

The Homestead Gardens project will be developed by the Homestead Housing Collaborative (the “Collaborative”), a coordinated initiative among four nonprofit agencies with strong ties to Orange County – Self-Help, CASA, Community Home Trust, and Habitat for Humanity – selected through a Town of Chapel Hill RFQ to develop mixed-income, mixed-type affordable housing on the Town-owned property located at 2200 Homestead Road. As members of the Collaborative, our respective organizations are closely coordinating our work to ensure that the Collaborative provides a project that serves the needs of low-income residents of this community and honors the Town’s substantial investment of staff and financial resources in this project while continuing to operate independently to complete our respective elements of the overall development.

In support of that effort, three Collaborative members are submitting funding requests in this cycle totaling \$5,475,000 to support the development of 87 affordable housing units:

- \$975,000 from Self-Help to support site development serving all units to be developed by the Collaborative
- \$1,000,000 from CASA to support the Horizons Apartments providing 32 units serving households from 30%-50% AMI
- \$2,000,000 from CASA to support the Workforce Apartments providing 22 units serving households from 30%-80% AMI
- \$1,500,000 from Community Home Trust to support the affordable townhomes providing 21 units serving households from 65%-115% AMI

Habitat for Humanity will build 12 duplex units serving households at 30%-80% AMI. Currently, Habitat plans to leverage private funds to support the cost of vertical construction for the units at Homestead Gardens. Habitat is seeking Town support during this funding cycle to build 101 units in the Weavers Grove community and have not included an additional request for Homestead Gardens to reflect organizational priority need and in recognition of limited available funds.

Each member of the Collaborative now requesting Town funding has prepared its own application for the requests described above, all of which are submitted with this cover letter. Because these funding requests will support distinct but closely connected elements of the Homestead Gardens project and the Council-supported vision for mixed-income, mixed-type affordable housing at this site, the submitting members of the Collaborative request that Town staff, the Housing Advisory Board, and the Council score and review these applications collectively as they support a single project.

Sincerely,

The Homestead Housing Collaborative
Self-Help
CASA
Community Home Trust
Habitat for Humanity of Orange County

Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund

American Rescue Plan Act (ARPA)



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, Affordable Housing Fund, and ARPA). 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

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: Center for Community Self-Help

Tax ID Number: 56-1271685

Physical Address: 301 W Main St, Durham, NC 27701

Mailing Address: 301 W Main St, Durham, NC 27701

Organization's Website: www.self-help.org

Date of Incorporation: 1980

~~Executive Director~~ President Name: Crystal German

Telephone Number: (919) 313-8542

E-Mail: crystal.german@self-help.org

- 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: Crystal German
Executive Director/President

09/28/2022
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: Crystal German
Executive Director President

09/28/2022
Date

ORGANIZATION INFORMATION

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

Self-Help's mission is creating and protecting ownership and economic opportunity for all. We do this by providing responsible financial services, lending to small businesses and nonprofits, developing real estate and promoting fair financial practices. While our work benefits communities of all kinds, our focus is on those who may be underserved by conventional lenders, including people of color, women, rural residents and low-wealth families 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.

Dan Levine serves as Director of Self-Help's Real Estate Development Team, leading a group of 24 professional staff who work on project management, construction management, leasing, asset and property management, and community engagement. Dan joined Self-Help in 2007 as a project manager, and throughout his time on the team his responsibilities in different roles have included staff supervision, business development strategy and implementation, project visioning, feasibility studies, financial modeling and structuring, engaging with community partners, and project coordination. He has significant experience with Historic Tax Credits, Low Income Housing Tax Credits, New Markets Tax Credits, and public-private partnerships. Dan holds dual Master's degrees—in Regional Planning and Public Administration—from UNC Chapel Hill. His professional interests include community development, commercial real estate, affordable housing, social justice, historic preservation, and environmental sustainability.

