

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The Town of Chapel Hill, North Carolina, is an entitlement community for the Community Development Block Grant Program (CDBG) as defined by the U.S. Department of Housing and Urban Development (HUD). The Town is also a member of the Orange County HOME Consortium in partnership with Orange County, the Town of Carrboro, and the Town of Hillsborough. Orange County is the lead entity in the Consortium and therefore is responsible for preparation and submission of the Five Year Consolidated Plan. Since the Town of Chapel Hill is a member of the Consortium, HUD has determined that the County is permitted to submit one Consolidated Plan that details the needs of the entire County, including Chapel Hill. The Five Year Consolidated Plan establishes the Consortium's goals for the next five (5) years and outlines the specific initiatives the Consortium and its member jurisdictions will undertake to address the Community's housing and community development needs. The Town of Chapel is submitting an Action Plan to provide information about its CDBG program.

The Town of Chapel Hill has received Community Development grants since 1975 under the federal Housing and Community Development Act of 1974. This legislation provides funds to cities and counties to carry out activities that benefit low- and moderate-income families including: housing repair, public improvements, acquiring land for housing and economic development. For many years, the Town has used CDBG funds to renovate public housing, provide homeownership assistance, to support public services that serve low and moderate income households, and provide infrastructure improvements.

The primary objective of the Community Development program is to develop viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income households. Federal regulations define low-income as up to 50% of the median income and moderate-income as up to 80% of the median family income.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The following six (6) priorities and subsequent goals/strategies have been identified for the Orange County HOME Consortium for the period of FY 2015 through FY 2019 for the HOME Investment Partnerships (HOME) Program, and the Town of Chapel Hill's Community Development Block Grant (CDBG) Program.

HOUSING PRIORITY – (High Priority)

There is a need to improve the availability and quality of the housing stock in the County by increasing the amount of decent, safe, sound, and accessible housing for homeowners, renters, and homebuyers that is affordable to low- and moderate-income persons and families. Strategies include support of acquisition, housing rehabilitation, new housing construction, fair housing education and outreach, homeownership, and public housing.

HOMELESS PRIORITY – (High Priority)

There is a need for housing and support services for homeless persons, and persons who are at-risk of becoming homeless. Strategies include supporting the Continuum of Care, providing operation assistance and support services, prevention of homelessness and rapid rehousing programs, support rehabilitation and accessibility improvements to existing facilities that serve the homeless, and supporting the development of permanent supportive housing for homeless individuals and families.

OTHER SPECIAL NEEDS PRIORITY – (High Priority)

There is a continuing need for affordable housing, services, and facilities for persons with special needs, the elderly, and the disabled. Strategies include increasing the supply of housing for the elderly, persons with disabilities, and person with other special needs, supporting social service programs for this population, and improving accessibility of owner occupied housing.

COMMUNITY DEVELOPMENT PRIORITY – (High Priority)

There is a need to improve the public and community facilities, infrastructure, public services, and the quality of life for all residents in the County. Strategies for achieving this objective include improving community facilities, infrastructure, public services including public safety and municipal services, code enforcement, clearance of dilapidated structures and neighborhood revitalization.

ECONOMIC DEVELOPMENT PRIORITY – (High Priority)

There is a need to increase employment, self-sufficiency, education, job training, technical assistance, and economic empowerment of low and moderate income residents in the County. Strategies include supporting and encouraging job creation and retention and training services, financial assistance to businesses, and promoting redevelopment of distressed areas.

ADMINISTRATION, PLANNING, AND MANAGEMENT PRIORITY – (High Priority)

There is a continuing need for planning, administration, management, and oversight of Federal, state, and local funded programs as well as an increase for cooperation amongst public and private partners and the communities in the Consortium. The Town's strategy for overall coordination is to provide program management and oversight for the successful administration of Federal, state, and local funded programs.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The Town of Chapel Hill and Orange County have a good performance record with HUD. The Town and County regularly meet the performance standards established by HUD. Each year the County, in partnership with the Town and other Consortium members, prepares its Consolidated Annual Performance Evaluation Report (CAPER). The Town submits detailed information about expenditures for and accomplishments of the CDBG program. This report is submitted within ninety (90) days after the start of the new program year. Copies of the CAPER are available for review at Orange County Housing, Human Rights, and Community Development Department, 300 W. Tryon Street, Hillsborough, NC and in Chapel Hill Town Hall.

