

Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund



Town of Chapel Hill Office for Housing and Community

housingandcommunity@townofchapelhill.org

919-969-5079

www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding

GENERAL INFORMATION & APPLICATION INSTRUCTIONS

OVERVIEW

Thank you for your interest in the Town of Chapel Hill's Affordable Housing funding sources! This application is used for funding requests for all of the Town's local funding sources for affordable housing projects (Housing Bond, Affordable Housing Development Reserve, and Affordable Housing Fund). To learn more about each of these sources and eligible uses, see the Attachments Section.

INCOME ELIGIBILITY

In general, projects for the Town's affordable housing sources must serve households with income below 80% of the area median income as defined by the U.S. Department of Housing and Urban Development, adjusted for family size, though projects may be approved that serve households of higher incomes. Please see the Attachments for additional information about income limits.

FINANCING ASSUMPTIONS

Applicants may apply for loans or grants. Town staff will analyze the financials for any project approved for funding and determine the proposed financing structuring. When determining the structure and terms of funding, Town staff will review project financials for accuracy and reasonableness according to the following underwriting assumptions (**unless applicant notes otherwise**):

Rental Projects

- Vacancy allowance: 7%
- Annual rent escalation: 2%
- Annual operating expense escalation: 3%
- Replacement reserves: minimum of \$250/year/unit for new construction
- The income/rent mix should be structured such that a minimum of a 1.15 debt coverage ratio is maintained. Debt Coverage Ratio will be calculated annually by dividing the project's Cash Flow for Debt Service by the Debt Service Payment(s). The Town's ideal range for the Debt Coverage Ratio is between 1.15 and 1.3.

Homeownership Projects

Will consider factors such as estimated sale proceeds, funding sources, and mortgage structure.

PROJECT REPORTING AND MONITORING

Organizations must submit progress reports to the Town quarterly to monitor progress and performance, financial and administrative management, and compliance with the terms of the performance agreement. Please submit reports using the template linked on the Town website and in the Attachments section electronically to: housingandcommunity@townofchapelhill.org.

FUNDING DISBURSEMENT

Bond funding is typically issued to funded agencies on a reimbursement basis. The funded agency shall invoice the Town for eligible project expenses as defined by the terms of a performance agreement to be executed with the Town. The funded agency must provide the Town with appropriate documentation of expenses.

ORIENTATION MEETING

Applicants are invited to attend an optional orientation session prior to applying for funding, which will be held once per year and provide an overview of all of the Town's affordable housing sources.

Applicants are also invited to participate in a pre-application meeting, which is a one-on-one session during which applicants can discuss their funding proposal with Town staff. To schedule a pre-application meeting, contact Nate Broman-Fulks at 919-969-5077 or nbfulks@townofchapelhill.org.

SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: housingandcommunity@townofchapelhill.org. Note that the Project Financials attachment asks for an Excel document, or similar file format, rather than a PDF. If you have questions, please contact: Nate Broman-Fulks at 919-969-5077 or nbfulks@townofchapelhill.org

Applications may not be considered for the following reasons:

1. Projects are not located within the Town limits or the Town Extra-Territorial Jurisdiction
2. Projects do not have site control (if applicable)
3. Projects do not align with the eligibility criteria for the funding source
4. Incomplete or late applications

CHECKLIST OF REQUIRED DOCUMENTATION

Application:

| | | |
|-------------------------------------|-------------------|--|
| <input checked="" type="checkbox"/> | Section 1: | Cover Page |
| <input checked="" type="checkbox"/> | Section 2: | Disclosure of Potential Conflicts of Interest |
| <input checked="" type="checkbox"/> | Section 3: | Organization Information |
| <input checked="" type="checkbox"/> | Section 4: | Project Information |
| <input checked="" type="checkbox"/> | Section 5: | Attachments |

COVER PAGE

Organization Contact Information

Legal Name: DHIC, Inc.

Tax ID Number: 56-1085131

Physical Address: 113 S. Wilmington Street, Raleigh, NC 27601

Mailing Address: Same as Physical

Organization's Website: www.dhic.org

Date of Incorporation: 11/9/1973

Executive Director Name: Yolanda Winstead

Telephone Number: 919-600-5363

E-Mail: yolanda@dhic.org

Funding Request

Project Name: The Indigo

Total Number of Units Included in Funding Request: 51

Total Project Cost: \$12,438,650

Total Amount of Funds Requested: \$1,350,000

Please specify the **type** and **amount** of funding requested:

Affordable Housing Bond: \$1,350,000 Grant Loan

Affordable Housing Fund: \$_____ Grant Loan

Affordable Housing Development Reserve: \$_____ Grant Loan

**New this year. If you are NOT requesting a loan, please describe your reasoning:_____

Note: the Town will analyze project financials to determine the project’s ability to support a loan, regardless of the type of funding requested. Staff will use the project’s Debt Coverage Ratio as the key tool in determining the project’s recommended funding structure.

