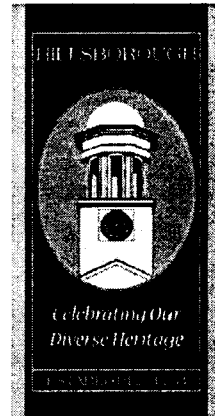
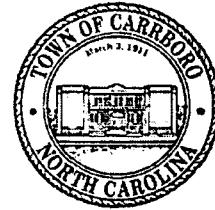
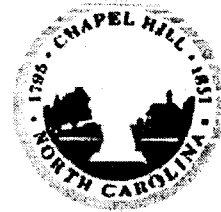
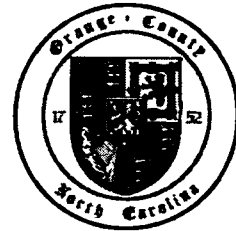


Consolidated Plan for Housing and Community Development Programs in Orange County, NC

2005-2010



Orange County Consolidated Plan 2005-2010

Orange County Department of Housing and Community Development (Lead Agency)

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April 1, 2005

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EXECUTIVE SUMMARY

Orange County is well known for its rich history, outstanding educational and employment opportunities, and diverse and friendly citizens. Nestled in the hills of the North Carolina Piedmont, Orange County is located strategically between the Research Triangle Park and the Triad cities of Greensboro, Winston-Salem and High Point. With more than 100,000 citizens, Orange County includes historic Hillsborough, the county seat, Chapel Hill, home of the University of North Carolina, and Carrboro, a former railroad and mill town. When Orange County was founded in 1752, five Native American tribes lived in this area. The Town of Hillsborough was the center of North Carolina politics in the colonial era and hosted the state's Constitutional Convention in 1778, where North Carolina delegates demanded that a Bill of Rights be added before they would ratify the U.S. Constitution.

Orange County lies on the western edge of the Research Triangle area, which is anchored on three sides by UNC-Chapel Hill, North Carolina State University and Duke University. Research Triangle Park is home to leading technological companies and institutions. Orange County is part of the Raleigh-Durham-Chapel Hill, North Carolina Metropolitan Statistical Area (MSA) which comprises six counties in the Research Triangle Area.

Housing Market Analysis

General Market Conditions

Orange County's population has increased by more than 25% between 1990 and 2000 (rising from 93,662 to 118,227). The County is expected to experience continued growth through 2010, with the population increasing to a projected 140,750. While most of the county's population is centered in Chapel Hill (46,798 in 2000), the areas experiencing the most rapid growth are Carrboro and Hillsborough. It is estimated that almost one-third (32%) of Chapel Hill's population are students enrolled at the University of North Carolina. The number of households in Orange County, according to the 2000 Census, was 45,863, which represents a 27% increase in households since 1990.

The racial composition of Orange County is changing. As a percentage of the total population, whites make up 78 percent of the County and the Town of Chapel Hill. Blacks comprise 13.8 percent of Orange County (11 percent of Chapel Hill). The most dramatic increase in racial groups is in the Hispanic community, where the population grew from 1,279 in 1990 to 5,273 by 2000, representing a 312.3% increase and 4.5% of the total population in Orange County. The Asian population grew 105.2% during this same period and now makes up 4.1% of the total population.

The unemployment rates for Orange County have been 2% or more below the statewide unemployment rates and about 3% to 4% below the national unemployment rates for the past 10 years. In Orange County, unemployment has ranged from a low of only 1.1% in 1999 to a high of 3.2% for 2002.

Median household income is likewise much higher than state and national averages. In 2004, the median household income for Orange County was \$69,800. This represents a 49% increase in median income over the past 10 years. The median income in Orange County is about 20%

higher than the median family income for North Carolina and 21% higher than the national average. The estimated median family income in Chapel Hill is over \$86,000.

Housing Market Conditions

In 1990, the total number of housing units in Orange County was 38,683. During the period 1990 to 2000, the total number of housing units increased by 27.4% to 49,289 units. Also during this period, the number of owner-occupied units increased by 32.4% and represented over one-half of all housing units in Orange County are owner occupied. In 2000, owner-occupied housing in Chapel Hill represented 43% of all occupied units in 2000. In renter-occupied housing, structures with five or more units continues to be the majority of the housing stock at 52.9% in 2000.

According to the 2000 census, the median value of owner-occupied housing in Orange County was \$179,000—up from \$100,400 in 1990. More than 40% of owner-occupied housing in Orange County is valued between \$100,000 and \$199,999. Almost 9% of owner-occupied housing has a value of \$400,000 or more. There are only 708 units (or 3.6%) of owner-occupied housing with a value below \$60,000. Housing in the Chapel Hill area is among the most expensive in the Research Triangle region. The average purchase price of a home in Orange County rose from about \$261,895 to \$280,592. In Chapel Hill, the average purchase price was \$320,913. Since 2000, the average purchase price has increased 22.4% in Chapel Hill.

Rental Housing in Orange County is dominated by larger apartment developments—those with five or more units— which represent 52.9% of the renter-occupied housing in Orange County. The median gross rent (rent plus utility expenses) for 2000 is \$684. The 2005 fair market rents (FMR) for a two-bedroom apartment in Orange County is \$779.

Public Housing Programs

The Orange County Department of Housing and Community Development is responsible for the administration of Section 8 rental assistance. The Department does not operate public housing developments. Currently, the Department administers approximately 623 units of Section 8 assistance.

The Town of Chapel Hill Department of Housing administers 336 units of low-rent housing located at 13 sites (12 in Chapel Hill and one in Carrboro) with one additional development underway in Chapel Hill. The department's goal is to refurbish all 336 units of public housing over a five-year cycle using Community Development Block Grant funds to pay for refurbishing work. The Department does not administer Section 8 tenant-based rental assistance. There is a waiting list of 195 persons for housing assistance from the Town of Chapel Hill's Department of Housing.

Housing Needs Assessment

Renter Households

One-half of all renter households experience a housing problem, which represents a 0.8% reduction since 1990. The percentage of extremely low-income renters who experience housing problems has increased overall since 1990. However, among extremely low- and very low-

income and low-income renters, there has been an overall reduction in the number of housing problems.

Owner Households

Over 20% of all owner households experience a housing problem, which represents a 0.3% increase since 1990. The percentage of extremely low-income owners who experience a cost burden over 50% increased since 1990 to 49.3%. During this same period, however, extremely low income owners experienced a slight decrease in any housing problems and in cost burdens of more than 30%. Among very low-income and low-income owners, there has been an overall increase in the number of housing problems.

Disproportionate Needs

Among renters, Hispanic households experience a disproportionately higher percentage of housing problems¹ in Orange County. Among homeowners, African Americans, Hispanics and Asian Americans experience a disproportionately higher percentage of housing problems. When looking at all households (renters and owners), Hispanic and Asian American households experience a disproportionately higher percentage of housing problems. Very low-income households (those earning less than half of the area's median income) and extremely low-income households (those earning less than 30% of the area median income) have the greatest number of housing problems, whether renters or homeowners.

Supportive Housing for Non-Homeless Persons with Special Needs

In examining supportive housing for persons with special needs, Orange County has considered the needs of the elderly, persons with disabilities (including mental, physical and developmental), alcohol and substance abusers and persons with HIV/AIDS.

People with supportive housing needs have special housing and care needs, largely because they are out of the workforce and/or have substantial medical and care requirements. The types of housing for the elderly (and all those with supportive housing needs) vary depending on the services needed to meet the requirements of the residents. In general, those who provide special housing needs offer an array of services. Efforts are made to ensure maximum independence in the least restrictive setting, but onsite support of those with special needs is often needed.

Service providers for people with special needs face substantial challenges. In 2000, there were 7,164 elderly households in Orange County, of which, 61.2 percent were low-income. Developmentally disabled and mentally ill in the County both need case management, support services, and outpatient treatment services for monitoring and treatment. Alcohol and substance abusers have access to outpatient services in Orange County, but are required to go out of the County for residential treatment.

¹ Households with housing problems are those households occupying units without a complete kitchen or bathroom, that contain more than one person per room and/or that pay more than 30% of their income to cover housing expenses.

Orange County had 16 reported cases of HIV disease and eight cases of AIDS in 2004. This is a marked increase in the number of AIDS and HIV cases in Orange County. While prevention, medical and support services are available to people with HIV/AIDS, there is also a greater need for permanent supportive housing.

Lead-Based Paint Hazards

Lead poisoning is one of the worst environmental threats to children in the United States. While anyone exposed to high concentrations of lead can become poisoned, the effects are most pronounced among young children.

There are as many as 12,058 occupied housing units in Orange County contain lead-based paint. Of these units with lead-based paint, 6,001 are owner-occupied and 6,057 are occupied by renters. Up to 5,276 houses may have deteriorated lead-based paint. According to the 2000 Census, there are 16,540 households with annual incomes below \$30,000. Applying the assumption that as much as 35% of these low-income households contain lead-based paint hazards results in an estimated 5,789 low-income households with lead-based paint hazards in Orange County.

Barriers to Affordable Housing

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 profitability, availability of land and infrastructure, and government regulation, including the Orange County Educational Impact Fee. To address the Educational 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 to enable them to pay the fee without passing the cost to the prospective renters or homebuyers.

Impediments to Fair Housing

Based on the county's analysis of impediments affecting the furtherance of fair housing, appropriate strategies have been designed and implemented to eliminate or reduce the impact of those barriers. The following recommendations included in the "Fair Housing Plan" promote fair housing within Orange County:

- Increase the educational opportunities and provide training relating to Fair Housing through workshops, forums and presentations
- Target specific protected groups for fair housing information
- Continue to consult with local lending institutions regarding their Community Reinvestment Act activities.
- Involve the local housing coalition, ABODE
- Provide training to housing providers and consumers about their obligations and rights un

Homeless Assessment

On December 15, 2003, a total of 50 persons were found sleeping outside in Orange County. In addition, there were 12 families with 42 individuals as well as 144 homeless individuals sleeping

in transitional or emergency shelters. There were 58 individuals counted who were characterized as chronically homeless, 41 of whom were unsheltered. As of this 2003 point-in-time count, there were no less than 236 homeless individuals in Orange County.

The resources and services to support the homeless in Orange County are coordinated by the Orange County Continuum of Care, with the Orange Person Chatham (OPC) Area Program serving as the lead agency. There are prevention, outreach and supportive services available to Orange County homeless to help alleviate the needs of the homeless which is coordinated through the Continuum of Care. There is also a vision to create a 10 year plan to end chronic homelessness through the support of the Triangle Alliance to Resolve Chronic Homeless (TARCH)

Non-Housing Community Development

Orange County and the Town of Chapel Hill believe that true community revitalization requires a comprehensive set of strategies to ensure success. Rehabilitating or constructing residential structures without improving the physical, social and economic environment in which they are located does not automatically revitalize neighborhoods.

The public spaces and infrastructure used to support community development includes public facilities, including neighborhood facilities, parks and numerous health facilities for specialized care and medical research. The area's infrastructure includes water and wastewater treatment facilities that provide sufficient server capacity to all townships. Streets include two major interstates as well as hundreds of miles of primary and secondary highways. Public services include support to handicapped and substance abuse services, employment training, health services, and transportation for a wide variety of needs.

Anti-crime measures and youth programs work in and out of the school system to provide awareness for students and increase public safety. There are three senior centers which provide classes, wellness programs, trips, and lunches for area seniors. Orange County and the Town of Chapel Hill also provide small business owners with a variety of information and assistance to promote area economic development. The Orange County and Town of Chapel Hill Planning and Inspections Department implements land use and environmental policies, zoning, building construction and standards through a system of regulations to promote stable and quality development.

Five-Year Strategic Plan

As a growing community, the Orange County and the City of Chapel Hill must successfully balance a diverse array of housing and community development issues. Given the range of competing needs, the community must invest its scarce public resources wisely. Therefore, as a general principle, the City will attempt to expend public funds in a way that leverages the commitment of private sector support whenever possible.

The following presentation utilizes this performance-centered approach to outline the City's approach to housing and community development in the upcoming five years. These include identifying goals, objectives and strategies; determining what resources are necessary to achieve them; analyzing and evaluating performance data; and using that data to drive improvements in organization. All objectives and performance indicators are based on a five-year time frame.

Goal 1 – Decent and Affordable Housing for Lower-Income Households

<i>Priority 1.1 – Low income (< 80%AMI) homeowners that live in substandard housing</i>	
Strategies:	<ul style="list-style-type: none"> - Continue to fund urgent repairs for qualified units - Continue to fund substantial rehabilitation for qualified units - Continue to incorporate handicap, weatherization and lead-based paint improvements into all substantial rehabilitations
Output Indicators:	- 8 substantially rehabilitated units (Orange County)
<i>Priority 1.2 – Low income renters (<60% AMI) that live in substandard housing</i>	
Strategies:	<ul style="list-style-type: none"> - Continue to fund the rehabilitation of existing rental housing units - Monitor and enforce rent and property standards for completed projects - Leverage existing City resources by utilizing the federal low income tax credit program to construct new rental housing - Provide educational opportunities related to fair housing, tenant rights, etc. - Continue to dialogue with the University of North Carolina – Chapel Hill on issues that affect affordable rental opportunities in the area
Output Indicators:	<ul style="list-style-type: none"> - 70 additional affordable rental units (Orange County/Chapel Hill) - 20 low income renters will receive rental assistance for up to 2 years each (Orange County) - 100 units of renovated public housing (Chapel Hill) - 150 units of refurbished public housing (Chapel Hill)
<i>Priority 1.3 – Low income (<80% AMI) homeowners that do not have indoor plumbing or adequate connections to existing public water and sewer systems</i>	
Strategies:	<ul style="list-style-type: none"> - Continue to fund the connection of lower income homeowners to existing water and sewer facilities. - Continue to fund the construction of complete indoor plumbing facilities
Output Indicators:	- 100% of all County residents have adequate indoor plumbing (Orange County/Chapel Hill)
<i>Priority 1.4 – Low-income renters (60% to 80% AMI) that are potential homebuyers</i>	
Strategies:	<ul style="list-style-type: none"> - Provide down-payment and closing cost assistance to qualified homebuyers - Provide homebuyer education and counseling with an emphasis on credit. - Provide property acquisition funding to eligible non-profits and for-profits to develop affordable housing opportunities
Output Indicators:	<ul style="list-style-type: none"> - 125 additional lower income homebuyers (Orange County) - Infrastructure funding to support homeownership (Chapel Hill)

Priority 1.5 – Eliminate barriers to affordable housing	
Strategies:	<ul style="list-style-type: none"> - Challenge and encourage non-profit and for-profit affordable housing providers to share resources and collaborate. - Require all new residential and commercial development in the County and Towns seeking zoning approval and/or permits to contain at least 15% affordable units in residential projects. - Declare 2006 “The Year of Affordable Housing” and implement a public education that defines affordable housing. - Utilize equity sharing and community land trust concepts to limit the dramatic escalation of housing costs.
Output Indicators:	<ul style="list-style-type: none"> - 100 units of new affordable housing in mixed income developments (Chapel Hill) - Increased awareness of barriers to affordable housing (Orange County/Chapel Hill)

Goal 2 – Provide Housing and Services for Populations with Special Needs

Priority 2.1 – Service-enriched transitional housing for homeless persons with special needs	
Strategies:	<ul style="list-style-type: none"> - Promote and make public service funds available to homeless agencies that operate emergency shelters - Partner with other funding agencies to encourage the development of transitional housing (SRO’s, group homes) that is service-enriched - Continue to strengthen partnership with the local Continuum of Care. - Provide property acquisition funding to eligible non-profits and for-profits to develop transitional housing
Output Indicators:	<ul style="list-style-type: none"> - Provide funding for one emergency shelter for homeless men (Chapel Hill)
Priority 2.2 – Continuum of services for special populations including older adults, disabled, mentally ill, persons with AIDS and at-risk youth	
Strategies:	<ul style="list-style-type: none"> - Promote and make public service funds available to agencies that serve identified special populations. - Partner with other funding agencies to encourage the development of transitional housing (SRO’s, group homes) that is service-enriched - Continue to strengthen partnership with local service providers. - Provide property acquisition funding to eligible non-profits and for-profits to develop permanent housing for those with special needs
Output Indicators:	<ul style="list-style-type: none"> - 20 additional permanent housing units for those with special needs (Orange County) - Provide community services to area youth (Chapel Hill)

Goal 3 – Promote Neighborhood and Economic Development

Priority 3.1 – Promote revitalization in selected Chapel Hill neighborhoods and economic development in general	
Strategies:	<ul style="list-style-type: none"> - Strengthen partnerships with neighborhood associations (community pride, education, family services, educations, etc.) - Design and implement specific beautification strategies, including neighborhood cleanups. - Promote recreational opportunities for area youth

Goal 3 – Promote Neighborhood and Economic Development

Priority 3.1 – Promote revitalization in selected Chapel Hill neighborhoods and economic development in general throughout the County

Strategies:	<ul style="list-style-type: none"> - Strengthen partnerships with neighborhood associations (community pride, education, family services, etc.) - Work with neighborhoods to design and implement specific beautification strategies, including neighborhood cleanups - Promote recreational opportunities for area youth - Prioritize one to two neighborhoods located in Chapel Hill and develop revitalization plans accordingly - Concentrate Town funding in selected neighborhoods to create maximum impact. Programs may include redevelopment activities, CHDO Development-Infill and various rehabilitation programs. - Build community capacity and better coordinate neighborhood services through the regular dissemination of information. Examples may include Community Development Day workshops, self-help workshops, activity updates, etc. - Continue to work with area Chambers of Commerce and others to promote the economic development of the community - Coordinate effort of various Town departments to concentrate resources into selected neighborhoods
Output Indicators:	<ul style="list-style-type: none"> - Development of a small area plan for the Rogers Road Neighborhood and a Neighborhood Conservation District for the Pine Knolls neighborhood (Chapel Hill) - Promote county wide partnerships that are dedicated to the economic development of the County

Anti-Poverty Strategy

The 2000 Census reported that 15,318 people in Orange County (14.1%) had incomes below the poverty level—an increase of 3,576 people since 1990. In addition to their housing problems, they often have other social service needs. They face a variety of problems that prevent them from improving their economic situation, escaping poverty and obtaining adequate and affordable housing.