The FY 2017 CAPER, was approved by HUD. In the FY 2017 CAPER, the Town of Chapel Hill expended 100% of its CDBG funds to benefit low- and moderate-income persons. The Town expended 14% of its funds during the FY 2017 CAPER period on public service, which is below the statutory maximum of 15%. The Town expended 17% of its funds during this CAPER period on Planning and Administration, which meets the statutory maximum of 20%. The Town is in compliance with the required 1.5 maximum drawdown ratio.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Summary from citizen participation section of plan.

The Town of Chapel Hill, in compliance with its Citizen Participation Plan, advertised and held two (2) public forums on the Town's housing and community development needs. The forums provided residents with the opportunity to discuss the Town's CDBG Program.

Additionally, the County held public hearings. Draft plan review comments were all used to develop the Consolidated Plan.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The Town held its first public forum on housing and community development needs on November 7, 2018 at 7:00 pm. Comments received at that public hearing are included in the attachments at the end of this Plan. A second forum was held on March 20, 2019 at 7:00 pm to receive comments on a preliminary plan for use of FY2019 CDBG funds. The Council adopted the 2019-2020 CDBG and HOME Program Annual Action Plans, and approved the submission of the Annual Update to the Consolidated Plan on April 24, 2019.

Comments received at the public forums are included in the Attachments section at the end of this Action Plan.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments and suggestions that were received to date, have been accepted, attached, and incorporated into the plan documents.

7. Summary

In addition to the 2 public forums, the Town, in collaboration with Orange County, and the Towns of Carrboro and Hillsborough, held 2 Application Orientation Workshops on November 27 and December 18, 2018 and 1 Application Q&A Session held on January 8, 2019.

The Town's Council meetings for public forums and adoption of the CDBG Program Plan can be viewed on the Town's website:

<https://www.townofchapelhill.org/Home/Components/Calendar/Event/15026/15?curm=11&cury=2018>

<https://www.townofchapelhill.org/Home/Components/Calendar/Event/15061/15?curm=3&cury=2019>

<https://www.townofchapelhill.org/Home/Components/Calendar/Event/15066/15?curm=4&cury=2019>

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	CHAPEL HILL	Office for Housing and Community

Table 1 – Responsible Agencies

Narrative

The Town of Chapel Hill is a member of the Orange County HOME Consortium, and Orange County serves as the Lead Agency. The Town of Chapel Hill is a CDBG Entitlement community and is responsible for submitting the CDBG Action Plan. In previous years, the Town's Action Plan was included in the Orange County Annual Update to the Consolidated Plan. The Town's 2015-2019 CDBG Action Plans are included in the 2015-2020 Consolidated Plan, and HUD is requiring the Town to submit a separate Action Plan for the CDBG program.

Consolidated Plan Public Contact Information

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Town of Chapel Hill Office for Housing & Community

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AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

While preparing the FY 2019-2020 Action Plan, the Town's Office of Housing and Community consulted with Orange County, social services agencies, housing providers, and members of the Orange County Partnership to End Homelessness (the Continuum of Care).