Loan Terms Requested, if applicable, (provide a concise description, including interest rate, term length, amortization schedule):

The Town funds would be a subordinate loan in second position. The proposed terms include a 1.0% interest rate and a 20-year term. The loan would be repayable through available cash flow after primary debt service. The amortization schedule would be set at closing based on the projected available cash flow down to a 1.15 debt coverage ratio and paid pro rata with the Rental Production Program loan from NCHFA, which will be in third position.

Proposed Use of Funds Requested (provide a concise description, not to exceed 100 words):

The loan funds subsidize the construction cost of rental housing that is 100% affordable. Construction costs are at record levels and interest rates are rising with inflationary pressures. With 25% of the units affordable to 30% AMI, 15% of units affordable to 50% AMI, and the remainder affordable to 60% AMI, the Indigo’s ability to support conventional debt is constrained and requires additional subsidy to support the construction of the project. The site constraints require four stories of construction, which increases costs over the three-story buildings more typical of LIHTC developments in North Carolina.

1. Type of Activity. Please check the category under which your project falls.

- Acquisition
- Predevelopment activities
- Infrastructure/site improvements
- New construction for homeownership
- New construction for rental housing
- New construction of emergency shelter
- New construction of transitional/supportive housing
- Rental housing subsidy
- Homeownership assistance
- Owner-occupied rehabilitation
- Rental rehabilitation
- Other (*specify*): _____

To the best of my knowledge and belief all information and data in this application is true and current. The document has been duly authorized by the governing board of the applicant.

Signature:  _____
Executive Director

 _____
Date

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST AND NON DISCRIMINATION CLAUSE

Are any of the Board Members or employees of the organization which will be carrying out this project, or members of their immediate families, or their business associates:

YES NO

- a) Employees of or closely related to employees of the Town of Chapel Hill?

- b) Members of or closely related to members of the governing bodies of the Town of Chapel Hill?

- c) Current beneficiaries of the program for which funds are being requested?

- d) Paid providers of goods or services to the program or having other financial interest in the program?

If you have answered YES to any question, **please provide a full explanation below.**

NON-DISCRIMINATION

Provider agrees as part of consideration of the granting of funds by funding agencies to the parties hereto for themselves, their agents, officials, employees and servants agree not to discriminate in any manner of these basis of race, color, gender, national origin, age, handicap, religion, sexual orientation, gender identity/expression, familial status or veterans status with reference to any activities carried out by the grantee, no matter how remote.

To the best of my knowledge and belief all of the above information is true and current. I acknowledge and understand that the existence of a potential conflict of interest does not necessarily make the program ineligible for funding, but the existence of an undisclosed conflict may result in the termination of any grant awarded.

Signature: 
Executive Director

4/6/22
Date

ORGANIZATION INFORMATION

1. **Organization Mission** (*no more than a few sentences*):

Since 1974, DHIC has demonstrated the importance of connecting people with safe, affordable, and desirable homes in the Triangle region of North Carolina. DHIC provides homebuyer education and support and develops rental communities for families and individuals with limited incomes. We understand that a home is a catalyst for opportunity, independence, and resilience. DHIC's mission is to support individuals, families, and seniors by providing homes and opportunities that promote the financial, physical, and mental well-being of people and communities.

2. **Organization Staff:** Please provide names of staff, contractors, and/or volunteers that will be involved with the project. Describe their responsibilities with the project and track record in successful completion of similar projects in the past.

Yolanda Winstead, President. Ms. Winstead has over 25 years of experience in affordable housing development, financing, and related services. Immediately before assuming leadership at DHIC, she served as Vice President of Finance at Greystone Affordable Development, responsible for underwriting and sourcing financing tools, including Tax Exempt Bonds, and Low-Income Housing Tax Credits (LIHTC), and providing support and technical assistance to developer clients. Prior to joining Greystone, she served 15 years at Community Affordable Housing Equity Corporation (CAHEC), most recently as Senior Acquisitions Manager, evaluating and structuring over \$400MM of equity investments in complex LIHTC and Historic Tax Credit transactions across the Southeast. Ms. Winstead began her housing career at DHIC in 1994, where she first served as Housing Services Coordinator, before transitioning to real estate development operations as a Project Manager. She also served as DHIC's first Homeownership Center Coordinator. She holds a BS in Business Administration from Atlantic Christian College and recently received her Nonprofit Management Certification from Duke University. Ms. Winstead is in her first term as a Commissioner on the Board of the Raleigh Housing Authority.

