

Affordable Housing Advisory Board

2501 Homestead Road Room D

Chapel Hill, NC 27514

Minutes of the March 13, 2018 Meeting

Members Present: Noah Oswald, N.V. Parlikad, Jenn Sykes, Mae McLendon, Tammy Jacobs, Vice Chair; Keith Cook, Chair; Eleanor Kinnaird, Douglas Boemker, Allison Mahaley, and Cain Twyman

Unexcused Absence: Joshua Brown, Adrian Moreno, and Kolby Herndon

Guest: Patrick Watkins, Inter-Faith Council; Devin Ross, Justice United; Hank Elkins, Caramore Community; Jim Grizzle, Consultant and Retired Professor UNC School of Public Health; Aaron Nelson, Chamber of Commerce; and Jackie Jenks, Inter-Faith Council

Staff Present: Sherrill Hampton, Director; Angela Rockett, Administrative Assistant; Renee Holmes, Housing Program Coordinator; and Sarah Nott, Housing Intern

Welcome/Introduction

Keith Cook called the meeting to order at 6:01 p.m.

Sherrill Hampton stated that Ellie Kinnaird approached her about having a presentation from representatives from the Chamber of Commerce, Justice United, Inter-Faith Council and Caramore Community with one strategy for a solution to the affordable housing challenge in the county. The group was here to present and everyone introduced themselves.

Approval of Minutes

After the presentation on Master Leasing, Ellie Kinnaird made a motion to approve the February 13, 2018 minutes, seconded by Noah Oswald. The minutes were approved unanimously.

Master Leasing

Devin Ross thanked the Board for having them and invites questions and conversation on their proposal. The Master Lease proposal came out of a series of community conversations with the Chamber of Commerce, Affordable Housing service providers, Inter-Faith Council and Community Empowerment Fund members looking for a new way to address the affordable

housing crisis in Orange County. The need for this program is especially for people earning less than \$22,000 a year. There are approximately zero units on the private market that are affordable. There are fewer than 500 subsidized units that are income restricted. The gap is 4,900 units for households with less than \$22,000 a year. They have supported efforts to win money for and subsidized and build new permanent affordable housing. People still need a place to live while they are affordable housing service providers are winning money and building new houses.

Master Leasing is a way to take advantage of the fact that in Orange County there is a lot of existing housing that with subsidy could be affordable for households earning less than \$22,000 a year. This is essentially a large scale sublet strategy. With Master Leasing, they are proposing to find an entity that with subsidy is able to partner with private sector landlords and bulk rent lots of housing units and then sublease those units to people who need housing at a subsidized rate. They will handle the screening and placement of tenants while the landlord or property owner continues with normal maintenance and upkeep of the property. This is a way to house people faster with substantially less up-front cost than you would otherwise find in more permanent affordable housing. This is a midterm solution while affordable housing gets built in Orange County. This concept is not new and already exists in Orange County.

Hank Ellis addressed the Caramore Community. It is a transitional community located on Smith Level Road in Carrboro. There are about fifty (50) clients in their community. The clients live one to two years in apartments that they lease from five different landlords. They lease forty apartments in 10 units. Each unit contains four apartments. Each apartment is a part of a unit with its own bedroom and bathroom, common living room and a common kitchen.

One landlord is in his second three-year lease. He is guaranteed paid rent even if there is a vacancy. If the landlords have any problems they make one phone call to the administrator and the administrator intervenes and usually able to solve problems within twenty-four hours. The landlords are happy because Caramore inspect the apartments to make sure that the tenants are taking good care of the property. The property damages are minor. Caramore is not the only master leasing in the area. CASA and Behavioral Alliance also have Master Leasing. This process has been good for the landlords and the tenants.