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The Town of Chapel Hill's Office of Housing and Community works with the following agencies to enhance coordination:

- **Town departments** - The Office for Housing and Community includes the Public Housing, Affordable Housing and Community Connections, and the Planning Department. Our team works closely with internal departments to enhance coordination of affordable housing and community development activities. Partnering departments include Parks and Recreation, the Chapel Hill Public Library, Technology Solutions, the Police Department, Fire Department, Public Works, Transit, Business Management, and Human Resources. The Town uses federal and local funding to implement programs and activities that support the Town's affordable housing and community development goals.
- **Orange County** - The Town is an active participant in the Orange County HOME Consortium and the Orange County Local Government Affordable Housing Collaborative. The Town collaborates with the County through monthly meetings to share information about affordable housing projects and programs and advance our shared goals
- **Towns of Carrboro and Hillsborough** - The Town works closely with the other municipalities in the County to coordinate affordable housing and community development efforts and initiatives. Both the Towns of Carrboro and Hillsborough participate in monthly meetings focused on affordable housing county-wide.
- **Community Service Agencies** - The Town implements and also provides funds to agencies that provide services to low and moderate income households.
- **Housing Providers** - the Town provides, implements, and provides funds to providers that provide and support the development of affordable housing opportunities. Additionally, the Town participates in the Orange County Affordable Housing Coalition, a county-wide collaborative led by affordable housing providers.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Town is an active member of the Orange County Partnership to End Homelessness. The Partnership has recently begun implementing a Coordinated Entry system that prioritizes people for Permanent Supportive Housing; it will eventually expand to include Rapid Rehousing and other housing/services. The Partnership also completed a Homeless Service System Gaps Analysis and have created a plan to address the gaps in the current system. The CoC's 100,000 Homes Taskforce meets monthly to collaborate on finding housing and services (MH, SA, medical, legal, etc.) for chronically and/or vulnerably homeless individuals. Orange County DSS and the Inter-Faith Council for Social Service provide Rapid Rehousing and Transitional Housing, respectively, targeted to families with children; they are both very actively involved in the Partnership to End Homelessness Leadership Team and subcommittees and refer clients to each other.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The four (4) jurisdictions participating in the Orange County HOME Consortium – Orange County, Towns of Chapel Hill, Hillsborough and Carrboro – support the Orange County Partnership to End Homelessness' (OCPEH) budget on a pro-rata basis. The funding covers the salary of the Homeless Programs Coordinator, HMIS fees for the CoC and miscellaneous costs. The OCPEH is the CoC and comprises of a Leadership Team and several subcommittees. The CoC has fully participated in the planning, development, and writing of the Orange County HOME Consortium's Five Year Consolidated Plan.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	HABITAT FOR HUMANITY OF ORANGE COUNTY, NC
	Agency/Group/Organization Type	Housing Services - Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Habitat for Humanity was consulted to obtain information about housing needs. The organization also participated in the Council's public forums and requested funds to support its Home Preservation program designed to perform repairs on homes owned by lower income households (often elderly).
2	Agency/Group/Organization	Community Home Trust
	Agency/Group/Organization Type	Housing Services - Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Community Home Trust was consulted as part of the Consolidated Plan process to ascertain the housing needs throughout the County.
3	Agency/Group/Organization	INTERFAITH-COUNCIL
	Agency/Group/Organization Type	Services - Housing Services-homeless Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Inter-Faith Council was consulted through the Consolidated Plan process to obtain information about services needed to address homelessness.
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Identify any Agency Types not consulted and provide rationale for not consulting

The Town consulted with the appropriate agencies for development of this Action Plan.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Orange County Partnership to End Homelessness	The goals are compatible.
Chapel Hill 2020 Comprehensive Plan	Town of Chapel Hill	The goals are compatible.
Chapel Hill Affordable Housing Strategy	Town of Chapel Hill	The goals are compatible.
Chapel Hill Rental Housing Strategy	Town of Chapel Hill	The goals are compatible.
Northside/Pine Knolls Community Plan	Town of Chapel Hill	The goals are compatible.

Table 3 - Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The citizen participation process for development of the Action Plan was consistent with the Town's Citizen Participation Plan. Two public forums and an additional public meeting were held to receive feedback on housing and community development needs and on a preliminary plan for use of funds. A draft 2019-2020 CDBG Annual Action Plan was on display for public comment April 1-April 30. In addition, we published notices for the display of the draft Annual Action Plan, and for the public meetings, both online and in the local newspaper.