Sharon Lorden, CPA, Chief Financial Officer/VP of Finance & Administration. Ms. Lorden joined DHIC in 2002 and has over 20 years of real estate finance experience. She is responsible for all fiscal aspects of the company including cash flow forecasting, reporting to numerous tax credit investors, lenders and partners, accounting for the various projects under development, and overseeing the audited financials of the forty-plus entities currently in operation. In addition, she manages the human resources and technology of DHIC and oversees the asset management function. Her undergraduate work includes a Bachelor of Science in Accounting in addition to a Bachelor of Science in Business Administration/Finance from the University of Akron in Ohio. She holds a North Carolina CPA license, a North Carolina Real Estate Broker license, and is a member of both the state and national CPA associations. Ms. Lorden received the Triangle Business Journal CFO of the Year Award for small non-profits in 2009.

Natalie Britt, Senior Vice President of Real Estate Development. Ms. Britt joined DHIC in 1996 after completing undergraduate degrees and the Master of Regional Planning program at UNC-Chapel Hill. She is a member of DHIC's senior management team and heads up its real estate development line of business. Since joining DHIC, she has completed 19 rental developments with various combinations of financing including conventional and tax-exempt mortgage loans, low-income housing and historic tax credits, local government loans, among other sources. She fulfilled the project manager role for Greenfield Place in Chapel Hill. Ms. Britt currently serves on the Finance Committee of the YMCA of the Triangle and the Women's Leadership Steering Committee of ULI of the Triangle. She previously served

on the Board of Directors for Triangle Commercial Real Estate Women (TCREW) & the Land Protection Committee of Triangle Land Conservancy. She is a member of the 25th class of Leadership Raleigh.

Michael Rodgers, Director, Real Estate Business Development. Mr. Rodgers joined DHIC in September, 2016. As the Director of Real Estate Business Development, Michael directs rental housing development from acquisition and initial concept through project feasibility, design, and financial structuring. He is also responsible for building financial models for projects and underwriting development opportunities. Previously, Michael worked as a Project Manager at DHIC, overseeing the development and construction of affordable and mixed-use projects, including Chapel Hill's Greenfield Commons. Prior to joining DHIC, Michael was an Acquisition Manager at a non-profit tax credit syndicator where he was responsible for originating, underwriting, and closing tax credit developments across North Carolina, South Carolina, Virginia, and Georgia. He also worked as a Legislative Assistant in the legislative offices of the Virginia General Assembly. Michael is a graduate of the College of William and Mary and holds a Master of City and Regional Planning from UNC-Chapel Hill. He previously served on the Town of Carrboro Planning Commission. He is a member of Leadership Triangle class of 2019 and is Vice President of the Board of Directors for the Durham Co-op Market.

Patrick Nerz, Project Manager. Patrick joined DHIC in August 2021. In his role as a Project Manager, Patrick leads activities related to all aspects of affordable housing development, including evaluating development concepts, building financial models, coordinating design and construction scopes, and facilitating debt and equity partnerships. Prior to joining DHIC, Patrick was the Development Director for Empire Properties, a Raleigh, NC historic tax credit development company. In this role, he was responsible for analyzing development viability, leading historic tax credit projects from acquisition through historic rehabilitation, and leading financing efforts for new development and existing projects. Patrick holds a B.A. in history and political science from UNC-Chapel Hill and a Master of City and Regional Planning with a concentration in real estate development from UNC-Chapel Hill.

LaTonya Mckoy, Manager of Resident Services, Joined DHIC in September 2015. As the Manager of Resident Services, LaTonya is responsible for developing and maintaining supportive, professional relationships with residents, property management teams, service coordinators, social service providers, and other public agencies. She is also responsible for directing resources in four core service areas: youth programs, community building, health and financial wellness, and positive senior well-being. LaTonya has 20 years of experience in Human Services and prior to joining DHIC she served as the Support Services Director for InterAct of Wake County, where she was responsible for overseeing InterAct's Residential Counseling Program for victims of domestic violence and sexual assault. Throughout her career LaTonya has served diverse populations in a variety of settings including homeless shelters, hospitals, and local and state government. She has built supportive services for individuals experiencing and at-risk for homelessness, individuals with disabilities and at-risk youth. LaTonya is skilled in resource development, case management, and community engagement. LaTonya graduated from UNC-Charlotte with a BS in Social Work in 1997, and has since built a career rooted in advocacy and community service.