Patrick Watkins, resident at IFC community talked about transitional living. Mr. Watkins expressed that residents are actively seeking housing and there is no affordable housing. If there is no option available, tenants are stuck in the gridlock. There are other people that need a bed at IFC Community House. The Master Leasing Program is not a band aid; it is a permanent fix that will be continuing. Mr. Watkins stated that it is a worthwhile investment to put what you can into the program to see that people who come from different walks of life

continue their recovery. If they have an affordable housing option, they can continue their recovery. The shelter is great, but it would good to have a place of your own.

Mr. Cook asked about subsidies. Mr. Ellis explained that every person's income is looked at and the project would estimate the income and subsidize the market rate for that apartment. The concept is that the administrator is sensitive to the needs of the tenant and what may change in that tenant's life that may cause the tenant to be unemployed for months. Therefore, the subsidy needs to be flexible and that is the advantage of having an administrator who is looking at the needs of the tenants and ready to help with a change that is versatile and flexible.

Aaron Nelson from the Chamber of Commerce stated that they have been working on this too long. It is taking too much time to add too few units. Mr. Nelson stated that for \$120,000 they can put fifty families in housing today. Mr. Nelson said they are telling the story to elected officials and others and are asking to try something a little bit different. With the new model of Master Leasing, people can be put in housing faster. Mr. Cook asked how many units they have. Mr. Nelson stated that right now they have 10 units. It is \$695 for a two bedroom, \$1,100 for a 3 bedroom and they are willing to lease them to a new or existing organization.

Jackie Jenks stated that they have people living in the shelters right now that are working and trying to find some place to live. The shelters have 76 households and 46 units in the pipeline for the next five years, those 76 households won't be able to move out of the shelter into the community.

Ms. Kinnaird stated that she is excited about this. She expressed that she don't see any financing structure that is flexible or ongoing with the County. Chapel Hill has a continuing funding for each year. It was explained that the county allocations to non-profit could help to pilot this program.

Allison Mahaley asked, if in the proposal, does case management exists to work with the families to help them be upwardly mobile so they can get off the subsidy. Mr. Elkins replied yes, people need help in all areas. Ms. Mahaley asked if the proposal has been presented to the BOCC. It has only been presented to the AHAB board.

Tammy Jacobs asked who holds the Master Lease. The non-profit entity that chose to administer the program will hold the Master Lease. It is better to use an existing organization. Mae McLendon stated that if it is an established non-profit with structure already in place, you won't have to take money for organizational development and those funds can be used for other things.

Ms. Jacobs asked if Master Leasing is designed for one person. The preface will be to deal with related people who are families or single persons to minimize the complications in the

beginning of matching roommates of unrelated people. This is not an absolute criterion. It may be easier to start by taking families, couples and people who are single and house those people first. Cain Twyman asked if they have the same foundation as the Caramore Community with leases for three years. Mr. Nelson stated that it depends on the property owner. If it is not privately held, the bank will have those rules set in advance to protect themselves. This is not designed to solve all homeless or affordable housing issues.

Jenn Sykes asked how many landlords it will take to fill the gap. That will depend on the amount of subsidy they have. Ms. Jacobs wanted to know how the non-profits feel about the proposal. Some of the non-profits are working towards some kind of endorsement and CASA have already given their endorsement.

Mae McLendon made a motion to endorse the concept of Master Leasing and make sure it goes to the BOCC. Allison Mahaley seconded the motion, approved unanimously.

Ms. Jacobs inquired if this will change the total vouchers on the street. Sherrill Hampton stated that it will not change the allocation of vouchers. The Board discussed the Master Lease after the guest speakers left. They Board, even after voting to support the concept, has some concerns regarding the Master Leasing proposal.

Doug Boemeker asked about the value and if they are doing something novel. Mr. Cook stated that other communities have done this. Ms. Hampton stated that there is much to be worked out.

Ms. Mahaley asked if the second landlord information session been scheduled. Ms. Hampton stated it will be late April or early May. The resident meeting will be March 14 & 15 on housekeeping, budgeting and saving.

Mr. Cook would like to add Update from Board Members to the Agenda.