In 2015, through the Consolidated Plan process, a survey was developed by Orange County to obtain resident input. The survey was made available on the Town, County, Carrboro and Hillsborough websites, and in a hard copy version available in the County Offices, the Hillsborough Town Hall, the Carrboro Town Hall, and the Chapel Hill Town Hall. Spanish language versions of both the online and hard copy surveys were made available in accordance with Orange County's Citizen Participation Plan. The County received 84 completed surveys and 17 completed surveys in Spanish. All of these comments are included in the Consolidated Plan.

Through the citizen participation process, the Town used citizen input to develop how the plan will serve the low- and moderate-income population to reach the goals set forth in the Five Year Consolidated Plan.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/broad community	N/A - This notification was published in the local newspaper on October 21, 2018 and November 4, 2018 to notify the public of the Town's Need Assessment Public Forum on November 7, 2018.	No comments were received in response to this publication.	N/A	
2	Public Hearing	Non-targeted/broad community	The Town held a public forum on November 7, 2018. Two members of the public spoke about housing and community development needs in Chapel Hill.	One of the individuals who spoke, was representing an agency and advocated for funding their program. The other individual spoke about the need for housing for those with chemical sensitivity disabilities.	All comments were accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Newspaper Ad	Non-targeted/broad community	N/A - This notification was published on March 3, 10, and 17, 2019 to notify the public of the Town's CDBG Public Forum on March 20, 2019 and the draft Annual Action Plan that will be on display through the April 1-April 30, 2019 public comment period.	No comments were received in response to this publication.		
4	Public Hearing	Non-targeted/broad community	The Town Council held a public forum on March 20, 2019 to receive input on Town's use of 2019-2020 CDBG funds and the Town's 2019-2020 CDBG Preliminary Plan. There were no comments at this public forum.	There were no comments at this public forum.	There were no comments at this public forum.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	386,584	0	0	386,584	0	The 2019-2020 program plan includes affordable housing acquisition, owner-occupied single-family housing repair and home improvements, administration, code enforcement for target neighborhoods, public housing improvements, neighborhood revitalization, and public services. Public service programs are focused on homeless case management, youth employment, and services for at-risk children.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

There are no match requirements for CDBG.

The Town Council committed local funds to support the creation and preservation of affordable housing in Chapel Hill. The Affordable Housing Fund (<https://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding/affordable-housing-fund>) (established by funds received from the private sector in lieu of providing affordable housing within new developments) and the Affordable Housing Development Reserve (<https://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding/affordable-housing-development-reserve>) (over \$688,000 in FY18-19) will help the Town achieve its affordable housing goals.

Chapel Hill voters expressed their overwhelming approval of an Affordable Housing Bond (<https://www.chapelhillaffordablehousing.org/bondinfo>) Referendum on Tuesday, November 6th. The Bond was approved by 72% of voters. The referendum approves \$10 million in general obligation bonds to help the Town achieve its strategic plan for developing 400 new affordable housing units and preserving 300 existing affordable units over the next five years. The Town anticipates using the bond funding to support several large-scale affordable housing projects, including public housing redevelopment and development on Town-owned parcels.

Requests for Proposals will also be issued in order to fund projects developed by regional affordable housing partners. The priorities established in the Town's Affordable Housing Plan will guide the selection of the bond-supported projects. The Chapel Hill Town Council will have final approval of all projects.

The Chapel Hill Town Council approved three eligible activities for use of Affordable Housing Bond Funds:

- Construction of new affordable housing
- Preservation of existing affordable housing
- Acquisition of property to be used for affordable housing

The Council also approved the following priorities for use of funds:

- Rental housing serving households less than 60 percent of the area median income
- Rental housing serving vulnerable populationsHousing that achieves long-term affordabilityHousing located near transit servicesProjects that leverage other financial resources