of FTE – Full-Time Paid Positions: 25

of FTE Part-Time (less than 40 hours/wk) Paid Positions: 0

3. **Agency Track Record:** Briefly describe three relevant and substantially similar affordable housing development or preservation projects completed by the organization in the last 10 years (preferably 5 years). The project description should include:
 - a. Location

- b. Scope and scale of project
- c. Total development budget and financing sources
- d. Indication of whether the projects were completed on budget and on time. If not completed on budget and on time, please describe why.
- e. Photos/illustrations of completed project

Please see the enclosed examples of DHIC's Track Record. The three projects following were all completed on budget and on time.

RELEVANT PROJECT EXPERIENCE: GREENFIELD



GREENFIELD

Chapel Hill, NC

Greenfield is a two-phase, 149-unit affordable housing community located in a highly-desirable, high-amenity area of Chapel Hill, NC. As is typical with university towns, land and housing prices are at a premium, squeezing out low-wage workers and others with modest incomes. Greenfield represents a true public-private partnership and is the result of a deliberate process by the Town of Chapel Hill to identify opportunities to use town-owned land to help fill a gap for affordable rental housing in the midst of a high-end building boom. The Town not only donated the land but they also helped with due diligence studies (survey, phase one, etc.), covered the costs of bringing sanitary sewer to the site and part of the entranceway and assigned a planning department staff member to shepherd the project through the development process to avoid conflicts and time delays.

The Greenfield community was developed using two separate 9% LIHTC awards and was fully completed in 2019 and features six residential buildings and a clubhouse with 80 one-, two-, and three-bedroom units for families and 69 one- and two-bedroom units for seniors age 55 and older. All units are affordable to households making at or below 30-60% of AMI. The community features a playground, picnic shelter, fitness center, clubhouse with business center and kitchen, library, and a connection to Chapel Hill's multi-use trail system. Residents also enjoy convenient access to fare-free transit and proximity to a range of shopping and employment options.

DHIC was recognized for its achievements at Greenfield with a 2019 SPACE award for the top multifamily development by the Triangle Business Journal and a 2020 award for top rental development from the North Carolina Housing Finance Agency. It remains an outstanding example of how a thoughtful, dedicated local government, in partnership with a non-profit developer, can serve as a catalyst for new affordable housing at a significant scale, even in a high-priced market. Greenfield was quickly followed by major private investments in the area by Wegman's, UNC Healthcare, and market-rate multi-family development.

CHARACTERISTICS

Affordable, public-private

| SOURCE | AMOUNT |
|------------------------|---------------------|
| Conventional Debt | \$4,748,448 |
| NCHFA | \$2,200,000 |
| Town of Chapel Hill | \$1,295,500 |
| Orange County | \$154,500 |
| NeighborWorks | \$560,000 |
| Federal LIHTC Equity | \$14,100,340 |
| Deferred Developer Fee | \$474,349 |
| Total Sources | \$23,533,137 |

| USES | AMOUNT |
|-------------------|---------------------|
| Hard Costs | \$18,598,548 |
| Soft Costs | \$4,934,589 |
| Land Cost | - |
| Total Uses | \$23,533,137 |

DEVELOPMENT TEAM

Architect:

Cline Design Associates

Civil Engineer:

Kimley-Horn

Contractor:

Harold K. Jordan & Co., Inc.



RELEVANT PROJECT EXPERIENCE: WILLARD STREET



WILLARD STREET

Durham, NC

Willard Street Apartments is located in downtown Durham, NC, immediately adjacent to the Durham Transportation Center. Completed in early 2021, Willard Street is one of the only transit-oriented, mixed-use, affordable housing developments in the state of North Carolina and represents a significant public-private partnership completed by DHIC and the City of Durham. The 150,000 SF development includes 43 two-bedroom and 39 one-bedroom apartments that are affordable to households with incomes at or below 60% of area median income (AMI) with 21 of the units affordable to households referred by Durham Housing Authority with incomes at or below 30% of AMI.

