

**Consolidated
Housing and Community
Development Plan
FY2005 – FY2009**

**Town of Cary
North Carolina**

Adopted April 29, 2004

CREDITS

Consolidated Housing and Community Development Plan

Adopted by Town Council April 29, 2004

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EXECUTIVE SUMMARY

Cary, North Carolina, a town of over 100,000 people is a prosperous community. Thanks to its proximity to the thousands of high tech jobs in Research Triangle Park it enjoys robust growth, high wages, strong tax base, low crime and low poverty. It was recently named by *Money* magazine as the best place to live on the east coast. Despite this prosperity Cary faces a growing number of community development issues. The primary focus of this plan is the need, increasingly evident everyday, for more affordable housing. Cary has the highest housing costs in the Triangle area. Seventeen percent (17%) of Cary residents do not earn enough to afford the median priced apartment and one-half of its citizens cannot afford the median priced home. One might expect that housing affordability would be a problem for persons in low wage service jobs but it is becoming difficult for persons in professional occupations, such as teachers and firefighters, to afford housing in Cary as well. Without accommodating persons of all income and occupations, Cary faces having to import its lower wage labor force from surrounding areas, increasing traffic and other problems that will eventually denigrate its high quality of life.

Providing affordable housing faces many obstacles. High land and construction costs favor the production of higher-priced market-rate housing rather than affordable housing. Public opposition to many types of affordable housing, especially multi-family developments, discourages private sector developers from producing affordable housing.

The Town of Cary has made important progress in revising its Land Development Ordinance to make building affordable housing easier and has also reduced development fees by 30%. Leadership and creativity in land use planning, permitting processes, and infrastructure development will continue to be key factors for increasing affordable housing in Cary.

In 2002, the median home sales price in Cary was \$225,750 (new and resale) and rent for a two bedroom apartment was \$860 per month. Rents and home prices are increasing significantly faster than incomes thereby worsening the affordability problem. While homeownership rates in Cary, at 73%, remain higher than in surrounding Wake County (66%), minority homebuying continues to be only a fraction of what it should be, based on percentage of population. Partnerships with non-profits such as Habitat for Humanity, helps low-mod wage earners buy homes through attractive financial subsidies.

The number of senior citizens in Cary have increased more than six-fold since 1980 but still represent only 5.4% of the population. While many are relatively well-housed today, expected increases in elder households will require additional housing opportunities and services. A number of senior housing units are in planning or construction to help address this need.

Homelessness and other special needs housing require a region wide approach. Because most homeless and persons with special needs live in Raleigh where services are more readily available, the Town of Cary will work with neighboring jurisdictions to best address these needs. Of high importance to the Town is the restoration of the Emergency Shelter Grant

to Wake County, which was lost when Cary became a CDBG entitlement community. Likewise, the Town of Cary has no public housing resources. It will work with the housing authorities in the City of Raleigh and Wake County to improve acceptance of the Section 8 voucher program.

Lead-based paint poses significant health risks to young children who ingest dust from deteriorating paint. While due to Cary's recent and rapid growth, most Cary homes were constructed after the ban on lead based paint, this problem still represents one of the most serious environmental threats to children's health in the area. Public education, dedicated funding, and certified risk assessors and contractors are all lacking. Cary will work with Wake County on identifying those children most at risk and will perform remediation as required when performing housing rehabilitations with CDBG funds.

An Analysis of Impediments to Fair Housing performed in connection with this Consolidated Plan identified barriers faced by minorities, disabled people and families with children seeking housing in the Cary community. An implementation plan has been proposed to address these issues.

Finally, the Town of Cary has looked at non-housing community development issues – a large area within which the CDBG funds available to the Town must be carefully allocated. Of particular importance are economic development programs which support self-sufficiency for low income families and public facilities and infrastructure projects of significant need. The Town Center Area has been selected for concentration of resources because it encompasses a large percentage of Cary's low and moderate income population and offers significant opportunities for economic development.

TOWN OF CARY CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN 2004-2009

INTRODUCTION

A. Profile of Cary

The Town of Cary, in 2004, is a rapidly growing community of more than 100,000 citizens. Its proximity to North Carolina's famed Research Triangle Park (RTP) has contributed to its growth, as Cary has become the residential community of choice for many of RTP's hi-tech business leaders and employees. As a result Cary enjoys a relatively high degree of prosperity among the communities of the Raleigh-Durham-Chapel Hill Metropolitan Statistical Area (MSA). However this growth and prosperity is not without its costs. The Town of Cary's Growth Management Task Force issued a report in May, 1998 that recognized that the escalating price of housing was "excluding many people from living within the city limits of Cary...including Town staff, policemen, teachers, retail clerks and service people."

The 2000 Census revealed important information about Cary's population. In addition to experiencing more than a 100% increase in population between 1990 and 2000, the Town is becoming more diverse in terms of racial composition. African American and other ethnic minorities increased from 9.9% in 1990 to 17.8% in 2000. Asian households represent the largest minority group at 8% with African American households at 6%. Unlike many communities, minority households are not especially concentrated within any one area of the community, but generally fall within $\pm 4\%$ at the census tract level of their representation in the community as a whole.

At \$69,800 in 2004, the Raleigh-Durham-Chapel Hill MSA enjoys the highest median family income of any area in North Carolina. Along with this high median income, the MSA is also among the nation's lowest in terms of poverty rates. Cary's own poverty rate in 2000 was just over 3% of all families. Despite these numbers, over 20% of Cary's residents meet the HUD definition of low and moderate income. Low and moderate income residents are generally concentrated in the four census tracts surrounding Cary's Town Center area. Nearly half (42%) of all low and moderate income families were single family head of household families. The age distribution of Cary citizens in 2000 was 5.4% ages 65 and older; 24.1% ages 14 and younger; 10.8% ages 15-24; and 59.7% ages 25-64 years.

B. The Town of Cary's Vision, Mission and Goals

The vision for the Town of Cary in the years ahead is that of a city which seizes unique opportunities and shapes itself to meet the needs of the next generation. It is a vision that works to create a more humane, safe and enjoyable place to live, work and raise children. It is a vision that raises the quality and productivity of the lives of all its citizens. Finally it is a vision of communities which include diversity in age, race and economic status, in which people can remain throughout their lives, because these communities are flexible enough to meet the changing needs of their residents.

A significant aspect of the Town's vision is to assure that Cary is livable for all of its citizens. It may be said that the Town is succeeding in its vision as Cary was recently named by *Money* magazine (December, 2003), as the most livable city over 100,000 population in the East. Among the Town's most valuable assets in obtaining this high quality of life are the Town's neighborhoods. The town is committed to protecting, maintaining and enhancing the quality of its neighborhoods, to preserving and increasing decent, secure and affordable housing for all citizens, and to increasing job opportunities and improving education. As evidence of this commitment, the Town Council on May 11, 1998, adopted an Affordable Housing Plan containing the following goals for increasing affordable housing for its citizens:

- Promote social-economic diversity within our citizens.
- Provide a ready inventory of employees for local employers.
- Promote racial and ethnic diversity within our citizens.
- Provide different economic levels of housing within our community.
- Increase longevity of employment by enabling employees to live closer to work.
- Ensure there are viable housing alternatives for Town employees within the town limits.

On May 8, 2003, the Town Council again demonstrated its commitment to affordable housing by voting unanimously to seek designation as a Community Development Block Grant (CDBG) entitlement community beginning July 1, 2004. This Consolidated Plan is a result of that effort.

C. Overview of the Consolidated Planning Process and Citizen Participation

The Consolidated Plan is envisioned by HUD to be an inclusive process by which citizens are involved along with the Town in reviewing the Town's community development needs and developing appropriate strategies for addressing those needs.

As a newly designated CDBG entitlement community the Town of Cary recognized the need to begin its citizens' participation process early. Through its planning programs, the Town is experienced in soliciting citizen input. Citizen input is regularly sought in the development of various area plans and specific issue plans such as recreation and water reclamation. Taking advantage of this experience, the Cary Department of Planning was designated as the

lead agency for the consolidated planning effort. Planning staff developed a Citizen Participation plan in October, 2003 to solicit input on community development needs for the Consolidated Plan. After a public comment period the plan was adopted by the Town Council on December 11 and City staff began the process of notifying affected City Departments, non-profit agencies and citizens. Notification was in the form of direct mail, telephone calls and newspaper advertisements in the *Cary News*. On January 5 and 6, 2004 neighborhood meetings were held at Kirk of Kildare Church and the Herb Young Community Center to solicit input on community development needs, issues, proposed projects and possible strategies for action. This was followed by an advertised public hearing at Cary Town Hall on January 21, 2004 attended by many of the non-profit organizations serving Cary.

With the input received from the public meetings, Cary planning staff pulled together the draft of the Consolidated Plan and made it available to the public on March 29, 2004 thereby starting an official 30-day comment period. The availability of the draft plan was advertised in the *Cary News* and via the Town of Cary website. The Draft Plan was also presented at advertised open house meeting on April 13, 2004. Utilizing the input received from the open house meeting and from public comments, staff prepared a final draft that was presented at an additional public hearing to the Cary Town Council on April 29, 2004. This public hearing was again advertised in the *Cary News* and Town website.

Housing Needs Assessment and Market Analysis

A. Overview

An assessment of the housing needs of Cary must necessarily focus on the issue of affordable housing particularly for low and moderate income persons. As Cary has the highest median price of homes in the Triangle area, many low and moderate income persons are unable to purchase or rent homes in the Cary community.

Affordable housing is a commonly-used term that must be defined on the basis of “affordable to whom”. As adopted by the Town of Cary Affordable Housing Plan and for the purposes of this Consolidated Plan, the term will mean “housing which a person or family at 80% of median income could occupy without spending more than 30% of their gross income on housing costs.” Median income is determined by the U.S. Department of Housing and Urban Development for the Raleigh-Durham-Chapel Hill Metropolitan Statistical Area. For renters, housing costs consist of rent plus utilities and for owners, mortgage principal and interest payments plus property taxes, insurance and utilities. Because very low income persons are often limited to renting housing, many federal assistance programs, such as the Low Income Housing Tax Credit program are targeted to families below 60% of median income. The following table shows the median household income and maximum housing prices and rents for Cary residents.

TABLE ONE: Household Incomes Limits and Maximum Affordable Housing Costs FY 2004

Family Size (persons)	HUD Household Income Limits 80%	Maximum House Price Affordable at 80% of Median	HUD Household Income Limits 60%	Maximum Monthly Rent Affordable at 60% of Median
1	\$39,950	\$130,800	\$24,950	\$524
2	\$45,650	\$152,200	\$28,500	\$612
3	\$51,350	\$169,000	\$32,100	\$677
4	\$57,050	\$190,400	\$35,650	\$766
5	\$61,600	\$202,900	\$38,500	\$812
6	\$66,150	\$219,900	\$41,350	\$883

B. Housing Stock

The Town of Cary has changed dramatically in the last generation. The population increased over twenty-five fold since 1960 and the number of occupied housing units increased over thirty-five fold. Table Two below shows the Town's population and housing stock growth since 1960. Every decennial census revealed population growth rates of 102 to 193 percent per decade and housing growth rates ranging from 109 to nearly 250 percent per decade. As the growth rate for homes surpassed the growth rate of people, the average number of people per housing unit declined from 3.6 to 2.7. This followed a national trend of increasing housing "consumption," or smaller household size relative to the size of the house. Between 1990 and 2000 this trend reversed and the number of persons per household increased as the rate of population growth began to exceed the rate of household growth. Rental units consistently contained fewer people per unit than occupant owned units.

TABLE TWO: Housing and Population

	1960	1970	1980	1990	2000
Population	3,356	7,430	21,763	43,858	94,536
Persons per Occupied Housing Unit	3.60	3.48	2.90	2.59	2.69
Number of Occupied Housing Units	944	2,134	7,515	16,908	34,906
Total Number of Housing Units	1,041	2,272	7,948	18,008	36,863
Percent (%) Occupancy Rate	90.7	93.9	94.6	93.9	94.7
Percent (%) Population Growth since previous Census	N.A.	121.4	192.9	101.5	115.6
Percent (%) Housing Growth since previous Census	N.A.	118.3	249.8	126.6	104.7

Sources: U.S. Censuses: 1960, 1970, 1980, 1990, & 2000

The prevalence of single-family detached houses is evident in the development patterns of the State of North Carolina and the Town of Cary. In 2003, 63.4 percent of Cary's housing stock was in the single-family detached category (in 1990, it was 59 percent). The stock of single family detached houses has grown by 5,364 units, or 143.6 percent since 1990. In comparison, the Town added a total of 7,892 units of other housing types (townhouses, condominiums, apartments, duplexes, and triplexes), a growth rate of 116.5 percent. The number of mobile homes decreased by 78 units, or 14.6 percent. This information is summarized in Table Three.

TABLE THREE: Town of Cary Housing Units by Type: 1990 - 2003 Comparisons

Type Unit	1990 Census		2000 Census		2003 Estimate		1990-2003 Growth Rate
	Number	Percent	Number	Percent	Number	Percent	
1 unit, detached	10,697	59.4%	24,306	66.0%	26,061	63.4%	143.6%
1 unit, attached	1,988	11.0%	3,115	8.5%	3,482	8.4%	75.2%
2+ units	4,788	26.6%	8,858	24.0%	11,186	27.2%	133.6%
Mobile Home	535	3.0%	571	1.5%	457	1.0%	-14.6%
TOTAL	18,008		36,850		41,056		128.0%

Source: 1990, 2000 Census, Town Planning Dept.

C. Substandard Housing Conditions

Lack of complete plumbing and kitchen facilities are one measure of substandard housing conditions. Only a small portion of the Town's dwelling units are classified as substandard under this definition. For example, 0.2 percent of all occupied housing units, or fifty-nine in number, lack complete plumbing, and only 0.3 percent, or 112 in number, are without complete kitchen facilities. Table Four is a 1990 - 2000 comparison of the condition of housing units within the Town of Cary. The number of homes lacking complete plumbing or kitchen facilities in Cary increased between 1990 and 2000 as a result of land annexations in the 1990s. Over thirteen square miles of surrounding land became part of the Town of Cary in the 1990s and this land contained 176 units of pre-1940 housing which were added to the Town's existing stock.

TABLE FOUR: Town of Cary Substandard Housing Units: 1990 - 2000 Comparisons

Housing Amenities	1990 Census	2000 Census	1990-2000 Growth Rate
Lacking complete plumbing	13	59	354%
Lacking complete kitchen	27	112	315%

Source: 1990, 2000 U.S. Census

Exterior housing conditions are also indicators of measures of substandard conditions and the overall rehabilitation needs of a community. In order to assess these needs, staff inventoried 556 residential buildings (635 units) within and around the designated town

center area. The town center area contains some of the town’s oldest housing and is also where the greatest concentrations of low and moderate income families reside. Each of the 556 buildings inventoried was built before 1983, making them at least twenty years old at the time of the inventory. Additionally the homes chosen were not slated for redevelopment. Staff utilized an exterior checklist for each building that took into account nine (9) components of an exterior structure (site; foundation; stairs, rails, porch; exterior doors and storm doors; windows and screens; exterior walls; siding, boxing and trim; roof and chimney; drainage). Each component was assigned a rank of adequate, needs minor repairs, or needs major repairs.

