



Legislation Text

File #: 23-64, **Version:** 1

A Request to Approve Amending the 2021-2022 HOME Investment Partnership Program Annual Plan to add the HOME-ARP Allocation Plan

PURPOSE: The purpose of this item is to request that the Town Council consider amending the 2021-2022 HOME Investment Partnership Program Annual Plan approved by the Town Council on May 4, 2021. The Plan amendment would add the Allocation Plan for \$1,371,401 in HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) funding.

DEPARTMENT: Housing and Community Services

CONTACT INFORMATION: Anne-Marie Vanaman, Interim Director, amvanaman@carrboronc.gov

INFORMATION: The Town of Carrboro is a member of the Orange County HOME Program Consortium, with Orange County serving as the lead entity. The Consortium includes four participating jurisdictions (Carrboro, Chapel Hill, Hillsborough, and Orange County).

To enhance collaboration on affordable housing among the jurisdictions in the County, the Orange County Local Government Affordable Housing Collaborative (the Collaborative) was formed in 2017. The Collaborative includes elected officials and staff from each of the four participating jurisdictions and serves as the HOME Program application review team, charged with developing an annual HOME Program plan. Council Member Susan Romaine represents the Carrboro Town Council on the Collaborative. All participating jurisdictions must approve and authorize submission of the plan or any amendments to the plan prior to submittal to the U.S. Department of Housing and Urban Development (HUD).

HOME-ARP

The HOME-ARP provides HOME Program entitlement communities with a one-time award of funding to reduce homelessness and increase housing stability in response to the Covid-19 pandemic. The HOME-ARP Allocation Plan must be submitted to HUD as an amendment to the 2021-2022 HOME Annual Action Plan no later than March 31, 2023. The HOME-ARP Allocation Plan is provided as Attachment B.

The Allocation Plan's purpose is to update HUD on the Collaborative's community engagement, needs analysis, prioritization for households served, and allocates the available funding to HUD-identified eligible use categories, with specific projects to be awarded funding later.

Eligible Categories include: Development of Affordable Rental Housing, Tenant Based Rental Assistance (TBRA), Homelessness Supportive Services, Creation of Non-Congregate Shelter.

Based on extensive community engagement and needs analysis by Orange County in the fall of 2021 and winter of 2022, the following priorities were identified for the \$1,371,401 in HOME-ARP program funding:

- \$1,165,691 to be used for eligible Affordable Rental Housing Development projects
- \$205,710 in funding for Administration, which will support the development of a County-Wide Affordable

Housing Plan.

- A preference for projects that use Coordinated Entry (CE) to identify tenants for units developed using HOME-ARP funds.
- CE is the process recommended by HUD and used by the Orange County Partnership to End Homelessness to bring providers and case managers together to assess, refer, and connect households experiencing housing crisis to housing and other assistance. Since HOME-ARP must serve households experiencing homelessness or housing insecurity, CE is a good fit for identifying beneficiaries.

Any changes to the Allocation Plan, including designating a portion of the funding for a different eligible category or changing the preferences for project or beneficiary selection, must be approved by the governing body of all four participating jurisdictions and HUD.

Specific projects funded with HOME-ARP will be identified during an open application process planned for the Spring of 2023 after HUD approves the Allocation Plan, with the Collaborative developing a recommended funding plan for all 4 participating jurisdictions to review and approve prior to any work being completed.

The Collaborative recommends the Town Council review and approve an Amended 2021-2022 HOME Program Plan that includes the attached HOME-ARP Allocation plan. No other changes were made to the approved plan.

All participating jurisdictions must approve and authorize submission of the plan or any amendments to the plan prior to submittal to the U.S. Department of Housing and Urban Development. Orange County approved and authorized submission of the HOME-ARP Allocation on February 7, 2023, and the towns of Hillsborough and Chapel Hill approved and authorized submission on February 13, 2023 and February 15, 2023 respectively.

FISCAL IMPACT: The recommended Allocation Plan included as an amendment to the 2021-2022 HOME Annual Action Plan proposes to provide HOME-ARP funds as grants to non-profit organizations for affordable rental housing development. All the HOME-ARP funding included with the plan is provided by HUD to Orange County and no local match is required.

RECOMMENDATION: The recommended Allocation Plan included as an amendment to the 2021-2022 HOME Annual Action Plan proposes to provide HOME-ARP funds as grants to non-profit organizations for affordable rental housing development. All the HOME-ARP funding included with the plan is provided by HUD to Orange County and no local match is required.