Featuring on-site management, resident business center, multipurpose room with a kitchen, fitness facility, washer and dryer hookups, and numerous other amenities, Willard Street offers residents the opportunity to live affordably in the heart of Durham's growing downtown where rents are otherwise unaffordable. The project also has 5,000 square feet of fully-leased commercial space, two stories of structured parking, and an elevated plaza with recreational amenities overlooking the City's skyline. To further accentuate the local connection, DHIC and the design team coordinated with multiple local artists to produce original artwork celebrating Durham's history on the interior and exterior of the building. Throughout the project, the development team held multiple public meetings, consulted with advocacy groups like Durham CAN and Coalition for Affordable Housing and Transit, sent newsletters, and maintained a publicly accessible webcam for progress on the site. The management team also worked directly with local organizations to notify eligible residents about the leasing and application process and maintained an interest list to keep the public informed.

DHIC worked with the City to successfully win a 9% LIHTC award and was able to negotiate significant variances from NCHFA to allow a reduced parking ratio, structured parking, and mixed-use commercial space. The structured parking at Willard Street Apartments will also provide the parking for Ashton Place, a 51-unit affordable development for seniors age 55+. Ashton Place received a LIHTC award in 2021 and will begin construction in mid-2022, bringing the total to 133 affordable units on just 1.75 acres in downtown.

CHARACTERISTICS

Mixed-use, transit-oriented, urban, public-private

| SOURCE | AMOUNT |
|------------------------|---------------------|
| Conventional Debt | \$4,300,000 |
| City of Durham | \$3,600,000 |
| Condo Purchase | \$3,593,866 |
| Federal LIHTC Equity | \$9,149,085 |
| Deferred Developer Fee | \$338,116 |
| Total Sources | \$20,981,067 |

| USES | AMOUNT |
|-------------------|---------------------|
| Hard Costs | \$17,528,835 |
| Soft Costs | \$3,452,231 |
| Land Cost | \$1 |
| Total Uses | \$20,981,067 |

DEVELOPMENT TEAM

Architect:

Cline Design Associates

Civil Engineer:

Kimley-Horn

Contractor:

Weaver Cooke Construction



RELEVANT PROJECT EXPERIENCE: WASHINGTON TERRACE



WASHINGTON TERRACE

Raleigh, NC

Originally built in 1950, Washington Terrace was the first rental community constructed in Raleigh for African American middle-class families and professionals. In 2014, DHIC purchased Washington Terrace from foreclosure with loans from Community Housing Capital and the City of Raleigh. After a year-long civic engagement process, DHIC completed a master redevelopment plan to replace the existing, dilapidated housing with more than 350 apartments and for-sale homes, a childcare facility, and other community/commercial features across the 23-acre site. Extensive public outreach and engagement was done to ensure that the development represented the needs and desires of the existing community. The result was a resounding success with nearly 100% of original Washington Terrace residents moving back into the redeveloped community and extremely positive reactions from the surrounding neighborhoods.

The northern half of the site includes the Village at Washington Terrace (4% LIHTC) and Booker Park North (9% LIHTC), 162 one-, two-, and three-bedroom units for families and 72 one- and two-bedroom units for seniors age 62 and older, respectively. Completed in 2019, the community includes a 5,000 SF community center and management office, computer centers, fitness facilities, playgrounds, and a community garden. The Village also includes the Barbara H. Curtis Center, a childcare facility run by the Methodist Home for Children (MHC). The Center serves 75 children, ages 6 weeks to 5 years, in an inclusive classroom model, expanding on MHC's 5-star, NAEYC-accredited Jordan Center.

Construction began on the southern half of the site and will be completed in 2022. Booker Park South, features 68 one- and two-bedroom units for seniors age 55 and older with incomes at or below 30-60% of AMI. There will also be 58 for-sale townhomes developed by Stanley Martin, 17 of which will be affordable to households with incomes at or below 80% of AMI, and a centrally located common green space for use by all Washington Terrace residents. The Village at Washington Terrace, Booker Park North, and Booker Park South are affordable to households with incomes at or below 30% AMI up to 60% AMI.