Orange County and the Town of Chapel Hill have targeted significant CDBG and HOME resources within core low-income areas to execute its anti-poverty strategies. 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.

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. The strategic plan, goals and objectives noted throughout this part promote self-sufficiency and empowerment.

Annual Action Plan

The following tables show the proposed sources and uses of funding available to Orange County for the fiscal year 2005-2006 from the U.S. Department of Housing and Urban Development. More detailed descriptions are provided in the Annual Plan portion of this document.

Fiscal Year 2005-2006 Funding	
Source of Funds	Amount
Community Development Block Grant	\$685,997
HOME Investment Partnership Program	\$707,949
HOME Matching Funds	\$159,287
HOME Residual Funds	\$111,660
Total	\$1,664,893

Fiscal Year 2005-2006 Funding	
Uses of Funds	Amount
<u>HOME Program</u>	
Rental Assistance	\$122,102
Property Acquisition	\$275,000
Second Mortgage Assistance	\$200,000
Pre Development Costs	\$145,000
New Construction (Infrastructure)	\$100,000
Rental Assistance	\$26,000
Homeownership Assistance	\$25,000
Operational Support	\$15,000
Administration	\$70,794
<u>Community Development Block Grant</u>	
Renovation of Public Housing	\$217,000
Infrastructure Development: Habitat for Humanity	\$100,000
Homeownership Assistance: Orange Community Trust	\$100,000
Sewer Connection Assistance	\$42,775
Development of a Public Facility	\$25,000
Community Services	\$70,700
Program Administration	\$130,502
Total	\$1,664,893

INTRODUCTION

Part I What is a Consolidated Plan?

A consolidated plan is the first step in applying for and receiving federal money for housing and community development programs. The Orange County Consortium must submit a consolidated plan every five years to illustrate to the U.S. Department of Housing and Urban Development (HUD) not only the housing and community development needs in Orange County, but also a coordinated plan to meet those needs. As the lead agency responsible for developing the consolidated plan, the Orange County Department of Housing and Community Development is submitting this consolidated plan as an application for funding for the HOME Investment Partnership (HOME) Program. This Plan also serves as the official application from the Town of Chapel Hill for the Community Development Block Grant Program (CDBG).

The consolidated plan establishes a unified, coordinated vision for community development actions for the upcoming five years. Key elements of this consolidated plan are its emphasis on citizen participation and the collaborative nature of the process. Orange County and the Town of Chapel Hill use the input from citizens and their community development partners to determine their housing and community development needs, to develop strategies for addressing those needs and to undertake specific actions consistent with those strategies.

Part II The Planning Process

2.1 Public Meetings and Hearings

Participation of the general public and also public organizations is extremely important to HUD and to the development of a consolidated plan. To maximize citizen participation, Orange County held a series of local community meetings to discuss the planning process and to solicit input using a Primary Needs Assessment Survey. The public hearings were advertised in local newspapers at least 14 days in advance. The meetings were held in Orange County at the following dates and locations:

Tuesday, February 17, 2005 at 7:00 PM
Homestead Community Center
600 Homestead Road
Chapel Hill, NC 27514

Tuesday, February 22, 2005 at 7:00 PM
Orange County Library Conference Room
300 W. Tryon Street
Hillsborough, NC 27278

Thursday, February 24, 2005 at 6:30 PM
Carrboro Town Hall
301 W. Main Street
Carrboro, NC 27510

Tuesday, March 1, 2005 at 7:00 PM
Orange County Southern Human Services Center

2501 Homestead Road
Chapel Hill, NC 27514

2.2 Agency Consultations

In addition to seeking citizen input, Orange County consulted with other public and private agencies to identify and prioritize community needs, to develop strategies and action plans, to identify community resources and to promote the coordination of resources. Representatives from public and private agencies affiliated with assisted housing, health services and social services were invited to individual and group meetings to obtain information from and provide input to the development of this consolidated plan. In addition to the agency consultations, all adjacent units of local government were notified and/or consulted during the preparation of this consolidated plan, including the State of North Carolina, which was notified and sent a copy of the plan.

In addition, the development of the 2005-2010 Consolidated Plan is built on a number of other studies, plans and reports that were prepared in recent years, including:

- National Low Income Housing Coalition's report "Out of Reach: The Gap Between Housing Costs and Income of Poor People in the United States"
- Orange County Housing and Community Development Department's and Human Rights and Relations Office's "Fair Housing Plan: Analysis of Impediments Action Plan"
- Orange County Housing Authority, "Streamlined 5-Year Plan for Fiscal Years 2005-2010"
- Town of Chapel Hill Department of Housing, "Streamlined 5-year Plan for Fiscal Years 2005-2009 and Streamlined Annual Plan for Fiscal Year 2005-2006"
- North Carolina Department of Health and Human Services, HIV/STD Prevention & Care Branch's "North Carolina HIV/STD Quarterly Surveillance Report"
- 2004 Town of Chapel Hill Data Book
- Orange County Commissioners' "Affordable Housing Task Force Report," March 13, 2001
- Orange County Economic Development Commission's "Five-Year Strategic Plan 2004-2009: Investing In Innovation"
- Orange County Economic Development Commission's presentation "2005 State of the Local Economy," August 2005
- Orange County Department of Social Services' "Work First County Plan," October 1, 2005 through September 30, 2007
- Orange County Department on Aging Draft Housing Survey
- Orange County Department on Aging, "Elder Care Guide 2002"

These and other sources of information used in the development of the consolidated plan are referred to throughout this document.

COMMUNITY PROFILE

Part I Overview

A Cultural Oasis with a Small-Town Atmosphere

Orange County is well known for its rich history, outstanding educational and employment opportunities, and diverse and friendly citizens. Nestled in the hills of the North Carolina Piedmont, Orange County is located strategically between the Research Triangle Park and the Triad cities of Greensboro, Winston-Salem and High Point. With more than 100,000 citizens, Orange County includes historic Hillsborough, the County seat, Chapel Hill, home of the University of North Carolina, and Carrboro, a former railroad and mill town.

Orange County is proud of its long and distinguished history. When Orange County was founded in 1752, five Native American tribes lived in this area. Two years later, William Churton laid out the boundaries of Hillsborough on land where the Great Indian Trading Path crossed the Eno River. Hillsborough was the center of North Carolina politics in the colonial era and hosted the state's Constitutional Convention in 1778, where North Carolina delegates demanded that a Bill of Rights be added before they would ratify the U.S. Constitution.

In 1789, the North Carolina General Assembly chartered the University of North Carolina, the nation's first state university. UNC-Chapel Hill is the flagship of a 16-member state university system and is consistently rated as one of the finest state universities in the Country.

Orange County lies on the western edge of the Research Triangle area, which is anchored on three sides by UNC-Chapel Hill, North Carolina State University and Duke University. Research Triangle Park is home to leading technological companies and institutions, including IBM, GlaxoSmithKlein, Nortel, Cisco Systems, the U.S. Environmental Protection Agency and the National Institute of Environmental Health Sciences.

The County encompasses rolling farms and dairy land, vital urban areas and graceful historic sites. Orange County combines the best of small town living with an abundance of social and cultural resources, and easy access to major metropolitan areas. It offers a quality of life that is the pride of long-time residents and an attraction for newcomers of all ages.

Protecting and Preserving—People, Resources, Quality of Life— Orange County, North Carolina—You Count!

Orange County's motto represents a commitment to its citizens that they come first. The diversity of the County's residents means that Orange County government must meet many different needs. The County works hard, not only to meet those varied and changing needs, but to set and maintain standards of service excellence. "You Count" means that Orange County encourages and values the active involvement and participation of its citizens. More than 45 boards and commissions—made up of citizen volunteers—develop County policies, shape planning decisions and oversee County programs.

Orange County government provides services ranging from animal control to zoning through its human services, public safety, recreation and parks, and community planning departments. And

the County administration ensures that all these departments are working together. Award-winning programs in child support enforcement, watershed protection and solid waste management are just a few recent initiatives Orange County has developed in response to citizen needs.

It is its citizens that make Orange County such a special place to live, work and play. And it's the diversity of its people that makes the County interesting and lively—dairy farmers and professors, small business people and corporate executives, developers and horse breeders, carpenters and students. Our citizens display a warmth and genuine friendliness that quickly turns neighbors into friends.

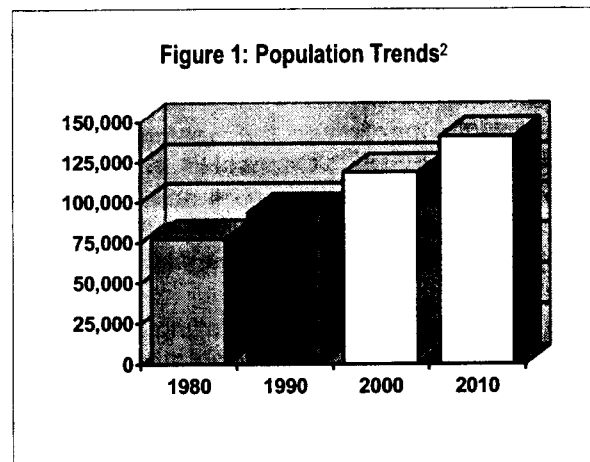
The road from 1752 to the dawn of a new millennium has brought Orange County through many experiences, giving a special character to the future as it has shaped our past. And it is the citizens and government of Orange County, working together that have built a strong and vital community that is serving today's needs while planning for the challenges and opportunities of tomorrow.

Part II Housing Market Analysis

General Market Conditions

Population

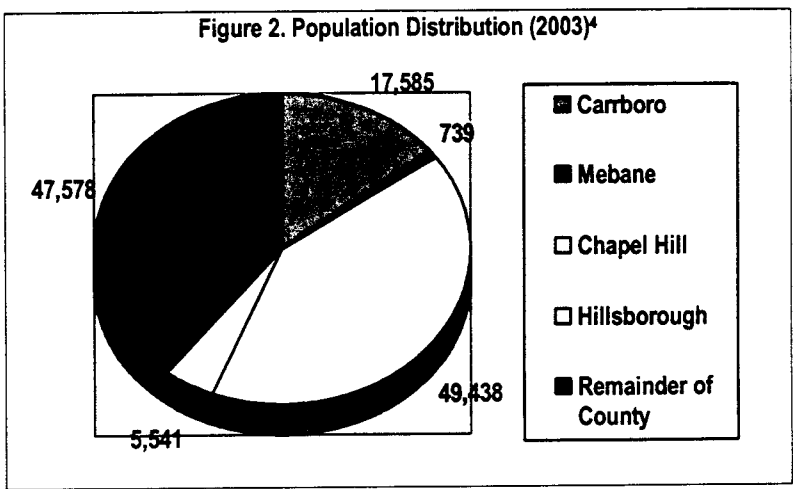
Orange County's population has increased by more than 25% between 1990 and 2000 (rising from 93,662 to 118,227). The County is expected to experience continued growth through 2010, with the population increasing to 140,750 (19%). The North Carolina Office of State Planning estimates that the population in the County in 2003 is 120,881. While most of the County's population is centered in Chapel Hill (46,798 in 2000), the areas experiencing the most rapid growth are Carrboro and Hillsborough. Even so, the rate of population growth increased in Chapel Hill more than the rate in previous years largely due to the annexation of developing property. Sixty-five percent of Chapel Hill's population growth during this period has been from annexation. It is estimated that almost one-third (32%) of Chapel Hill's population are students enrolled at the University of North Carolina.³



² U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 1).

³ 2004 Chapel Hill Data Book

Figure 2 shows the distribution of the population within Orange County. Over 40% of the County's population lives in Chapel Hill. Less than 20% of the population lives in other municipalities with the remaining 39.4% living in the remainder of Orange County.



Households

The number of households in Orange County, according to the 2000 Census, was 45,863, which represents a 27% increase in households since 1990 (compared to 26% increase in population). During the period 1980 to 1990, the average household size decreased from 2.5 persons to 2.34 persons. There was a slight increase in household size between 1990 and 2000 to 2.36 persons.⁵

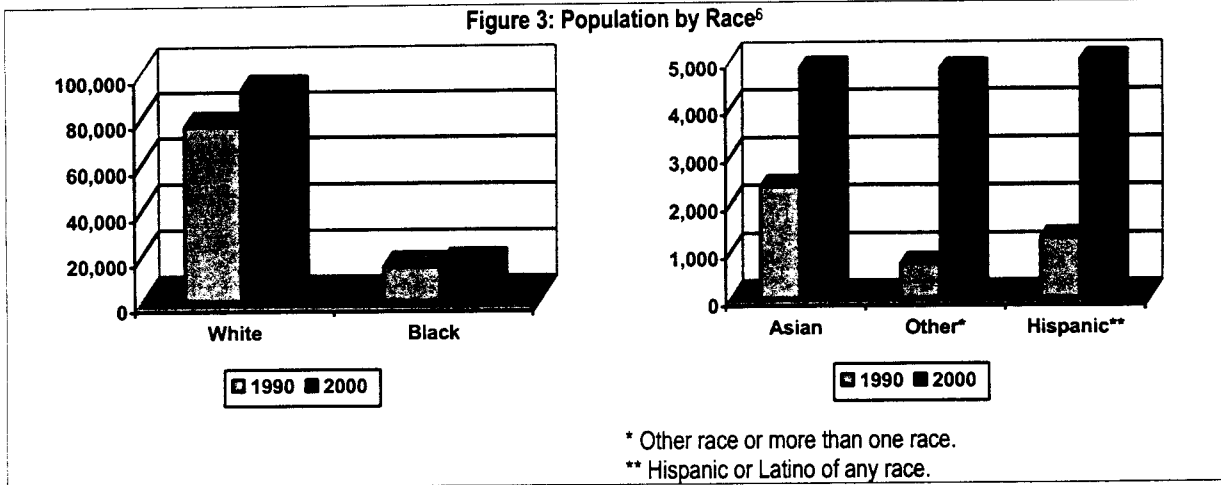
Racial and Gender Composition

The racial composition of Orange County is changing dramatically. Since 1990, the white and black populations are declining in terms of their percentage of the total population, while all other races have increased in number and as a percentage of the total population. The white population has increased 21.6% to 92,272 (78% of the total population) and the black population has increased 9.4% to 16,298 (13.8% of the total population). Among other racial groups, the most dramatic increase is in the Hispanic community, where the population grew from 1,279 in 1990 to 5,273 by 2000, representing a 312.3% increase and 4.5% of the total population in Orange County. The Asian population grew 105.2% during this same period and now makes up 4.1% of the total population.

