

Chatham County Affordable Housing Advisory Committee Meeting

Draft Minutes

| June 16, 2022- 6:00pm-8:00pm |

Chatham County AG & Conference Center in the Cooperative Extension Conference Room
(Located on the far-left side of the building)

Virtual Option:

<https://us06web.zoom.us/j/82420630279?pwd=dkxCK0RScjJTd2NKTTJYLzscGJNQT09>

Attendees: Kyle Shipp, Susan Levy, Alirio Estevez, Chip Price, Richard Poole, Erika Brown (TJCOG), Anna Blanchard (TJCOG), Dan Sargent (Rebuilding Together of the Triangle)

Online Attendees: Carolyn Huggins, Pam Baldwin, Stephanie Watkins-Cruz (Chatham County), Bryan Thompson (Chatham County)

1. Welcome

Erika Brown and Stephanie Watkins Cruz welcome to the meeting. Introduction of Dan Sargent, Executive Director of Rebuilding Together of the Triangle, and Anna Blanchard, Housing Planner II at Triangle J Council of Governments.

2. Public Comment

No public comments.

3. Adopt Meeting Minutes from AHAC Meeting on May 5, 2022

Minutes were adopted unanimously with proposed change, which was an amendment to the amount of money noted on page 3 – change \$150,000 to \$45,000 related to the Briar Chapel funds.

4. Updates from HTF Awardee: Rebuilding Together of the Triangle

Dan Sargent: Executive Director of Rebuilding Together of the Triangle described his organization and presented the accomplishments of the last year. RTT serves 4 counties in the Triangle as well as Lee and Harnett. Chatham is one of the core counties that RTT serves. The organization has grown from doing 13 projects at the beginning to over 200 as of today. They are on pace to exceed the goal of 52 in Chatham County this year. The funding through Housing Trust Fund has allowed RTT to leverage it with other dollars to more effectively provide home repairs. In addition, the organization was able to bring in new funding through USDA- money that existed at state level that wasn't being spent. The Chatham Housing Trust Fund was used as a match for that as well as a FHLB grant with TJCOG to do 22 units. RTT is also working with TJCOG and the state DEQ office to spend ARPA funds on home repair in Chatham County.

As RTT has accelerated work, they are able to move people off the waitlist more quickly, but the waitlist is staying just as big due to new people consistently being added. Just for Chatham County, about 140-150 households are currently on the waitlist, with almost 900 households on the waitlist triangle-wide. About 5-10% of applicants are in a house that is in such a state that the house isn't really reparable so RTT is exploring options for home replacement. For home

repair, RTT has been able to use funds with the Housing Trust Fund, Manager's Office, and previously the council of aging. Most often, RTT is able address an emergency need and then put in homeowner in the queue for rehab.

Question from Alirio: I'm part of the Latino community and love the Latino community. How many out of the 150 that are on the waitlist do you work with Latino people or African American?

Answer from Dan: Over RTT's whole service area, typically 60-65% of served homes are African American. We sadly know the Latino community is underserved because of the way funding sources define homeownership, it disqualifies people renting land with mobile homes. We are not getting into and serving communities in the way we would like because of this limitation. For most programs, the basic qualification is to make below 60% of AMI and the homeowner must own the home and the land it is on. That has been the challenge. Have gotten calls from folks in mobile home communities or a park where they own the home but not the land it is sitting on and its hard to do anything in that situation.

Alirio: Would like to know more information about Siler City specifically.

Dan: I can pull specific data, but can say now the largest concentration of applications we get is from Siler City in North Siler where RTT has rehabbed 15 houses there in the last 9 months. Some of the USDA funds are targeted there. For the mill housing North Chatham Avenue, we don't see as many applications from that community. From what we understand- that's higher rental occupancy. We don't have good funding sources or good tools for rental housing quality challenges.

Susan: Would funding sources fund mobile home on land owned by the owner? Dan: Yes, we see a lot of that in the further out parts of the county. There are still some limitations but most of the funding sources let us do them. There's a tug of war going on with department of insurance who is supposed to inspect repairs to mobile home.

Dan: We do lots of roofing, lot of HVACs, but we will do just about anything.

County funding can be leveraged because it's more flexible. When you do that do you have to use the county funding in a more restricted way?

Dan: It does follow that we are figuring out how to allow the funds to fit into the project to fit it in. Often its used for things that are not going to fit into other programs. But does mean we are serving households that are a good fit for other programs. For example, we match a lot with ESFR which offers \$30,000 and we see a lot of homes with \$35,000-\$40,000 in needs. Applicants and their ability to fit into those programs does steer who we are serving with house trust fund money. More restrictive programs do steer how everything fits because you are trying to get access to as much money as possible.