CHARACTERISTICS

Urban, master developer, public-private, mixed-use

| SOURCE | AMOUNT |
|------------------------|---------------------|
| Conventional Debt | \$13,121,000 |
| City of Raleigh | \$10,800,000 |
| NeighborWorks | \$450,000 |
| Wake County | \$850,000 |
| NCHFA | \$1,700,000 |
| Kresge Foundation | \$50,000 |
| Federal LIHTC Equity | \$16,606,311 |
| Deferred Developer Fee | \$490,074 |
| Total Sources | \$44,067,385 |

| USES | AMOUNT |
|-------------------|---------------------|
| Hard Costs | \$30,152,270 |
| Soft Costs | \$10,605,115 |
| Land Cost | \$3,310,000 |
| Total Uses | \$44,067,385 |

DEVELOPMENT TEAM

Architect:

JDavis Architects

Civil Engineer:

Grounded Engineering

Contractor:

Harold K. Jordan & Co., Inc. and Weaver Cooke Construction



For all projects for which you have received Town funding within the last 5 years, please provide the information below.

| Project Name | Project Type | Amount of Funding Approved | Is the Project Completed? (Yes/No) | Was the project completed on schedule and within budget? If not, why? |
|--------------------|------------------------|----------------------------|------------------------------------|---|
| Greenfield Place | Multifamily (80 units) | \$145,500 | Yes | Yes |
| Greenfield Commons | Multifamily (69 units) | \$1,150,000 | Yes | Yes |
| | | | | |

***Add rows as needed to reflect additional projects that have received Town funding within the last 5 years.**

PROJECT INFORMATION

4. Project Description: Please provide a general overview of your project, including what you are planning to produce and how you are planning to carry out the project. *(in 100 words or less).*

The Indigo is a new construction, multifamily project consisting of 51 one- and two-bedroom apartments for seniors age 55+. Located adjacent to Carraway Village, the community will offer 100% of units to households making less than 60% of area median income (AMI). Thirteen units will be affordable to 30% AMI and eight units will be affordable to 50% AMI. Development plans include on-site management, secure storage, thoughtful community amenities, and generous residential floor plans for seniors. Once design development is complete and all financing is in place, a project manager will shepherd the project through closing, construction, lease-up and conversion to permanent financing.

5. Affordability Term. Is the proposed project permanently affordable *(99 year affordability term)*?

- Yes
- No

If no, what is the affordability term of the proposed project?

The initial period of affordability is 30 years. DHIC is open to discussing commitments for longer availability provided that they do not jeopardize the viability of tax credit and conventional debt financing products necessary to achieve financial feasibility.

Briefly describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, and deed restrictions.

The restrictive covenants put in place as part of the Low-Income Housing Tax Credit require affordability periods of 30 years; however, DHIC, Inc. is a registered 501(c)(3) organization and has never sold a rental property since its founding in 1974. DHIC is committed to the long term affordability of its portfolio and is beginning a significant plan to rehabilitate and extend the affordability of rental properties across North Carolina.

- 6. Leverage:** How much funding is committed at the time of submission of this application? \$0
What percentage of funding for the proposed project would be leveraged from sources other than the Town? 89.1% *(Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).*

7. Project Profile

Insert project information below

| | | | | | |
|--|--|-----------------------|-----------------------|---|--|
| Location <i>(insert address if available)</i> | <u>Myrica Street at Carraway Crossing</u> | | | | |
| Size <i>(insert acreage of development site)</i> | <u>1.55 acres</u> | | | | |
| Total Number of Units | | | | | |
| | # of Total Housing Units | # of Bathrooms | Square Footage | Proposed Rent or Sale Price Per Unit | Projected Cost Per Unit Including Utilities |
| Studios | | | | | |
| One-bedroom | <u>37</u> | <u>1</u> | <u>670</u> | <u>\$425-\$890</u> | <u>\$482-\$947</u> |
| Two-bedroom | <u>14</u> | <u>1</u> | <u>942</u> | <u>\$510-\$1,030</u> | <u>\$578-\$1098</u> |
| Three-bedroom | | | | | |
| Four-bedroom | | | | | |
| Area Median Income Served <i>(insert # of units by AMI)</i> | | | | | |
| <30% | <u>13</u> | <u>1</u> | | <u>\$425-\$510</u> | <u>\$482-\$578</u> |
| 31-60% | <u>38 (8 @ 50% AMI and 30 @ 60% AMI)</u> | <u>1</u> | | <u>\$740-\$1,030</u> | <u>\$797-\$1098</u> |
| 61-80% | | | | | |
| 81-100% | | | | | |
| >100% | | | | | |
| Target Population <i>(check all that apply)</i> | | | | | |
| Families | <input type="checkbox"/> | | | | |
| Older Adults (Age 55+) | <input checked="" type="checkbox"/> | | | | |
| Disabled | <input type="checkbox"/> | | | | |
| Homeless | <input type="checkbox"/> | | | | |
| Veterans | <input type="checkbox"/> | | | | |
| Other <i>(specify)</i> | <input type="checkbox"/> | | | | |
| ADA Accessibility <i>(insert # of total units)</i> | <u>6</u> | | | | |
| Total Development Cost Per Unit | <u>\$243,895</u> | | | | |
| Per Unit Subsidy | <u>\$ 26,471 / unit</u> | | | | |
| Debt Coverage Ratio (DCR) | Lowest DCR <u>1.15</u> Highest DCR <u>1.15</u> (after payment of subordinate debt) First Mortgage Only Lowest DCR <u>1.15</u> Highest DCR <u>1.21</u> | | | | |
| Town Planning Approvals Received <i>(as of the date of application)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA | | | | |

8. Energy Efficiency: Will the proposed project meet the standards and requirements of [Energy Star 3.0](#) or standards outlined in the latest [NCHFA QAP](#) as verified by an independent, third party expert?

- Yes
- No

If not, please briefly describe all of the energy efficiency features included in the proposed project:

9. Universal Design: Please briefly describe the universal design features included in the proposed project:

The Indigo will be designed to be used by residents of all ages and abilities. As a community for independent adults ages 55+, The Indigo will incorporate design features to help residents age in place longer and more safely. Some examples of this include 1) wide hallways and doorways to ensure maximum ease of accessibility, 2) adaptable units that can be easily modified by property management to accommodate special needs, 3) tactile signage, 4) comfort height toilets and roll-in showers, 5) D-shaped handles on cabinet doors and drawers, and 6) ADA compliant routes that minimize sustained physical effort. The Indigo development and design teams will maintain regularly evaluate site plans and building plans to ensure that universal design is maximized in the final product.

10. Social Equity

- a. The Town encourages projects not to discriminate based on a tenant's income source. Is your project subject to any policies that restrict any external funding sources for rent, security deposits, and/or other tenant costs (e.g., Emergency Housing Assistance, Housing Choice Vouchers, Rapid Re-Housing, family contributions, etc.)? If yes, please explain what will not be accepted and why. **No**

- i. Will the project accept all types of housing vouchers (i.e., HCV, EHV, RRH, PSH, etc.)? If not, which type(s) of housing voucher do you not accept and why? **Yes**

- b. **Please describe how you have involved the intended beneficiaries of the proposed project in the planning and design process (in 100 words or less).**

Members of DHIC staff regularly attend meetings of the Orange County Affordable Housing Committee and participated in the Orange County Master Aging Plan (MAP). Participation in these activities as well as regular feedback from existing affordable housing communities in Orange County inform the design, amenities, and planned operations of the Indigo. Examples of this include wider corridors, comfort height toilets, dedicated community amenities, and deeper targeting of lower incomes to provide additional affordable units below 60% AMI.

- c. **How has your organization incorporated racial equity goals into your organizational goals?**

DHIC is committed to incorporating racial equity goals into our communities as well as our staff. As a company, we have internal goals of 15% MWBE participation for the development of our projects and have had consistent success in meeting and exceeding this goal. We also benefit from an extremely diverse staff, including upper management and board of directors.

- d. **Please fill in the below questions and provide any additional context on the racial composition of the organization and board leadership:**

- i. % of staff that are people of color: 40%
ii. % of board that are people of color: 47%
iii. % of staff that have attended racial equity training: 100%

- e. **Please describe any additional activities your organization is doing to address racial equity.**

In addition to the organizational goals, DHIC has an internal Racial Equity, Diversity, and Inclusivity (REDI) Committee that regularly hosts Courageous Conversations to offer a forum for staff to discuss current issues. The Committee also organizes a number of full staff trainings that have occurred in external settings (e.g. Groundwater) as well as focused trainings for DHIC staff only conducted by professional REDI consultants and trainers.

ATTACHMENTS

Description of Required Attachments

1. Financial Audit

- a. Please include your organization's most recent financial audit. For organizations with prior year revenues totaling \$500,000 or more a financial audit, prepared by a certified public accountant is required. Agencies with prior year revenues of less than \$500,000 may submit a completed [Schedule of Receipts and Expenditures](#) form (see application materials), in lieu of an audit/report. Agencies with a certified audit/report do not need to complete the form.

2. Organization Budget

- a. Please submit an organizational budget. Among other relevant revenue and expenditure information, please include line items on any government grants or loans by jurisdiction. If your organization has run a deficit, please include that information here.