Graham Smokoski joined Self-Help in 2016 as a Real Estate Financial Analyst and has served as a Project Manager since 2018. He has managed a variety of projects for the Real Estate Development Team ranging from a residential land bank focused on creating single-family and missing middle affordable housing opportunities to a tax credit financed rehabilitation of a historic school building for nonprofit office space. Graham also leads compliance and financial reporting to investors for projects financed with New Markets Tax Credits and Historic Tax Credits. Before joining Self-Help, Graham was an Asset Manager at the New York City Department of Housing Preservation and Development and the Housing, Planning, & Development Coordinator at the United Jewish Organizations of Williamsburg. Graham earned a Master of City and Regional Planning from Rutgers University's Bloustein School of Planning and Public Policy.

Aspen Romeyn joined Self-Help in 2019 and is a Project Manager for the Real Estate Development Team, where she provides feasibility analysis and project management support for real estate projects. Immediately prior to joining Self-Help, she worked with local governments on regional issues integrating affordable housing, economic development, transportation, and land use as a Principal Planner at the Triangle J Council of Governments. She has ten years of experience in urban planning and project management with local, regional, and state government agencies. Aspen earned her Master's degree in City and Regional Planning from UNC Chapel Hill with a concentration in housing and community development.

Greg Rockett serves as Construction Services Director for the Self-Help Real Estate Development Team. Greg oversees residential and commercial construction projects for Self-Help and serves as Construction Specialist on commercial loans participating in project review and monitoring and disbursing construction and development loans. Greg joined Self-Help in May 2009 after 22 years in residential construction. Greg has been building custom homes in the Chapel Hill area since 1990. Before that he was a project manager for a custom builder in Richmond Virginia. Greg holds a North Carolina General Contractors License and a North Carolina Real Estate Commission Brokers License.

Self-Help has contracted with **MHAWorks** for architectural design and **Coulter Jewell Thames** for land planning and civil engineering, maintaining the design and engineering team that guided the project through conditional zoning approval under contract to the Town. Both firms have deep experience designing projects in Chapel Hill and the broader Research Triangle area.

Self-Help also serves as the lead member of the Homestead Housing Collaborative development team, which includes **CASA, Community Home Trust, and Habitat for Humanity of Orange County**. Self-Help is the land developer and each of the other collaborative members will develop a separate portion of the project program after Self-Help completes the site development: CASA the multi-family rental units, Community Home Trust the homeownership townhomes, and Habitat the homeownership duplexes.

of FTE – Full-Time Paid Positions: 4 Self-Help staff engaged on this project

of FTE Part-Time (less than 40 hours/wk) Paid Positions: N/A – No part-time staff working on this project

- 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

Project Name	<u>Willard Street Apartments</u>
Total Project Cost	\$21 million
Date of Funding Award Approval	<u>2018</u>
Date of Project Completion	<u>2021</u>
Project completed on schedule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Project completed within budget?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, how much over/under budget?	<u>N/A</u>
Other Comments:	
<ul style="list-style-type: none"> • New construction mixed-use development completed in partnership with DHIC located in downtown Durham, NC. • Includes an 82-unit affordable apartment building, 5,000sf commercial space housing nonprofit Local Start Dental clinic, and structured parking. • 39 one-bedroom units and 43 two-bedroom units, 74% of units affordable to households earning less than 60% AMI and 26% of units affordable to households at 30% AMI. • Project amenities include a community room, a fitness room, and an 11,000 sf outdoor amenity area above the structured parking featuring a landscaped plaza, sheltered picnic area, and playground. 	

- Funding sources include LIHTC, Freddie Mac permanent loan, Capital Bank construction loan, City of Durham loan, Duke University grant, AJ Fletcher foundation grant, Self-Help equity, and deferred developer fee.
- Property management firm is Community Management Corporation
- Current occupancy 100% with waitlist.