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	HS-1 Housing Rehabilitation	2015	2019	Affordable Housing Public Housing	Northside Neighborhood Pine Knolls Neighborhood Town-wide	Housing Priority	CDBG: \$27,000	Homeowner Housing Rehabilitated: 5 Household Housing Unit
2	HS-4 Homeownership	2015	2019	Affordable Housing	Town-wide	Housing Priority	CDBG: \$30,000	Homeowner Housing Added: 3 Household Housing Unit
3	CD-3 Public Services	2015	2019	Non-Housing Community Development	Town-wide	Community Development Priority	CDBG: \$57,540	Public service activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted
4	CD-4 Code Enforcement	2015	2019	Non-Housing Community Development	Northside Neighborhood Pine Knolls Neighborhood	Housing Priority Community Development Priority	CDBG: \$25,000	Housing Code Enforcement/Foreclosed Property Care: 12 Household Housing Unit
5	CD-6 Revitalization	2015	2019	Affordable Housing Public Housing Non-Housing Community Development	Northside Neighborhood Pine Knolls Neighborhood Public Housing Neighborhood Town-wide	Housing Priority Community Development Priority	CDBG: \$169,728	Other: 5 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	AM-1 Overall Coordination	2015	2019	Non-Housing Community Development	Town-wide	Administration, Planning, and Management Priority	CDBG: \$77,316	Other: 1 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	HS-1 Housing Rehabilitation
	Goal Description	Housing rehabilitation for low-to-moderate income homeowners, town-wide, through Habitat for Humanity Home Preservation program.
2	Goal Name	HS-4 Homeownership
	Goal Description	Property acquisition for low-to-moderate income households homeownership opportunity.
3	Goal Name	CD-3 Public Services
	Goal Description	Public Service activities include a Summer Youth Employment Program, Homeless Case Management Services, and trauma-informed childcare for families involved in/or at-risk of abuse and neglect.
4	Goal Name	CD-4 Code Enforcement
	Goal Description	Code Enforcement within the Northside and Pine Knolls neighborhoods.

5	Goal Name	CD-6 Revitalization
	Goal Description	Neighborhood revitalization may include acquisition, rehabilitation, public facility, and/or public housing improvements.
6	Goal Name	AM-1 Overall Coordination
	Goal Description	Overall grant administration, reporting, and compliance.

AP-35 Projects - 91.420, 91.220(d)

Introduction

The Town of Chapel Hill employs a comprehensive strategy to community development, recognizing that simultaneous investments in housing, facilities, infrastructure, and services are necessary in order to truly improve the living environment for low- and moderate-income residents. Therefore, the housing and homelessness strategies previously discussed in this Consolidated Plan do not stand alone. Those programs are complimented by existing public facilities and public services initiatives. Continued investment in each of these areas will ensure a vital and comprehensive strategy for serving low- and moderate-income residents for years to come.

#	Project Name
1	2019-2020 Affordable Housing
2	2019-2020 Public Services
3	2019-2020 CDBG Administration

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

AP-38 Project Summary
Project Summary Information

1	Project Name	2019-2020 Affordable Housing
	Target Area	Northside Neighborhood Pine Knolls Neighborhood Public Housing Neighborhood Town-wide
	Goals Supported	HS-1 Housing Rehabilitation HS-4 Homeownership CD-4 Code Enforcement CD-6 Revitalization
	Needs Addressed	Housing Priority Community Development Priority
	Funding	CDBG: \$251,728
	Description	This affordable housing project will utilize CDBG funding to support homebuyer assistance and acquisition to lower the cost of buying a home for low-to-moderate-income households; home repair, maintenance, and rehabilitation for low-to-moderate-income homeowners; code enforcement for preserving target area neighborhoods; and other neighborhood revitalization projects, yet to be identified.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	We estimate that at least 25 individual households will benefit from the planned 2019-2020 CDBG affordable housing activities.
	Location Description	Activities will take place Town-wide.
	Planned Activities	Planned 2019-2020 CDBG affordable housing activities include: <ul style="list-style-type: none"> • Community Home Trust Acquisition & Homebuyer Assistance • Habitat for Humanity of Orange County Home Preservation ProgramTown of Chapel Hill Code Enforcement, in Northside and Pine Knolls • Neighborhood Revitalization Town-wide
2	Project Name	2019-2020 Public Services
	Target Area	Town-wide
	Goals Supported	CD-3 Public Services