The results indicate that 20% (113) of the homes have at least two major rehabilitation needs. Additionally, 107 units (19%) are in need of a roof replacement. Of the homes requiring this improvement, 94 units need at least one other major or minor rehabilitation. The table below summarizes the general economic and physical characteristics of the inventoried homes.

TABLE FIVE: Economic and Physical Characteristics of Homes in Exterior Survey

Average Land and Building Value	\$110,955
Avg. Land Value	\$39,597
Avg. Building Value	\$71,557
Avg. Sq. Ft. (per unit)	1,276
Percent Renter Occupied	32%
Housing Units needing Major Repair, Including Roof (220 units)	49%
Units in need of Minor Repair (94 units)	17%

D. Overcrowding

Another indicator of housing need is overcrowded living conditions. The Department of Housing and Urban Development defines overcrowding as a housing unit that has more than 1.01 persons per room, and severe overcrowding as more than 1.51 persons per room. With affordable housing becoming scarcer, many households are faced with the option of either moving to more affordable and significantly less accessible areas or to move in with family or friends to share the rising cost of housing, often resulting in overcrowding. According to the 2000 Census the number of tenant households in overcrowded living conditions in the Town of Cary has increased by 575% from 93 households in 1990 to 628 in 2000.

E. Lead Based Paint Hazards

Lead poisoning from lead based paint is a leading environmental disease among young children in the United States. Elevated blood lead levels in young children is known to cause permanent damage to the brain and nervous system, leading to lack of concentration, learning disabilities or even death. Although paint containing lead was banned in 1978,

homes built before that date may contain lead based paint. It was particularly common in homes built before 1950. Most commonly found on siding, trim, doors, windows, stairs, kitchen and bathrooms; peeling or flaking paint or friction of use on these structural elements pose serious health risks. Rehabilitation or redecorating activities can disperse large quantities of lead dust in the air if not carried out with proper precautions.

Fortunately, due to the recent, rapid growth of Cary, much of its housing was built after the ban on lead based paint in 1978. As Table Six shows, 79% of Cary's housing stock was constructed in the 1980's and 1990's. Only 2.8% of the housing stock was constructed pre-1950, the era of greatest concern.

TABLE SIX: Age of Cary Housing Stock: 1990-2000 Comparisons

Housing Amenities	1990 Census		2000 Census	
	Number	Percent	Number	Percent
Built in the: 1990s	N.A.	N.A.	19,950	54.1%
1980s	10,258	60.0%	9,159	24.8%
1970s	5,318	29.5%	5,095	13.8%
1960s	1,473	8.2%	1,640	4.45%
1940s/1950s	851	4.7%	722	2.0%
Pre-1940	108	0.6%	284	0.8%
TOTALS	18,008		36,850	

Source: 1990, 2000 Census

Lead based paint does remain a concern in the older areas of the community, particularly in the neighborhoods surrounding the Town Center. These neighborhoods also correspond to areas with concentrations of low and moderate income families. Cary's annexation efforts may also bring in additional older housing with lead based hazard as evidenced by the increase in pre-1940's housing between 1990 and 2000 above.

F. Occupancy, Tenure, Sale Prices, and Rents

Table Seven shows occupancy, tenure (ownership or rental status), real median sales price, and real median rents over the last forty years. The Town of Cary, despite significant fluctuations, has been and continues to be ahead of the national average in percentage of its housing units owned rather than rented. The 2000 Census reveals that nearly 73 percent of Cary's homes were owned by their occupants. This high level of home ownership is different than Wake County as a whole which has a 66 percent owner occupancy rate and exceeds the national home ownership rate of 65 percent. Both the Town and the County experienced a five percent increase in home ownership between 1990 and 2000.

When comparing housing values in real terms, it becomes apparent that housing values were consistent with the general inflation rate until the 1990s. In the decade between 1990 and 2000, housing values increased at a rate that was almost 40 percent higher than the rate of inflation. Median monthly mortgages rose at a much higher rate than inflation between 1990 and 2000.

Article I. TABLE SEVEN: Housing Units in Cary: Tenure, Prices, Owner & Renter Facts

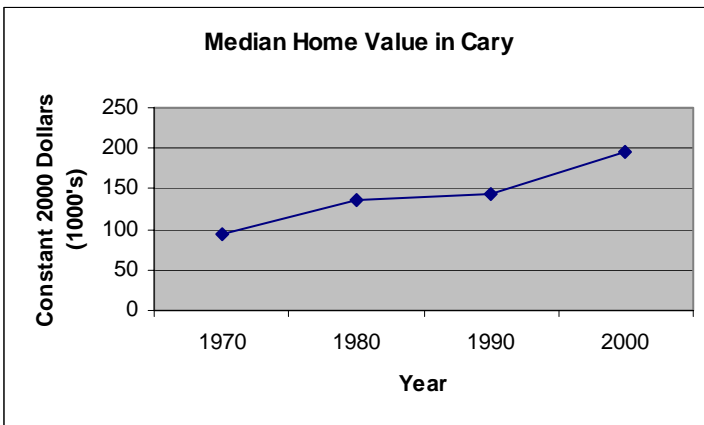
	1960	1970	1980	1990	2000
Owner-Occupied Units	759	1,562	5,571	11,392	25,416
Percent of Total Occupied Housing Units	80.4	73.2	75.7	67.4	72.8
Median Monthly Mortgage: Real 2000 Dollars (% change)	N.A.	N.A.	\$975	\$1,302 (33.5)	\$1,493 (14.7)
Median Value: Real 2000 Dollars(percent change)	N.A.	\$130,400	\$137,100 (5.1)	\$143,350 (4.6)	\$196,700 (37.2)
Renter-Occupied Units	185	572	1,930	5,516	9,490
Percent of Total Occupied Housing Units	19.6	26.8	24.3	32.6	27.2
Median Monthly Rent: Real 2000 Dollars (% change)	N.A.	\$590	\$606 (2.7)	\$590 (-2.6)	\$826 (40)

Source: 2000 U.S. Census

Note: Real Dollars refers to the value of money after controlling for inflation

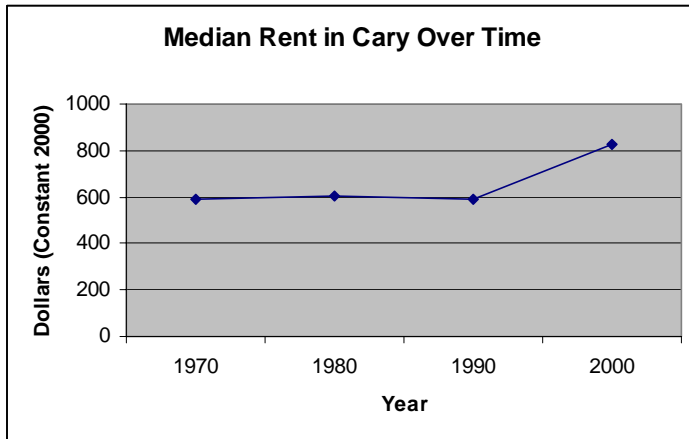
Figure One below shows the fairly modest trend in median housing values from 1970 to 1990. The value of owner-occupied houses in Cary rose 4.6 percent in the 1970s and by 5.1 percent in the 1980s. Then home values accelerated. In the 1990s, median home values increased by 37 percent with housing development and investment in homes fueled by a stable, expanding economy and a favorable domestic and international business climate.

FIGURE ONE



As seen in Figure Two, rents appear to have stayed virtually unchanged in real terms between 1970 and 1990: declining in the 1980s by the same amount as they increased in the 1970s. In the 1990s, rent prices increased at a slightly higher rate than home values, escalating by 40 percent.

FIGURE TWO



G. Recent Sales and Rent Data

The last full year for which detailed sales data are available, 2002, reveals that among all units sold (all types, existing and new), the median sales price in Cary was \$200,000 (Wake County: \$165,500), which was about five percent **lower** than the 2001 median sale price of \$210,000. Breaking down the 2002 sales data further reveals the following median prices in Cary by type of unit:

TABLE EIGHT: 2002 Median Residential Sales Prices in the Town of Cary by Unit Type

	New	Resale	Total (new & resale)
Single-family detached	\$320,750	\$219,000	\$225,750
Townhouses	\$171,500	\$120,000	\$121,000
Condos	N/A	\$104,000	\$104,000
All Units—Cary	\$311,250	\$195,500	\$200,000
All Units—Wake Co.	\$169,500	\$167,500	\$166,500
SF Units—USA	\$187,100	\$158,300	N/A

Source: Wake County Revenue Department and National Association of Home Builders

In 2002 the median single-family house sales price (new + resale) in Cary was \$225,750. Of the 2,327 home transactions in Cary during 2002, 1,927 of them, or 83 percent, involved single-family, detached units.

FIGURE THREE: 2002 House Sales by Type and Price Range: Town of Cary

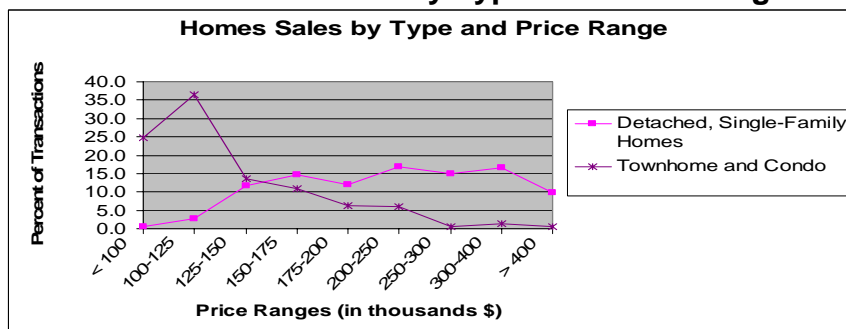


Table Nine below provides a distribution of 2003 Cary home sales by type and price range. Most sales occurred in the \$100,001 - \$200,000 range at 43.9 percent of the total sales, which represents the upper limits of affordability for Cary's low and moderate income families. Only 5.5 percent of all sales in 2003 were in the truly affordable price range of \$100,000 or less while 28.9 percent were in the "buy-up" range of \$200,001 - \$300,000. Over one-fifth of home sales exceeded \$300,000.

TABLE NINE: 2003 Price Range of Home Sales

Price Range	New Homes Sales		Existing Home Sales		TOTAL SALES	
	Number	Sales	Number	Sales	Number	Percentage
\$0-\$100K	5	\$251,000	139	\$11,556,500	144	5.5%
\$100,001-\$200,000	57	\$9,751,000	1,096	\$167,724,000	1,153	43.9%
\$200,001-\$300,000	88	\$22,557,500	670	\$165,599,000	758	28.9%
\$300,000+	127	\$51,444,500	443	\$178,788,000	570	21.7%
TOTAL	277	\$84,004,000	2,348	\$523,667,500	2,625	

In terms of rental housing, the Town of Cary is often identified by marketing companies as among the fastest growing apartment sub-markets in the Triangle. Over the last two years demand for rental units has declined as the economy has weakened while the supply of apartments has climbed.

In June 2003, by Town staff count, there were 9,266 apartments in forty-eight apartment communities and plans for three more communities providing 172 additional apartments (all seniors-only).

Apartments are pricier in Cary than in Wake County as a whole. In March 2002, Karnes Research Company showed that the average rent charged for a two-bedroom apartment in Cary was 8.6 percent higher than the average rent for a two-bedroom apartment county-wide for only 2.6 percent more living space. A May 12, 2003 article in the Raleigh News and Observer (citing Triangle Apartment Association data) showed that the average rent in Cary-Morrisville-Apex was \$801—a 5 percent **decline** from \$843 in March 2002.

TABLE TEN: 2002 Average Apartment Rents and Square Footage in the Cary/Apex/Morrisville Market, Wake County, and Triangle by Number of Bedrooms

Type of Unit	i. Average Asking Rent			ii. Average Square Feet		
	Cary	Wake County	Triangle	Cary	Wake County	Triangle
One bedroom	\$721	\$ 674	\$ 677	771	751	741
Two bedroom	\$860	\$ 792	\$ 799	1,061	1,034	1,027
Three bedroom	\$1,113	\$1,006	\$1,013	1,366	1,324	1,311
Total (all units)	\$843	\$ 767	\$ 771	995	951	941

Source: Triangle Apartment Association and Karnes Research Company

According to data reported in the March 2002 issue of Triangle Apartment Market Report, staff derived that the apartment vacancy rate for the Town of Cary was 16.9 percent (it was 6.78 percent in March 2001). This rate is two and a half percentage points above the rate for the larger Cary/Morrisville/ Apex market and nearly four points higher than Wake County (13.1 percent) and the Triangle (13.0 percent) as a whole. An apartment vacancy rate of around 7 percent is considered to be “normal” in the Triangle area.

H. Housing Construction Activity

The following table displays the various types of residential structures for which developers were seeking final approval through Certificates of Occupancy (C.O.’s) issued by the Town that allow the builder to sell or rent the unit at the completion of construction. These residential units are subdivided into the following categories: detached, single-family houses, townhouses, multi-family (apartments and condominiums), and mobile homes.

b. TABLE ELEVEN: Certificates of Occupancy Issued in Cary by Type of Unit, 1992-2002

Housing Type	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
SF – Detached	1938	1927	1440	1311	1368	1239	1112	802	736	507	265
SF – Townhouse	83	73	92	174	138	187	136	93	66	111	58
Multi Family	124	1401	1136	465	28	648	777	254	1014	360	196
Mobile Home	38	102	90	67	58	55	50	36	16	10	0
Total Units	2183	3503	2758	2017	1592	2129	2075	1185	1832	988	519

Source: Town of Cary Inspections and Permits Department

The number of Certificates of Occupancy issued in Cary in 2003 was 519. This was the lowest number in over ten years, declining over 47 percent from 2001. This was due mainly to a large existing stock of homes and multi-family units and North Carolina’s poor economy in recent years resulting in weak consumer demand.

Detached, single-family homes have consistently accounted for a majority of all Certificates of Occupancy issued each year: from a high of 89 percent in 1993 to a low of 40 percent in 2001. In 2003, fifty one percent of all new certificates of occupancy were issued for detached, single-family homes. Multi-family Certificates of Occupancy have fluctuated greatly over the last decade. Multi-family units represented about 40% in 2003, and have represented an increasing portion of the housing stock in recent years. The number of mobile homes being issued Certificates of Occupancy is steadily declining over time and represents an insignificant portion of Cary’s housing stock. Townhomes were issued over 11 percent of total Certificate of Occupancy permits in 2003.

I. Public and Assisted Housing

For most communities, publicly subsidized housing is the lowest cost housing available to low and moderate income persons. For many families earning below 30% of median income it often is the *only* source of decent, affordable housing. This type of housing usually consists of three types:

- Public Housing – affordable housing developments owned and operated by a public housing authority.
- Project Based Section 8 – rental apartments developed using federal subsidies, which are reserved for low-income persons. Operating under a contract with HUD, federal funds are used to pay the difference between what the tenants can afford and the rent approved for the unit.
- Tenant Based Section 8 – a program whereby tenants are issued a voucher that is used to rent a private sector apartment anywhere in the area with federal funds making up the difference between what the tenant can afford and the “fair market rent” established for the area.