Project Name	<u>Revolution Mill Apartments</u>
Total Project Cost	\$84 million
Date of Funding Award Approval	<u>2016</u>
Date of Project Completion	<u>2019</u>
Project completed on schedule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Project completed within budget?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, how much over/under budget?	<u>N/A</u>
Other Comments:	
<ul style="list-style-type: none"> • Adaptive reuse of a 510,000 sf textile mill encompassing a 50+ acre campus including mixed income residential apartments located in Greensboro, NC. • 150 total residential units with 20% leased exclusively to households earning less than 80% of AMI. • Site amenities include a fitness center, dog park, lounge, and mixed-use campus including restaurants, retailers, offices, and services. • Funding sources include state and federal Historic Tax Credits, New Markets Tax Credits, City of Greensboro, debt, and Self-Help equity. • Property management agent is Kane Residential. • Current occupancy is 95%. 	



Project Name	<u>Maplewood Square</u>
Total Project Cost	\$4.6 million
Date of Funding Award Approval	<u>2007</u>
Date of Project Completion	<u>2009</u>
Project completed on schedule?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Project completed within budget?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, how much over/under budget?	<u>N/A</u>

Other Comments:

- 32-unit new construction apartment building developed in partnership with DHIC and Durham Community Land Trustees located in Durham, NC.
- 26 one-bedroom units and 6 two-bedroom units, all reserved for seniors ages 55+ who earn less than 60% of AMI, including units set-side for residents <30% AMI.
- Project included construction of a new City park and site amenities include a community room plus computer work stations, tenant storage areas, covered patio and seating, common laundry room, and on-site property manager's office.
- Funding sources include LIHTC, debt, City of Durham, and Duke University.
- Current occupancy 100% with a waitlist.



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?
Northside Neighborhood Initiative – FY21-22	Land banking & related programs	\$175,000	Ongoing	The project spent the awarded funds in support of an ongoing, neighborhood-focused initiative including land banking, property tax relief, home repairs, community organizing, etc.
Northside Neighborhood Initiative – FY20-21	Land banking & related programs	\$175,000	Ongoing	“ ”
Northside Neighborhood Initiative – FY19-20	Land banking & related programs	\$190,000	Ongoing	“ ”
Northside Neighborhood Initiative – FY18-19	Land banking & related programs	\$150,000	Ongoing	“ ”
Northside Neighborhood Initiative – FY17-18	Land banking & related programs	\$200,000	Ongoing	“ ”
601 Craig Street	Affordable housing	\$60,521	Yes	Construction was completed on schedule and on budget. Funds have not yet been drawn from the Town. This award will be applied at sale to Pee Wee Homes, a partner organization which qualifies tenants and manages the property, to reduce the acquisition cost.
Homestead Gardens – Affordable Housing Bond	Affordable housing	\$3,300,000	No	Funds awarded to Town of Chapel Hill, designated for site development. Project not yet under construction.
Homestead Gardens - AHDR	Affordable housing	\$170,000	No	Funds awarded to Town of Chapel Hill, designated for site development. Project not yet under construction.

***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 Homestead Housing Collaborative, a coordinated initiative among four nonprofit agencies with strong ties to Orange County – Self-Help, CASA, Community Home Trust, and Habitat for Humanity of Orange County – will develop the project. Self-Help, the Collaborative’s master developer, will use the requested funds for development of infrastructure and site improvements to prepare individual parcels for the vertical development partners. These partners will construct approximately 87 affordable rental and homeownership units serving households earning from below 30% to 115% AMI. Site development will include demolition of an existing vacant building, site grading and paving, installing utility and storm water infrastructure, and construction of community amenities.

- 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?

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

The Community Home Trust townhomes will be sold subject to a 99-year ground lease, giving CHT the ability to limit the appreciation realized by homeowners and keep the homes affordable to future buyers. Community Home Trust homes typically sell for 30-50% below market value.