	Needs Addressed	Homeless Priority Community Development Priority
	Funding	CDBG: \$57,540
	Description	The Public Service project will utilize 2019-23020 CDBG funding to help support activities focused on: providing case management and supportive services to homeless individuals and families, providing summer employment (skill development) opportunities for youth from LMI households, and skilled childcare for children involved in/or at-risk for abuse and neglect.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	We estimate that at least 50 households will benefit from 2018-2019 CDBG planned public service activities, 14 of which are estimated to be homeless.
	Location Description	2019-2020 CDBG public service activities will take place town-wide.
	Planned Activities	This year's CDBG public service activities include: <ul style="list-style-type: none"> • Inter-Faith Council for Social Services Residential Services Homestart Program (Case Management)Town of Chapel Hill Summer Youth Employment ProgramChildren’s Parents Parenting Classes (Trauma-Informed Childcare for children at-risk for/or involved in child abuse and neglect)
3	Project Name	2019-2020 CDBG Administration
	Target Area	Town-wide
	Goals Supported	AM-1 Overall Coordination
	Needs Addressed	Administration, Planning, and Management Priority
	Funding	CDBG: \$77,316
	Description	CDBG funding will support a portion of staff salary expenses for managing the CDBG program.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	N/A

	Location Description	405 Martin Luther King Jr. Blvd., Chapel Hill, NC 27514
	Planned Activities	CDBG program administration, reporting, and HUD compliance.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

CDBG funding will be expended for activities within the Town of Chapel Hill's jurisdiction. Although CDBG funding for Code Enforcement is specific to the Northside and Pine Knolls neighborhoods, CDBG funds will be spent Town-wide to assist those in need, regardless of neighborhood. The Town of Chapel Hill is working towards inclusion and preservation of affordable housing, Town-wide.

Geographic Distribution

Target Area	Percentage of Funds
Northside Neighborhood	30
Pine Knolls Neighborhood	30
Public Housing Neighborhood	
Town-wide	40

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The Town and County are not only attempting to meet the needs of the community, but also affirmatively further fair housing. It is essential to engage in, not only community building activities and to fund needed improvements in low and moderate income areas, but to also provide opportunities for residents to live in non-impacted areas.

Discussion

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

To address the Impact Fee, the Orange County Board of Commissioners adopted an impact fee reimbursement policy, which provides funds to nonprofit housing developers constructing rental and owner-occupied housing. This enables non-profits to pay these fees without passing the costs on to the prospective renters or homebuyers. With this reimbursement, the Board works to alleviate barriers to affordable housing.

Strategies have been designed to help eliminate or reduce the impact of the identified barriers. The following recommendations included in the AI promote fair housing for the Orange County Consortium:

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

- Increase the educational opportunities and provide training relating to Fair Housing through workshops, forums and presentation
- Target specific protected groups for fair housing information
- Continue to consult with local lending institution
- Provide training to housing providers and consumers about their obligations and rights
- Continue to work with the County and Town governments to develop appropriate legislation and ordinances to assist with the development of affordable housing
- Monitor and track the Inclusionary Zoning Ordinance enacted by the Town of Chapel Hill for effectiveness in the development of affordable housing and utilize as a model ordinance for adoption by the Towns of Carrboro and Hillsborough and Orange County for implementation if positive results are determined.

The affordable housing provisions of the proposed Inclusionary Zoning Ordinance [1] drafted by the Town of Chapel Hill apply to homeownership developments in any of the following categories:

- Single-family or two family development, or subdivision of land to create residential lots that involve:
- at least 5 single-family dwelling units or 2-family dwelling units; or at least 5 single-family lots; or two-family lots in which six (6) or more

residential units are allowed by the Chapel Hill Land Use Management Ordinance, either individually or as part of the same subdivision.

