



Legislation Text

File #: 24-087, **Version:** 1

Award American Recovery Plan Act (ARPA) Funds for Affordable Housing Units

PURPOSE: This agenda item seeks Town Council approval to fund two proposals from affordable housing nonprofit providers.

DEPARTMENT: Housing and Community Services

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COUNCIL DIRECTION:

☒ Race/Equity ☐ Climate ☒ Comprehensive Plan ☐ Other

The Town Council approved ARPA funding for housing and community services initiatives on October 11, 2022 - Grant Ordinance #4 Fiscal Year 2022-2023. Specifically, \$1M was allocated for increasing the number of affordable housing units in Carrboro.

INFORMATION: The Town issued a Request for Proposals (RFP) on July 2, 2023, for impactful affordable housing projects that would increase the number of affordable housing units in Carrboro. Staff received two submissions from nonprofit affordable housing providers:

EmPOWERment - \$600,000 to preserve 10 existing rental units that are considered naturally occurring affordable housing (NOAH).

Habitat for Humanity - \$1M to support pre-development costs for a community of approximately 75 units for ownership.

See Attachment B for a comparison of the projects and copies of the funding proposals. The combined total of the requests is \$1.6M. A proposed funding scenario to support both projects is provided in Attachment C.

Staff are requesting to reallocate the following funds to the \$1M allocated for affordable housing: the remaining HCS funds in the Emergency Housing Assistance (\$259,680) and OWASA Water Bill Debt (\$29,433); \$150,000 allocated to the Economic Development project for Small Business Grants - Part II; \$150,887 from the Information Technology Broadband Consultant for Internet Access to Affordable Housing; and \$10,000 from the Orange County Veteran's Memorial (paid out of General Fund in FY22-23). Combined, these funds will total the \$1.6M needed to support both projects.

Reallocating funds intended for Emergency Housing Assistance (EHA) and OWASA Water Bill Debt is necessary because the Orange County Housing Department did not have the capacity to administer the ARPA

EHA funds, and the OWASA Water Bill Debt project was completed -further funds are not needed.

Economic Development Director, Jon Hartman-Brown, expressed that limited staffing prevents him from implementing another round of small grant funding before the end of the year, the deadline for allocating all ARPA funds. Mr. Hartman-Brown agreed to reallocating these funds to the Affordable Housing Units project.

The Broadband project has dispersed all its funds due to the inability to complete the work in the specified time. IT Director, Andy Vogel, expressed that Carrboro is well served in terms of internet access from multiple vendors thanks to the past and ongoing efforts of Town Council. Over the past decade, due to vendor competition within Carrboro, the cost of internet access has decreased while access speeds have increased. Carrboro's residents have access to the internet at many price points, up to multi-gigabit speeds through multiple vendors and wired and wireless formats. According to the NC Broadband Infrastructure Office, the Town of Carrboro has 93% coverage for internet access - this is likely a conservative number. Accessibility and affordability are two distinct concepts. Town staff from multiple departments have been thoughtfully considering the best approach to this project. Building a physical network for designated persons or areas (whose locations may change over time) in Carrboro may be a less efficient way to address affordable internet access. Equally as important is determining how such a service would be equitably delivered in Carrboro. To assess the need of internet affordability and equity would take time to study. If a physical network buildout were pursued to support this effort, the design, construction, and support for a project of this nature would be easily over a million dollars in terms of one time and ongoing costs. The \$250K designated would fall short for a project of this magnitude and would be unlikely to be contractually obligated by the end of the year.

FISCAL IMPACT: \$1M was provided through Grant Ordinance #4 Fiscal Year 2022-2023. Reallocated ARPA funds (\$600,000) will support fully funding both projects.

RECOMMENDATION: Staff recommends approval of the resolution (Attachment A) to fully fund two affordable housing projects from (1) EmPOWERment, and (2) Habitat for Humanity of Orange County.