The Habitat homes will be sold using deeds of restrictive covenants requiring 99-year affordability to buyers who earn 80% or less of the AMI. In addition, Habitat has a right of first refusal on all of its homes, and a shared equity agreement with all of its buyers that allows buyers to share a percentage of the appreciation of their property based on the ratio of their first mortgage, which is provided by Habitat, and the original sales price of the home, which is determined by a market appraisal at the time of sale.

CASA has committed to a 30-year affordability restriction for both the CASA Workforce apartments and CASA Horizons apartments, which is standard for affordable multifamily new construction projects.

These affordability terms are included as conditions in the Conditional Zoning Ordinance approved by Town Council in May 2021.

- 6. Leverage:** How much funding is committed at the time of submission of this application? \$11,020,000

- \$3,300,000 – Town of Chapel Hill Affordable Housing Bond (Site Work)
- \$170,000 – Town of Chapel Hill AHDR (Site Work)
- \$1,500,000 – Orange County Affordable Housing Bond (Site Work)

- \$2,000,000 – Federal Community Project Funding (Site Work)
- \$3,000,000 – Oak Foundation (CASA-Horizons Apartments)
- \$300,000 – Town of Chapel Hill AHDR (CASA-Horizons Apartments)
- \$200,000 – Hanley Family Foundation (CASA-Horizons Apartments)
- \$50,000 – Other gift (CASA-Horizons Apartments)
- \$500,000 – FHLB Atlanta (CASA Workforce Apartments)

What percentage of funding for the proposed project would be leveraged from sources other than the Town? 65% (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>2200 Homestead Road, Chapel Hill, NC 27516</u>				
Size <i>(insert acreage of development site)</i>	<u>13.09 acres</u>				
Total Number of Units	<u>87</u>				
	# of Total Housing Units	# of Bathrooms	Square Footage	Proposed Rent or Sale Price Per Unit	Projected Cost Per Unit Including Utilities
Studios	<u>0</u>				
One-bedroom	<u>22</u>	<u>1</u>	<u>TBD</u>	<u>\$772 (non-coordinated entry)-\$999 (coordinated entry)</u>	<u>\$850 (non-coordinated entry) \$999 (coordinated entry)</u>
Two-bedroom	<u>36</u>	<u>1.5-2</u>	<u>923-1100</u>	<u>\$400-\$1,283; \$130k-\$223k</u>	<u>\$400 (utilities paid by Horizons)-\$1,361</u>
Three-bedroom	<u>25</u>	<u>2-2.5</u>	<u>1105-1500</u>	<u>\$400; \$90k-\$244k</u>	
Four-bedroom	<u>4</u>	<u>2</u>	<u>1350</u>	<u>\$100k-\$160k</u>	
Area Median Income Served <i>(insert # of units by AMI)</i>					
<30%	<u>26</u>			<u>\$400-\$703</u>	
31-60%	<u>32</u>			<u>\$400-\$999; \$90k-\$100k</u>	
61-80%	<u>24</u>			<u>\$1,283; \$126k-\$176k</u>	
81-100%	<u>5</u>			<u>\$213k-\$244k</u>	
>100%	<u>0</u>				
Target Population <i>(check all that apply)</i>					
Families	<input checked="" type="checkbox"/>				
Older Adults (Age 55+)	<input type="checkbox"/>				
Disabled	<input type="checkbox"/>				
Homeless	<input checked="" type="checkbox"/>				

Veterans	<input type="checkbox"/>
Other (specify)	<input checked="" type="checkbox"/> Low-income Workforce (50%-80% AMI)
ADA Accessibility (insert # of total units)	Exact number TBD
Total Development Cost Per Unit	\$303,751 for 87 units
Per Unit Subsidy	\$51,092 / unit (Town subsidy for site development)
Debt Coverage Ratio (DCR)	Lowest DCR _____ Highest DCR _____ N/A for site development, no debt in capital stack
Town Planning Approvals Received (as of the date of application)	<input type="checkbox"/> Yes <input type="checkbox"/> No - R-SS-CZD approved 5/19/21, modification to this approval to accommodate site plan revisions under discussion with Town staff. <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:

The townhomes and duplexes will achieve energy efficiency certification through Advanced Energy’s SystemVision program. All SystemVision homes are third-party verified and performance tested for air tightness and framing, ventilation and moisture management, insulation and windows, HVAC sizing/installation and duct tightness, pressure balancing, and combustion safety and appliances. The apartments will be built to the standard of the North Carolina Model Energy Code.