⁴ Orange County Economic Development Commission, "2005 State of the Local Economy" presentation, (August 2005)

⁵ U.S. Department of Commerce, Bureau of the Census (Census 1990 Summary Tape File 1 and Census 2000 Summary File 1) and Orange County Economic Development Commission

Figure 3: Population by Race⁶



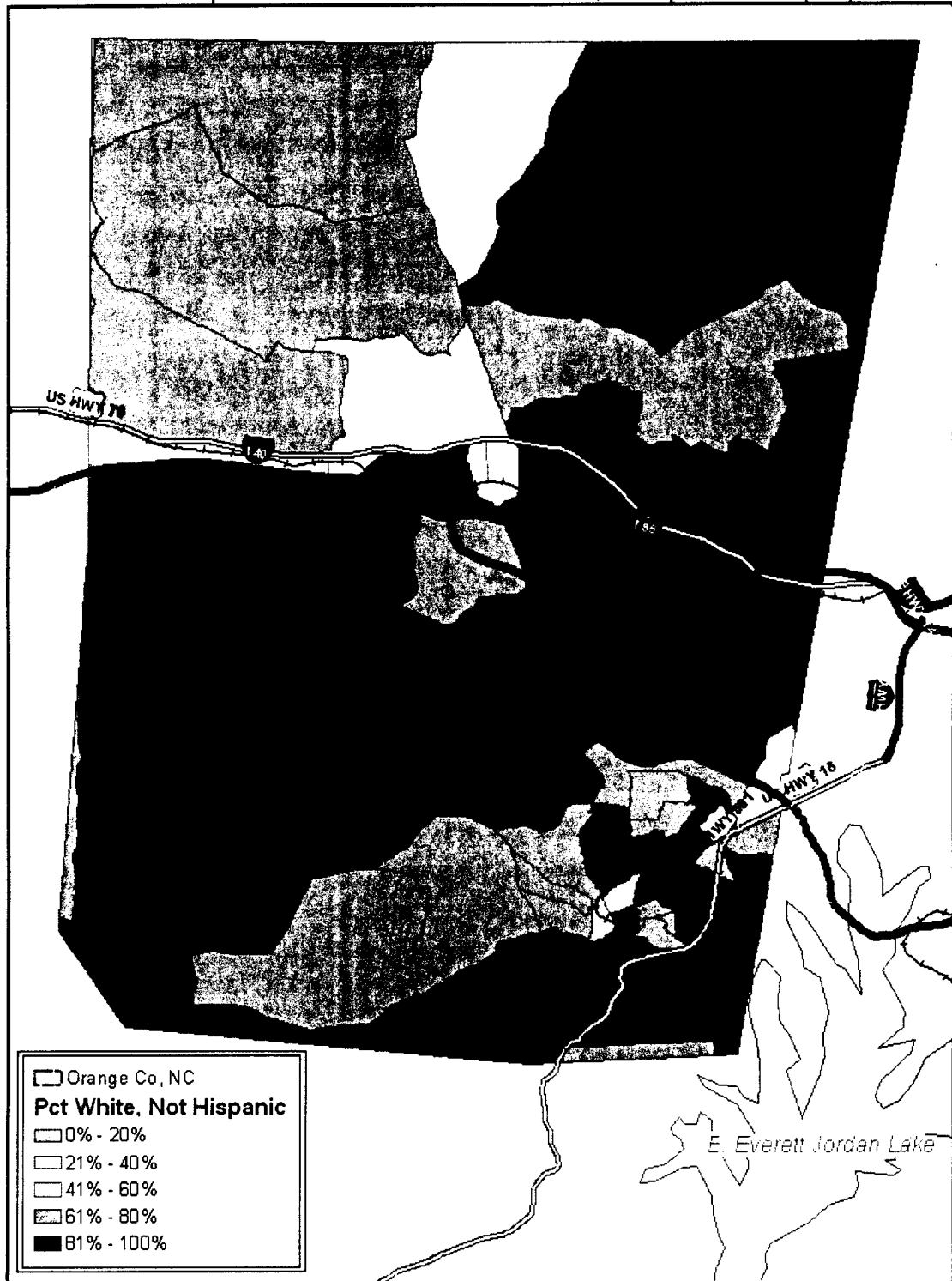
Note: Based on the rapid increase in Orange County’s Hispanic population, as evidenced by 1990 and 2000 census information, it is likely that this growth has continued. Although there is limited information concerning the number of Hispanics that have arrived in the area after the 2000 census was taken, local officials estimate that the population is currently much higher than reflected in the census data.

Note: Although the data show a dramatic increase in those reporting other race or two or more races, information on two or more races is not included in the 1990 census data.

Similarly, within the Town of Chapel Hill, the racial composition is predominantly white and black with those groups comprising 78% and 11% of the population. Asian and Pacific Islanders and persons of Hispanic origin comprise substantially smaller population segments; however, these two groups have been increasing at the highest rate.

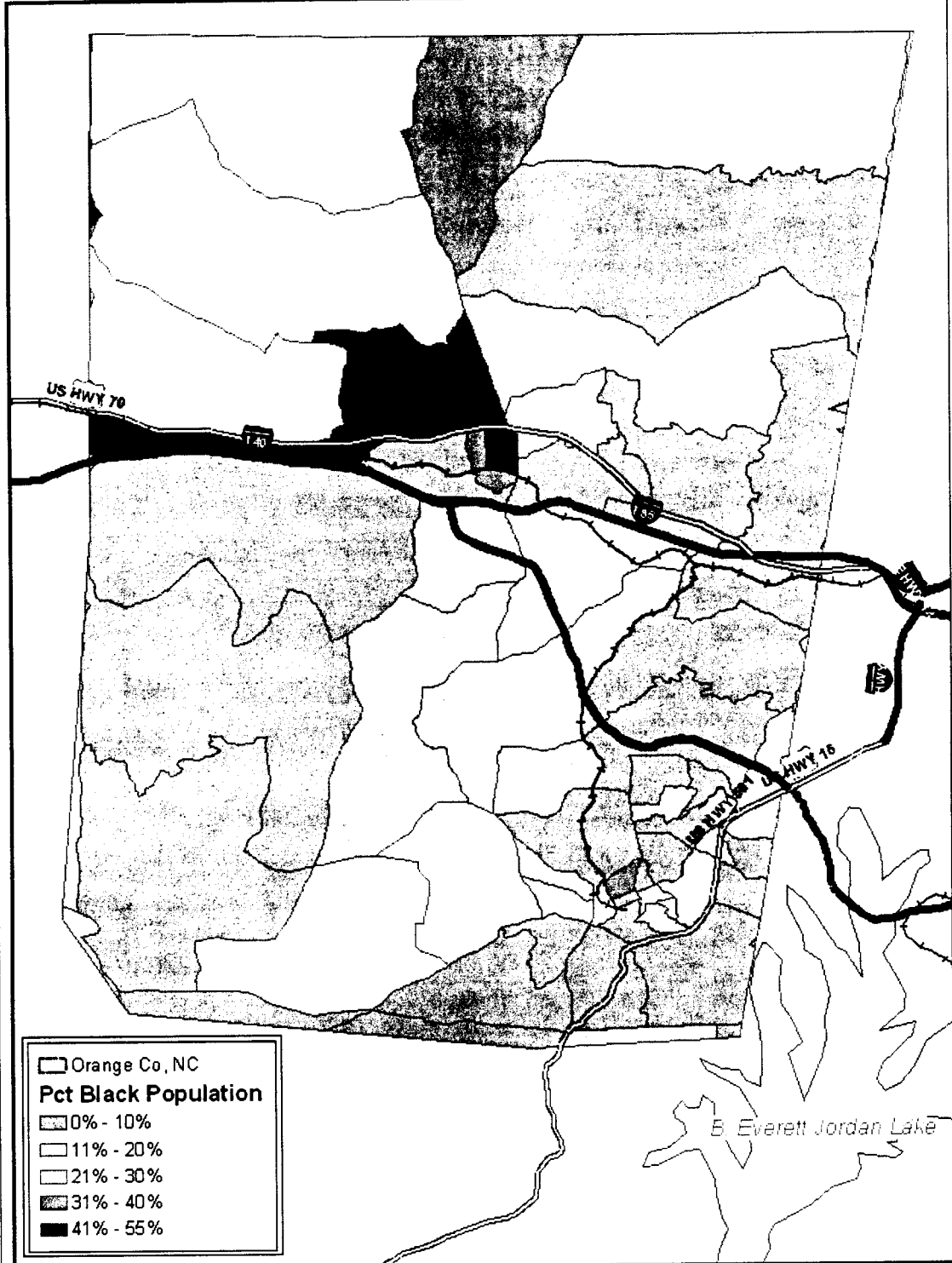
⁶ U.S. Department of Commerce, Bureau of the Census (Census 1990 Summary Tape File 1 and Census 2000 Summary File 1)

Map 1. Percent of Persons Who are White Alone, Not Hispanic or Latino (2000)



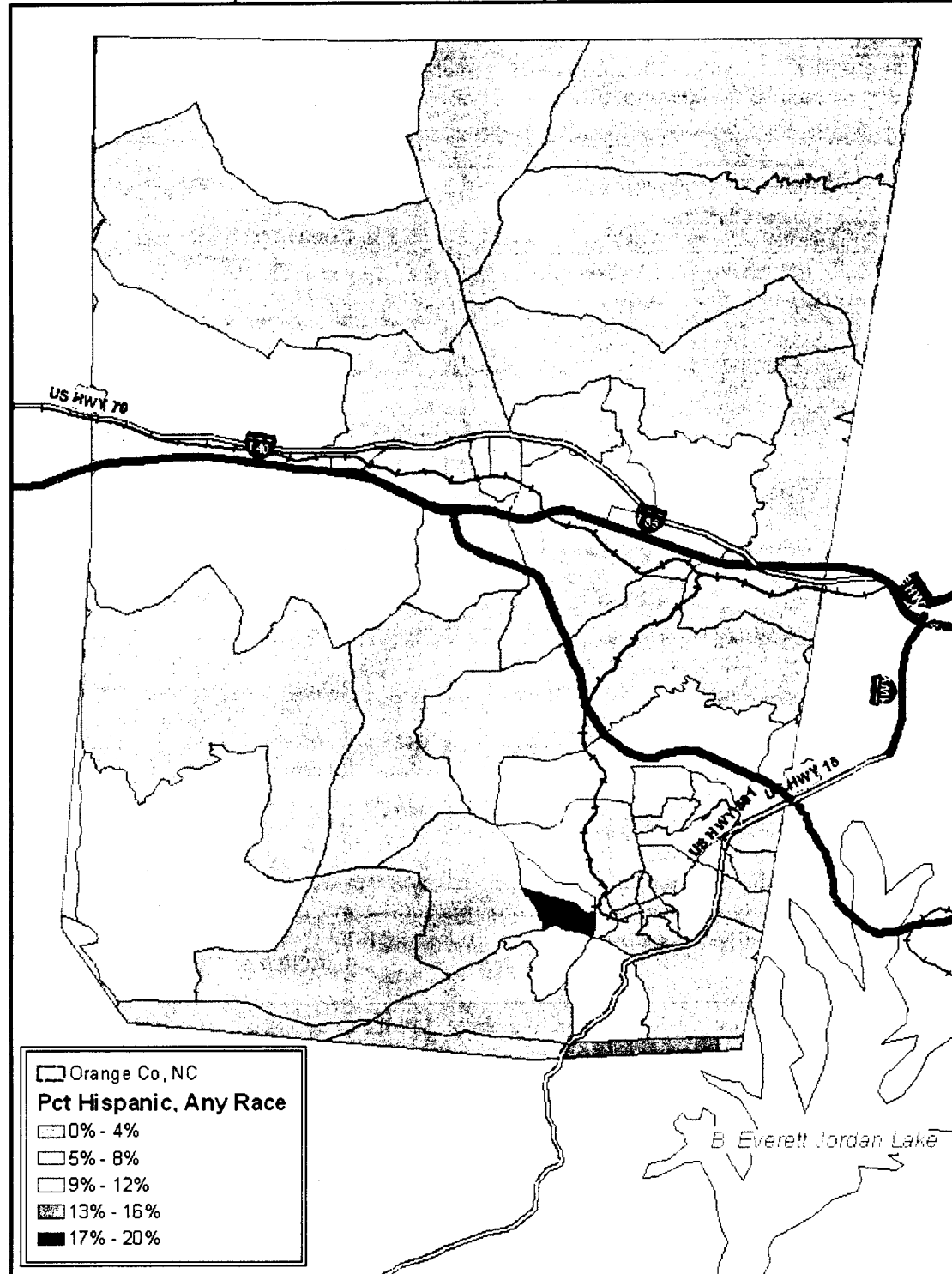
Source: U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 1)

Map 2. Percent of Persons Who are African-American (2000)



Source: U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 1)

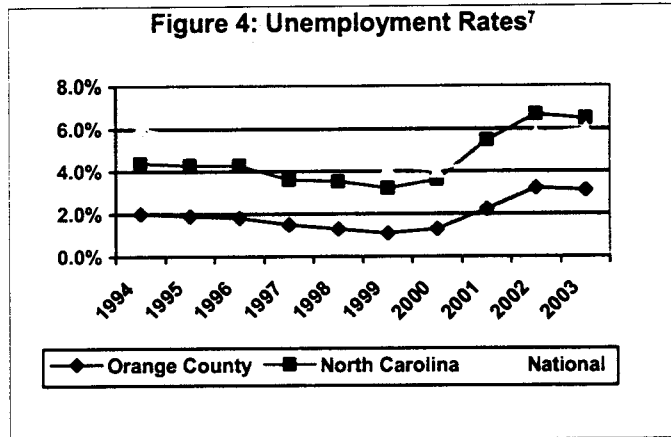
Map 3. Percent of Persons Who are Hispanic or Latino of Any Race (2000)



Source: U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 1)

Unemployment Rates

The unemployment rates for Orange County have been 2% or more below the statewide unemployment rates and about 3% to 4% below the national unemployment rates for the past 10 years. In Orange County, unemployment has ranged from a low of only 1.1% in 1999 to a high of 3.2% for 2002. According to information from the Bureau of Labor Statistics, the unemployment rates in Orange County for 2002 and 2003 have been the highest during the previous 10-year period, a trend seen across the Country.



Household Income

In 2004, the median household income for Orange County⁹ was \$69,800. This represents a 49% increase in median income over the past 10 years and an 11% increase over the past five years. For all years except 2003 and 2004, the area has experienced an increase in median income. In 2003 the median income fell by 2.1% and in 2004 the median income remained steady.

The median income in Orange County is about 20% higher than the median family income for North Carolina and 21% higher than the national average. The estimated median family income in Chapel Hill is over \$86,000.¹⁰

Table 1. Median Household Income⁸

Year	Income	Change	
		Amount	Percent
1995	46,800	—	—
1996	50,700	3,900	8.3%
1997	52,300	1,600	3.2%
1998	54,700	2,400	4.6%
1999	59,500	4,800	8.8%
2000	62,800	3,300	5.5%
2001	66,100	3,300	5.3%
2002	71,300	5,200	7.9%
2003	69,800	-1,500	-2.1%
2004	69,800	0	0.0%

Table 2. Per Capita Income Rank of Triangle Counties (2002)¹¹

County	Rank
Wake	2
Chatham	3
Orange	4
Durham	9
Alamance	23
Person	50

In terms of per capita income, Orange County ranks fourth among all Counties in North Carolina and third among Counties located in the Triangle region of North Carolina, according to data obtained from the U.S. Bureau of Economic Analysis.

The following map illustrates the geographic distribution of household incomes.

⁷ U.S. Department of Labor, Bureau of Labor Statistics (Unemployment Rate Not Seasonally Adjusted)

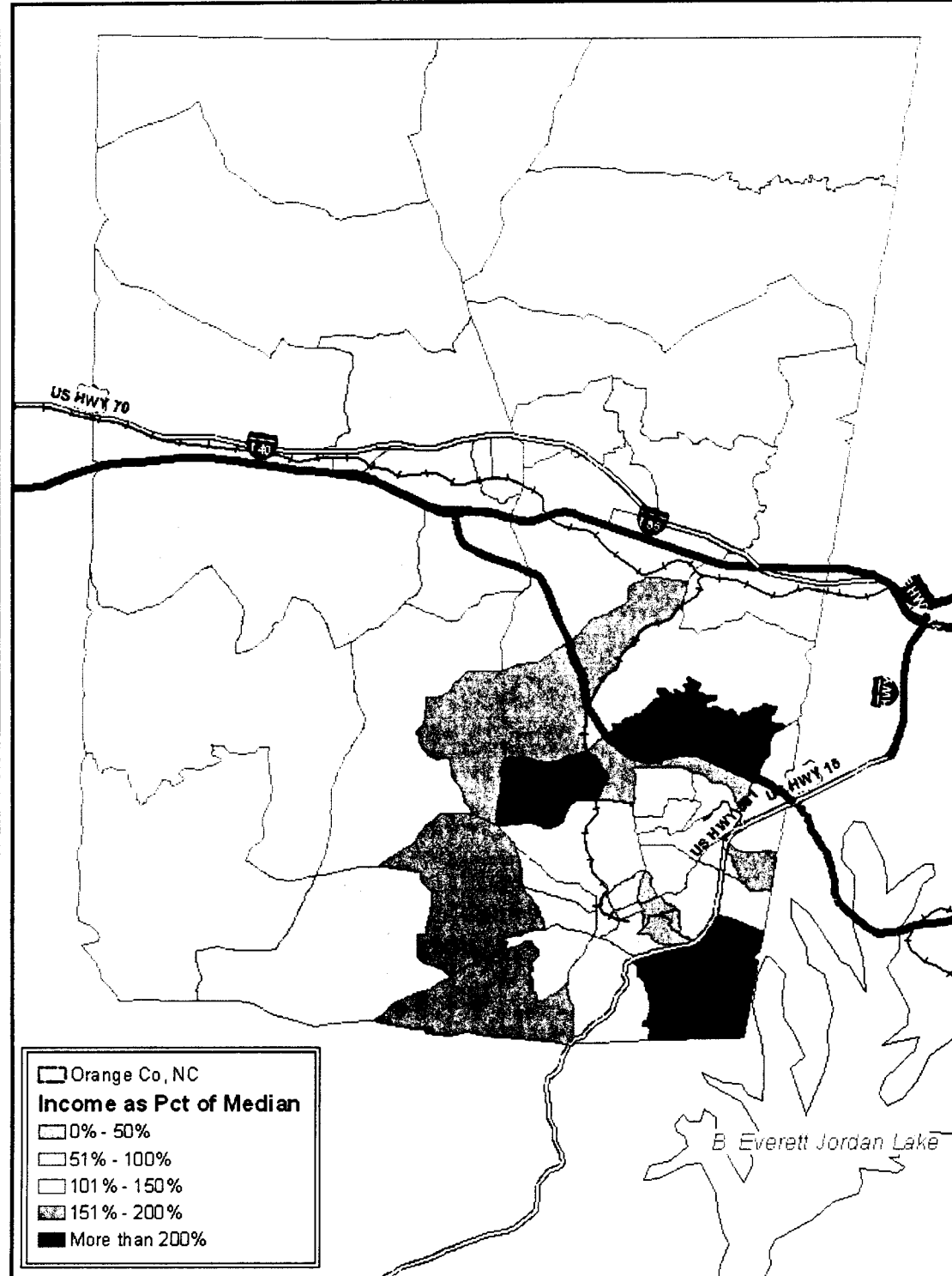
⁸ U.S. Department of Housing and Urban Development, Policy Development and Research (Data Sets: Median Income Limits)

⁹ Orange County is part of the Raleigh-Durham-Chapel Hill, North Carolina Metropolitan Statistical Area (MSA) which comprises six Counties in the Research Triangle Area.