Susan: Could we set up money just for situations that can't be covered with other programs?

Dan: Manufactured housing is a significant accessibility issue. It's overwhelmingly African American and Hispanic and overwhelmingly low income. Through the programs' definition of homeownership- these people have been excluded from these programs that serve

homeowners. As a system this definition has over decades excluded that category of homeowner. We'd be very open to exploring ways to change definition of homeowner.

Kyle: City housing code can help a lot with enforcement of rental units.

Carolyn: Could we do a project like with Central Piedmont Community Action?

Dan: It depends on homeowner situation- that one is funding through ARPA DEQ and DUKE energy. Most projects have 2-3 funding sources. Funding sources each pay for specific types of work, ones targeted for specific geographies, some targeted for specific interests such as veterans.

Kyle: Wasn't there funding for veterans this last year?

Dan: Yes, we will do at least 18 through the Council of Aging grant through Meals on Wheels of America that comes from the Home Depot foundation. Then the funding goes to council of aging and then RTT. HomeTown Hero is the name of the program. It has been a great program- had indicated that it's in a 3 year cycle- we are in the third year. RTT had always had a few veterans that come through regular applications, but it has not been a problem to find 18 veterans to serve through this program. Typically supplemented with Duke Money, other funds as possible.

Kyle: Rental inventory is in bad shape; Siler's minimum housing code can help make it better?

Chip: Short answer, yes. We have several houses now that can be done. Because of the governors moratorium on doing things during COVID- we can't do anything until he ends the moratorium. We have several houses that either need to be fixed or torn down.

Dan: In the situation where you have ownership of structure and not the land- we have seen a lot of heir property where they have a version of title. We have a homeowner whose father have her the house but never passed the deed along so then we end up in the process of figuring out if they can get title clear enough to where we can use funding to repair the structure. We are juggling figuring out what we can do to get a homeowner qualified for funding and getting to people as fairly and quickly as possible.

Erika: Knowing that council on aging is transitioning to a department do you have a sense of if funding will continue?

Dan: They have rolled it into the manager's budget and will be coming from the manager's office. Initially it was used for a volunteer minor repair program but volunteers have not come back after the pandemic. In Chatham, between 70-80 percent of applicants for home repair are seniors.

Erika: If there was a possibility of getting a mobile home park into co-op ownership could we get funding for those homes?

Dan: We would have to that figure out. At the Organization Next Step U.S- their VP of partnerships works with manufactured housing and have a lot of interest in affordable housing. They work with an organization out of the northeast to do that. In North Carolina as a Dillon's Law state, it is not easy to do some of the things. If we were able to- it creates a lot of opportunity. You would be an owner so it would create a way to do it and be eligible for home

repair funds. Worth exploring whether we can change definitions within the county to think more clearly about heir property. If work someone needs is inside the home and you own the home seems like we would be able to do that.

Erika: If you aren't using a deed of trust, then why we can't we do it?

Dan: The legacy is that all the rehab programs have been a deed of trust. Over the years they have been shrinking money and so don't need deed of trust but the definition has been the same.

Alirio: When you say heir property do you mean mobile homes?

Dan: It is a property has been passed through an estate passed to multiple people and only one person lives there, and you can't get everyone to agree. It's a legal part that can be difficult. There have been a couple places a referral to legal aid has been helpful.

Erika: The dispute settlement center also has a primary goal of maintaining black land ownership. They have attorneys on staff mediate between family members and draw up contracts for free.

Dan: The thing we encounter more frequently is absentia. We see that especially in outlying areas but also in town where people are in a home for multipole generations and there are a lot of people on the deed. Some of the programs are designs with very narrow requirements.

Anna: ROC USA presented to Orange County as part of their manufactured home plan development. They did a great job of showing the amount of subsidy needed to prevent rental price increases for mobile home parks given the need for refinancing when a mobile home park is converted to a co-op model.

Erika: Chapel Hill and Orange County generally have a manufactured home plan. Erika is happy to share the plan with this committee. Orange County would be happy to come and talk to us about that and she can send that out to everyone. Can be some reading over the summer for us to do before we meet again.

Susan: Kyle brought up that there was a potential loss of a mobile home park. A mobile home park in Pittsboro just sold and owner submitted interest in redeveloping it. The one behind Clive's, south of Chatham Mills. Same person owns HVAC business on corner, and vacant land around there.