3. Project Financials

- a. Please submit the following information about the project in a Microsoft Excel document or similar format, as relevant:
 - Project Budget/Development Costs
 - Sources and Uses
 - Operating pro forma (rental projects):
 - must show 20+ year cash flow projections that includes documentation of key operating assumptions, estimated rental income, operating expenses, net operating income, and any anticipated debt service, including a separate line item for any debt service (principal and/or interest) associated with Town loans requested as part of this application. Pro forma should project expenses far enough out to show when debt service ends (i.e., more than 20 years if necessary). Applicants may use the attached template or a similar version of their own.
 - Rental Income Breakdown: must show rent and utilities by bedroom size and AMI level, using the attached template or something similar.
 - Housing Affordability and Sale Proceeds (homeownership projects): must show sales price by bedroom size and AMI level and mortgage sources and amounts, using the attached template or something similar. If the applicant is the lender, also include the mortgage amortization schedule.

4. Articles of Incorporation

5. List of Board of Directors

- a. Provide the following information about each board of director's member: name, occupation or affiliation of each member, officer positions, gender, race/ethnicity.

6. Project Information

- a. For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project.
- b. Please submit the rental income policy that will be used for the project
- c. Please submit the background check policy that will be used to screen potential tenants

- d. For development and renovation projects, please submit the following:
 - Site map showing lot boundaries, locations of structure(s), and other site features
 - General location map (at least ½ mile radius)
 - Floor plan(s)
 - Elevation(s)
 - Property Appraisal – **The Property Appraisal is in process and will be available at the end of April.**
 - Evidence of zoning compliance
 - Map showing proximity to bus stops, grocery store, schools and other amenities (including distance in miles from project site and amenities)

Non-Profit Corporations:

- 1. IRS Federal Form 990**

A copy of the organization's most recent Form 990 is required for nonprofit applicants. The specific form depends upon the organization's financial activity. Review the IRS' table guide, for more details. For Form 990-N (e-postcard) filers, include a copy of the postcard, with the organization's application materials.

- 2. NC Solicitation License**

A copy of the organization's current solicitation license is required. Organizations that solicit contributions in North Carolina, directly or through a third party, must renew their licenses annually. For more details, refer to the NC Secretary of State's licensing website and its Frequently Asked Questions Guide (PDF), about exemptions. If exempt per N.C.G.S. § 131F-3, include a copy of the exemption letter with the organization's application materials.

- 3. IRS Federal Tax-Exemption Letter**

A copy of the organization's current IRS tax-exempt letter that confirms its nonprofit status is required. An organization can request a copy of its letter from the [IRS' Customer Account Services](#).

For-Profit Corporations:

- 1. Tax Returns**

- a. Most recent two years of corporate tax returns.

- 2. YTD Profit and Loss Statement and Balance Sheet**

- 3. Tax Returns**

- a. Most recent two years personal tax returns and financial statements for all persons who have more than 19.9% ownership interest in the organization

- 4. References**

- a. Two business references with name, address, and telephone number

- 5. Signed "Authorization to Release Information"** for each person who has more than 19.9% ownership interest in the organization

- 6. Completed W-9 Form**



OVERVIEW OF AFFORDABLE HOUSING FUNDING SOURCES

Purpose: This document is intended to provide a summary of the Town’s affordable housing funding sources available to assist in creating a vibrant and inclusive community. The Overview includes a brief description of each funding source, as well as the eligible uses of each source.

TOWN FUNDING AVAILABLE FOR AFFORDABLE HOUSING PROJECTS FISCAL YEAR 2021-22:

| SOURCE | AMOUNT |
|---|--------------------|
| Affordable Housing Bond | \$5,000,000* |
| Affordable Housing Fund <i>(funding available varies based on receipt of payments in lieu from developers of affordable housing projects)</i> | \$450,000 |
| Affordable Housing Development Reserve | \$688,395 |
| Community Development Block Grant (CDBG)** <i>(Federal Funding - amount is approximate and varies year-to-year, based on Federal Budget)</i> | \$275,000 |
| HOME** <i>(Federal Funding Process lead by Orange County – amount is approximate and varies year-to-year, based on federal budget)</i> | \$375,000 |
| TOTAL | \$6,788,395 |

Amounts listed are budgeted amounts as of July 1, 2021

**The next round of Bond funding is anticipated to be in FY2022*

***CDBG and HOME use a separate funding application. See below for additional information.*

AFFORDABLE HOUSING BOND:

On November 6, 2018, voters approved the Affordable Housing Bond Referendum. Voter approval of the Bond gives the Town Council authority to issue up to \$10 Million in bonds to support affordable housing projects in the community.

Eligible Uses:

1. Land Acquisition
2. Home Repairs and Comprehensive Rehabilitation
3. Construction of New Affordable Housing Units

Threshold requirements: