in our County, it is possible that the impact of funding may also be limited. Services that support unhoused community members have the ultimate goal of securing safe and sustainable housing for their clients.

OCPEH operates the Continuum of Care in our jurisdiction and administers HOME programs and funding at the County level. This means that they assist in the administration of subsidized programs like Housing Choice Vouchers (HCVs). One of the primary requirements for HCV eligibility in Orange County is that the applicant is experiencing active homelessness. With such an emphasis on the unhoused population for support programs, OCPEH may miss those who are currently housed but facing imminent displacement. This may support a cycle of homelessness, getting one unhoused community member into safe housing, while missing those who are on the brink of becoming unhoused and in need of critical housing support.



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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 Race and Equity in the Town Manager's Office. Since the Council identified race and equity as one of the core pillars, 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.