Erika: Kyle, you shared more information about that in the email. I can send in information about that in the email with the manufactured housing plan from Orange County.

Alirio: When would people have to move?

Kyle: Pittsboro has specific zoning so to redevelop it will have to come to council to get those zoning requirements so that will be a waiting period and gives the town some leverage.

Erika: Sounds like they are trying to get more parcels to do a bigger development.

Kyle: They already have a lot of parcels.

Kyle: Could ownership be 70% with owner and other people have 1% and they could qualify for home repair programs?

Erika: Wonders if state would be afraid landlord would kick people out. Might need documentation that the landlord is going to allow the residents to continue renting for a certain period of time.

Dan: Part of the eligibility too is how it's taxed: if the mobile home has been converted to real property or not.

Erika: Some programs if people own the land but the property is not real property then they don't qualify.

Dan: You can imagine a homeowner calling who needs help- it's very confusing and a hard message to tell people that they own their home but don't own their home in the way the program needs. Good news is that with county programs- as long as they can demonstrate that they have the ability to stay in that home as long as they want and that they can allow us on the property- we will work with them. Some of the other tools we have aren't as flexible.

Susan: What do you see coming up in your pipeline? What might you be asking for in the future? Your needs going forward?

Dan: Materials and labor costs are killing all of us. We are keeping an eye on that. We are working to build internal capacity- in next couple of weeks are bringing an electrician in-house and are in process of moving him to rebuilding together. RTT is a licensed contractor. We are investing in a warehouse to go after more in-kind donations- we had 3500 sq feet but it was always full so we are doubling that. Are making some of those investments now. The leverage that the county dollars have provided have allowed us to build a foundation to build on with other funding sources. That funding will continue to be important to get state ARPA money and other money. Chatham has been a place to build a foundation with local money and leverage it for other funding sources. We expect to expand those asks and leverage more money to go to Chatham County.

Susan: About to add points in our application for innovative programs.

Dan: HOME funds are another place we would love to look into. We are in the process of securing money from Orange County to do some mobile home replacement. Going to replace with new energy star mobile home on foundation. HOME funds from federal government are a good way to pay for that. One of the only federal funds to pay for reconstruction or replacement. We see a need for that- did a site visit for a homeowner and the homeowner is living in a house built in the late 1800s and she doesn't have power and water. She owns land in the center of Chatham- wants to stay on it but there's no way to repair the house. Looking at options: sometimes there are options to help with financing. USDA has a 502 loan product to build on own land but lot of folks won't be able to meet even the generous USDA loan standards. Would be great to be able

to replace a home and hand them the keys. Never going to be able to replace enough homes though so we are trying to figure out how to leverage funding. Have learned that leaving people on the waiting list for a plan we don't have isn't fair. We have a list of people who need tools we don't have and that list is too long. A lot comes down to needing replacement- whether it's a manufactured home or just a more typical built house.

Susan: Are they typically folks who don't qualify for Habitat?

Dan: I don't think in general they will qualify. They are going to be the 30% and below. One homeowner who has a couple people working in the household is going to be able to get a 502 loan but that isn't typical. There are vehicles out there, but the mismatch is between who needs it and what is available. In the long run would love not to be those doing that- are getting the sense that they may need to try it before finding someone else to do it.

Erika: Have also talked about opportunities with demolition where Siler City is stepping in. Possible partnership with Community home trust and the code enforcement. What could rehab of vacant properties look like? It's a lot of subsidy per unit but affordability could be shepherded by an organization (Community Home Trust) and Stephanie is working with them on some of the more work with inclusionary construction for new construction. Could be a long-term solution for people who have land but need housing.

5. Changes to HTF Policy Guidelines, Application & Scoring for Fiscal Year 23 *Discussion & Vote*

Erika: I sent that out and changes were in red and very brief. Didn't really change much. Approved to add \$10,000 from article 46 funds. Obviously the \$300,000 is different as well. Timeframe for applications will be lengthened so will open a bit earlier. Also talked about allowing proposals outside of application cycle, guidelines include the provision to allow accepting applications outside of application period.

- There are the new income limits for Durham/Chapel Hill MSA.
- We had talked about supporting higher impact and innovative models to affordable housing so that was added.

Stephanie: As a reminder, the guidelines are what go to the board of commissioners. Have received feedback from AHAC on scoring criteria- that's what we will be focusing on in August before the application cycle. Will have the application and scoring to discuss during the August meeting.