- Multi-family unit developments that create at least 5 multi-family dwelling units; or
- Renovation or reconstruction of an existing building that contains multi-family dwelling units, and that increases the number of dwelling units from the number of dwelling units in the original structure by at least 5; or
- Any change in use of all or part of an existing building from a non-residential use to a residential use that has at least 5 dwelling units.

For development applications involving any of the above, provisions for affordable housing must be included as part of the development proposal.

Discussion

As with other types of development, Orange County's supply of affordable housing is dictated by a variety of factors, the most significant being project affordability, availability of land and infrastructure, developer preference for building high-end housing, and government regulation. The Town of Chapel Hill is implementing a variety of approaches to improve its understanding of these factors, with the intent to become better partners in identifying and taking advantage of opportunities, for projects to include affordable housing. These efforts include an ongoing developer roundtable discussion, to better understand the development factors facing market rate developers. The Town has also increased its collaboration with area affordable housing providers through the Orange County Affordable Housing Coalition as well as monthly meetings with the providers and Town staff.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

The Orange County HOME Consortium has developed the following actions which addresses obstacles to meeting underserved needs, fosters affordable housing, reduces lead-based hazards, reduces the number of poverty families, develops institutional structures, and enhances coordination between public and private housing and social service agencies.

Actions planned to address obstacles to meeting underserved needs

Despite County and non-profit service provider efforts, there remains a significant number of obstacles to meeting underserved needs. The following are some of the obstacles to meeting these needs in Orange County:

- The demand created by a continued population growth, including growth from the University, creates a housing shortage
- A tight rental housing market and escalating rental rates in the urban areas of the County for residents of all income levels; and
- The lack of housing choice for people aging in place.

Actions planned to foster and maintain affordable housing

The Town initiated efforts in the winter of 2017 to develop a Manufactured Home Strategy to address the redevelopment threat of the manufactured home communities in Chapel Hill. The foundation for this strategy involved proactively engaging residents and owners of the Town's four manufactured home communities to develop potential solutions that are responsive to residents' needs and interests. After extensive engagement, the Town created **Manufactured Home Strategy** (<https://www.chapelhillaffordablehousing.org/manufactured-housing-strategy>) with four key components:

- **Engage manufactured home park residents, owners, potential developers and neighbors to create proactive solutions.**
- **Develop a menu of housing options for the Council to consider as manufactured home residents face displacement, including but not limited to *Financial assistance for relocation , Land purchase, Onsite or off-site unit construction as part of redevelopment, Identify potential sites for development of new housing.***

1. Evaluate Town-owned sites

1. Determine if existing manufactured home communities have additional capacity

- **Develop a coordinated plan to apply to any manufactured home community faced with redevelopment.**

Manufactured Home Strategy Reports and Updates

- **Strategy Report with Progress Updates**
(<https://www.townofchapelhill.org/Home/ShowDocument?id=41808>)
- **Resident Engagement Report**
(<https://www.townofchapelhill.org/Home/ShowDocument?id=41810>)
- **Affordable Housing Site Analysis Report**
(<https://www.townofchapelhill.org/Home/ShowDocument?id=41813>)

Actions planned to reduce lead-based paint hazards

In Orange County, evaluations (risk assessments) of lead-based paint in housing units will be conducted by on a case-by-case basis and lead abatement will be prescribed as needed for dwellings targeted for rehabilitation. In addition, all assisted housing tenants will be informed of the hazards of lead-based paint. The Orange County Health Department will provide ongoing consultation to local housing staff as appropriate.

Actions planned to reduce the number of poverty-level families

Orange County and the Town of Chapel Hill have targeted significant CDBG and HOME resources within core low-income areas to execute their anti-poverty strategy. These resources will act as catalysts to invite additional public and private investment of capital and services; increase the quantity and quality of affordable housing; and help low to moderate-income residents acquire needed information, knowledge and skills to improve their employment opportunities.