¹⁰ 2004 Chapel Hill Data Book

¹¹ Orange County Economic Development Commission, "2005 State of the Local Economy," presentation, (August 2005)

Map 4. Median Household Income (2000)



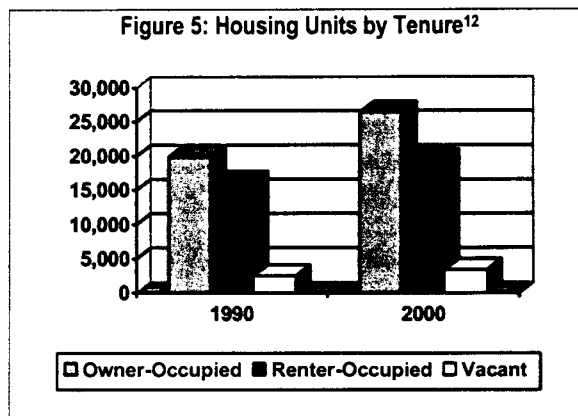
Source: U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 3)

2.1 Supply and Demand—General

Housing Units

In 1990, the total number of housing units in Orange County was 38,683. During the period 1990 to 2000, the total number of housing units increased by 27.4% to 49,289 units. Also during this period, the number of owner-occupied units increased by 32.4% and represented over one-half of all housing units in Orange County.

In 2000, owner-occupied housing in Chapel Hill represented 43% of all occupied units in 2000, a higher percentage than in 1990 (41%) and 1980 (42%).¹³



At 80.2%, single-family detached housing units represent the majority of the owner-occupied housing stock in Orange County. The number of single-family detached units has increased by 39.4% since 1990. Overall, owner-occupied housing has increased 32.4% (6,452 units) between 1990 and 2000. The largest increases were seen in the percentage of three- or four-unit housing (124.4%), one-unit detached (39.4%), five or more units (27.9%) and one-unit attached (24.4%).

Tenure/Number of Units ¹⁴		1990		2000		Change	
		Number	Percent	Number	Percent	Number	Percent
Owner Occupied	1 Unit (detached)	15,182	76.1%	21,170	80.2%	5,988	39.4%
	1 Unit (attached)	884	4.4%	1,100	4.2%	216	24.4%
	2 Units	131	0.7%	138	0.5%	7	5.3%
	3 or 4 Units	78	0.4%	175	0.7%	97	124.4%
	5 or more Units	340	1.7%	435	1.6%	95	27.9%
	Mobile Home or Trailer	3,216	16.1%	3,330	12.6%	114	3.5%
	Other	112	0.6%	47	0.2%	-65	-58.0%
	Total	19,943	100.0%	26,395	100.0%	6,452	32.4%
Renter Occupied	1 Unit (detached)	3,208	19.9%	3,765	19.3%	557	17.4%
	1 Unit (attached)	669	4.1%	916	4.7%	247	36.9%
	2 Units	1,258	7.8%	1,505	7.7%	247	19.6%
	3 or 4 Units	1,573	9.7%	1,640	8.4%	67	4.3%
	5 or more Units	8,210	50.8%	10,308	52.9%	2,098	25.6%
	Mobile Home or Trailer	1,109	6.9%	1,312	6.7%	203	18.3%
	Other	134	0.8%	22	0.1%	-112	-83.6%
	Total	16,161	100.0%	19,468	100.0%	3,307	20.5%

¹² U.S. Department of Commerce, Bureau of the Census (Census 1990 Summary Tape File 3 and Census 2000 Summary File 3)

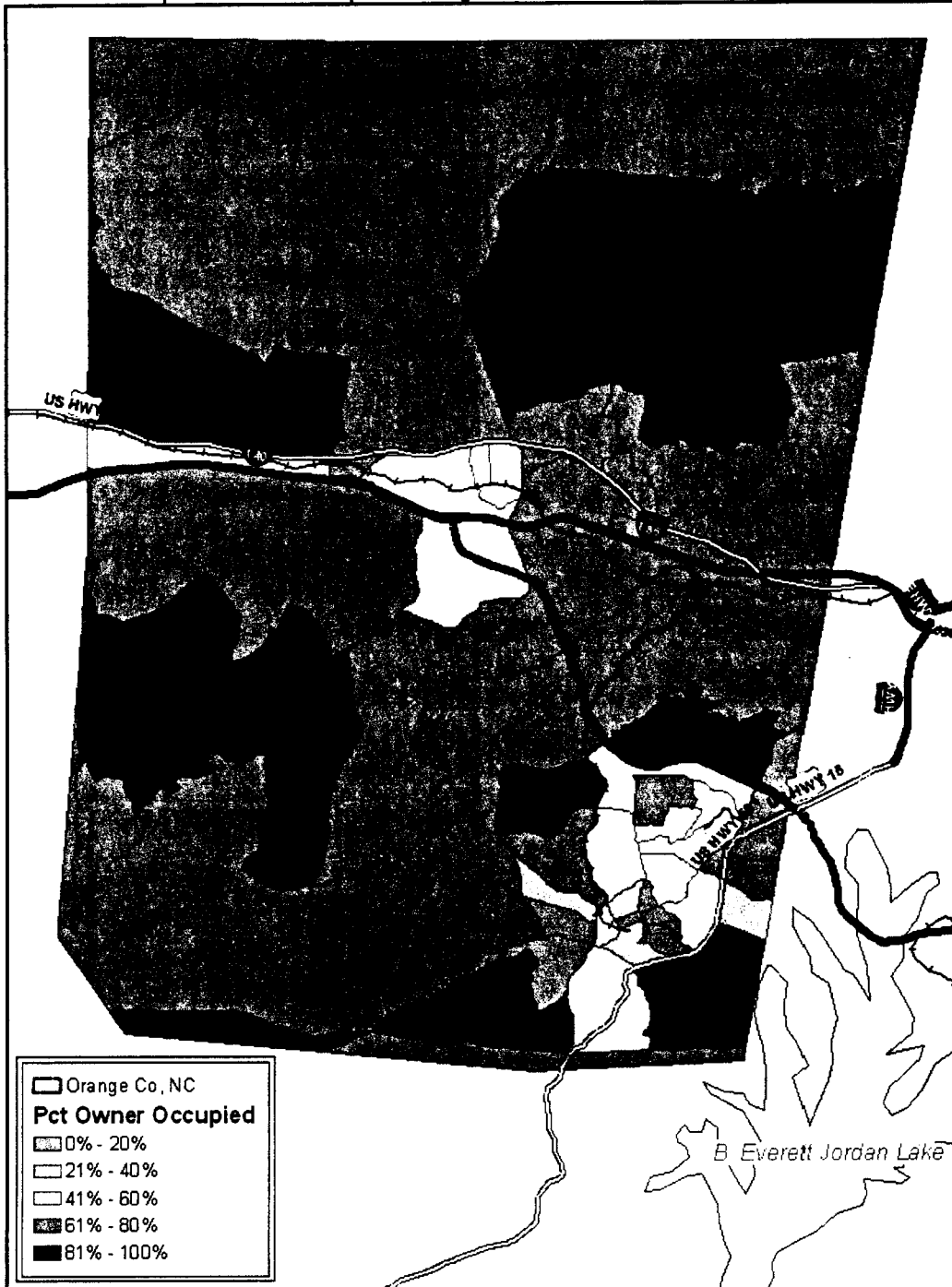
¹³ 2004 Chapel Hill Data Book

¹⁴ One-Unit, detached refers to a one-unit structure detached from any other house; that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house that contains a business is considered detached as long as the building has open space on all four sides. Mobile homes to which one or more permanent rooms have been added or

In terms of rental housing, housing with five or more units continues to be the majority of the housing stock at 50.8% in 1990 and 52.9% in 2000. The number of mobile homes used for rental housing increased 18.3% from 1,109 units in 1990 to 1,312 units in 2000. During this same period, single-family attached housing increased 36.9% and housing with two units increased 19.6% with the overall rental housing stock increasing 20.5%.

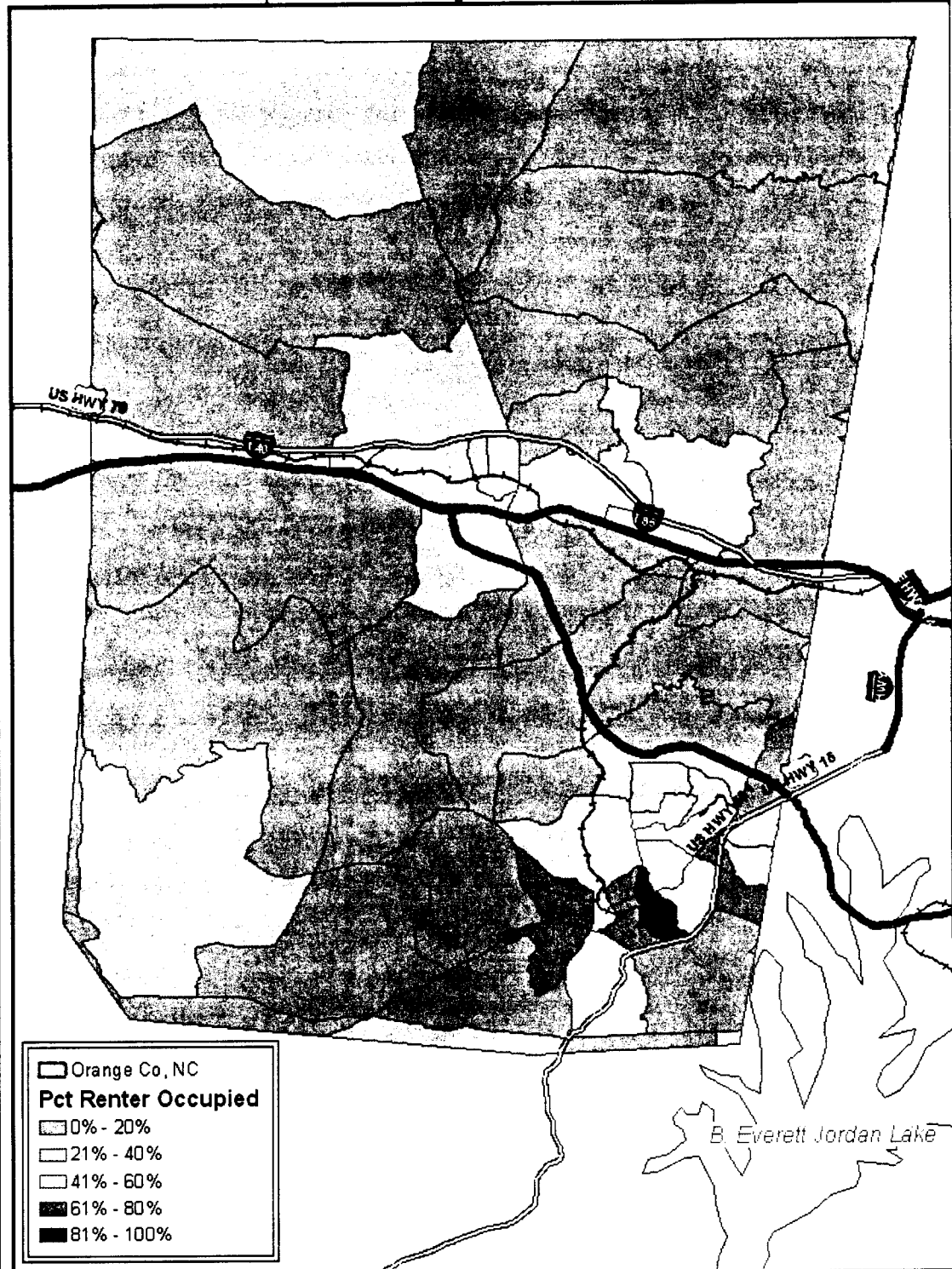
built also are included. One-unit, attached refers to a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof. Two or more units refers to structures containing two or more housing units, sometimes further categorized as units in structures with two, three or four, five to nine, 10 to 19, 20 to 49 and 50 or more units.

Map 5. Percent of Occupied Housing Units That Are Owner-Occupied (2000)



Source: U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 1)

Map 6. Percent of Housing Units That Are Renter-Occupied (2000)



Source: U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 1)

Age of Housing

Most of the housing in Orange County (68.7%) was built between 1960 and 1994. Almost 13% of the housing (6,362 units) was built between 1995 and 2000. Only 10.5% of the housing stock is much older with 5,166 units built before 1950; and over one-half of those were built before 1940.

Rental housing is older than owner-occupied housing. Almost 63% of renter-occupied housing was built before 1980 compared to 45.7% of owner-occupied housing. The median year that owner-occupied housing was built is 1982; the median year that rental housing was built is 1975.

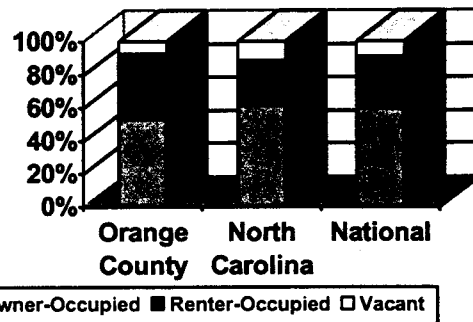
Vacancy Rates

Between 1990 and 2000, the number of vacant housing units rose from 6.7% to 7.0% overall. Rental housing, with a vacancy rate of 8.8% in 2000, experiences more un-occupied units than owner-occupied housing, with a vacancy rate of only 2%. The percentage of vacant units for sale has fallen from 18.3% of all vacant housing in 1990 to 12.9% in 2000 (see Table 5) while the percentage of vacant rental units has remained constant at 46.3% of all vacant housing.

The vacancy rates for both owner- and renter-occupied housing are low compared with statewide and national averages. As shown in Figure 6, the vacancy rate in Orange County was 7.0% in 2000 compared with 11.1% in North Carolina and 9% in the nation.

Year Built	Owner-Occupied		Renter Occupied	
	Units	Percent	Units	Percent
1999 to March 2000	1,098	4.2%	207	1.1%
1995 to 1998	3,530	13.4%	909	4.7%
1990 to 1994	3,763	14.3%	1,720	8.8%
1980 to 1989	5,938	22.5%	4,453	22.9%
1970 to 1979	4,795	18.2%	4,990	25.6%
1960 to 1969	3,032	11.5%	3,084	15.8%
1950 to 1959	2,018	7.6%	1,610	8.3%
1940 to 1949	861	3.3%	1,027	5.3%
1939 or earlier	1,360	5.2%	1,468	7.5%
Total	26,395	100.0%	19,468	100.0%

Figure 6: Occupancy and Vacancy Rates (2000)¹⁶



	1990		2000		Change	
	Number	Percent	Number	Percent	Number	Percent
For sale only	471	18.3%	441	12.9%	-30	-6.4%
For rent	1,194	46.3%	1,587	46.3%	393	32.9%
Rented or sold, not occupied	251	9.7%	325	9.5%	74	29.5%
For seasonal, recreational, or occasional use	150	5.8%	291	8.5%	141	94.0%
For migratory workers	16	0.6%	26	0.8%	10	62.5%
Other vacant	497	19.3%	756	22.1%	259	52.1%
Total	2,579	100.0%	3,426	100.0%	847	32.8%

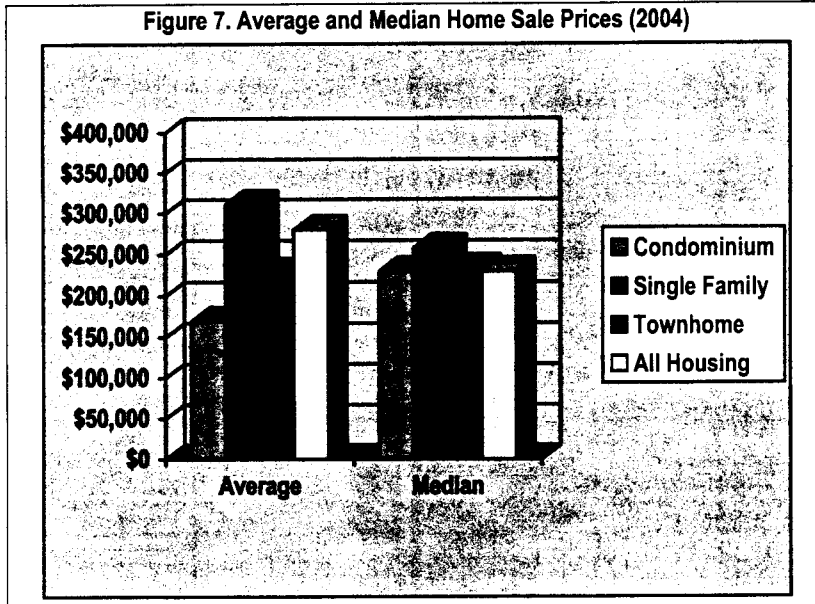
¹⁵ U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 3)

¹⁶ U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 1)

¹⁷ U.S. Department of Commerce, Bureau of the Census (Census 1990 Summary Tape File 1 and Census 2000 Summary File 1)

Housing Costs

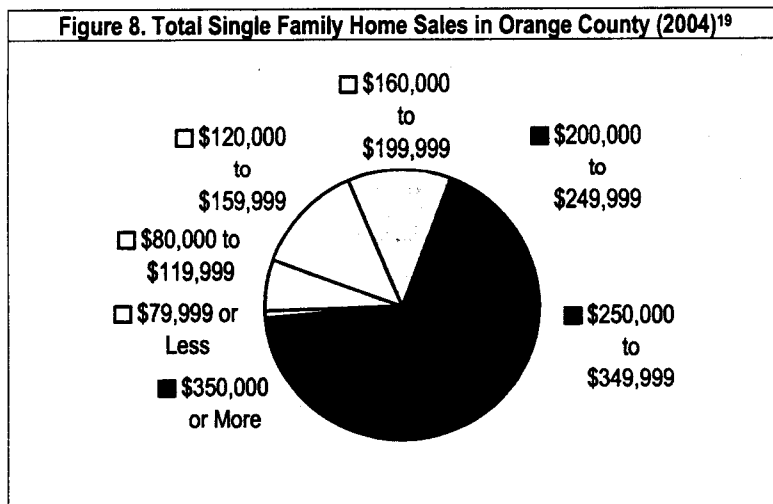
Owner-Occupied Housing



Average and median sales prices of both new and existing homes in Orange County for 2004 exceed \$100,000. The lowest prices are reflected in the sales of condominiums and townhouses. Sales prices for new detached homes exceed \$250,000 for both new and existing homes. The average home sales price in 2004 was \$279,996 and the median was \$229,500.

In 2004, 20% of homes sold for less than \$160,000 down from 24% in 2003 and 29% in 2002. Almost two-thirds of single-family homes sold in

2004 had a sales price of \$200,000 or more with almost one half of those having a sales price over \$350,000.¹⁸



Housing in the Chapel Hill area is currently among the most expensive in the Research Triangle region. In 2003, the average purchase price of a home in Orange County rose from about \$261,895 to \$280,592. While, in Chapel Hill, the average purchase price was \$320,913. Since 2000, the average purchase price has increased 22.4% in Chapel Hill.²⁰

¹⁸ Orange County Economic Development Commission, "2005 State of the Local Economy" presentation, (August 2005)

¹⁹ Orange County Economic Development Commission, "2005 State of the Local Economy" presentation, (August 2005)

²⁰ 2004 Chapel Hill Data Book

Rental Housing

Rental units consist of a combination of single-family homes (attached or detached), various types of small complexes (one to four units) and larger apartment developments (five or more units). Census statistics classify all occupied units which are not owner occupied, whether they are rented for cash rent or occupied without payment of cash rent, as renter-occupied.

Larger apartment developments—those with five or more units—represent 52.9% of the renter-occupied housing in Orange County. Of the remaining rental units, 24.0% are single-family units (attached or detached), 16.2% are two- to four-family units and the remaining units are mobile homes or other types of housing.

As shown in Table 6, gross rents (rent plus utility expenses) range between \$500 and \$899 for most of the rental housing (55.6%) in Orange County. Less than one-quarter of all rental units (22.1%) have gross rents below \$500. The median gross rent for 2000 is \$684.

The fair market rents (FMRs) for Orange County²³ have increased on average 2% per year since 1996. The rate of increase slowed dramatically in recent years; the annual increase between 2001 and 2002 was 3%, but by 2004 it dropped to 0.4%. Between 2004 and 2005, FMRs for efficiency and one-bedroom units saw increases, while the FMRs for two-, three- and four-bedroom units saw decreases between 2.5% and 14.9%. Table 7 provides the FMRs by number of bedrooms for the last 10 years.

Amount of Rent	Contract Rent		Gross Rent	
	Units	Percent	Units	Percent
Under \$100	266	1.4%	54	0.3%
\$100 to \$199	408	2.1%	334	1.7%
\$200 to \$299	1,076	5.6%	809	4.2%
\$300 to \$399	2,098	11.0%	1,350	7.1%
\$400 to \$499	2,493	13.0%	1,679	8.8%
\$500 to \$599	3,179	16.6%	2,354	12.3%
\$600 to \$699	3,032	15.8%	3,159	16.5%
\$700 to \$799	2,560	13.4%	2,964	15.5%
\$800 to \$899	1,316	6.9%	2,167	11.3%
\$900 to \$999	451	2.4%	1,262	6.6%
\$1,000 or More	1,498	7.8%	2,245	11.7%
No Cash Rent	760	4.0%	760	4.0%

Year	Number of Bedrooms				
	Zero	One	Two	Three	Four
1996	420	510	599	803	947
1997	433	525	617	827	975
1998	444	539	633	849	1,001
1999	453	550	645	866	1,021
2000	456	553	649	871	1,027
2001	530	643	755	1,013	1,195
2002	545	662	777	1,042	1,230
2003	559	678	796	1,069	1,260
2004	561	680	799	1,073	1,264
2005	574	701	779	995	1,076

Housing Affordability

Between 1998 and 2003, housing units with a purchase price over \$250,000 comprised the most rapidly growing segment of the market in Orange County, representing more than 45% of total sales in 2003. Sales of units priced below \$120,000 declined during this period. During this period, the proportion of sales in the upper middle ranges rose and the proportion in the lower middle range fell, pointing to a rise in house prices and a decrease in availability of houses at lower levels. Fewer than 20% of houses sold in Chapel Hill during 2003 were affordable to fami-

²¹ U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 3)

²² U.S. Department of Housing and Urban Development, Policy Development and Research (Data Sets: Fair Market Rents)

²³ Orange County is part of the Raleigh-Durham-Chapel Hill, North Carolina Metropolitan Statistical Area (MSA) which comprises six Counties in the Research Triangle Area.

lies earning \$56,500, or 80% of the area's annual median income. Most of these affordable units were condominiums and townhouses, with just 2% of detached houses sold being affordable to families in this income group.²⁴

According to *Out of Reach 2004* published by the National Low Income Housing Coalition, an extremely low-income household in Orange County (earning \$20,940, 30% of the 2004 area median income of \$69,800) can afford a housing expense (rent or mortgage) of no more than \$524, while the fair market rent for a two-bedroom unit is \$779.²⁵

A minimum wage earner (\$5.15 per hour) can afford a housing expense payment of no more than \$268; an SSI recipient receiving \$564 a month can afford a housing expense payment of no more than \$166, while the fair market rent for a one-bedroom unit is \$701. In Orange County, a worker earning the minimum wage must work 116 hours per week to earn enough so that a two-bedroom unit—at the area's fair market rent—would be affordable (that is, the household would pay no more than 30% of its income to cover the gross rent). In a two wage-earner household where each earns the minimum wage, each wage-earner must work 58 hours per week to afford a two-bedroom unit at the area's fair market rent.

Housing Condition

According to 2000 Census data, 0.6% of the housing units in the Orange County lack complete plumbing facilities and 1.5% lack complete kitchen facilities.²⁷ Over 85% of units without complete plumbing facilities and 94.3% of units

without complete kitchen facilities are renter-occupied. Furthermore, 188 units without complete plumbing facilities are occupied by households living below the poverty level.²⁸

As can be seen in Map 7 and Map 8, housing units without complete kitchen facilities and plumbing tend to be clustered in the more densely populated areas of Chapel Hill and Carrboro as well as the more rural areas in the northwestern parts of Orange County.

According to the Orange County Housing and Community Development Department, 9.8% of the County's housing supply is considered to be substandard. Substandard housing is commonly characterized by excessive cost burden, overcrowding and structural problems such as inadequate heating, plumbing, etc. Of the estimated 3,610 substandard units in the County all but 2% are considered to be uninhabitable; the remainder offer rehabilitation possibilities.²⁹

Tenure and Geographic Area		Without Complete Plumbing Facilities		Without Complete Kitchen Facilities	
		Units	Percent	Units	Percent
Owner-Occupied	Orange County	44	0.2%	40	0.2%
	North Carolina	9,484	0.4%	6,110	0.3%
	National	328,860	0.5%	243,205	0.3%
Renter-Occupied	Orange County	253	1.3%	656	3.4%
	North Carolina	9,811	1.0%	10,092	1.1%
	National	342,126	1.0%	472,330	1.3%

²⁴ 2004 Chapel Hill Data Book

²⁵ A unit is considered affordable if it costs no more than 30% of the household's income.

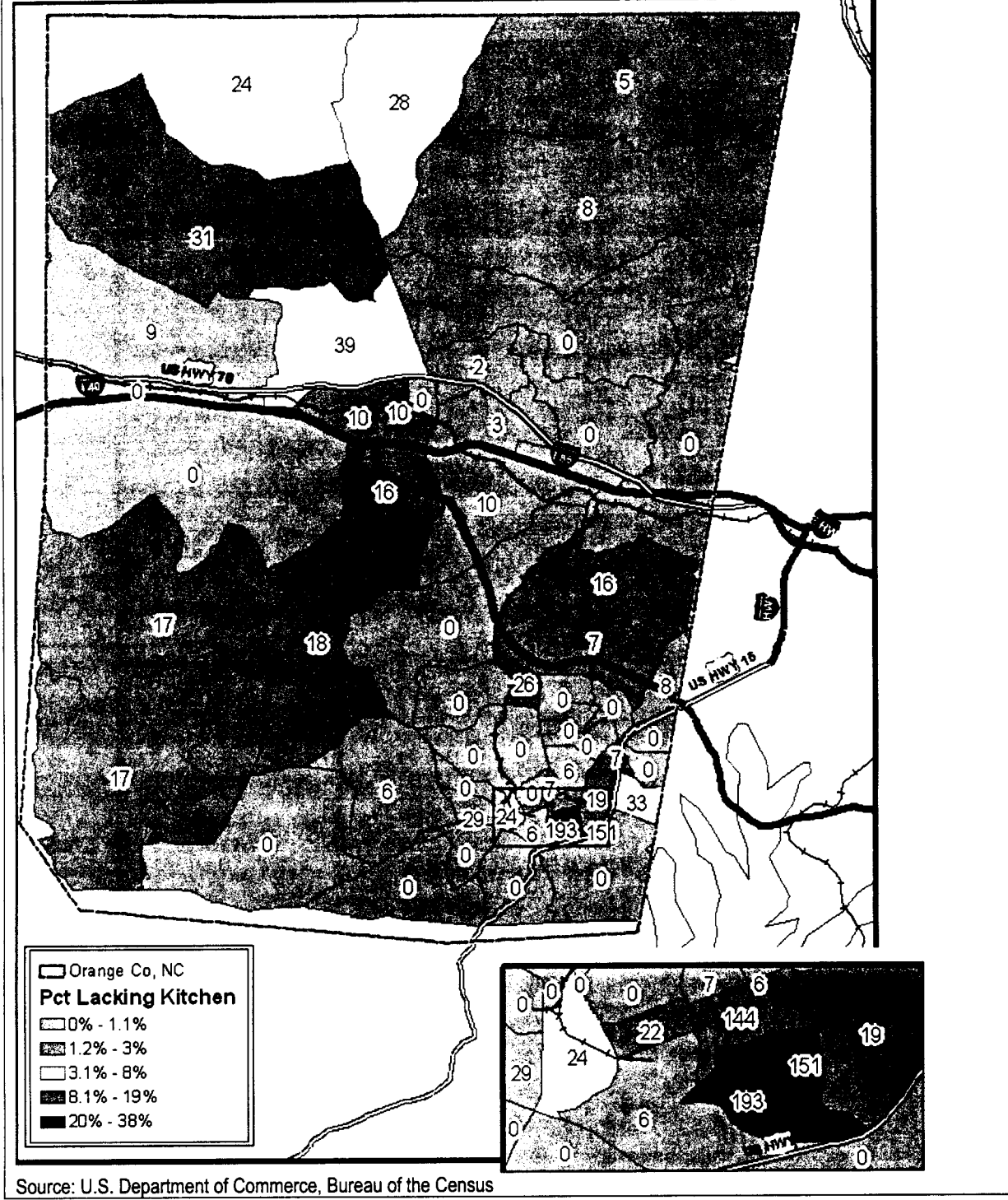
²⁶ U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 3)

²⁷ Note that units without complete plumbing facilities may also lack complete kitchen facilities (and vice versa) and may be represented twice in the data.

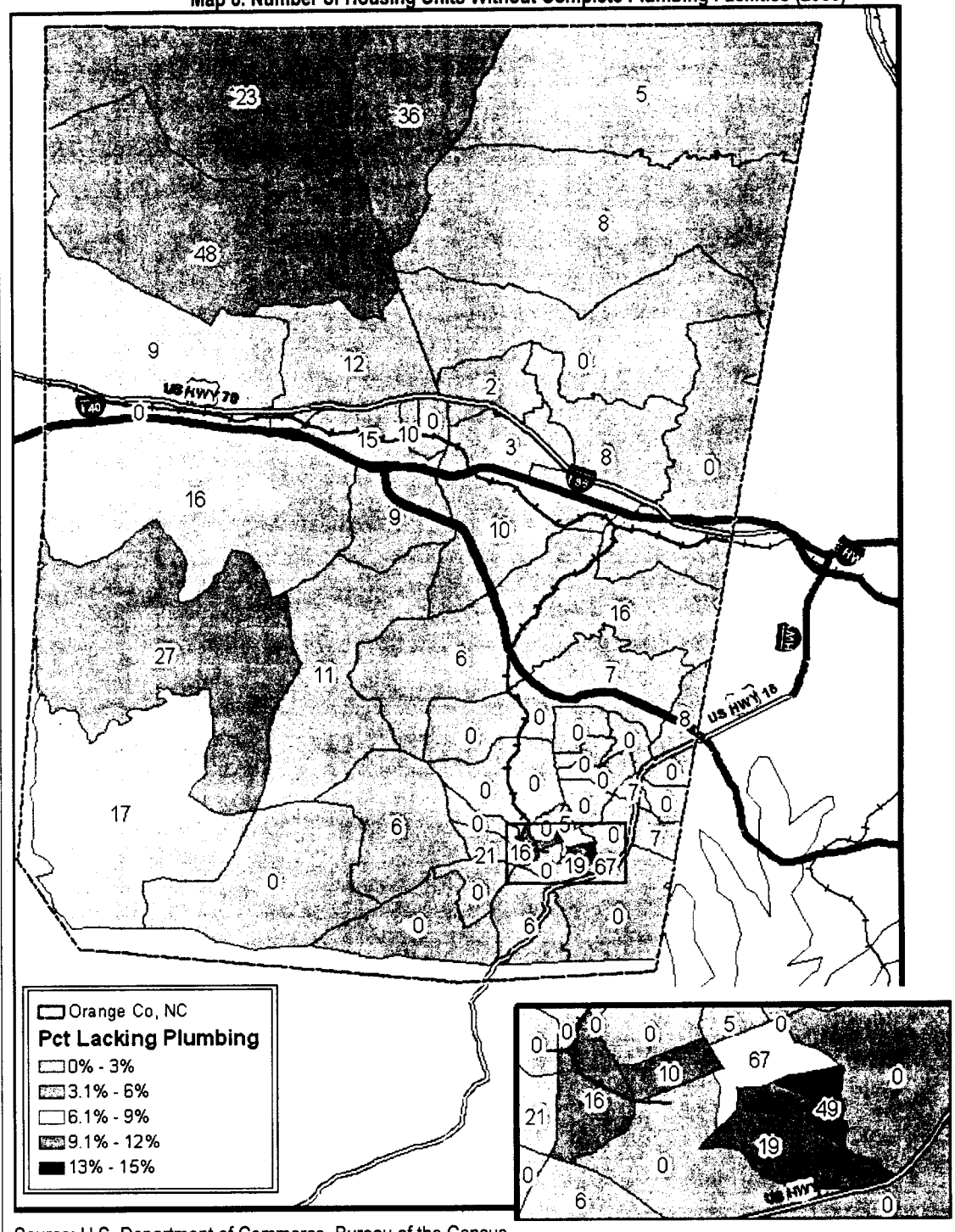
²⁸ U.S. Department of Commerce, Bureau of the Census (Census 2000 Summary File 3)

²⁹ Orange County Housing and Community Development Department and Human Rights and Relations Office, "Fair Housing Plan: Analysis of Impediments Action Plan," (Revision May 2001)

Map 7. Number/Percentage of Housing Units Without Complete Kitchen Facilities (2000)



Map 8. Number of Housing Units Without Complete Plumbing Facilities (2000)



Source: U.S. Department of Commerce, Bureau of the Census

2.2 Supply and Demand for Public and Assisted Housing

Public housing was established to provide decent and safe rental housing for eligible low- and moderate-income families, the elderly and persons with disabilities. Public housing includes federally subsidized, affordable housing that is owned and operated by the local public housing authority (PHA). The PHA also administers the federal Section 8 tenant-based rent subsidy program, which assists very low-income families in paying rent for privately owned housing units of their choice.

In addition, by using other federal, state and local programs, Orange County and the Town of Chapel Hill are attempting to encourage the development and rehabilitation of other assisted affordable housing for their low- and moderate-income citizens.

Public Housing Programs

The Orange County Department of Housing and Community Development is responsible for the administration of the Section 8 Housing Choice Voucher Program. The Department does not operate public housing developments. Currently, the Department administers approximately 623 Section 8 vouchers with 909 people on a waiting list.³⁰ The actual number of vouchers available in the future will depend on the level of continued HUD funding.

The Town of Chapel Hill Department of Housing administers 336 units of low-rent housing located at 13 sites (12 in Chapel Hill and one in Carrboro). The Department does not administer Section 8 tenant-based rental assistance. According to its most recent PHA plan, there is a waiting list of 220 persons for housing assistance from the Town of Chapel Hill's Department of Housing.³¹

Rental Assistance

The Section 8 Housing Choice Voucher Program is a rent subsidy program designed to assist very low-income families in paying rent for private housing of their choice. Recipients are limited to low-income families, eligible elderly, handicapped and/or disabled persons. Section 8 program participants use vouchers for housing units that fall within certain rent levels and that have been inspected by a Section 8 inspector to assure that they comply with U.S. Department of Housing and Urban Development's Housing Quality Standards.

³⁰ Orange County Housing Authority, Streamlined 5-Year Plan for Fiscal Years 2005-2010.

³¹ Town of Chapel Hill Department of Housing, Streamlined 5-year Plan for Fiscal Years 2005-2009 and Streamlined Annual Plan for Fiscal Year 2005-2006.

Waiting Lists

The Orange County Department of Housing and Community Development maintains a list of eligible families that have applied for Section 8 assistance who are waiting for rental assistance to become available. According to the current PHA plan, there were 909 families on the waiting lists for Section 8 vouchers. Some key characteristics of the households on the waiting lists include the following:³³

- Of the 909 families on the waiting list, 60% are very low-income and 40% are extremely low-income
- Families with children comprise 71% of those on the waiting list
- Almost one-quarter of those on the waiting list are families with disabilities
- African-Americans, at 67%, represent the largest racial group

Characteristics		Families
Total Families on Waiting List		909
Race/ Ethnicity	White	309
	Black	646
	Other	10
Family Income	Extremely Low-Income	364
	Very Low-Income	545
	Low-Income	—

The Town of Chapel Hill Department of Housing also maintains a general community-wide public housing waiting list. According to the current PHA plan, there were 220 families on the waiting lists for public housing. Annual turnover for the public housing waiting lists is 60 families. Some key characteristics of the households on the waiting lists include the following:³⁵

- Of the 220 families on the waiting list, 96% are extremely low-income
- Families with children comprise 77% of those on the waiting list
- African-American families, at 84%, represent the largest racial group
- Families waiting for a two-bedroom unit account for 40% of those on the waiting list

Characteristics		Families
Total Families on Waiting List		220
Race/ Ethnicity	White	2618410
	Black	
	Other	
Family Income	Extremely Low-Income	21631
	Very Low-Income	
	Low-Income	
Unit Size	1 Bedroom	61896181
	2 Bedrooms	
	3 Bedrooms	
	4 Bedrooms	
	5 or more Bedrooms	

Other Public Housing Initiatives

Orange County intends to offer homeownership opportunities to Section 8 participants. While clear program guidelines have not been established, it is envisioned that any program created

³² Orange County Housing Authority, Streamlined 5-Year Plan for Fiscal Years 2005-2010.

³³ Orange County Housing Authority, Streamlined 5-Year Plan for Fiscal Years 2005-2010.

³⁴ Town of Chapel Hill Department of Housing, Streamlined 5-year Plan for Fiscal Years 2005-2009 and Streamlined Annual Plan for Fiscal Year 2005-2006.

³⁵ Town of Chapel Hill Department of Housing, Streamlined 5-year Plan for Fiscal Years 2005-2009 and Streamlined Annual Plan for Fiscal Year 2005-2006.

will blend with existing first-time homebuyer programs. A community-based committee will be formed to design the program, which will require borrowers to provide a downpayment of at least 3% of the purchase price with at least 1% of the purchase price coming from the family's own resources. Participants will be strongly encouraged to participate in existing homebuyer education classes and homebuyer clubs.

In addition, The Departments of Housing and Community Development in Orange County and Chapel Hill provided a variety of public housing initiatives that benefit residents and help them achieve self-sufficiency. These programs, listed below, are described in detail in the strategic plan beginning on page 90:

- Community Centers
- Housing and Community Development Advisory Board
- Achieve! Pathways to a Brighter Future
- Transitional Housing Program
- Community Service and Self-Sufficiency Program
- YMCA After School Program
- Orange County Family Resource Center After-School Program

Strategic Plan

As part of a process to establish clear direction and quantifiable goals, Orange County and the Town of Chapel Hill have developed strategic plans for HUD as part of their PHA Annual Plan for Fiscal Year 2005.

Orange County

The following strategic goals and objectives serve to address Orange County's identified needs:

- Expand the supply of assisted housing by applying for additional rental vouchers and encouraging local landlord participation in the Section 8 program
- Improve the quality of assisted housing by improving voucher management, increasing customer satisfaction and continuously reviewing and modifying Housing Quality Standards to ensure an inventory of quality rental housing in the program
- Increase assisted housing choices by conducting outreach efforts to potential voucher landlords and implementing voucher homeownership program
- Ensure equal opportunity and affirmatively further fair housing by undertaking affirmative measure to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status and disability, and undertaking affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required
- Create positive awareness and expand the level of family, owner and community support in accomplishing the housing authority's mission
- Administer an efficient, high –performing agency through continuous improvement of the housing authority's support system and commitment to its employees and their development

Chapel Hill

The following strategic goals and objectives serve to address the Town of Chapel Hill's identified needs:

- Improve the quality of assisted housing by improving public housing management and renovating or modernizing public housing units
- Increase assisted housing choices by implementing public housing or other homeownership programs (increasing number of housing in the Transitional Housing Program)
- Provide an improved living environment by implementing measures to de-concentrate poverty by bringing higher income public housing households into lower income developments
- Promote self-sufficiency and asset development of assisted households by providing or attracting supportive services to improve assistance recipients' employability (maintain partnerships and relationships with network of human service and nonprofit agencies and organizations)
- Ensure equal opportunity and affirmatively further fair housing by undertaking affirmative measure to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status and disability

Condition of Public Housing Units

The Orange County Department of Housing and Community Development does not maintain any public housing units as part of its activities.

The Town of Chapel Hill Department of Housing, in compliance with HUD requirements, conducts an annual assessment of the condition of its housing units. Based on its assessment, the Department identifies its needs for capital improvements, prioritizes these needs, and establishes a long-term schedule for improving its housing stock. The department's goal is to refurbish all 336 units of public housing over a five-year cycle beginning in 2004 using Community Development Block Grant funds to pay for refurbishing work. A summary of the scope of work and estimated costs is included in Table 11.

Development	Description of Work	Cost Estimate				
		2004	2005	2006	2007	2008
North Columbia	Replace refrigerators and ranges; upgrade electrical; general interior and exterior repairs; replace concrete walks; modify baths; washer and dryer connections; replace/repair water and sewer lines; modify kitchens; architectural and engineering; replace windows; abate asbestos tiles; relocation	7,700	249,701	261,224	—	—
Colony Woods West	Replace refrigerators and ranges; general interior and exterior repairs; relocation; upgrade sewer lines; landscaping; architectural and engineering; replace/relocate water heaters	21,000	—	—	—	368,190
Airport Gardens	Replace and upgrade heating and air conditioning system; washer and dryer connections; upgrade plumbing; landscaping and exterior repairs; repair/replace storm drainage system; repair community space	228,471	130,512	—	—	—
South Roberson	Architectural and engineering; washer and dryer connections; relocation; general interior and exterior repairs; replace windows; modify kitchens; modify baths; replace furnace and hot water heaters; upgrade electrical; replace/repair water and sewer lines; replace concrete walks	—	—	115,389	385,613	15,223
PHA-wide Activities	Administrative; maintenance; computer software and upgrades; architectural and engineering; resident activities; refrigerators and ranges	196,300	73,240	76,840	67,840	70,040

³⁶ Town of Chapel Hill Department of Housing, PHA Plans: 5 Year Plan for Fiscal Year 2000-2004 and Annual Plan for Fiscal Year 2004 (May 13, 2004).

Other Assisted Housing

Other affordable housing options in Orange County include the following federal, state and local programs. A summary of available subsidized properties is provided in Table 12.

Additional affordable housing has been provided through the activities of the Orange County HOME Consortium, County and local governments and nonprofit organizations. These activities include rehabilitating housing for Orange County's lower income populations. Affordable housing projects are primarily funded with federal and state sources. Local funding, when used, comes from Chapel Hill's Revolving Acquisition Loan Fund or its Housing Loan Trust Fund.³⁸

Orange County Housing

Bonds

Affordable Housing Bond funds are available from the Orange County Department of Housing and Community Development. A \$1.8 million general obligation bond was issued by the County in 1997. Another bond totaling \$4 million was issued in 2001. Nonprofit organizations apply for funding through a competitive process in response to a request for proposal (RFP). Separate RFPs are issued simultaneously for four types of projects—homeownership, special needs (whether ownership or rental), non-special needs rental and/or cooperative housing, and land banking.

Under its bond financing policies, the county encourages a wide variety of projects, including projects of mixed-tenure nature, that is, mixing different housing types together in one project. Eligible projects include existing housing and new construction projects to provide homeownership, rental housing and or housing for those with special needs. The development of non-traditional housing types—such as duplexes, single room occupancy (SROs), group homes and transitional housing—is encouraged. The following housing programs are also eligible for funding.

Property	Type	Bedrooms			
		1	2	3	4
Adelaide Walters Apartments	Elderly	●	●		
ARC/HDS Orange County Group Home I	Disabled	●			
ARC/HDS Orange County ICF/MR Group Home	Disabled	●			
CAC of Orange County	Disabled	●			
Carolina Spring Apartments	Elderly	●			
Chase Park	Family	●			
Coachwood Apartments	Family	●	●		
Clark Road Apartments	Family	●			
Club Nova Apartments	Disabled	●			
Covenant Place	Elderly	●			
Elliot Woods	Family	●			
Elmwood Apartments	Family	●			
First Baptist and Manley Estates	Elderly	●			
Gateway Village	Family	●	●		
IN-CHU-CO Apartments	Family	●	●	●	●
ICF Community House	Family	●			
Manly Estates	Elderly	●			
NCAET – Ephesus Group Home	Disabled	●			
NCAET – Fountain Ridge Group Home	Disabled	●			
Project Homestart	Family	●			
Purefoy Road Group Home	Disabled	●			
UCC Living Center	Elderly	●			
Umstead Drive Group Home	Disabled	●			
Whitted Forest Apartments	Family	●	●	●	
Dobbins Hill Apartments	Family	●	●	●	

³⁷ U.S. Department of Housing and Urban Development

³⁸ Orange County Housing and Community Development Department and Human Rights and Relations Office, "Fair Housing Plan: Analysis of Impediments Action Plan," (Revision May 2001)

- Affordable Housing Loan Program—focuses on providing direct assistance to eligible first-time homebuyers
- Rehabilitation of Substandard Housing—second mortgages are provided to eligible homeowners and 501(c)(3) non-profit organizations that own rental property for rehabilitation of apartments with code violations
- Community Revitalization Loan Program—provides assistance for the purchase and rehabilitation of existing property by first-time homebuyers
- Acquisition for Low Income Rental Housing—funds are provided to local 501(c)(3) organizations for the purchase and, if necessary, renovation of housing for lease to low-income tenants
- Urgent Repair Program—provides funds to low-income homeowners for repairs that eliminate potential life or safety threats and/or to enable the elderly and disabled to remain in their homes by providing essential accessibility modifications
- New Construction Programs—assistance is provided to nonprofit housing developers for the new construction of housing for first-time homebuyers and/or renters

Chapel Hill Affordable Housing Programs

The Town of Chapel Hill provides a variety of financing programs to increase the availability of well-designed, affordable, safe and sanitary housing for all its citizens. In general, the Town's affordable housing programs serve households earning 80% or less of the area median income. Community Development funded homeownership programs are designed for first time homebuyers that currently live or work in Orange County. The Housing Loan Trust Fund guidelines require recipients to live or work in Chapel Hill when applying for assistance.

- Community Development Block Grant (CDBG) Program—Funds are used for the renovation of public housing communities, affordable housing development, neighborhood revitalization and community service programs.
- HOME Program—Funding is provided for a variety of housing programs that benefit low-income homeowners and renters.³⁹
- Housing Loan Trust Fund—Using local revenue sharing funds, the Housing Loan Trust Fund provides assistance to low-income families for the purchase of a new home or to renovate an existing home. Funds are also used for predevelopment costs related to the construction of affordable housing.
- Revolving Acquisition Fund—Funds are made available to nonprofit affordable housing providers to quickly purchase properties that might otherwise be sold to non-low income households or be used for relatively high cost rental housing. This fund may also provide assistance for the maintenance or creation of additional affordable homeownership opportunities in Chapel Hill.

³⁹ Unlike Community Development Block Grant funds, which are only available in Chapel Hill, HOME funding is available countywide.

Part III Housing Needs Assessment

3.1 Overall Needs

A large percentage of extremely low-income and very low-income households in Orange County experience one or more housing problems. Households with housing problems are those households occupying units without a complete kitchen or bathroom, that contain more than one person per room and/or that pay more than 30% of their income to cover housing expenses. Table 13 provides a summary breakdown of the percentage of households with housing problems by type of housing problem and income level. Over one-third of all households (at any income level) experience a housing problem and almost one-third experience a cost burden of 30% or more. Sixteen percent of all households experience a cost burden of 50% or more; almost two-thirds of all extremely low-income households (those earning 30% or less of the area median income) fall in this category. Table 14 provides a detailed breakdown of households with housing problems by housing problem, income level, housing tenure and household composition.

Housing Problem	Income Level	Households		
		Renter	Owner	Total
Any Housing Problems	30% or Less of Median	85.5%	68.1%	81.1%
	31% to 50% of Median	76.1%	51.8%	66.8%
	51% to 80% of Median	44.6%	42.3%	43.6%
	All Income Levels	50.7%	22.5%	34.5%
Cost Burden Over 30%	30% or Less of Median	80.3%	67.9%	77.2%
	31% to 50% of Median	71.3%	48.8%	62.7%
	51% to 80% of Median	39.0%	39.6%	39.3%
	All Income Levels	45.7%	21.4%	31.7%
Cost Burden Over 50%	30% or Less of Median	69.8%	49.3%	64.6%
	31% to 50% of Median	28.0%	29.8%	28.7%
	51% to 80% of Median	3.6%	11.9%	7.4%
	All Income Levels	26.2%	8.5%	16.0%

Over one-third of all households (at any income level) experience a housing problem and almost one-third experience a cost burden of 30% or more. Sixteen percent of all households experience a cost burden of 50% or more; almost two-thirds of all extremely low-income households (those earning 30% or less of the area median income) fall in this category. Table 14 provides a detailed breakdown of households with housing problems by housing problem, income level, housing tenure and household composition.

The following sections describe characteristics of low-income households experiencing housing problems in Orange County as shown in Table 14, Table 15 and Table 16. Looking at renter-occupied and owner-occupied housing separately, census data shows important distinctions based on the following income levels:

- **Extremely low-income households** are households earning 30% or less of the area median income (adjusted for family size). Given the area median household income for Orange County⁴¹ in 2004 is \$69,800 (for a household of four), households earning \$20,940 or less annually are considered extremely low-income.
- **Very low-income households** are households earning between 31% and 50% of the area median household income (adjusted for family size). Given the area median household income for Orange County in 2004 is \$69,800 (for a household of four), households earning \$34,900 or less annually are considered very low-income.
- **Low-income households** are those earning between 51 and 80% of the area median household income (adjusted for family size). Given the area median household income for Orange County in 2004 is \$69,800 (for a household of four), households earning \$55,840 or less annually are considered low-income.

⁴⁰ U.S. Department of Housing and Urban Development, The Comprehensive Housing Affordability (CHAS) Database.

⁴¹ Orange County is part of the Raleigh-Durham-Chapel Hill, North Carolina Metropolitan Statistical Area (MSA) which comprises six Counties in the Research Triangle Area.

Household by Income and Housing Problem		Renter Households					Owner Households					Total Households
		Elderly*	Small Related†	Large Related‡	All Others	Total	Elderly*	Small Related†	Large Related‡	All Others	Total	
Income of 50% or Less of Median	Total Households	780	1,893	242	5,960	8,875	1,694	1,109	223	829	3,855	12,730
Income of 30% or Less of Median	Total Households	445	945	94	4,255	5,739	920	405	88	514	1,927	7,666
	Percent with Any Housing Problems	64.0%	79.4%	84.0%	89.1%	85.5%	62.5%	59.3%	78.4%	83.5%	68.1%	81.1%
	Percent with Cost Burden Over 30%	59.6%	76.2%	75.5%	83.5%	80.3%	62.5%	59.3%	78.4%	82.7%	67.9%	77.2%
	Percent with Cost Burden Over 50%	46.1%	61.4%	51.1%	74.5%	69.8%	42.9%	45.7%	39.8%	65.2%	49.3%	64.6%
Income Between 31% and 50% of Median	Total Households	335	948	148	1,705	3,136	774	704	135	315	1,928	5,064
	Percent with Any Housing Problems	52.2%	69.4%	77.0%	84.5%	76.1%	29.6%	66.6%	92.6%	55.6%	51.8%	66.8%
	Percent with Cost Burden Over 30%	52.2%	63.6%	43.2%	81.8%	71.3%	29.1%	66.1%	55.6%	55.6%	48.8%	62.7%
	Percent with Cost Burden Over 50%	34.3%	16.8%	9.5%	34.6%	28.0%	14.2%	44.7%	37.0%	31.7%	29.8%	28.7%
Income Between 51% and 80% of Median	Total Households	270	1,489	249	2,454	4,462	865	1,640	229	989	3,723	8,185
	Percent with Any Housing Problems	57.4%	38.2%	61.8%	45.4%	44.6%	23.1%	49.7%	60.7%	42.4%	42.3%	43.6%
	Percent with Cost Burden Over 30%	57.4%	29.1%	23.7%	44.6%	39.0%	23.1%	47.6%	34.5%	42.0%	39.6%	39.3%
	Percent with Cost Burden Over 50%	11.1%	3.0%	4.0%	3.1%	3.6%	5.8%	13.1%	12.7%	15.2%	11.9%	7.4%

*One and two person households
†Two to four person households
‡Five or more person households

⁴² Includes households with annual income of 80% of the area median or less.

⁴³ U.S. Department of Housing and Urban Development, Policy Development and Research (Comprehensive Housing Affordability (CHAS) Data Report, 2000)

Renter Households

One-half of all renter households experience a housing problem, which represents a 0.8% reduction since 1990. As shown in Table 15, the percentage of extremely low-income renters who experience housing problems has increased overall since 1990. However, among extremely low- and very low-income and low-income renters, there has been an overall reduction in the number of housing problems.

	1990				2000			
	Total Households	Any Housing Problem	Cost Burden Over 30%	Cost Burden Over 50%*	Total Households	Any Housing Problem	Cost Burden Over 30%	Cost Burden Over 50%*
Income 30% or Less of Median	3,830	86.3%	83.9%	75.0%	5,739	85.5%	80.3%	69.8%
Income 31% to 50% of Median	2,693	84.4%	81.8%	27.1%	3,136	76.1%	71.3%	28.0%
Income 51% to 80% of Median	3,870	35.8%	33.4%	1.6%	4,462	44.6%	39.0%	3.6%
Total Households	15,465	46.6%	**	**	19,442	50.7%	45.7%	26.2%

* Households experiencing a cost burden greater than 50% are a subset of those households experiencing a cost burden greater than 30%.
 ** Data unavailable.

Extremely Low-Income Renters

Among extremely low-income renters, individuals and unrelated households experience many more housing problems than other groups—89.1% experience any housing problem, 83.5% pay 30% or more on housing and 74.5% pay 50% or more on housing. Extremely low-income elderly households experience less housing problems than other groups with 64.0% experiencing any housing problem, 59.6% being 30% or more cost burdened and 46.1% being 50% or more cost burdened.

Very Low-Income Renters

Among very low-income renters, almost three-quarters of large related households and 84.5% of individuals and unrelated households experience any housing problem. Among those renters that are 30% or more cost burdened, 63.6% are small related households and 81.8% are individuals or unrelated households. Large related households are less likely to be 50% or more cost burdened while elderly, individual and unrelated households are more likely to pay 50% or more for housing.

Low-Income Renters

A higher percentage of elderly households (57.4%) experience one or more housing problems than other low-income groups. Elderly households are also more likely to be cost burdened—over one-half spend more than 30% of income for housing expenses and 11.1% spend more than half of their income on housing expenses. Among all renters, over one-third are cost-burdened by 30% or more.

⁴⁴ U.S. Department of Housing and Urban Development, Policy Development and Research (Comprehensive Housing Affordability (CHAS) Data Report, 1990 and 2000)

Owner Households

Over 20% of all owner households experience a housing problem, which represents a 0.3% increase since 1990. As shown in Table 16, the percentage of extremely low-income owners who experience a cost burden over 50% increased since 1990 to 49.3%. During this same period, however, extremely low income owners experienced a slight decrease in any housing problems and in cost burdens of more than 30%. Among very low-income and low-income owners, there has been an overall increase in the number of housing problems.

	1990				2000			
	Total Households	Any Housing Problem	Cost Burden Over 30%	Cost Burden Over 50%*	Total Households	Any Housing Problem	Cost Burden Over 30%	Cost Burden Over 50%*
Income 30% or Less of Median	1,742	71.3%	70.3%	40.5%	1,927	68.1	67.9	49.3
Income 31% to 50% of Median	1,667	49.4%	46.4%	17.4%	1,928	51.8	48.8	29.8
Income 51% to 80% of Median	3,200	28.2%	25.7%	5.8%	3,723	42.3	39.6	11.9
Total Households	20,813	22.2%	**	**	26,406	22.5	21.4	8.5

* Households experiencing a cost burden greater than 50% are a subset of those households experiencing a cost burden greater than 30%.
 ** Data unavailable.

Extremely Low-Income Owners

Among extremely low-income homeowners, it is individuals and unrelated households that experience the greatest number of housing problems—83.5% experience one or more housing problems, 82.7% experience a cost burden greater than 30% and 65.2% experience a cost burden greater than 50%. Almost one-half of all homeowners are paying 50% or more of their income to cover housing expenses.

Very Low-Income Owners

Over 90% of large related households experience some housing problems. Almost one-half of all very low-income owners are 30% or more cost burdened with two-thirds of small households paying 30% or more for housing expenses. Small related households, at 44.7%, have a high likelihood of spending more than 50% of their income for housing expenses.

Low-Income Owners

Non-elderly owners are much more likely than elderly owners to experience one or more housing problems, with large related households (at 60.7%) encountering the most problems. Almost one-half of small related households experience a cost burden of more than 30% and 13.1% experience a cost burden of more than 50%. However, individuals and unrelated households are most likely to be 50% or more costs burdened. Overall, homeowners are more likely than renters to experience a cost burden.

⁴⁵ U.S. Department of Housing and Urban Development, Policy Development and Research (Comprehensive Housing Affordability (CHAS) Data Report, 1990 and 2000)

3.2 Disproportionate Needs

Information available from the 2000 census has been analyzed to identify the extent to which racial or ethnic groups may have disproportionately greater needs compared to the housing needs of all groups in Orange County. The U.S. Department of Housing and Urban development considers that a “disproportionately greater need exists when the percentage of persons in a category is at least 10 percentage points higher than the percentage of persons in a category as a whole.”

Race	Renter Occupied	Owner Occupied	Total
White	49.5%	19.8%	31.2%
African American	50.2%	38.5%	44.4%
Hispanic	61.8%	32.6%	54.7%
Native American	22.2%	10.8%	16.4%
Asian	58.4%	36.3%	50.6%
All Households	50.7%	22.5%	34.5%

Table 17 illustrates that, among renters, Hispanic households experience a disproportionately higher percentage of housing problems⁴⁷ in Orange County. Among homeowners, African Americans, Hispanics and Asian Americans experience a disproportionately higher percentage of housing problems. When looking at all households (renters and owners), Hispanic and Asian American households experience a disproportionately higher percentage of housing problems. Very low-income households (those earning less than half of the area’s median income) and extremely low-income households (those earning less than 30% of the area median income) have the greatest number of housing problems, whether renters or homeowners.

3.3 Supportive Housing for Non-Homeless Persons with Special Needs

In examining supportive housing for persons with special needs, Orange County has considered the needs of the elderly, persons with disabilities (including mental, physical and developmental), alcohol and substance abusers and persons with HIV/AIDS. A discussion of the housing needs for these sub-populations follows.

Elderly and Frail Elderly Persons

During the period 1990 to 2000, the number of elderly households in Orange County has increased from 5,826 to 7,164. As a percentage of

	All Households			Low-Income Households	
	Total	Elderly	Percent of Total	Elderly	Percent Low-Income
Renters	19,442	1,575	8.1%	1,050	66.7%
Owners	26,406	5,589	21.2%	3,334	59.7%
Total	45,848	7,164	15.6%	4,384	61.2%

total households, this represents a decrease. In 1990, 16.1% of all households were elderly and by 2000 this number dropped to 15.6%. In 2000 there were 7,164 elderly households in Orange County, of which 4,384 households, or 61.2%, were low-income. Table 18 provides an overview of renter and owner elderly households.

⁴⁶ U.S. Department of Housing and Urban Development, Policy Development and Research (Comprehensive Housing Affordability (CHAS) Data Report, 2000)

⁴⁷ Households with housing problems are those households occupying units without a complete kitchen or bathroom, that contain more than one person per room and/or that pay more than 30% of their income to cover housing expenses.

⁴⁸ U.S. Department of Housing and Urban Development, Policy Development and Research (Comprehensive Housing Affordability (CHAS) Data Report, 2000)

The majority of elderly owner-occupied households are low-income. Of the 5,589 elderly households that reside in their own home, 3,334 (or 59.7%) are low-income and over two-thirds of renters are low-income.

As evidenced by a survey recently conducted by the Orange County Department on Aging, elderly owner-occupied households face a unique set of problems. The cost of maintaining a home rises with age of the house and homeowner's insurance rates increase almost annually. Yet elderly incomes generally do not rise when adjusted for inflation. Thus, elderly owner households are continually squeezed financially by the need to maintain the property, by the rise in insurance rates and by the overall decline in the owner's health. Many elderly persons find it medically beneficial and an emotional comfort to remain in a familiar setting, making decent and affordable housing a major concern for this population. As a result, a strong emphasis is placed on the elderly maintaining an independent, to semi-independent lifestyle, with close, convenient and immediate access to recreational, medical and social service resources. The types of housing for the elderly and frail elderly vary depending on the special features and/or services needed to meet the needs of older residents. Factors that must be considered in developing housing for the elderly include location, services and amenities, nearness to healthcare, shopping and other services, affordability and ease of upkeep. Various categories of housing needed for the elderly include the following:

- Independent living housing, including apartments, congregate housing, multi-unit assisted housing with services, adult communities, retirement communities and shared housing
- Assisted living, including adult care homes and multi-unit assisted housing with services
- Nursing homes

Retirement Communities and Independent Living

Retirement communities and independent living include homes, condominiums, apartments, retirement hotels and cooperative housing arrangements that provide age-segregated, independent living units and that offer personal care services, social activities and limited nursing supervision. Facilities available in Orange County include:⁴⁹

- Adelaide Walters Apartments (Chapel Hill)
- Carol Woods Retirement Community (Chapel Hill)
- Carolina Meadows (Chapel Hill)
- Carolina Spring (Carrboro)
- The Cedars (Chapel Hill)
- Covenant Place (Chapel Hill)
- Manley Estates (Chapel Hill)
-

Assisted Living

Assisted living includes senior housing arrangements that provide some personal care and nursing supervision, medication monitoring, social opportunities, meals and housekeeping. Facilities available in Orange County include:⁵⁰

⁴⁹ Orange County Department on Aging, "Elder Care Guide 2002," (n.d.).

⁵⁰ Orange County Department on Aging, "Elder Care Guide 2002," (n.d.)

- Alterra Wynwood of Chapel Hill (Chapel Hill)
- Carolina House (Chapel Hill)
- Clare Bridge (Chapel Hill)
- National Senior Living of Carrboro (Carrboro)
- R&G Family Care Homes (Hillsborough)
- Shepherd House (Chapel Hill)
- Villanes Home for the Aged Family Care Home (Hillsborough)
- Woods Family Care Home (Hillsborough)
- Yancey's Rest Home (Hillsborough)

Nursing Homes

Nursing homes include skilled nursing facilities, convalescent hospitals, intermediate care facilities and rehabilitation centers for seniors requiring 24-hour medical attention. Facilities available in Orange County include the following.⁵¹

- Britthaven of Chapel Hill (Chapel Hill)
- Brookshire Nursing Center (Hillsborough)
- Carol Woods Retirement Community (Chapel Hill)
- Chapel Hill Rehabilitation and Healthcare Center (Chapel Hill)

Persons with Disabilities

Persons with mental illness, disabilities and substance abuse problems need an array of services. Their housing requires a design that ensures residents maximum independence in the least restrictive setting, including independent single or shared living quarters in communities, with or without onsite support. Options include:

- Living with family or friends with adequate support and/or respite services
- Small, home-like facilities in local communities close to families and friends, with the goal of moving to a less structured living arrangement when clinically appropriate

Residential placements need to provide the equipment and supplies necessary to assist in successful, long-term housing stability. Admission to state or private hospitals, mental retardation centers, state schools or alcohol and drug abuse treatment centers must not be considered permanent or long-term residential options.

Mentally Ill

Those individuals experiencing severe and persistent mental illness are often financially impoverished due to the long-term debilitating nature of the illness. The majority of these individuals receive their sole source of income from financial assistance programs—Social Security Disability Insurance or Social Security Income. The housing needs for this population are similar to other low-income individuals. However, because of this limited income, many of these individuals may live in either unsafe or substandard housing. The citizens need case management, support services and outpatient treatment services to monitor and treat their mental illness. Facilities in Orange County that provide behavioral and/or psychiatric care include the following.⁵²

⁵¹ Orange County Department on Aging, "Elder Care Guide 2002," (n.d.)