The Town of Cary does not presently have its own housing authority but is served by the Wake County Housing Authority (WCHA). WCHA owns and operates 343 public housing units within Wake County but none are located within the town limits of Cary. It administers 175 Section 8 vouchers. The Raleigh Housing Authority administers 2000 Section 8 vouchers that may be used anywhere within Wake County. The North Carolina Housing Finance Agency administers project-based Section 8 programs at two apartment complexes – Wrennwood and Cary Central (elderly).

J. Indicators of Minority Housing Needs

According to the 2000 Census, minorities comprise 17.8% of Cary’s population, with persons of Asian origin representing the largest minority at 8.1% and African Americans representing 6.1%. Persons of Hispanic or Latino origin comprised 4.3% of Cary’s population.

Unlike many communities, Cary’s minority populations are spread relatively evenly among all residential areas. However, for the purposes of this analysis it is useful to identify areas of minority concentration based on census tract boundaries. Census tracts with at least twenty percent (20%) minority population were designated as areas of minority concentration.



Town of Cary
Areas of Minority Concentration
2000 Census

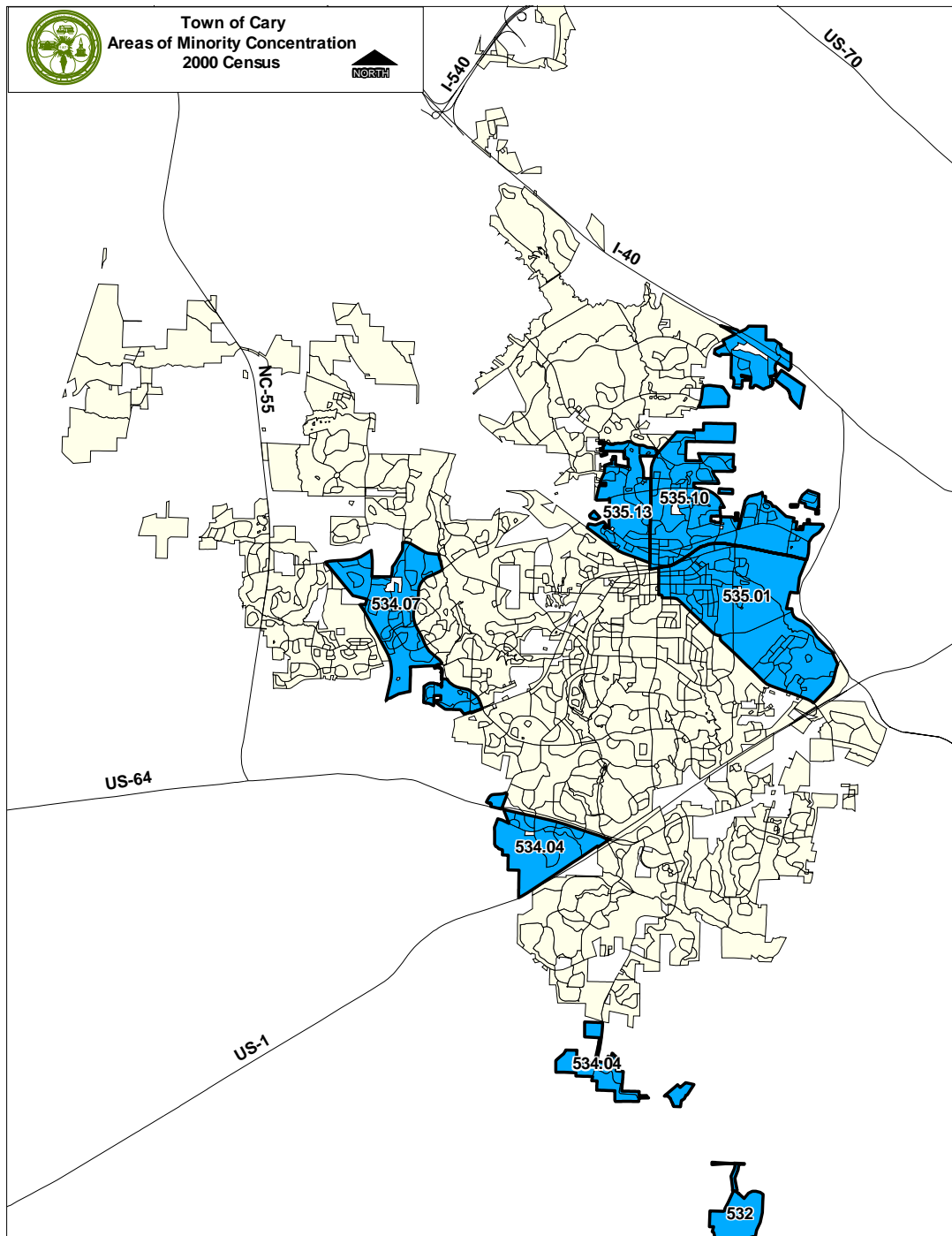


TABLE TWELVE: High Minority Census Tracts, Cary, NC, 2000

Census Tract	% African-Amer.	% Asian	% Other	TOTAL
532	17.8	0.9	1.7	20.4
534.04	15.1	2.7	2.3	20.1
534.07	5.4	15.8	0.7	21.9
535.01	12.3	6.9	7.8	27.0
535.10	10.7	12.7	2.2	25.6
535.13	14.5	9.5	2.8	26.8

Source: 2000 Census

There is often a correlation between high minority concentration and indicators of existing or potential housing problems. In the identified high minority tracts, housing is generally older and often overcrowded, ownership rates are lower, and cost burdens are higher than in the community as a whole.

Comparing the proportion of minority homebuyers in a given year to minority population is another indicator of minority housing need. The Home Mortgage Disclosure Act (HMDA) requires financial institution to maintain comprehensive data on mortgage lending.

TABLE THIRTEEN: Home Purchase Mortgages by Race in Raleigh-Durham-Chapel Hill MSA, 2002

Borrower Race/Ethnicity	Number of Loans Approved	No. of Loans as % of Total	Population in MSA	Percent of Total Population
Native American	93	0.34%	3,784	0.32%
Asian	1015	3.70%	34,112	2.87%
African-American	4215	15.37%	267,789	22.54%
Hispanic	885	3.23%	72,580	6.11%
Other/Mixed	901	3.29%	15,932	1.32%
Total – All Minorities	7109	25.93%	394,197	33.18%
White	20306	74.07%	793,714	66.81%
Total for MSA	27415		1,187,941	

Source: Home Mortgage Disclosure Act, 2002; US Census, 2000

In the Raleigh-Durham-Chapel Hill MSA, African Americans and Hispanic families are receiving a proportion of mortgage loans much less than what their population would indicate (15.37% of loans, 22.54% of population and 3.23% of loans, 6.11% of population respectively). Native Americans are receiving loans in proportion to their number in the MSA while Asian and other minorities are receiving loans in greater proportion to their population.

It is not valid to assume that financial institutions alone are responsible for these disparities. Many factors influence rates of homeownership and are discussed in more detail in the barriers to affordable housing section below.

K. Concentrations of Low and Moderate Income Households

Areas of concentration of low and moderate income households is defined as those census tract block groups in which 51% or more of the residents earn less than 80% of the median income. The basis for determining these areas is the 2000 Census. CDBG-funded activities taking place in these areas may be eligible as area-benefit or direct-benefit, depending upon the nature of the project. Area-benefit activities are those that benefit all residents in a neighborhood, i.e. a park or community center. Direct-benefit activities are those that directly benefit a specific household or group of households. Examples would include the rehabilitation of a family's home or the construction of a sidewalk to be used by the persons located on the street on which the sidewalk is built. CDBG-funded activities located outside of a low and moderate neighborhood generally must have direct-benefit in order to be eligible for funding.

TABLE THIRTEEN: Low and Moderate Income Persons in Cary, 2000; Census Tract Block Group Ranked by Greatest Concentration

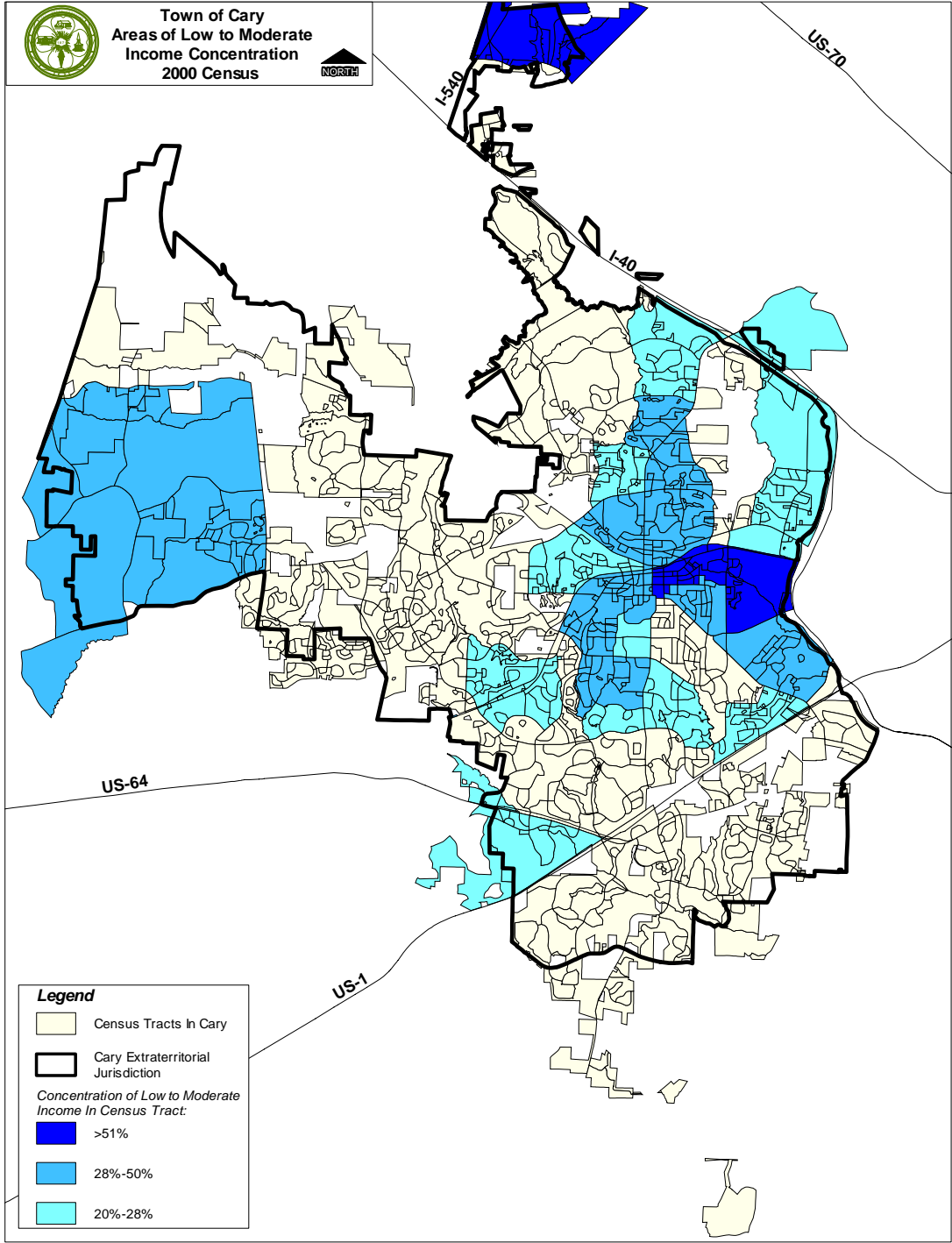
Block Group	Total Pop	Low/Mod Pop	% Low/Mod Pop	Block Group	Total Pop	Low/Mod Pop	% Low/Mod Pop
0535.01-4	1697	1180	70%	0535.10-2	1947	784	40%
0535.01-1	600	416	69%	0535.10-1	3279	1141	35%
0536.00-3	12	8	67%	0535.13-2	1688	577	34%
0535.01-2	759	495	65%	0535.07-1	740	217	29%
0535.07-4	1015	512	50%	0535.07-3	559	159	28%
0534.03-3	153	75	49%	0535.01-3	991	277	28%
0534.04-1	2492	1181	47%	0535.12-3	1340	374	28%
0535.08-2	3417	1609	47%	0534.03-2	3177	879	28%
0535.01-5	3393	1448	43%				

L. Homelessness in Cary

Confronting homeless needs for the Town of Cary will likely require a regional approach and perspective. Many homeless tend to congregate in center city areas where social and transportation services are more readily available. As such, most of the homeless population and homeless services are located in Raleigh. The Wake County Consolidated Plan lists forty-five (45) entities that provide homeless-related services, such as food, clothing, financial aid, and employment assistance. One such entity, located in Cary, operates seven units of transitional housing. This agency, The Caring Place, Inc. make these units available for four-month periods free of charge to the clients, who also receive budgeting and life-skills counseling. The Caring Place has served an average of fifty (50) persons per year since it began operations in 1993, mostly involving female-headed households. Christian Community in Action (CCA) is another nonprofit organization based in Cary that provides aid to the homeless through emergency housing assistance.



Town of Cary
Areas of Low to Moderate
Income Concentration
2000 Census



Determining the extent of homelessness in a community is a difficult proposition. The number of homeless varies widely on any given day and many homeless persons deliberately avoid efforts to count or assist them. Although no data is available for the Town of Cary itself, a “point in time” survey conducted for all of Wake County on December 15, 2003 identified 1,235 homeless persons of which 825 were individuals and 410 persons were in some type of family unit. The tabulated results of this survey and Wake County’s Continuum of Care, HUD Table 1A may be found in Attachment 4.

It must also be noted that Wake County has indicated to the Town of Cary that as a result of Cary becoming a CDBG entitlement community the County lost its Emergency Shelter Grant and had its HOME Investment Partnership Act grant reduced. Both of these grants are important sources of funding to deal with homelessness. This was an unintended consequence and Cary will seek ways to work with Wake County to have this funding restored within HUD guidelines.

M. Special Needs Housing

Senior Housing Needs

While it has often been noted that America has an aging population as it begins the twenty-first century, this is also true - though to a much less degree - for the Town of Cary. Table Fourteen below summarizes the increasing numbers of persons aged 65+ years. Between 1990 and 2000, the median age in the Town of Cary went from 31.2 to 33.7 years. This mirrored Wake County's median age shift from 31.4 to 32.9 years and North Carolina's upward shift from 33.1 to 35.3 years. In 2000, the median age nationally was 35.3 years. The 2000 Census showed that as Cary continued an upward trend in median age to 33.7 years, the Town was still younger than the 2000 U.S. median of 35.3 years.