Under North Carolina's Work First initiative, Orange County has developed a local plan to assist those most in need and forms the basis for its anti-poverty activities. Orange County's current Work First population [recipients of Temporary Assistance for Needy Families, TANF] faces major obstacles in obtaining and retaining employment because they are competing for jobs with a highly skilled workforce. Unskilled and semi-skilled workers without a high school diploma or a recent connection to the workforce are unable to obtain jobs that provide a living wage. Barriers such as substance abuse, criminal records and chronic physical and mental health problems have no quick fix. They are resolved as a result of participant commitment, adequate resources, and time. Under the Work First initiative,

Orange County will provide the following:

- First Stop—provides a continuum of services including job search and job preparedness
- Childcare—provides daycare subsidy payments and assisting with After-School Programs
- Transportation—provides expanded transportation routes, vehicle donations and financial assistance to address transportation needs
- Substance Abuse Services—provides initial screening, assessment, and residential and outpatient treatment services
- Family Violence Option—provides full assessment of domestic violence, counseling and support group sessions, and coordination of services such as emergency housing, transportation and legal services
- Child Welfare Services—provides collaboration of services to ensure the safety and well-being of children
- Emergency Assistance—provides housing, food and utility assistance
- Family Success Alliance - serves a defined geographic area (a zone) and its children with a seamless "pipeline" of evidence-based programs, services, and supports from cradle to career

The Anti-Poverty Strategy is the unifying thread that ties the housing, homeless, public housing and non-housing community development strategies together as one comprehensive plan for reducing the number of families that fall below the poverty level. In addressing each of the three components below, the Anti-Poverty Strategy simultaneously links and implements the various strategies, goals and objectives contained throughout this Consolidated Plan to promote self-sufficiency and empowerment.

Actions planned to develop institutional structure

With the creation of the Community Home Trust, Orange County, Chapel Hill, Carrboro and Hillsborough demonstrated the desire to cooperate among the several jurisdictions to provide the best housing assistance that will serve the low-income residents of Orange County. With respect to coordination of resources, funded agencies will communicate with appropriate staff regarding projects in progress, applications submitted to state and federal funding agencies, programs that are particularly successful or troublesome, and other sharing of information and sources of funds.

Actions planned to enhance coordination between public and private housing and social service agencies

The existing coordination of services has been enhanced with the creation of the Orange County HOME Consortium whose members include Orange County, Carrboro, Chapel Hill and Hillsborough.

The Town meets regularly with housing and service providers implementing activities identified in the

Northside and Pine Knolls Community Plan, the Affordable Housing Strategy, and the Affordable Rental Housing Strategy.

Discussion

The Council committed local funds to support the creation and preservation of affordable housing in Chapel Hill. The Affordable Housing Fund (<https://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding/affordable-housing-fund>) and the Affordable Housing Development Reserve(<https://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding/affordable-housing-development-reserve>) will help the Town achieve its affordable housing goals.

The Council has also approved plans developed, to increase and maintain affordable housing opportunities in Chapel Hill: The Affordable Housing Strategy and the Affordable Rental Housing Strategy identify goals and strategies for affordable housing in Town.

The Town has begun a process to revamp our Land Use Management Ordinance that regulates development in Chapel Hill. The revised document may include incentives to develop affordable housing and remove barriers to creating affordable housing opportunities.

In the winter of 2018, Town Council approved an Employee Housing Pilot Program designed to assist low-moderate income Town employees find and secure affordable housing in town.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

- | | |
|--|----------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | 0 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0 |
| 3. The amount of surplus funds from urban renewal settlements | 0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan | 0 |
| 5. The amount of income from float-funded activities | 0 |
| Total Program Income: | 0 |

Other CDBG Requirements

- | | |
|---|---------|
| 1. The amount of urgent need activities | 0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 100.00% |

Discussion

With the exception of program administration, the Town continues to allocate 100% of program funds to benefit low and moderate income individuals and households in Chapel Hill.

This Annual Action Plan covers July 1, 2019 through June 30, 2020.