Departmental/County Report

Ms. Hampton gave update on the Mobile Home Initiative. The Town of Chapel Hill is leading the effort as it relates to the Lakeview Mobile Home Park. There have been two resident engagement meetings with Lakeview Mobile Home Park residents. Some of the residents want homeownership opportunities as a part of the available options. Chapel Hill Planning Department is reviewing public owned properties as sites for possible solutions. Ms. McLendon inquired if any of the people have applied for Habitat houses. Ms. Hampton was not sure if Habitat had been contacted. Lakeview Mobile Home Park has a mixed group of residents with varying incomes. The second mobile home park to be closed is Homestead and the County is taking the lead for displacement mitigation activities. There are nine (9) mobile home spots at

Homestead, seven (7) were occupied; two (2) families are afraid to talk and have already moved given the upcoming closure. Individuals from two (2) other families work for or have some affiliation with the park owner and also will not speak with County representatives. Three (3) families have expressed that they want assistance. The park owner has been asked for an extension until June 30, 2018. County staff, working with community partners, has identified some available units. These vacancies are in Chapel Hill. The families requesting assistance will be presented with these unit options.

Sara Nott, County Intern, and her colleagues at UNC Master's Program did a phone-a-thon and took the list of the 100 mobile home parks. Ms. Nott stated they reached out to 79 out of the 100 mobile home parks. They only found 16 phone numbers. Some of the numbers were out of operation. They left 8 voicemails and spoke with 2 people. Ms. Hampton stated that they have tentatively scheduled a meeting for early April for mobile home owners. The meeting will help get information on what it takes to live in their park, what they have available, requirements, the age of the units they will take and the cost. Also, share with them the recommendation the BOCC approved for low interest loans available if they would like to enhance their parks.

There is concern about where the families will be relocated. Some of the children don't want to switch schools. If they move and are not in the same school district, they will have to get a waiver to attend their original schools; possibly pay tuition and transportation would need to be provided.

Renee Holmes shared information on the 2018 Annual Action Plan for the Orange County Home Consortium. The meeting will be April 3, 2018 at 7:00 p.m. at the Whitted Building in Hillsborough. The purpose of the meeting is to present the proposed Orange County Home Consortium's 2018 Annual Action Plan for the use of HOME Investment Partnership funds. The Plan has to be updated every year and public comments are welcomed. The HOME Consortium has made recommendations for funding. May 1, 2018 the BOCC will vote to accept the Annual Action Plan update and recommended use of FY 2018-2019 funds.

Other Housing Program Activities

Ms. Hampton shared that each year the County funds outside agencies external to County departments. There were four (4) applications that were submitted as it relates to housing. Community Home Trust, Empowerment, Habitat and Centre for Homeownership applied. The Board agreed to meet as a group to review, score and provide feedback on the applications. They will meet on Tuesday, March 27, 2018.

Request for a 2018 Affordable Housing Tour

Ms. Hampton shared that the Orange County Affordable Housing Coalition formed a committee to talk about the upcoming tour they are trying to develop. Ms. Hampton will keep the Board updated as the plans are made.

Updates from Board Members

No updates. Ms. Jacobs asked about Spring Break activities. Ms. Hampton stated that the Housing Authority is partnering with Camp New Hope, March 27, 28 and 29 for Section 8 youth, kindergarten to fifth grade. The Authority partnered with the County's Park and Recreation Department to provide camps during the week of April 2-6 for youth in Housing Choice Voucher households in the Orange County School District. The next resident meeting will be March 14, 2018 in Chapel Hill with OWASA on the agenda. On March 15, 2018 there will be a resident meeting in Hillsborough and Centre for Homeownership will be on the agenda.

Other Business

There was no other business.

Adjournment

There being no further business, the meeting was adjourned at 7:46 p.m.

Respectfully Submitted:

Angela Rockett, Administrative Assistant, Housing and Community Development