Even more dramatically, between the last two decennial Censuses, the number of persons aged 65 years and older in Cary increased 160.7 percent, compared to growth rates of 40 percent for Wake County and 20.5 percent for the state. Despite its dramatic growth rate, the population of Cary still does not have a large 65+ population. In 1990, only 4.4 percent of the population was in this age group (1,945 out of 43,858), and in 2000 only 5,069 of Cary's 94,536 people (5.4 percent) were 65 years or older. In 2000, Wake County's 65+ residents were 7.4 percent of the population and the state of North Carolina had 12 percent of the total population in this category.

As the elderly population in Cary grows, there is a corresponding need for suitable housing. The Town of Cary is working with local developers to provide a range of housing options exclusively for senior citizens. By 2005, there will be over 170 additional affordable senior housing units in Cary. These units will be rented exclusively to senior citizens and rent will be based on income. However, continuing with the current trends, by 2009 Cary may need to accommodate as many as 1,200 additional senior households.

TABLE FOURTEEN: Increasing Numbers of Cary Individuals Aged 65+

1980		1990		2000	
Number of Persons Aged 65+	Percent of Town Population	Number of Persons Aged 65+	Percent of Town Population	Number of Persons Aged 65+	Percent of Town Population
666	3.06%	1,945	4.4%	5,069	5.4%

Source: U.S. Census 1980, 1990, 2000

Institutional Housing

In 2002, there were over 4,000 beds/spaces available for the elderly in Wake County in institutionalized settings such as continuing care retirement communities, nursing homes and rest homes (Wake County Consolidated Plan). The current trend appears to mix independent living, assisted living, and medical facilities in the same development. This allows individuals and couples to take advantage of greater levels of assistance as needed without major relocations. The 2000 Census Report reveals that 569 people were living in group quarters in Cary and 497 of those were institutionalized. 451 of these, or 91 percent, were individuals who lived in nursing homes. The Office of State Planning has identified eight major facilities in the Town of Cary providing group quarters for the elderly as of July 2003. HUD reports that there are two facilities in Cary that serve the needs of those with autism and other disabilities.

HUD TABLE 1B: Special Needs of the Non-Homeless

SPECIAL NEEDS SUBPOPULATIONS	Priority Need High, Medium, Low	Unmet Need	Estimated Dollars to Address (\$ million)*
Elderly	H	527	\$31.6
Frail Elderly	H	352	21.1
Severe Mental Illness	M	85	5.1
Developmentally Disabled	M	34	2.0
Physically Disabled	M	567	8.5
Persons with Addictions	M	122	7.3
Persons w/HIV/AIDS	L	25	1.5
TOTAL		1712	\$77.1

*Costs are based on a conservative estimate of \$60,000 for construction of assisted units, except of physically disabled where cost is based on retrofitting existing units at \$15,000 per unit.

N. Housing Affordability in Cary

Population growth and the proliferation of "high tech" jobs in the area have contributed to the escalation of housing costs. Given the proximity of Research Triangle Park, Cary has become a popular residential choice for this workforce. Many of these workers have migrated from other parts of the United State or other countries, are well educated, and well paid. In Cary, 28.6 percent of households earn less than \$50,000 a year and 71.5 percent

earn \$50,000 or more. One-third of all households have incomes that exceed \$100,000 annually. In Wake County, 44.8 percent earn less than \$50,000 and less than 20 percent earn \$100,000 and above.

TABLE FIFTEEN: Household Income Distribution: Cary, Wake County, North Carolina and the U.S.

Income in 1999	Cary	Wake Co.	N.C.	USA
<\$10,000	2.0	5.5	10.5	9.5
\$10,000 - \$14,999	1.8	3.6	6.4	6.3
\$15,000 - \$24,999	6.0	9.2	13.8	12.8
\$25,000 - \$34,999	6.9	11.1	13.9	12.8
\$35,000 - \$49,999	11.9	15.4	17.7	16.5
\$50,000 - \$74,999	21.4	21.5	19.4	19.5
\$75,000 - \$99,999	17.3	14.0	8.9	10.2
\$100,000 - \$149,999	21.5	12.9	6.0	7.7
\$150,000 - \$199,999	6.7	3.7	1.6	2.2
\$200,000+	4.6	3.0	1.8	2.4
Median HH Income:	\$75,122	\$54,988	\$39,184	\$41,994
Poverty Rate	3.4%	7.8%	12.3%	12.4%

Despite this high level of affluence in Cary, there are still many residents who are in need of affordable housing. The federal standard for assessing whether a household is "paying too much" for housing is if 30 percent or more of household monthly income goes toward housing costs. Where this situation exists the household is considered to be "cost burdened". The 2000 Census determined that 30 percent of renters and 17 percent of homeowners were devoting more than 30 percent of their monthly income toward housing. The Town's concern for the impact of rising housing costs on the lower income sectors of Cary's population has, in part, led to the development of an affordable housing plan and to the decision to pursue status as a CDBG entitlement community.

TABLE SIXTEEN: Amount of Income Spent for Housing in Cary 1990 and 2000

% of Income for Housing	1990 Census		2000 Census	
	Renters	Owners	Renters	Owners
< 20	42.9%	44.6%	39.8%	52.3%
20 – 24	19.1%	21.6%	15.4%	18.7%
25 – 29	12.3%	16.3%	11.1%	11.6%
30 – 34	7.7%	7.9%	7.6%	6.2%
35%+	16.1%	9.6%	22.8%	10.9%

Source: 2000 U.S. Census

TABLE SEVENTEEN: Median Income Growth vs. Mortgage and Rent Growth in Cary

Year	1980	1990	2000
Income, 2000 Dollars	\$52,743	\$60,947	\$75,122
Percentage Change (%)		15.6%	23.3%
Rent (2000 Dollars)	\$606	\$590	\$826
Percentage Change		-2.6%	40.0%
Median Mortgage (2000 Dollars)	\$975	\$1,302	\$1,493
Percentage Change (%)		33.5%	14.7%
Median House Value (2000 Dollars)	\$137,100	\$143,350	\$196,700
Percentage Change (%)		4.6%	37.2%

Source: 2000 U.S. Census

Although median income in Cary increased by 23 percent between 1990 and 2000, rents increased 40 percent over the same period. This increased burden on renters in Cary also is reflected in the 6.7 percent increase in the number of renters paying 35 percent or more of their monthly income for shelter. This increase in percentage along with Cary's growth rate means that nearly 2200 families were cost burdened in 2000 compared to only 888 families in 1990.

The Town of Cary will be looking at alternatives for addressing housing affordability in the next few years through a variety of policies, ordinances, and financial incentives. Since the Town of Cary adopted its Affordable Housing Plan in May 2000, it has provided funding to help create 83 new affordable for-sale units in the Town and 172 affordable senior rental units.

HUD TABLE 2A: Priority Needs Summary Table

PRIORITY HOUSING NEEDS (households)	Priority Need Level High, Medium, Low		Section 1. <i>nmet</i> Need	Article II. Goals	
Renter (including those who desire homeownership)	Small Related	0-30%	H	4522	250
		31-50%	H		
		51-80%	M		
	Large Related	0-30%	H	697	
		31-50%	H		
		51-80%	M		
	Elderly	0-30%	H	620	
		31-50%	H		
		51-80%	M		
	All Other	0-30%	H	1129	
		31-50%	M		
		51-80%	M		
Owner	All	0-30%	H	7,677	260
		31-50%	H		
		51-80%	M		
Homeless and Special Needs	All	0-80%	M	1712	50
Total Goals					560

Barriers to Affordable Housing

The development of affordable housing is affected by many factors in both the public and private sectors. Most housing is – and will continue to be – produced by the private sector. The private sector is influenced by economic conditions, land and material costs and regulatory requirements. The public sector, which is often called upon to provide subsidies to make housing more affordable, can be affected by budgetary and grant funding levels, NIMBYism and competing priorities.

The following issues have been identified as potential barriers to providing affordable housing and helping consumers acquire affordable housing in Cary.

A. Land Use and Building Regulation

Regulations governing zoning and subdivisions, building codes and minimum housing ordinances are designed to protect the health and safety of the community and its citizens. The Town also uses regulations to implement desired policies, control the rate of growth, and protect the infrastructure and environmental assets of the community. Local and state regulations governing building standards, erosion control, road design, stormwater management and water conservation are being expanded adding to the cost of housing. Additionally, impact fees are assessed against new housing units to ensure the costs of this growth is borne by the new development. Unfortunately these fees are passed on to the residents of the new units regardless of their income.

Although known for its commitment to quality planning among Triangle area communities, Cary faces a common perception among the private sector that building and renovation projects are more expensive and difficult to permit in the town than in other jurisdictions. The Town of Cary has recently taken steps to improve its land development processes while maintaining the standards that result in a high quality of life. A new Land Development Ordinance, or “LDO,” was adopted on May 22, 2003, which controls zoning, subdivision of land, site design and building appearance, development standards, signage and other aspects of development and redevelopment. Cary began operating under the new LDO on July 1, 2003, and a first set of refinements and additions were approved by Town Council in January 2004.

The Cary LDO is significant because it introduces techniques to effectively implement emerging planning concepts. It also successfully makes a transition from a “one size fits all” code that was geared to suburban, “greenfield” development to one that recognizes differences in a maturing community. And it creates extremely strong linkages to adopted plans and policies.

For instance, many communities’ plans call for mixed uses, rely upon the notion of “activity centers,” or espouse new urbanism. But they fail to bring them to fruition. Cary’s new LDO includes attractive mechanisms and procedures to make these happen, and development projects are already taking advantage of these provisions. Further, this code recognizes the need for increased regulatory flexibility to encourage redevelopment and

introduces a new “minor modification” process that allows greater flexibility in dealing with the complexities of infill development.

There are several innovative aspects of the Cary LDO. First, the code contains a single zoning district (known as the Town Center District) for the entire downtown area. This zone, which replaced five districts and overlays, provides greater flexibility, focuses more on design, and encourages mixing of uses. And rather than adding requirements, this zone simplifies the development process in downtown, negating the need to apply for rezonings to achieve the desired outcomes. The Town Center District encompasses most of the low and moderate income areas of the community and much of Cary’s existing affordable housing. The LDO will make easier many of the projects and activities contemplated by this Consolidated Plan.

Development fees charged to owners and developers of new residential construction add to the cost of housing in Cary. In 2003, such fees for new units in Cary ranged from approximately \$5,000 for an apartment in the downtown area to over \$14,000 for a larger single-family house in northwest Cary. Translating these fees in terms of mortgage cost and income required to qualify, shows that monthly mortgage costs would be increased as much as \$106 requiring up to \$4200 additional in income to qualify. During the past year the Cary Town Council reviewed the Town’s development fees with the intent of reducing them. On February 26, 2004 the Council adopted a new schedule reducing the fees by 30%. The new schedule is to become effective as of March 1, 2004.

While waiving development fees is not legally possible, on occasion the Town has also paid the development fees on behalf of certain affordable housing and economic development projects.

B. Limited Subsidies and Incentives

With the median sales price of homes exceeding \$225,000 and rents growing nearly twice as fast as incomes, it is clear that many low and moderate income families will not be able to find adequate housing without some assistance. Subsidy and incentive programs may be designed to assist either the occupants of affordable housing or the developers of affordable housing but such programs are always dependent upon funding available to provide the subsidy or incentive. Normally this funding comes from the public sector in the form of grants, tax incentives or budget allocations such as the Community Development Block Grant program, Low Income Housing Tax Credit and Cary’s Affordable Housing Program. Philanthropic foundations and other non-profit organizations also contribute funding for these purposes. Federal funding levels can be affected by other national priorities such as the war in Iraq. Many non-profit organizations have been impacted by a fall-off of donations following the September 11 terrorist attacks.

Subsidies to low and moderate income occupants of affordable housing can range from small emergency repair grants to make one or two repairs to full rehab loans in excess of \$50,000. Homeownership assistance may be in the form of down payment assistance or interest-rate buydowns. In high cost areas such as Cary, subsidies must often be larger to offset higher land and building costs. Housing rehabilitation programs have been negatively

affected by environmental regulations governing lead based paint, mold and asbestos remediation. Where once a full repair of a home would average \$25,000 to \$35,000 many communities are now reporting average costs in excess of \$50,000 because of these requirements.

Developer subsidies commonly include assistance with property acquisition and pre-development costs, construction subsidies, tax credits and fee reductions and assistance in finding tenants or homebuyers. Many developers are reluctant to participate in incentive programs due to the “red tape” and bureaucracy that often accompany such programs. Requirements governing acquisition of property, environmental review, Davis-Bacon wage rates, HUD Section 3 job requirements, complex income targeting and rent controls and lead-based paint regulations add to the developer’s cost and reduces the effectiveness of any incentive provided.

The lack of adequate funding sources for affordable housing forces the Town to find other ways of providing affordable housing and to be strategic about the projects and activities it funds. Potential opportunities for enhancing funding levels may include:

1. Increase public sector funding dedicated to affordable housing by creating such programs as a Local Housing Trust, land-banking or housing bond referendum.
2. Seek greater private sector participation. The Low Income Housing Tax Credit program is an excellent incentive to generate large amounts of private sector dollars for affordable housing. A consortium of banks might be formed to provide lower interest mortgages to low and moderate income families thereby sharing the costs and risks of such a program among the members of the consortium.
3. Policy initiatives such as inclusionary zoning and linkages which would require new residential developments to include affordable housing units or in lieu, contribute to an affordable housing trust fund.

C. Public Attitudes and Politics

The attitudes of the public can often be one of the greatest barriers to affordable housing. These attitudes can range from questioning whether affordable housing is an appropriate function for government to perform, to “not in my backyard” (NIMBY) opposition from citizens. For many, the perception of affordable housing is that of crumbling, high rise public housing units in large center cities. Many people do not realize it that it is more likely housing for the teacher or policeman that lives down the street. Well-organized, vocal neighborhood groups can successfully block or delay any developments called affordable housing. While the public sector can often be relied upon to build well-designed developments incorporating affordable housing, concerns over facing such neighborhood opposition often discourage the private sector from undertaking such projects.

Providing mixed income communities, limiting the size and scope of affordable housing projects and educating citizens about what affordable housing really is, are all strategies that may be used to overcome this barrier.

Five-Year Strategic Plan

A. Guiding Principles

Under this five-year strategic plan, the Town of Cary is expected to receive approximately \$2.6 million in CDBG funds and up to \$3 million in Affordable Housing Funds provided from Cary's General Fund. The following principles will guide the Town in setting priorities, developing strategies and evaluating and selecting specific projects for CDBG assistance.

1. **Help those with greatest need** – persons with very low incomes, senior citizens, persons with disabilities, the homeless
2. **Increase the stock of affordable housing** – by investing in new construction
3. **Leverage our CDBG dollars to the maximum extent possible** – to increase housing production for a given amount of CDBG or Town funds
4. **Preserve long-term affordability** – ensure that assisted units remain affordable to the extent possible
5. **Engage the private and non-profit sectors in addressing community development and housing needs** – by facilitating developments and creating partnerships with private sector and non-profit entities and helping them build capacity.
6. **Promote homeownership** – to stabilize neighborhoods and help low-income persons build wealth.
7. **Preserve exiting housing stock** – rehabilitation is cheaper than new construction and preserves neighborhood character.
8. **Promote mixed income development** – reduce subsidy requirements and potential opposition by mixing lower priced units in the same development as market-rate units.
9. **Help beneficiaries succeed in the long run** – by providing education, supportive services, job skills and employment opportunities to help them improve their economic standing and ability to afford and maintain their homes.
10. **Take a holistic approach to community development** – by coordinating affordable housing developments with transportation, jobs and services.