Erika: Did have some proposed changes on the application but they are basic and ask for more information on a couple of things such as timing and more information about what is innovative for a project if they are trying to get those points.

Stephanie: Also want to figure out each year how to make the process more streamlined. How can we figure out how it all goes to one place as far as sending in documents? Also don't want it to be a huge lift for people applying.

Erika: Hoping to use Airtable to do automatic calculations and then for more subjective stuff the AHAC can talk more about it. Going forward it all can be housed in Airtable.

Kyle: Can we include a one-pager about what has been done in the past. Talking about over the years who we have supported in the past, how many units with Rebuilding Together, etc.
Stephanie: Stephanie has a gathering of that on the website and Erika can send that out.

Erika: We can make sure to include it for people scoring.

Pamela: Thinks its good changes. Makes a motion.

Kyle: I'll second.

Susan: All in favor, aye (all present). None opposed.

Susan: Do we want to talk about subcommittees. Next meeting: August 4th. Stephanie: planning to have a big space so that we can do a potluck.

6. AHAC Updates

Towns

Pittsboro

Kyle: Biggest news is that we intend to regionalize water and wastewater systems with city of Sanford. Working towards that and a lot to figure out there. Passed our budget a couple of weeks ago- has 85,000 for affordable housing from the town. Continuing to stack that up- still putting 1 penny a year there. Last Thursday we had a joint meeting with the county- moving a lot out to Enterprise Drive which will free up a lot of town-owned land. Sheriff's office will go there, county offices will eventually go. Big opportunity to do some interesting things and free up land in downtown Pittsboro. Talked about mixed-use housing over retail. Pittsboro elementary school is about 8 acres.

Last, money was announced for legal services to go after upstream polluters. Will put pressure on them hopefully. As a side note: Northwood landing- property right next to Northwood high school, they are going to do about 300 apartments and 10% will be workforce housing. Got that commitment on Monday. Have future land use plan under contract to update- it hasn't been updated since 2011. Have been holding on rezonings in meantime- expect that to be done by the end of the year. June 27th- have public hearing to update the minimum housing code to be more in line with what Siler is doing. Using the same consultant for enforcement. Have a list of properties to get started on with code enforcement.

Susan: Any news from Chatham Park?

Kyle: Northwood project is very tied to Chatham Park. Another 350 units going in Mosaic.

Stephanie: Do you know what model is being used to make the 300 on Northwood workforce housing?

Kyle: Not sure yet, but they have committed to workforce housing affordability.

Pam: Nothing else to add- but want to ask if some of the information from the housing trust could be incorporated into affordable housing ordinance. If would be okay with committee, would like to.

Susan: Is there a Pittsboro affordable housing entity?

Kyle: No, we have affordable housing incentives in the UDO and no one has used them yet. So far- it's because incentives are new, and projects have been in the pipeline. Are in the slow process of creating a task force. Have a little bit of time on that because we don't really have money for it yet and don't have units but those will be coming soon.

Siler City

Chip is now Siler City Mayor. New Town Manager- Hank Raper. Was most recently town manager at Fairmont. Effective June 21st- state water quality is going to put us on moratorium for wastewater. Our people have been in contact with Raleigh and state representatives. After the 21st- can't hook up any new customers to wastewater treatment plant but we will work through that. Have several housing developments- one went to planning board last night. Have about 4,000 units proposed that are in various stages coming. That's the amount of interest we have going on in the western part of county. Activity at the campsite: everyone is looking at that. There's a tremendous amount of activity. Downtown the old part is starting to take shape. Still several buildings in stages of rehabilitation, new town manager is living downtown in one of the new apartments down there. That's a big deal in Siler City. Finally had an election: have a new mayor-Chip.

a. Staff

Stephanie: Big shoutout to Bryan- working nonstop with Wallick and legal team to get them to closing to help them survive the moratorium that is coming to make sure they are good to still develop. Things are more positive than they were just 2 weeks ago. Stephanie had a conversation with school of government and contracting with Community Home Trust- whether it's an RFP or inter-jurisdictional agreement- got good advice on how to go about bringing them further into the county and how to build that relationship. Sales Tax continues to perform very well, and Stephanie wants to create a visual for this funding source. Stephanie will take the housing trust fund guidelines to the board in July.

Erika: Anna and Jack will also be supporting the homelessness task force that we have been working on alongside Stephanie, and Katie Childs from United Way- executive director. Anna will come occasionally to have COG support in-person.

Meeting Adjourned 7:13 PM.

Staff Contacts

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