⁵² Extended Care Information Network (www.extendedcare.com)

- Residential Services (Carrboro)
- Residential Services (Chapel Hill)
- Residential Services – Ridgefield (Chapel Hill)
- Residential Services – Woodcrest (Chapel Hill)
- Residential Services – Shady Lawn (Chapel Hill)
- Residential Services – Christopher Road (Chapel Hill)
- University of North Carolina Hospitals (formerly North Carolina Memorial Hospital)/UNC Health Care (Chapel Hill)

Developmentally Disabled

Housing for the disabled must include a variety of options to meet the unique needs of persons with diverse types of disabilities. Services must be provided by area programs or contracted privately, including group home placements, intermediate care facilities, supported living programs, supported employment, sheltered workshops, home ownership and rental subsidy. Facilities in Orange County that provide housing for the Developmentally Disabled include the following.⁵³

- Residential Services (Carrboro)
- Residential Services (Chapel Hill)
- Residential Services – Ridgefield (Chapel Hill)
- Residential Services – Woodcrest (Chapel Hill)
- Residential Services – Shady Lawn (Chapel Hill)
- Residential Services – Christopher Road ((Chapel Hill)
- Residential Services – Spring Glen (Hillsborough)

Alcohol and Substance Abusers

The majority of people who suffer from any form of alcohol or substance abuse maintain jobs and homes at the beginning stages of their problem. However, as the problem progresses, the ability to maintain a well-functioning lifestyle diminishes. This problem touches every income and racial group, but is found to be most prevalent among the lowest income groups. Preventive programs incorporated into housing services provided to low-income persons are necessary to address this problem.

In Orange County, the University of North Carolina, Alcohol and Substance Abuse Program provides a mix of mental health and substance abuse services, but only on an outpatient basis. Persons requiring residential treatment programs need to access facilities located in Durham, North Carolina.⁵⁴ Freedom House is also available for those residents of Orange County in need of such services.

⁵³ Orange County Department on Aging, "Elder Care Guide 2002," (n.d.) and Extended Care Information Network (www.extendedcare.com)

⁵⁴ U.S. Department of Health and Human Services, Substance Abuse & Mental Health Services Administration, Substance Abuse Treatment Facility Locator (<http://www.findtreatment.samhsa.gov>)

Persons with HIV/AIDS

According to the most recent quarterly update of the North Carolina HIV/STD Surveillance Report, Orange County had 16 reported cases of HIV disease in 2004, which represents 1% of all the cases reported in North Carolina. With eight cases reported in 2004, Orange County showed a marked increase in the number of AIDS cases—up from one reported case in 2003 and three reported cases in 2002. There have been 285 cumulative reported cases of HIV and 128 reported cases of AIDS in Orange County since 1983.

Year	HIV	AIDS
2002	12	3
2003	17	1
2004	16	8

While prevention, medical and support services are available to people with HIV/AIDS, there is a greater need for permanent supportive housing. Other types of housing assistance needed include rental assistance and transitional supportive housing for patients leaving institutions of physical health or incarceration.

3.4 Lead-Based Paint Hazards

Lead poisoning is one of the worst environmental threats to children in the United States. While anyone exposed to high concentrations of lead can become poisoned, the effects are most pronounced among young children.

All children are at higher risk to suffer lead poisoning than adults, but children under age six are even more vulnerable because their nervous systems are still developing. At high levels, lead poisoning can cause convulsions, coma and even death. Such severe cases of lead poisoning are now extremely rare, but do still occur. At lower levels, observed adverse health effects from lead poisoning in young children include reduced intelligence, reading and learning disabilities impaired hearing and slowed growth.

Since the 1970s, restrictions on the use of lead have limited the amount of lead being released into the environment. As a result, national blood lead levels for children under the age of six declined by 75% over the 1980s and dropped another 29% through the early 1990s. Despite the decline in blood-lead levels over the past decade, as many as 900,000 children in the United States still have blood lead levels above 10µg/dL (micrograms of lead per deciliter of whole blood). These levels are unacceptable according to the Centers for Disease Control and Prevention (CDC) which lowered blood lead intervention levels for young children from 25µg/dL to 10µg/dL in 1991. Many of these lead-poisoned children live in low-income families and in old homes with heavy concentrations of lead-based paint. The CDC identified the two most important remaining sources of lead hazards to be deteriorated lead-based paint in housing built before 1978 and urban soil and dust contaminated by past emissions of leaded gasoline.

The national goal for blood lead levels among children ages six months to five years is to limit elevations above 15µg/dL to no more than 300,000 per year and to entirely eliminate elevations above 25µg/dL.⁵⁶

⁵⁵ North Carolina Department of Health and Human Services, HIV/STD Prevention & Care Branch, North Carolina HIV/STD Quarterly Surveillance Report, Volume 2004, Number 4

⁵⁶ Westat, Inc. under contract with the U.S. Department of Housing and Urban Development and the Environmental Protection Agency, *Report on the National Survey of Lead-Based Paint In Housing*, (June 1995).

Housing with Lead-Based Paint Hazards

National Trends

In 1990, as many as 64 million homes had lead-based paint somewhere in the building. By 2000, this estimate dropped to 38 million of all housing units with lead-based paint with 24 million having significant lead-based paint hazards. Of those units with lead-based paint hazards,

1.2 million are occupied by low-income families (those with an annual income of less than \$30,000) with children under the age of six. As much as 35% of all low-income housing is estimated to have lead-based paint hazards compared to 19% of households with incomes of \$30,000 or more per year. Renter-occupied housing (at 30%) has a higher incidence of lead-based paint hazards than owner-occupied housing (at 23%).⁵⁷

Location and Condition of Lead-Based Paint	1990 HUD Survey		2000 HUD Survey	
	Units*	Percent	Units*	Percent
Housing units built before 1980	77,177	100%	68,756	100%
Units with lead-based paint	64,059	83%	34,195	50%
Interior lead-based paint	48,986	63%	26,184	38%
Exterior lead-based paint	56,495	73%	27,373	40%
Units with deteriorated lead-based paint	14,354	19%	14,962	22%
Interior deteriorated lead-based paint	5,596	7%	7,281	11%
Exterior deteriorated lead-based paint	9,657	13%	11,784	17%

* Thousands of housing units.

Local Estimates

While the prevalence of lead-based paint hazards varies by region, housing unit age and household income among other factors,⁵⁹ the national percentages of lead-based paint in occupied housing were applied to the number of housing units in Orange County to estimate the percentage of housing units that could contain hazards.⁶⁰

Based on these estimates, as many as 12,058 occupied housing units in Orange

County contain lead-based paint. Of these units with lead-based paint, 6,001 are owner-occupied and 6,057 are occupied by renters. Up to 5,276 houses may have deteriorated lead-based paint. According to the 2000 Census, there are 16,540 households with annual incomes below \$30,000. Applying the assumption that as much as 35% of these low-income households

Location and Condition of Lead-Based Paint	Units	Percent
Housing units built before 1980	24,245	100%
Units with lead-based paint	12,058	50%
Interior lead-based paint	9,233	38%
Exterior lead-based paint	9,652	40%
Units with deteriorated lead-based paint	5,276	22%
Interior deteriorated lead-based paint	2,567	11%
Exterior deteriorated lead-based paint	4,155	17%

⁵⁷ David E. Jacobs, Robert P. Clickner, Joey Y. Zhou, Susan M. Viet, David A. Marker, John W. Rogers, Darryl C. Zeldin, Pamela Broene and Warren Friedman, "The Prevalence of Lead-Based Paint Hazards in U.S. Housing," *Environmental Health Perspectives*, Volume 110, Number 10, (October 2002).

⁵⁸ David E. Jacobs, Robert P. Clickner, Joey Y. Zhou, Susan M. Viet, David A. Marker, John W. Rogers, Darryl C. Zeldin, Pamela Broene and Warren Friedman, "The Prevalence of Lead-Based Paint Hazards in U.S. Housing," *Environmental Health Perspectives*, Volume 110, Number 10, (October 2002).

⁵⁹ David E. Jacobs, Robert P. Clickner, Joey Y. Zhou, Susan M. Viet, David A. Marker, John W. Rogers, Darryl C. Zeldin, Pamela Broene and Warren Friedman, "The Prevalence of Lead-Based Paint Hazards in U.S. Housing," *Environmental Health Perspectives*, Volume 110, Number 10, (October 2002).

⁶⁰ For example, the national study conducted in 2000 indicated that 50% of housing units built before 1980 contained lead-based paint. By multiplying the number of housing units in Orange County built before 1980 by 50% provides an estimate of the number of housing units in Orange County that contain lead-based paint (24,245 x 50% = 12,058).

contain lead-based paint hazards results in an estimated 5,789 low-income households with lead-based paint hazards in Orange County.

Lead-Based Paint Hazard Reduction

The federal Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X of the Housing and Community Development Act of 1992) amends the Lead-Based Paint Poisoning Prevention Act of 1971, which is the law covering lead-based paint in federally funded housing. These laws and subsequent regulations issued by the U.S. Department of Housing and Urban Development protect young children from lead-based paint hazards in housing that is financially assisted or being sold by the federal government.

In Orange County, evaluations of the prevalence of lead-based paint in housing units are conducted by project and lead abatement is prescribed for all dwellings targeted for rehabilitation. In addition, all assisted housing tenants are informed of the hazards of lead-based paint. The Orange County Health Department provides ongoing consultation to local housing staff.

3.5 Barriers to Affordable Housing

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 profitability, availability of land and infrastructure, and government regulation. Because of land use policies that discourage urban services (sewer and water) outside of municipal areas and stringent municipal development regulations, traditional affordable housing (apartments, single family homes) is limited to areas within or adjacent to municipalities.⁶¹

Public policies and actions related to the approval of sites of publicly assisted housing has not been a major barrier in this community. However, the adoption of an Educational Impact Fee in Orange County in 1993 does pose a barrier to affordability. The fee is collected for all new residential construction. The revenue generated by the fee is used to finance a portion of the cost of new public school space created by new residential growth. Presently, the fee is \$3,000 in the Chapel Hill-Carrboro school district and \$750 in the Orange County School District. To address this barrier, 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 to enable them to pay the fee without passing the cost to the prospective renters or homebuyers. However, neither individuals nor for-profit developers are eligible for reimbursement under the existing policy.⁶²

The Town of Chapel Hill has adopted a comprehensive plan with goals intended to, among other things, increase the availability of well-designed, affordable, safe and sanitary housing for all its citizens. One of the objectives of the comprehensive plan is for the town to establish policies, regulations, incentives and programs that promote the availability of a full range of housing types, densities, costs and tenancy options, both within new developments and existing neighborhoods. Affordable housing policies adopted by the town and incorporated into the land use management ordinance include the following.

⁶¹ Orange County Housing and Community Development Department and Human Rights and Relations Office, "Fair Housing Plan: Analysis of Impediments Action Plan," (Revision May 2001)

⁶² Orange County Housing and Community Development Department and Human Rights and Relations Office, "Fair Housing Plan: Analysis of Impediments Action Plan," (Revision May 2001)

Residential Special Standards – Conditional

Chapel Hill created a new zoning district—Residential Special Standards – Conditional (RSS-C). The main features of this conditional use zoning district are that it allows higher density for housing developments (12 units per acre), a ten-foot minimum street setback and no buffer requirement. Projects using this zoning district must have a long-term affordability component.

Rezoning Requests

Chapel Hill passed a resolution to increase the availability of affordable housing for low- and moderate-income households by establishing a policy that rezoning requests with a residential component should incorporate a 15% affordable housing feature into their plans with a mechanism to ensure ongoing affordability. Developers with rezoning requests work with Orange Community Housing and Land Trust to market these homes to persons earning less than 80% of the median income.

Size Restricted Units

The town's land use management ordinance requires developers with a major subdivision or a planned development housing proposal with five or more single-family or two-family residential lots to build at least 25% of the units at less than 1,350 square feet of floor area.

Affordable Housing Substitution

The town's land use management ordinance also allows for a substitution of affordable housing for floor area restrictions. Chapel Hill may allow a developer of a major subdivision or planned development housing to provide initial and continued affordability of at least 15% of the dwelling units. The dwelling units must be priced to be affordable to individuals and families who have incomes at or below 80% of the area median. Restrictive covenants must be recorded with the dwelling units to ensure continued and ongoing compliance with these restrictions and the units must be sold to individuals and families who have incomes at or below 100% of the area median.

Payment-in-Lieu of Affordable Housing

As an alternative to providing affordable housing, a developer may also make a payment-in-lieu of affordable housing to the town. The amount of the payment is determined by multiplying the number of affordable housing units to be provided by an estimate of funding that would be needed to make a homeownership opportunity in the proposed development available to individuals and families with annual income at or below 80% of the area median.

Other Features

Within the designated urban services areas of Chapel Hill—where access to employment, transit, day care, schools, and public utilities is located—the supply of vacant land is small and the price is high. In addition to the high cost of plan preparation, processing fees, utility installation, street improvements and lengthy review schedules all add to development costs. Chapel Hill has responded by making special accommodations for affordable housing development, which include waiving processing fees, expediting review schedules and modifying street improvement requirements.

3.6 Impediments to Fair Housing⁶³

The Board of County Commissioners established the Orange County Human Relations Commission in 1987. The Commission is composed of 23 members. The Towns of Carrboro, Chapel Hill and Hillsborough each hold two seats, with the remaining 17 positions considered at-large seats with representation sought from all Townships. The mission of the Orange County Human Relations Commission is:

- To promote the equal treatment of all individuals; to prohibit discrimination in employment, housing and public accommodations
- To protect residents' lawful interest and their personal dignity and to prevent public and domestic strife, crime and unrest within Orange County
- To carry out, in Orange County, the policies provided for in various federal rules, regulations and laws prohibiting discrimination in—among other areas—housing, employment and public accommodations

The Orange County Human Relations Commission, in 1989, conducted a series of public hearings on discrimination in the areas of—among others—employment, housing and public accommodations. The commission found that discrimination exists in Orange County in these areas. Orange County's "Fair Housing Plan" was prepared in 1999 and has been revised three times, most recently in May 2001.

Based on the County's analysis of impediments affecting the furtherance of fair housing, appropriate strategies have been designed and implemented to eliminate or reduce the impact of those barriers. The following recommendations included in the "Fair Housing Plan" promote fair housing within Orange County:

- Increase the educational opportunities relating to Fair Housing through workshops, forums and presentations
- Target specific protected classes (such as, handicapped persons) for fair housing information
- Continue to consult with local lending institutions regarding their Community Reinvestment Act activities. Monitoring of compliance with the local and federal fair housing laws and testing of local lending institution are necessary to ensure equal access to capital for all residents. Meetings should be held with local bank executives to formalize participation in public-private partnerships that further housing opportunities that provide for housing choices for all citizens. Further, public policy should be created to link public deposits in financial institutions to a commitment by lenders to meet the community reinvestment needs of the County.
- Continue to provide one-on-one consultation to area landlords to encourage participation in the Section 8 Program
- Provide training to housing providers and consumers about their obligations and rights under the act. Specifically, educate housing providers, consumers and private and public

⁶³ Orange County Housing and Community Development Department and Human Rights and Relations Office, "Fair Housing Plan: Analysis of Impediments Action Plan," (Revision May 2001)

agencies that assist consumers about the Department of Human Rights and Relations' responsibility for enforcement of the Act. Provide technical assistance training to property managers, lenders attorneys, builders, etc., on their responsibilities under the law. Educate citizens about their rights under the law; and educate public and non-profit agencies on how to identify discriminatory practices.

- Increase the educational opportunities relating to Fair Housing through workshops, forums and presentations
- Provide fair housing information to specific protected classes
- Collaborate with local housing coalitions, ABODE and others in fair housing awareness activities
- Conduct training for public and non-profit agencies in Orange County on the fair housing laws and place fair housing advertisements in the local newspapers

Part IV Homeless Assessment⁶⁴

4.1 Overview

After a period of disjointed leadership, the Orange Person Chatham (OPC) Area Program is the lead agency for the Orange County Continuum of Care Committee (Orange County CoC), which covers Chapel Hill and Orange County. The Inter-Faith Council for Social Services (IFC)—which had been the lead agency since the CoC's creation—strategically pulled away from the CoC in 2003. The OPC Area Program implemented a plan in 2004 to re-institute the continuum, which had not been formally active during this period of transition. Although the formalities of the CoC have been lacking, the community has continued to carry out the work of the Continuum, as can be documented by the numerous developments that have continued to occur.

The OPC Area Program is implementing a historic reorganization as mandated by the North Carolina Mental Health Reform Legislation. As part of these activities the continuum has turned its attention to strengthening its organization, planning and leadership. A permanent, full-time Housing Coordinator has been hired to re-energize the CoC, manage programs for the homeless and act as a community advocate in the continuum's efforts to end chronic homelessness.

The Orange County CoC is comprised of approximately 50 members that represent state and local government, public housing authorities, nonprofit organizations, businesses, homeless or formerly homeless, law enforcement, hospitals and medical facilities, funders, homeless advocates, universities and religious organizations.

4.2 10-Year Plan to End Chronic Homelessness

The Orange County CoC shares a common vision with the Triangle Alliance to Resolve Chronic Homelessness (TARCH) regarding its strategy for ending chronic homelessness by 2012. The TARCH has encouraged all local communities to develop 10-year plans to end chronic homelessness. The Orange County CoC participates in all of those meetings and shares the goals and visions of TARCH. The continuum is working to achieve the following outcomes:

⁶⁴ Information in this part comes primarily from the Orange County Continuum of Care Committee's 2004 Continuum of Care Application to the U.S. Department of Housing and Urban Development.