B. Priority Housing Needs

The major priorities in the area of affordable housing over the next five years are discussed below. These priorities are based on identified needs, the impact anticipated from available resources on these needs, and the availability of resources to the Town.

High Priority Groups:

- Low Income individuals and families (31%-50% Median Family Income(MFI))
- Extremely low income individuals and families (0%-30% MFI)

Medium Priority Groups:

- Moderate Income individuals and families (51%-80% MFI)

Specific Development Strategies

- i. New Construction and Rehabilitation for Homeownership*
 - Continue to provide land and infrastructure for non-profit and for-profit developers of affordable housing whenever possible.
 - Encourage condominium and townhouse development as a means of offering lower housing prices.
 - Complete homeownership development projects currently underway or in the pipeline including Callan Park Townhomes, Highland Village, Summer Ridge Townhomes, Habitat for Humanity's Waldo Street project and the Waterford Condos at Cary Park.
- ii. Direct Homeownership Assistance*
 - Continue the Town's Employees' Housing Assistance Program (EHAP) and help other employers to design employer assisted housing programs of their own.
 - Develop a Town-wide downpayment assistance program and/or Individual Development Account (IDA) program for Cary low and moderate income homebuyers.
 - Work more closely with lending institutions, Fannie Mae, Freddie Mac, etc. to take maximum advantage of various lending programs, counter predatory lending practices and encourage ethical sub-prime lending.
 - Identify and support successful homebuyer education programs.
- iii. Rehabilitation for Existing Homeowners*
 - Develop and implement a homeowner occupied rehabilitation program prior to 2005.
 - Ensure rehab loans are at least partially amortized and not forgivable to provide future income stream for additional housing rehabilitations.
 - Provide for emergency repair programs with CDBG funds where appropriate.
 - Improve education of lower income homeowners on the importance of home maintenance to reduce future housing rehabilitation needs.

- iv. ***New Rental Development***
 - Encourage high quality, well-designed Low Income Housing Tax Credit projects.
 - Select sites strategically to minimize NIMBY and use mediation to resolve land use debates.
 - Encourage appropriate types of supportive housing for the elderly
 - Support small, scatted-site rental developments on in-fill lots where appropriate.
 - Complete affordable rental developments currently under construction and in the pipeline including the Highland Park Senior Housing development, Weatherstone Springs and the Peaks at Cary Park

- v. ***Rental Rehabilitation and Rental Subsidies***
 - Work with the Wake County and Raleigh Housing Authorities to preserve the supply of project-based Section 8 housing within the County and to improve education/assistance to Section 8 voucher holders residing in Cary.
 - Review and strengthen the Minimum Housing Code and its enforcement to better address code violations among rental properties.

Performance Targets

The Town of Cary will endeavor to meet the following specific targets for affordable housing production assisted with CDBG funds in the period 2004-2009. The goals include projects currently under construction or in the pipeline. Given the relatively small amount of our CDBG entitlement grant and certain limitations on eligible uses, many of the identified needs will go unmet. Additional needs will be met through the Town’s general funded Affordable Housing Program. The Town also intends to pursue additional sources of funds, including designation as a HOME Investment Partnership entitlement community to help meet additional needs.

Affordable Housing Production Targets 2004-2009

Production Type	Annual Target	Five Year Target
New Construction and Rehabilitation for Homeownership	40	200
Direct Homeownership Assistance	5	25
Rehabilitation for Existing Homeowners (begins 2005)	10	40
New Rental Development	50	250
TOTAL UNITS	105	515

C. Priority Homeless Needs

As has already been indicated, most homeless in Wake County tend to be found within the corporate limits of Raleigh where most homeless services are located. As such the main focus of Cary’s efforts in this area will concentrate on homelessness prevention and

supporting the efforts of Cary and Wake County non-profits engaged in providing permanent and transitional housing for homeless persons.

Medium Priority Groups

Homeless Individuals and families, including Special Needs Populations

Specific Homeless Strategies

- i. Support Cary Non-Profits Engaged in Homeless Service Activities*
 - Assist the activities of The Caring Place, Inc. and Christian Community in Action to provide transitional and emergency housing services for the homeless.
 - Assist the completion of transitional housing currently underway at 201 Urban Street by the Caring Place, Inc.

- ii. Homelessness Prevention*
 - Develop and implement a homeowner occupied rehabilitation program prior to 2005 giving priority to elderly and very low income persons most at risk to becoming homeless.
 - Provide for emergency repair programs with CDBG funds again giving priority where the occupants are most at risk to become homeless.

- iii. Rental Housing Assistance*
 - Review and strengthen the Minimum Housing Code and its enforcement to enhance the safety and livability of existing affordable housing stock.
 - Work with housing locators within Wake County to broaden the acceptance of Section 8 vouchers.
 - Partner with Wake County and other municipalities as appropriate to restore Emergency Shelter Grant funding lost in 2004.

Performance Targets

The following measurable objectives are proposed for the period 2004-2009. Their achievement will depend upon crucially upon funding available beyond CDBG.

- Achieve an accurate count of persons experiencing homelessness within Cary.
- Provide an additional 15 units (3 units per year) of shelter/housing for homeless families.
- Partner with Wake County and other municipalities in attempt to restore Emergency Shelter Grant funding by 2005

D. Priority for Special Needs Housing

Although not homeless, there are various populations within Wake County that require supportive housing. These populations include the elderly, the frail elderly, persons with disabilities, and persons with HIV/AIDS. However, like the homeless, strategies for addressing special housing needs often requires looking beyond normal governmental boundaries. For persons with special needs, housing location is often dictated by proximity

to the services that they need. In Wake County, most support services are located in or near Raleigh as is much of the supportive housing

Medium Priority

Non-Homeless Individuals with Special Needs

Special Needs Housing Strategy:

i. Supportive Housing

- Support the efforts of Wake County Supportive Housing, City of Raleigh and the non-profit community to increase the supply of supportive housing.

E. Non-Housing Community Development Needs

The development of stable, healthy, safe and revitalized communities requires addressing needs beyond that of shelter. Many other needs including jobs, transportation, recreation and social services must also be provided. The Town's Land Use Plan, the Town Center Area Plan, budget documents, and various other area plans describe in detail the non-housing community development needs, policies, objectives and strategies. The following needs, policies and objectives are relevant to CDBG funding.

i. Economic Development and Job Creation

- Fund employment and job skills training and counseling for unemployed and underemployed Town residents. Link job training resources to business retention, recruitment and capital programs.
- Continue implementation of existing strategies for the Town Center area revitalization, including the establishment of a revolving loan program for building renovation and business expansion.
- Support opportunities to develop or attract job that pay a living wage (i.e. over \$12 per hour, and are made available to low and moderate income residents.
- Use other federal program resources to develop loan programs or make investments for future economic development. Possible sources include HUD Section 108 loans coupled with EDI grants, SBA 7A and SBA 504 loans. Seek Brownfields funding to redevelop former Austin Foods site as entrance to Town Center area and to create jobs for nearby low and moderate income persons.
- Provide technical assistance to micro and small business owners. These services should be designed to support working people as they make the leap from low-paying employment to earning living incomes, either through self-employment or a combination of employment and self-employment.

ii. Public Facilities

- Provide recreational facilities in underserved areas, to the extent possible given limited funds. Of particular importance is the funding of Town Center Park centrally located within the Town's principal low and moderate income area.

- Support programs which address health and safety concerns.

iii. Infrastructure Improvements

- Increase the number of standard sidewalks to enhance the citizen safety and neighborhood revitalization.
- Address insufficiencies in water and sewer lines which threaten health, safety and overall quality of life.
- Support programs which improve the condition of and safety at City-owned facilities which serve low and moderate income persons.

iv. Social Services

- Support programs that provide and/or connect individuals with affordable housing
- Support programs that support basic life needs including employment, job skills, daycare and after school care.
- Support programs that enable people to remain in their homes.
- Support programs that provide supportive services for the homeless and others with special needs.

HUD TABLE 2B: Non-Housing Community Development Needs

PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low	Dollars to Address Unmet Priority Need (in \$millions)
PUBLIC FACILITY NEEDS (projects)		
Neighborhood Facilities	M	8.8
Parks and/or Recreation Facilities	H	3.8
Parking Facilities	M	4.9
Non-Residential Historic Preservation	L	0.5
Streetscape	M	1.2
INFRASTRUCTURE (projects)		
Water/Sewer Improvements	M	31.0
Streets	M	51.0
Sidewalks	M	2.5
PUBLIC SERVICE NEEDS (people)		
Youth Services	M	0.1
Transportation Services	L	na
Employment Training	H	0.1
Financial and Housing Counseling	H	0.1
Language/Cultural Training	H	0.3
ECONOMIC DEVELOPMENT		

Commercial/Industrial Rehabilitation	H	1.0
Infrastructure Development	M	0.4
Micro-Enterprise Assistance	M	0.1
Technical Assistance	M	0.1
PLANNING		
Planning	M	0.2
TOTAL ESTIMATED DOLLARS NEEDED:		106.1

Dollars to address unmet need based in part on Town of Cary Ten-Year Capital Improvements Plan.

F. Geographic Priorities for Spending

The Town of Cary will concentrate its community development efforts within the designated Town Center Area as outlined in the Town Center Area Plan (TCAP), adopted on August 9, 2001 by the Town Council. The TCAP provides a clear set of goals and objectives to guide the development and redevelopment of this area.

The Town Center was selected for the targeting of CDBG expenditures because it represents the confluence of several needs and demographics including the following:

- Cary’s existing low and moderate income population is concentrated in this area. The census tract encompassing the southeast quadrant (CT 535.01) of the Town Center area is more than 60% low and moderate income with significant concentrations in the other three quadrants as well.
- Based on a house-to-house survey of the more than 600 units in the Town Center area, almost half (49%) of the homes in this area were found to be substandard.
- The Town Center area enjoys some of the most affordable housing in Cary which should be preserved.
- As one of the oldest areas of Cary, much of the infrastructure is in need of repair or upgrading.
- The commercial center offers significant opportunities for economic development and business expansion thereby creating jobs for the nearby lower income families.

G. Strategies for Removing Barriers to Affordable Housing

The Town of Cary takes seriously the need to make affordable housing within the grasp of all of its citizens. Much progress has been made towards removing some of the barriers to affordable housing with the adoption of the Land Development Ordinance and reduction of development fees discussed above. Additionally, the Town’s Affordable Housing Plan has helped raise awareness to the need and has provided clear strategies to guide Town actions in addressing affordable housing. Within the context of the Consolidated Plan the Town of Cary plans to do the following:

- Minimize community resistance by increasing awareness of the need for affordable housing and publicly celebrating quality affordable housing projects.

- Work closely with the housing community to develop new strategies and provide support for affordable housing programs.
- Seek new funding sources and new housing partners to leverage and increase the dollars available for affordable housing.
- Investigate inclusionary zoning, local housing trust funds and other innovative techniques to provide incentives for affordable housing.

H. Strategies to Bring Families Out of Poverty

At three percent (3%), the Town of Cary has one of the lowest poverty rates in the region. Additionally, the Town presently has no housing authority of its own, nor any institutional structure to provide for human service needs beyond recreation. Most programs to address the needs of poverty-stricken families are provided by Wake County and as such a more regional view must be taken in addressing the problem of poverty. The Town will continue to support and work with Wake County Humans Services, the Wake County and City of Raleigh Housing Authorities, and the Wake County Civil Courts as the lead agencies in addressing poverty. These agencies operate a number of programs relating to job skills, child and family welfare, and public and Section 8 housing

Within this plan many strategies have been put forth that will help address the needs of poverty-stricken Cary residents. These include giving priority for funding to those with greatest need, linking affordable housing to transportation services, using rehabilitation programs to prevent homelessness, increasing the supply of affordable rental housing, and improving the acceptance of Section 8 vouchers. The Town will use economic development programs and incentives to increase the number of jobs paying a living wage and will support the activities of the Caring Place, Inc, Habitat for Humanity and Culturas Unidas to assist poverty stricken families.

I. Institutional Structure and Monitoring

The planning, coordination and implementation of the Consolidated Plan programs are the responsibility of the Town of Cary Department of Planning. The Planning Department will implement Consolidated Plan activities primarily through the activities of a Principal and Senior Planner experienced in CDBG administration. This department is further responsible for the development of an Annual Action Plan which addresses the needs identified in the Consolidated Plan. Other Town entities involved in implementation include the Department of Public Works and the Department of Parks, Recreation and Cultural Resources. Program administration involves the Department of Finance, which includes accounting and purchasing, and the Law Department.

The Department of Planning will conduct regular meetings to monitor program administration, identify potential problems and expedite program and project implementation. Subrecipients of CDBG funds outside the City structure will be monitored at least annually by the Department of Planning to ensure compliance with regulations and program objectives.

J. Coordination of the Consolidated Plan with Other Organizations

The Town of Cary recognizes that the responsibility for addressing the needs of the low and moderate income citizens of this community requires the coordination of the Town's resources with those of the private and non-profit sector and other public-sector entities. The Town intends to continue to work with these other programs and to maximize limited resources to address the problems of low and moderate income citizens.

The Town of Cary will coordinate the review and implementation of the 2004-2009 Consolidated Plan with the following organizations:

The State of North Carolina
Triangle J Council of Governments
Wake County, particularly the Department of Human Services
City of Raleigh
Wake County and City of Raleigh Housing Authorities
Non-Profit Community
Private Sector Developers and Lenders
Impacted Citizens and Neighborhood Groups

TOWN OF CARY YEAR 2005 ANNUAL ACTION PLAN

Resources

The FY 2005 Annual Acton Plan represents the first year of the Town of Cary's participation in the Community Development Block Grant program. The Action Plan is a document detailing how the Town of Cary proposes to spend CDBG funds during the next program year. This plan also discusses citizen participation in the funding process and a timetable for spending funds. This plan is mandated each year in order for the Town to receive its Community Development Block Grant from HUD.

The Town of Cary expects to receive \$522,000 in CDBG funds for FY2005. Because this is the Town's first year of participation in the CDBG program, there is neither program income nor reallocation of unspent funds from previous years' funding available to supplement this amount. However, the Town of Cary has traditionally funded an Affordable Housing Program from its General Fund and plans to fund most of the administration of the CDBG from its General Fund as well. Funds available to the Affordable Housing Program are proposed and awaiting Council approval of the FY2005 Budget. With these resources total funds available are as follows:

CDBG	\$ 522,000
Affordable Housing Fund (proposed)	\$ 650,000
Administration-Gen Fund portion (proposed)	\$ 73,153
Total Resources	\$1,245,153

While the above resources reflect those within the control of the Town and main focus of this plan, there are many other community development resources being utilized to meet the needs of the community. The following matrix identifies other resources currently or imminently at work within the Town of Cary and the types of financing these resources provide.

TABLE ONE: Community Development Resources Available to Cary

	Acquire	Rehab	New Const.	Home Buyer Asst.	Rental Asst.	Home less Asst.
CURRENT FEDERAL RESOURCES						
CDBG	X	X	X			
Section 8					X	
Section 202			X			
Section 203k		X	X			
NON-FEDERAL PUBLIC RESOURCES						
North Carolina Housing Finance Agency: LIHTC	X		X			
Secondary Market (Fannie Mae, Freddie Mac)		X	X	X		

Town of Cary Affordable Housing Program	X	X	X	X		
Development Fee Reimbursements		X	X			
PRIVATE RESOURCES – FOR PROFIT						
Banks, Thrifts	X	X	X	X		
Federal Home Loan Bank – Affordable Housing Program	X	X	X			
Progress Energy – Energy Efficient Home Program		X	X			
NON-PROFIT RESOURCES						
Local Non-Profits, (i.e. The Caring Place)	X	X	X	X	X	X
Triangle United Way				X	X	X
Wake Community Foundation						X

CDBG Funded Activities

CDBG funds can be used for a wide range of activities, including housing rehabilitation, acquisition of land for affordable housing, economic development, public improvements and social services. As indicated previously, the Town of Cary expects to receive \$522,000 in CDBG funds beginning July 1, 2004. The table below indicates the major categories of planned expenditures with detailed descriptions of the projects following:

TABLE TWO: Distribution of CDBG Funds by Project Type

Program Type	No. of Projects	Funding	Percent of Funding
Affordable Housing and Rehabilitation	2	\$314,000	60.2%
Public Infrastructure	2	\$200,000	38.3%
Program Admin, Planning, Capacity Building	1	\$8,000	1.5%
CDBG TOTAL	5	\$522,000	100%

Affordable Housing and Housing Rehabilitation

The production and preservation of safe, decent and affordable housing is the principal focus of both the Five-Year Consolidated Plan and this Action Plan. Sixty percent of CDBG funds are allocated for this purpose and two projects will be funded. Both projects are located in the Town Center Area and will result in additional affordable units for homeownership as well as ancillary benefits to the surrounding neighborhood.

Habitat for Humanity Acquisition of 412 Waldo Street

Habitat for Humanity plans to use \$135,000 in CDBG funds to acquire and demolish a vacant, burned out structure located at 412 Waldo Street. After acquisition and demolition, Habitat for Humanity will construct up to three (3) homes on the property. These homes will then be sold to low income families. Additional benefit will be garnered from this project through the removal of a hazardous structure blighting the neighborhood.

Block Group: 535.01-1, 69% Low/Mod (Census)
 Cost: \$135,000
 Priority Need: 1

National Objectives:	§570.208(a)(3) Housing Activities
Target Date for Completion:	June 30, 2005
Expected Outcome:	Homeownership opportunities for up to three low income families, removal of slum and blight (one burned-out dilapidated structure)

New Housing Development and Rehabilitation, Town Center Park Area

The Town of Cary has begun site assembly for the 12-acre Town Center Park, a key component of Town Center Area Plan. This park will provide leisure opportunities to the surrounding neighborhoods (some of which are low and moderate income areas). The park is centered within several blocks of older housing, some of which is in need of repair. CDBG funds will be used to rehabilitate several of the housing units and/or assist new housing construction, as appropriate, in the blocks near the Town Center Park site. This project will help improve the attractiveness of the Park which in turn will provide a valuable amenity for encouraging new investment in this area.

Block Group:	535.01-1, 69% Low/Mod (Census)
Cost:	\$179,000
Priority Need:	1
National Objectives:	§570.208(a)(3) Housing Activities
Target Date for Completion:	June 30, 2005
Expected Outcome:	Affordable housing opportunities for low and moderate income families.”

Public Infrastructure

Improvements to street and sidewalks in the low and moderate income neighborhoods surrounding the Town Center are proposed. Two projects, totaling \$200,000 or 38.3% of the CDBG grant will be carried out in FY 2005.

Hunter Street Sidewalks

The Town of Cary intends to utilize \$50,000 in CDBG funds to construct 1,150 linear feet of sidewalk along Hunter Street from East Chatham Street to Fairview Road. The sidewalks will result in safe pedestrian travel throughout the neighborhood. Hunter Street is a principal north-south route through the neighborhood and approximately 100 low and moderate income persons will be directly served by the sidewalk although all persons in the neighborhood will benefit. CDBG funds will be match with \$20,000 in Town Capital Improvement funds to cover the full cost of this project.

Block Group:	535.01-1, 69% Low/Mod (Census)
Cost:	\$50,000
Priority Need:	2
National Objectives:	§570.208(a)(1) Low/Mod Area Benefit
Target Date for Completion:	June 30, 2005
Expected Outcome:	Provide safe pedestrian access for children and families.

Town Center Streetscape

The Town of Cary plans to use \$150,000 to develop sidewalk and streetscape improvements in the Town Center Area. This activity will improve pedestrian travel throughout the neighborhood by upgrading and connecting existing sidewalks.

Block Group:	535.01-1, 69% Low/Mod, 535.07-1, 50% Low/Mod (Census)
Cost:	\$150,000
Priority Need:	2
National Objectives:	§570.208(a)(1) Low/Mod Area Benefit
Target Date for Completion:	June 30, 2005
Expected Outcome:	Provide safe pedestrian access for children and families.

Administration

The Town of Cary plans to set aside \$8,000 or 1.5% to administer the CDBG program for FY 2005. Administrative expenses will cover professional fees, advertising and staff training under CDBG. The Town will cover salaries and other operating expenses under its General Fund.

Town of Cary Funded Activities

The Affordable Housing Program (AHP) is a general funded initiative of the Town of Cary. AHP funds are allocated through a competitive request for proposal process and are useful for funding projects not eligible for CDBG funding (i.e. new construction projects by for-profit developers). The Town of Cary expects to allocate \$650,000 to the Town-funded Affordable Housing Program and another \$73,153 for the administration of the CDBG and Affordable Housing programs. At the time of the publication of this Action Plan, these funds are proposed for the FY 2005 Budget but not yet adopted by the Town Council. As such they are subject to change.

Carry-over commitments to projects from previous years, totaling \$1,350,000 brings total revenue to \$2,000,000. Expenditure of AHP funds will fall into the following categories:

Acquisition for Affordable Housing:	\$135,000
Housing Rehabilitation	\$250,000
New Rental Construction:	\$750,000
Homeownership Assistance	\$600,000
In-fill Housing Construction	\$265,000
TOTAL	\$2,000,000

ACQUISITION

The Town of Cary will work with for profit and non-profit affordable housing developers to acquire land for the construction of moderately priced homes.

HOUSING REHABILITATION

The Town will assist approximately 25 households with limited rehabilitation of their homes. Rehabilitation assistance will be offered to low income households whose homes are located within the Town Center area. Rehabilitation loans of up to \$10,000 will be provided to repair roofs, heating and air conditioning systems, electrical and plumbing systems.

NEW RENTAL CONSTRUCTION

The Town is assisting with the construction of Highland Village, a 150 unit development in the amount of \$250,000 and with Weatherstone Springs, a 72 unit senior facility in the amount of \$500,000. Both projects are Low Income Housing Tax Credit products and will be affordable to persons earning less than 60% of the area median income.

HOMEOWNERSHIP ASSISTANCE

The Town has committed \$600,000 to provide 40 second mortgages of \$15,000 each to low and moderate income homebuyers in the Highland Village project. This project is offering 110 townhomes and condominiums for sale in addition to the rental housing discussed above. Prices will range from \$92,500 to \$126,000.

INFILL HOUSING CONSTRUCTION

The Town of Cary, working with for-profit and non-profit affordable housing developers will acquire vacant parcels and dilapidated homes on scattered site within target neighborhoods. Single family homes will be constructed on these lots and sold to qualified low-income families. Up to nine new homes will be constructed with the help of these funds.

**APPLICATION FORM 424
AND CDBG CERTIFICATIONS**

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the Town of Cary certifies that:

Affirmatively Further Fair Housing – The Town of Cary will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effect of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-Displacement and Relocation Plan – It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24: and it has in effect and is following a residential anti-displacement and relocation assistance plan required under Section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace – It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about:
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug-counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will:
 - (a) Abide by the terms of the statement, and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten (10) calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying – To the best of the Town of Cary’s belief:

1. No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction – The Consolidated Plan is authorized under State and local law (as applicable) and the Town of Cary possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with Plan – The housing activities to be undertaken with CDBG, HOME, ESG and HOPWA funds are consistent with the strategic plan.

Section 3 – The Town of Cary will comply with Section 3 of the Housing and Community Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Ernie McAlister, Mayor
Town of Cary, NC

Date

SPECIFIC CDBG CERTIFICATIONS

The Town of Cary, a CDBG Entitlement Community certifies that:

Citizen Participation – The Town of Cary is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan – Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan – It is following a current consolidated plan that has been approved by HUD.

Use of Funds – It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, the Town of Cary certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available;
2. Overall Benefit. The aggregate use of CDBG funds including Section 108 guaranteed loans during program year FY 2005 shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. Special Assessments. The Town of Cary will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed in part from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital cost of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of the fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force – It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance With Anti-Discrimination Laws – The grant will be conducted and administered in conformity Title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint – Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Sub-parts A, B, J, K and R.

Compliance with Laws – It will comply with applicable laws.

Ernie McAlister, Mayor
Town of Cary, NC

Date

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s) if it previously identified the workplaces in question (see paragraph three).
6. The Town of Cary identifies the site(s) where the performance of work done in connection with the specific grant as the following:

Town Hall Campus, Building A, 316 North Academy Street, Cary, North Carolina 27513

Town Hall Campus, Building B, 318 North Academy Street, Cary, North Carolina 27513

Public Works and Utilities Operations Center, 400 James Jackson Avenue, Cary, North Carolina 27512

Parks, Recreation and Cultural Affairs, 111 James Jackson Avenue, Suite 201, Cary, North Carolina 27512.

The certification with regard to the drug-free workplace is required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantee's attention is called, in particular, to the following definitions from these rules:

“*Controlled substance*” means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and is further defined by regulation (21 CFR 1308.11 through 1308.15);

“*Conviction*” means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

“*Criminal drug statute*” means a federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

“*Employee*” means the employee of a grantee directly engaged in the performance of work under a grant, including (i) All “direct charge” employees; (ii) all “indirect charge” employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g. volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Attachment 1

Town of Cary Community Development Block Grant Citizen Participation Plan

Introduction

The Community Development Block Grant (CDBG) is federal funding (U.S. Department of Housing and Urban Development, or HUD) that the Town is accepting principally to benefit low- and moderate-income (LMI) citizens in the Town. To put this \$500,000+ funding source to the most appropriate uses, we need to consult all of our citizens, including minorities, non-English-speaking persons, LMI residents, persons with disabilities, and advocates for our senior, disabled, illiterate, homeless, and low-income populations, whom the CDBG is designed to serve. This consultation will be used in the Town's development of its Consolidated Plan for use of CDBG funds. For a summary of the allowable uses and national objectives of the CDBG program, citizens should consult the Town's web site, www.townofcary.org, or review the summary attached to this plan (Appendix A).

The Town of Cary recognizes the importance of using extensive citizen participation – especially low- and moderate-income citizen participation – during the development of its CDBG Consolidated Plan, substantial amendments to the Plan, and in CDBG performance reports to be submitted to the U.S. Department of Housing and Urban Development. This Plan will be made available in draft form for citizen comments prior to its adoption. Upon request, this document will be made available in a format accessible to persons with disabilities.

The Processes for Consulting our Citizens

The Town of Cary will take the following steps in the administration of its CDBG program.

1. The Process for Informing Citizens

The Town of Cary will encourage citizen participation throughout the process of developing CDBG plans, assessing housing and community development needs, and developing particular CDBG investment proposals. In particular, participation by low- and moderate-income (LMI) residents of project service areas, residents of assisted housing developments, and residents of slum and blight areas will be encouraged. The Town also will inform the Wake County Housing Authority about CDBG activities it plans to undertake. To meet these objectives, the Town will inform citizens of public hearings and other meetings and opportunities for participation in CDBG program development through at least two of the following methods:

- a. Advertisement in The Cary News and Raleigh News and Observer (the required public hearings will be announced using this method and at least one other method);

- b. Advertisement through Town web site and local radio and/or television stations, including Spanish-language media;
- c. Distribution of English/Spanish flyers in Town buildings, the Cary library, LMI areas, and in the proposed service area(s);
- d. Announcements at local community organization meetings; and,
- e. Announcements through local churches, nonprofit organizations serving LMI, disabled, non-English-speaking, and other populations, and other participating entities (stores and businesses) located in LMI and proposed project areas.

The Town will keep documentation of how it met the above requirement in its CDBG files for verification.

2. Information to be Made Available

Cary citizens will be provided with reasonable and timely access to meetings, information, and records relating to the Town's proposed and actual use of CDBG funds. Meetings will be conducted according to the standards established for the public hearings cited below (#5). CDBG-related information and records will be made available to interested citizens with the availability of such items announced at least in the same manner as the public hearing advertisements. At a minimum, before the Consolidated Plan is adopted, the Town will furnish citizens with information concerning the amount of funds available (including program income, when applicable) for proposed activities and the range of activities that may be undertaken, including the estimated amount to be used for activities that will benefit low- and moderate-income persons, the proposed CDBG activities likely to result in displacement, and plans for minimizing displacement of persons as a result of the CDBG project and plans to assist persons actually displaced by the project. The Town's Consolidated Plan, substantial amendments to the Plan, and performance report will be made available at the Cary Planning Department, on the Town of Cary web site, and at the Cary public library. A summary of the Consolidated Plan will be published in one or more newspaper and reasonable numbers of free copies of the Plan will be made available to citizens and groups that request them.

3. Consultations with Groups Serving the Intended Beneficiaries

The Town of Cary will include consultations with nonprofit organizations, public agencies, and others in the development of its CDBG Consolidated Plan. It is the intent of the Town to conduct one or more group meetings with such entities to ascertain Cary's housing and community development needs, gaps in services, missing services, or those provided by non-Town entities for which there may be an advantage to have supplemented by Town initiatives or funding. One outcome of such meetings is the prioritization of needs to help steer future CDBG and other investments.

4. **Providing Technical Assistance.**

Technical assistance will be provided to groups representative of persons of low- and moderate-income that request such assistance in developing proposals for use of CDBG funds, with the level and type of assistance to be determined by the Town. The name, address, and telephone number of the Town's CDBG contact person(s) will be made available upon request and announced at all public meetings held on the CDBG program.

5. **Consolidated Plan Public Hearings**

At least **two public hearings** will be held during the CDBG Consolidated Plan development period and annually after that. One hearing will be held early in the Plan development process to identify the Town's community development and housing needs. The receipt of citizen views on priority non-housing community development needs will be sought at this first hearing each year. Also to be addressed in one or both hearings are the range of eligible project types funded through the CDBG program, the amount of money available, the proposed activities the Town is proposing for funding, and the estimated amount that will benefit LMI persons. A second hearing will be held for public review of and comment on the final draft of the CDBG Consolidated Plan. A minimum of thirty days will be available to receive citizen comments about the Plan. The Town will consider all comments received and attach a summary of them to the final Plan, including the views not accepted and reasons why they were not.

These hearings will be held after adequate notice (newspaper advertisement at least **seven days prior** to the hearing and at least one other type of announcement - see # 1 above), at times and locations convenient to potential or actual beneficiaries, and with accommodation for the physically challenged. Both public hearings will be held **within eight months** of the Plan deadline of May 14, 2004; the two hearings will, at a minimum, be held **one week apart**. Files will be maintained containing documentary evidence that the hearings were held.

In the case of **substantial amendments** to the Consolidated Plan (where activities are to be added, deleted, or substantially changed in terms of purpose, scope, location, or beneficiaries), the Town will provide its citizens with an opportunity for comment on such changes through a public hearing, after the Town has informed citizens of the changes at least seven days prior to the hearing. A minimum of thirty days will be available to receive citizen comments about any substantial amendments to the Plan, and a summary of these comments will be included (including views not accepted and the reasons why they were not accepted) in the amended Plan.

6. **Performance Reports**

HUD requires that CDBG recipients submit an annual **performance report** to them within ninety days of the completion of a program year. The first such report (Consolidated Annual Performance and Evaluation Report, or CAPER) will be due

to HUD on September 30, 2005. Cary will provide a minimum of fifteen days for Cary citizens to provide comments on performance reports prior to their submissions to HUD.

7. **Complaint Process**

The Town will provide, in the public hearing notices, the address, phone number, and times for submitting complaints and grievances in regard to the Consolidated Plan, its substantial amendments, and performance reports, and provide timely written answers to written complaints and grievances, within 15 working days where practicable.

8. **Accommodating Non-English-Speaking Residents**

Where 5 percent or more of public hearing participants can be reasonably expected to be non-English speaking residents, the Town will take measures to accommodate their needs. Census data on the proposed project area and on the Town as a whole will be consulted to determine if this provision applies in a particular instance. Meeting this provision will usually mean having printed material available in the non-English language(s) and/or retaining the services of an interpreter(s) for CDBG-related meetings and public hearings. The Town will also take appropriate actions to accommodate the needs of persons with mobility, visual, or hearing impairments who wish to participate in the CDBG program public comment processes described above.

Access to Records

The Town of Cary will provide reasonable and timely access to citizens, public agencies, and others who wish to examine the Town's records on producing its Consolidated Plan and its use of CDBG funds.

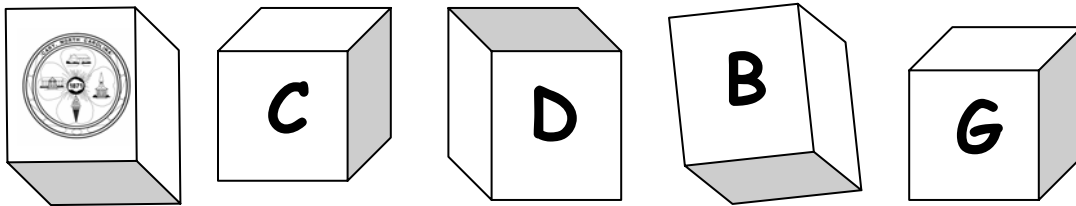
Minimizing Displacement

In the expenditure of its CDBG funds, the Town of Cary will take measures to minimize the displacement of LMI families that could result from its activities. When this is unavoidable on a temporary or permanent basis, federal law (the "Uniform Act") will be followed. Normally this involves payments to the displaced families to help with the needed relocation and the difference between current rent and the new rent at a comparable dwelling. A more detailed description of the Town's efforts to minimize displacement and provide payment when such is unavoidable will be included in the Town's Consolidated Plan.

Disclaimer

None of the foregoing may be construed to restrict the responsibility or authority of the Town of Cary in the development and execution of its Community Development Block Grant program.

Citizen Participation Plan Appendix A



What the Community Development Block Grant Is All About

The Community Development Block Grant (CDBG) is federal funding (U.S. Department of Housing and Urban Development, or HUD) that the Town is accepting principally to benefit low- and moderate-income (LMI) citizens in the Town. To put this \$500,000+ funding source to the most appropriate uses, we need to consult our LMI residents and advocates for our senior, disabled, illiterate, homeless, and low-income populations, whom the CDBG is supposed to serve.

The Town of Cary will conduct public meetings in November - January to gather information from our citizens on the Town's housing and community development needs and the priority order in which they should be placed. Please consult the Citizen Participation Plan (above) to see the full extent of the Town's efforts to consult its citizens and others in the development of its CDBG program.

The purpose of the CDBG program is to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low- and moderate-income. This may be achieved only by activities that either primarily benefit LMI persons, aid in the prevention or elimination of slums and blight, or address an urgent community development needs. HUD requires, however, that not less than 70% of CDBG funds received by a community principally benefit LMI persons in a given period.

The following are examples of the types of needs the CDBG program is designed to address with acquisition, rehabilitation, or installation:

Housing

Rehabilitation of LMI-occupied homes (100% LMI benefit required)

Development costs to support new affordable housing

Adaptive reuse of existing buildings for new affordable housing (at least 51% LMI benefit required)

Community Services (51% LMI or protected groups benefit required)

- Neighborhood-based community centers
- Transitional housing to prevent homelessness
- Facilities to serve abused children, battered spouses, seniors, disabled, homeless, illiterate, persons living with AIDS, or migrant farm workers
- Sheltered workshops to provide employment to the disabled

Community Facilities (at least 51% LMI benefit required)

- Replacement of deteriorating water or sewer lines or streets
- Sidewalks, greenways, and parks
- Drainage improvements
- Traffic calming to increase safety in LMI neighborhoods

Economic Development (at least 51% LMI benefit required)

- Job creation activities, such as off-site public improvements to help a business creating mostly LMI jobs (not necessarily low-wage: jobs are held by or available to persons not requiring more than a high school education, or the business will provide training for the needed skills)
- Downtown revitalization activities (such as façade improvement grants or loans) to enable town center area businesses increase the appeal of downtown

Public Services (no more than 15% of CDBG for this purpose allowed)

The Town of Cary is able to pay for salaries, office rent, and other related costs for services provided to LMI or protected groups if such services represent new activities, not existing activities already provided by the Town or nonprofit organizations within the Town. Examples include (if not provided locally by the entity seeking funding): vouchers for public transportation (C-Tran, TTA, other), literacy training for new immigrants, job training for the disabled, budgeting and life skills training for homeless families, counseling for abused children, etc.

2004 low- and moderate-income upper limits on income by household size:

1	2	3	4	5	6
\$39,950	\$45,650	\$51,350	\$57,050	\$61,600	\$66,150

[also considered LMI are the following groups: abused children, battered spouses, seniors, disabled, homeless, illiterate, persons living with AIDS, and migrant farm workers]

The low- and moderate-income upper limits are revised annually by HUD.

CDBG Contact:

Philip E. Smith 462-3887 philip.smith@townofcary.org

Town of Cary Planning Department

Summary of Citizen Comments

Internal Stakeholders Meeting – December 12, 2003

An internal stakeholders meeting was held with representatives of Town Departments. The general purposes of the CDBG program were explained and eligible projects were outlined with sample projects. The department representatives were asked to list any planned or unplanned projects for which CDBG funding is needed over the five year period of the Consolidated Plan. The following projects were provided by the internal stakeholders:

- Parks Department – Playground equipment in the newly planned Town Center Park between Walker and Academy Street, The Urban Park between East and West Circle Drive off of Waldo Street and the Soccer Park.
- Engineering – Possible paving of Forest Green Street
- Transportation – Bicycle racks needed at various locations in Town and at certain school sites. Several sidewalk projects will be identified.
- Police – Improvements and rehabilitation to the Police Substation at Wrenn Drive.
- Finance – Training in CDBG grant administration and accounting.
- General – Rehabilitation of Town Nursing Home

Citizen and External Stakeholder Meetings – January 5, 6, and 21, 2004, April 13, 2004

Meetings were held prior to the development of the Consolidated Plan with citizens and external stakeholders to solicit views as to the community development needs of the Town. These meetings were attended by citizens, most of the non-profit agencies providing services within Cary and Town staff. Citizen-identified needs include the following:

- Housing Rehabilitation
- More Affordable Housing
- Increased enforcement of minimum housing, junk vehicle and solid waste ordinances
- Sidewalks in general; sidewalks on Seabrook and Maynard Dr. in particular
- Clean-up creeks that run through the Town Center Area
- Utility and infrastructure improvements

Attachment 2

Analysis of Impediments To Fair Housing Choice

Introduction

As of July 1, 2004, the Town of Cary will become a Community Development Block Grant (CDBG) entitlement community. The Federal Fair Housing Act, adopted in 1968, gives the U.S. Department of Housing and Urban Development the responsibility to fight housing discrimination. As a recipient of CDBG funds the Town of Cary is in turn responsible to “affirmatively further fair housing” in the activities it undertakes with CDBG funds. A further condition of receiving these funds requires the Town of Cary to analyze impediments to fair housing and to undertake activities to address the impediments identified.

On face value, the concept of fair housing is simple – *every U.S. resident has to right to rent or buy a home in any neighborhood he or she chooses if they can afford it.* Any effort to block that right is housing discrimination. It can take many forms, from simple to complex and from intentional to unintentional. Housing discrimination can occur in nearly aspect of purchasing or renting a home from land use regulations, mortgage practices, insurance underwriting, appraisals, marketing, etc. This analysis identifies those impediments potentially at work in Cary and which the Town may have some influence over.

Up until 2004 the Town participated with Wake County in the CDBG and HOME program and cooperated with the County in addressing fair housing concerns. Housing discrimination is still an issue which requires the close cooperation of all governments in the Triangle area to present a holistic, seamless approach to the issue. This Analysis of Impediments to Fair Housing Choice (AI) has been prepared by the Town of Cary Planning Department with the intent of maintaining close cooperation with other jurisdictions. The period covered by the AI corresponds to the Town’s Consolidated Planning cycle or July 1, 2004 to June 30, 2009.

Background Data

The Town of Cary is a rapidly growing community of more than 100,000 citizens. The 2000 Census revealed important information about Cary’s population. In addition to experiencing more than a 100% increase in population between 1990 and 2000, the Town is becoming more diverse in terms of racial composition, income and age – the factors of greatest concern when examining discrimination. African American and other ethnic minorities increased from 9.9% in 1990 to 17.8% in 2000. Asian households represent the largest minority group at 8% with African American households at 6%. Unlike many communities, minority households are not especially concentrated within any one area of the community, but generally fall within $\pm 4\%$ at the census tract level of their representation in the community as a whole.

At \$69,800 in 2004, the Raleigh-Durham-Chapel Hill MSA enjoys the highest median family income of any area in North Carolina. Despite the high incomes enjoyed by many Cary residents, over 20% of Cary's residents meet the HUD definition of low and moderate income. Low and moderate income residents are generally concentrated in the four census tracts surrounding Cary's Town Center area. Nearly half (42%) of all low and moderate income families were single family head of household families. The age distribution of Cary citizens in 2000 was 5.4% ages 65 and older; 24.1% ages 14 and younger; 10.8% ages 15-24; and 59.7% ages 25-64 years.

The median sales price of a home (both new and resale) in 2002 was over \$225,000 and rent for a two bedroom apartment averaged \$860 per month; both figures are among the highest in the Triangle area. Rents, in particular are increasing faster than incomes in Cary. Housing choice is greatly influenced by housing costs and income. Low income families, especially face fewer and fewer options as housing costs rise and incomes lag behind.

Evaluation of Town of Cary Programs

Concentrating public funds in high minority and low income areas can appear to have the effect of perpetuating long standing discriminatory practices. Notwithstanding this concern, federal regulations require that a majority of CDBG funds benefit low and moderate income families and favor the use of these funds in areas with high low/mod income concentrations through greater flexibility in eligible uses. For 2005 a majority of Town of Cary CDBG funds will be spent on infrastructure, increasing housing opportunities and removing blighting influences within the Town Center Area a traditionally low income area. These activities are considered in support of making the Town Center Area a safe and viable neighborhood. As such the correlation between CDBG spending in areas of low income/minority concentration is an intended outcome of the program and not an impediment to fair housing choice.

For the Town's Affordable Housing Program funded through the General Fund the Town Council has provided policy guidance that these funds should be concentrated outside of Maynard Drive. Maynard Drive is street circling the community, inside of which are located Cary's highest concentrations of low and moderate income and minority households. This policy results in housing opportunities being constructed outside of traditional low income/minority areas. Therefore, no impediment to fair housing choice has been a direct result of this program.

Evaluation and Mid-Course Corrections; Communicating Results

The Town of Cary will evaluate this Analysis of Impediments on an annual basis as part of the Consolidated Annual Performance and Evaluation Report (CAPER). Evaluations will include milestones and a description of fair housing actions taken over the one year period. These evaluations will provide an opportunity for mid-course corrections, changes, or additions to our fair housing efforts.

The Analysis of Impediments will be posted on the Town of Cary website and made available to the public-at-large and housing organizations.

Identified Impediments to Fair Housing Choice

An Analysis of Impediments is a thorough review of the nature, extent and causes of housing discrimination in our community. Included in the analysis is a review of potential violations of the Fair Housing Act as well as activities that are counter-productive to fair housing choice.

One cannot simply stop at identifying impediments; success is only achieved through implementation of actions that overcome discrimination. With this in mind, identified impediments and specific actions to address each impediment are outlined below. These actions are designed to achieve measurable results during the five-year consolidated planning process.

IMPEDIMENT: NIMBY objections to affordable housing, -- especially multi-family housing, in many neighborhoods.

NIMBY (“not in my backyard”) opposition from citizens can often have a great impact on affordable housing, particularly multi-family housing for low income people, among whom protected classes are disproportionately present. These attitudes can often get codified into zoning and land development regulations which limit where multi-family developments can be located or require special use and conditional uses for certain types of special needs housing.

Actions to Overcome Effects of Impediment to Fair Housing

Overcoming mindsets that have been established for years or generations will be difficult. Providing mixed income communities, limiting the size and scope of affordable housing projects and educating citizens about what affordable housing really is, are all strategies that may be used to overcome this barrier.

The Town of Cary has recently revised its Land Development Ordinance to provide more flexibility of land uses in certain zoning categories. While this change is too new to have had much impact yet, the Town will work with the development community to produce mixed income developments.

IMPEDIMENT: Lack of knowledge about fair housing rights and persistent cultural attitudes that encourage separation impede fair housing. Lack of funding for testing and enforcement and reluctance of victims to pursue legal remedies are impediments to fair housing

Many members of protected classes, the housing industry and government officials lack knowledge about fair housing laws and how to pursue fair housing complaints. This lack of knowledge allows fair housing violations to persist unabated and is therefore an impediment to fair housing choice. Further there is a lack of funding available to proactively test and enforce fair housing complaints.

Actions to Overcome Effects of Impediment to Fair Housing

The Town of Cary will seek partnerships with other Triangle agencies to increase community education efforts and to foster integrated neighborhoods. One opportunity to conduct fair housing education is at the Cary Housing Fair co-sponsored by the Town of Cary and held annually in early summer. This housing fair is attended by several thousand people each year.

The North Carolina Fair Housing Center, located in Durham, NC is an agency that provides technical assistance to victims of housing discrimination and some enforcement. During the period covered by the Consolidated Plan, the Town will consider partnering with NCFHC to investigate and enforce fair housing complaints.

The Town of Cary will research and consider adopting a local Fair Housing Ordinance or alternatively participate with other jurisdictions in creating a fair housing enforcement mechanism.

IMPEDIMENT: Limited availability of affordable housing is an impediment, because members of protected classes are more likely to be economically disadvantaged.

As Cary has the highest median home prices in the Triangle area, many lower income families are being priced out of the housing market. Generally, protected classes are disproportionately represented among lower income residents and would therefore be among the greatest impacted by higher housing prices.

Actions to Overcome Effects of Impediment to Fair Housing

The Town of Cary recognizes the need for more affordable housing and has taken a proactive approach to foster more affordable units. The Town adopted an Affordable Housing Plan in 2001 and has allocated more than \$3,000,000 from its general fund to support affordable housing developments. The effort to become designated as a CDBG entitlement community was also prompted by the desire of the Town to increase the supply of affordable housing.

The Town will continue its efforts to increase the supply of affordable housing by seeking partnerships with private and non-profit housing developers and leveraging its housing resources to the extent possible.

IMPEDIMENT: HMDA data shows African American and Hispanic are receiving mortgages disproportionately to their representation in the population as a whole. Where mortgage lending decisions are based on race or similar factors, this is a serious impediment.

The Home Mortgage Disclosure Act (HMDA) requires financial institution to maintain comprehensive data on mortgage lending. In the Raleigh-Durham-Chapel Hill MSA, African Americans and Hispanic families are receiving a proportion of mortgage loans much less that

what their population would indicate (15.37% of loans, 22.54% of population and 3.23% of loans, 6.11% of population respectively). Native Americans are receiving loans in proportion to their number in the MSA while Asian and other minorities are receiving loans in greater proportion to their population.

It is not valid to attribute these disparities to the practices of financial institutions only as many other factors may also contribute to this. It is important to note however, that greater efforts need to be made to address this imbalance in lending to minority families no matter the cause.

Actions to Overcome Effects of Impediment to Fair Housing

The Town of Cary will work with local lenders to encourage them to utilize best practices in affirmatively marketing to minority borrowers and to participate in public private partnerships to promote affordable housing and fair housing choice. The Town will further work with lending institutions to discourage predatory lending practices by establishing and marketing mainstream programs for persons with imperfect credit.

IMPEDIMENT: Limited acceptance of Section 8 vouchers is an impediment to fair housing choice.

The Section 8 program allows low income families and households to obtain a housing unit on the private rental market. It assists lower income families by paying the difference between what the family can afford to pay and a fair market rent established for the unit. Both the Raleigh Housing Authority and the Wake County Housing Authority administer Section 8 programs.

Even though a low income family may possess a Section 8 voucher, they are not assured of securing housing in Cary or Wake County. Apartment complexes are not required to accept Section 8 vouchers and few in the county do. The rental market for single family homes is both tight and expensive, providing little incentive for these landlords to participate either. Current HUD policies involving the HOPE VI program and project based housing are putting more vouchers in the hands of lower income families. If these vouchers are not readily accepted by the private sector a crisis situation could be reached.

Actions to Overcome Effects of Impediment to Fair Housing

The resistance of the private rental market to accept Section 8 vouchers is not easily overcome. Education may help landlords overcome any fears associated with Section 8. The Town of Cary will work with the housing authorities and other jurisdictions to sponsor landlord workshops and other education vehicles regarding the Section 8 program.

Attachment 3

Residential Anti-Displacement and Relocation Assistance Plan

In the expenditure of its CDBG funds, the Town of Cary will take measures to minimize the displacement of LMI families and the loss of low and moderate income dwellings that could result from its activities. When this is unavoidable, the Town of Cary will ensure the replacement of all occupied and vacant habitable low and moderate income housing demolished or converted to another use in connection with an activity assisted with CDBG funds.

All replacement housing will be provided within four years after the commencement of the demolition or conversion. Before entering into a contract committing the Town of Cary to provide funds for an activity that will directly result in demolition or conversion the Town of Cary will ascertain the following information in writing:

1. The location on a map and number of dwelling units by size (i.e. number of bedrooms) that will be demolished or converted to a use other than as low/moderate income dwelling units.
2. A time schedule for the commencement and completions of the demolition or conversion.
3. To the extent known, the location on a map and the number of dwelling units by size that will be provided as replacement dwelling units.
4. The source of funding and a time schedule for the provision of the replacement dwelling units.
5. The basis for concluding that each replacement dwelling unit will remain a low- and/or moderate-income dwelling unit for at least 10 years from the date of initial occupancy.

The Town of Cary Planning Department is responsible for tracking the replacement of housing and ensuring that it is provided within the required period.

The Town of Cary Planning Department is responsible for ensuring that relocation assistance, as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), is provided to any lower-income person displaced by the demolition of any dwelling unit or the conversion of a low- and/or moderate-income dwelling unit to another use in connection with an assisted activity.

Consistent with the goals and objectives of activities assisted under the Act, the Town of Cary will take the following steps to minimize the displacement of persons from their homes:

- Coordinate code enforcement with rehabilitation and housing assistance programs.
- Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent their placing undue financial burden on long-established owners or tenants of multifamily dwellings.
- Stage rehabilitation of apartment units to allow tenants to remain during and after rehabilitation by working with empty units or building first.
- Locate temporary housing to house persons who must be relocated temporarily during rehabilitation.
- Adopt public policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods.

Attachment 4

**Wake County Continuum of Care
(HUD Form 1A) And
Point-in-Time Homeless Survey**

2001 FINAL (Wake County)

Continuum of Care: Gaps Analysis

SOURCE: 2002/2003 Action Plan Wake County, North Carolina

Wake County Human Services, Housing and Community Revital. Div.

HOMELESS POPULATIONS	Estimated Need	Current Inventory	Unmet Need / Gap	Relative Priority
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INDIVIDUALS

Beds / Units	Emergency Shelter (45%)	685	619	66	L
	Transitional Housing (35%)	533	117	416	H
	Permanent Housing (20%)	305	135	170	H
	Total	1523	871	652	
Supportive Services Slots	Job Training (50%)	762	148	614	M
	Case Management (100%)	1523	268	1255	H
	Substance Abuse Treatment	1325	223	1102	H
	Mental Health Care	883	100	783	H
	Housing Placement	1218	205	1013	M
	Life Skills Training (80%)	1218	241	977	H
	Health Services (30%)	457	86	371	M
	Youth Services	259	21	238	L
Sub-populations	Chronic Substance Abusers	762	249	513	H
	Seriously Mentally Ill (35%)	533	199	334	H
	Dually – Diagnosed (23%)	350	119	231	H
	Veterans (20%)	305	4	301	M
	Persons with HIV/AIDS (9%)	137	5	132	M
	Trauma Survivors (11%)	171	94	77	L
	Youth (17%)	259	15	244	L

PERSONS IN FAMILIES WITH CHILDREN

Beds / Units	Emergency Shelter (30%)	269	253	16	L
	Transitional Housing (45%)	404	366	38	M
	Permanent Housing (25%)	224	50	174	H
	Total	897	669	228	
Supportive Services Slots	Job Skills Training (75%)	673	67	606	M
	Case Management (100%)	897	552	345	H
	Child Care (85%[ES + TS])	572	49	523	M
	Substance Abuse Treatment	780	249	531	H
	Mental Health Care	816	199	617	H
	Housing Placement	673	641	32	M
	Life Skills Training	673	497	176	M
	Health Services (30%)	269	75	194	M
Sub-populations	ChronicSubstAbusers (44%)	296	282	14	H
	Seriously Mentally Ill (40%)	359	135	224	H
	Dually – Diagnosed (23%)	206	96	110	H
	Veterans (10%)	90	6	84	L
	Persons with HIV/AIDS (4%)	36	3	33	L
	Trauma Survivors (91%)	816	361	455	M

WAKE COUNTY, NC POINT-IN-TIME HOMELESS SURVEY

Conducted December 15, 2003 and Finalized January 25, 2004

NOTE: The "Unsheltered" totals will be collected on a different form; leave all black cells blank. Cells containing zeroes (0's) will be filled by formula; please do not override them. A separate Word Document named "Legend" contains the footnotes.

Total Homeless	1235
Children and Youth	287
Domestic Violence	83%

	Total SINGLES	Men	Women	Youth Male	Youth Female	Total FAMILIES	Men	Women	Children Male	Children Female	# of Families
RACE: African American	423	298	111	6	8	359	12	108	117	122	
White	309	258	46	3	2	33		18	8	7	
Other incl. Multiracial	93	60	32	1		18	2	3	8	5	
ETHNICITY: Hispanic	56	33	21	2		12		5	5	2	
Non-Hispanic	769	583	168	8	10	398	14	124	128	132	
Unsheltered Total (1)	102	102									
Chronically Homeless (2)	210	181	29			27		7	8	12	7
In Emergency Shelter (3)	413	316	87	6	4	181	3	66	64	58	56
In Transitional Housing (4)	310	198	102	4	6	229	11	73	69	76	73
TOTAL HOMELESS (5)	825	616	189	10	10	410	14	129	133	134	129
Veterans (6)											
Yes	58	54	5			5	3	2			
No	528	405	123			72	7	65			
Unknown	218	157	61			66	4	62			
Domestic Violence (7)	85	22	63			326		107	116	103	107
Mental Illness (8)											
Yes	156	90	66			5		3	1	1	3
No	208	147	61			260	11	87	86	76	87
Unknown	461	379	62	10	10	145	3	39	46	57	39

Appendix A
Organizations Active in Housing and
Community Development in the Cary Area

Organization	Type of Service Offered	Contact Person
DHIC, Inc. 113 South Wilmington Street Raleigh, NC 27601	Housing development Mortgage counseling	Gregg Warren 832-4345,ext. 3005
Habitat for Humanity of Wake County 2400 Alwin Court Raleigh, NC 27604	Housing development	Greg Kirkpatrick 833-1999, ext. 23
The Caring Place, Inc. P.O. Box 662 Cary, NC 27512	Transitional housing	Joe Rappl 462-1800
White Oak Foundation, Inc. 1621 White Oak Church Road Apex, NC 27502	Housing Development	Rev. Charles Tyner 929-3171
Culturas Unidas 976 Walnut Street, Suite 333 Cary, NC 27513	Outreach to Ethnic Minorities	Fiorella Horna-Guerra 467-6696
CASA 401 E. Whitaker Mill Road Raleigh, NC 27608	Housing for Disabled	Debra King 856-6453
Wake County Division of Housing & Community Revitalization P.O. Box 550 Raleigh, NC 27602	Housing Development	Annemarie Maiorano 856-5268
Wake Housing Resource Center 418 South McDowell Street Raleigh, NC 27601	Housing Referral, Mortgage Training, Ready to Rent, Individual Development Accounts	Melvinna McKenzie Bobby Huffstetler 857-9472
Episcopal Housing Ministry P.O. Box 17111 Raleigh, NC 27619	Housing development	Shepherd Smith 881-0110
Executive Director NC Low Income Housing Coalition 3948 Browning Place, Suite 210 Raleigh, NC 27609	Information and advocacy.	Chris Estes 881-0707 cestes@nclihc.org
Passage Home	Housing development	Jeanne Tedrow 834-0666
Wake County Housing Authority	Housing development Housing vouchers Public housing management	
Wake County Human Services	TNAF, Food Stamps	
Employment Security Commission	Employment Information	
Homeownership Center (DHIC, Inc.) 113 South Wilmington Street Raleigh, NC 27601	Homeownership Counseling, Administers Cary's Employee Homeownership Program	Sheila Porter/Sandra Harper 832-4345

Organization	Type of Service Offered	Contact Person
Social Action Committee St. Michael's Catholic Church 804 High House Road Cary, NC 27513	Advocacy, Assistance to Homeless and Low Income	Billie Jo Herr 465-9848
Self-Help Credit Union P.O. Box 3619 Durham, NC 27702-3619	Mortgage assistance, housing development	Lanier Blum 956-4682
Center for Volunteer Caregiving 117 S Academy Street Cary, NC 27511		460-0567
North Carolina Fair Housing Center 114 W. Parrish St PO Box 28958 Durham, NC 27701	Technical Assistance regarding Fair Housing complaints and enforcement	667-0888
Wake Interfaith Hospitality Network 903 Method Road Raleigh, NC 27606		832-6024
Jeff Fike Builders	Housing Development	Jeff Fike 363-4868
R-D Construction	Housing Development	Cliff Zinner
(a) Evergreen Construction 7706 Six Forks Road Raleigh, NC 27615	Housing development	Lyle Gardner 848-2041
Regency Development Assoc., Inc.	Housing development	Julie Shea Graw
Christian Community in Action 1231 NE Maynard Rd Cary, NC 27513	Homeless Assistance	469-9861
Cary Senior Center/Resources for Seniors	Assistance to Seniors	Linda Kendall
Cary YMCA	Outreach programs for low-income populations	
Triangle United Way		
Wachovia	Homeownership Financing	Linda Shaw
Westbrook Associates Kildaire Farm Road	Property management, real estate development	Susan Winstead (realtor)
Goodwill Industries	Clothing, Furniture	
Crescent State Bank	Homeownership Financing	
Wake County Homelessness Coalition	Homeless Advocacy and Assistance	
Wake County Continuum of Care	Special Needs Housing	
First Citizens Bank	Homeownership Financing	Mark Horgan, Senior VP

Appendix B
Affordable Multi-family Rental Housing
Within the Town of Cary

Name of Complex	Rent Range	1BR	2BR	3BR	4BR
Ashton Woods	\$500-525	0	122	0	0
Briarcliff	\$449-649	27	194	27	0
Brookdale Townhouses	\$495	0	20	0	0
Cardinal Woods	\$575-680	88	96	0	0
Cary Central (elderly)	1/3 of income	0	20	0	0
Chatham Forest	\$529-739	28	94	32	0
Forest Park	\$475-735	4	35	0	0
Hermitage at Beechtree*	\$500-666	60	134	0	0
Merriwood	\$399-650	40	96	0	0
Misty Woods	\$553-751	162	198	0	0
Northwood Mews	\$715-990	0	108	28	
Oxford Square	\$595-850	40	120	24	0
Pine Ridge	\$500-800	12	18	30	0
South Walker Street	\$595	0	18	0	0
Urban Terrace Townhouses	\$565	0	26	0	0
Wrenwood	\$650-780	0	44	20	0
Tax Credit Apartments					
The Grove at Cary Park	\$580-865	20	60	24	16
Westwood Park	\$480-685	0	48	24	0
Sedgebrook Apartments	\$585-645	0	24	8	0

*must qualify with income and good credit