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

Specific features will be identified as designs continue to be refined. Habitat has committed that all 12 of their units will be built with universal design features. All of CASA’s ground floor units will be designed to meet the requirements of ANSI for adaptable accessibility, and Community Home Trust has committed to incorporating one-level living and accessibility features into some of their two-bedroom units. Each residence and community feature will be reached by an accessible route connecting buildings and spaces throughout the site.

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.
- 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?

See CASA application for response regarding rental units to be developed at Homestead Gardens.

Question is N/A for homeownership units.

- 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*).

The Collaborative's Homestead Gardens project plan took direction from the Town's vision for the 2200 Homestead parcel which was created after extensive outreach, including community engagement meetings to gather input from potential beneficiaries, partners organizations, neighbors, and the Chapel Hill community. Collaborative partners also held several conversations with community stakeholders and residents and HOAs of nearby residential developments before submitting the conditional zoning application. Intended beneficiaries were also involved very directly in the planning and design of the project through the participation of the UNC Horizons program.

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

Self-Help's mission is creating and protecting ownership and economic opportunity for all, especially people of color, women, rural residents and low-wealth families and communities. Pursuing social justice and racial equity are core to our work and have been since our founding in 1980. We have racial equity efforts woven into our organizational goals in several ways, undertaking a supplier diversity initiative to maximize our spending with MWBEs, a racial wealth gap initiative to help families of color build wealth through homeownership, and a staff Diversity Equity Inclusion (DEI) Advisory Council. Self-Help is currently in the hiring process for a Vice President of Diversity, Equity, and Inclusion, and we launched an organization-wide DEI training curriculum in 2022. The training curriculum includes a course on economic justice and an introduction to DEI, both of which have been completed by more than 90% of staff and will be required training for all new staff.

- 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: 45%
- ii. % of board that are people of color: 30%
- iii. % of staff that have attended racial equity training: 92%

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

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. Please include when you plan to expend the Town's funding for the project. For ARPA funding applications, project funding must be expended by 12/31/26.
- b. Please submit the rental income policy that will be used for the project
N/A for site development

- c. Please submit the background check policy that will be used to screen potential tenants
N/A for site development
- 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
 - 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.

See attachment NP-1.

Note: The 2020 Form 990 is attached. The 2021 Form 990 has been granted a filing extension and is not yet available.

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.

See attachment NP-2.

Note: Renewal has been filed, but new license has not yet been issued. A copy of the new license will be provided when issued.

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](#).

See attachment NP-3.

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 2022-23:

SOURCE	AMOUNT
Affordable Housing Bond	\$4,002,944 - 5,352,944*
American Rescue Plan Act (ARPA)	\$2,500,000
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>	\$524,237
HOME** <i>(Federal Funding Process lead by Orange County – amount is approximate and varies year-to-year, based on federal budget)</i>	\$439,392
TOTAL	\$8,604,970 - 9,954,970

Amounts listed are budgeted amounts as of July 1, 2022

*Amount available depends on whether a previously awarded project receives 2022 9% Low Income Housing Tax Credits

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

AFFORDABLE HOUSING BOND and American Rescue Plan Act (ARPA):

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:

1. The applicant can demonstrate site control (if applicable).

2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the eligible uses for Bond funding approved by the Town.
4. The application is complete and submitted by the established deadlines.
5. The proposed project includes at least 10 homes/units.
6. The proposed project must draw funding awarded within three years of the approval of funding award by the Town.

Application Process: The Town will periodically announce a request for proposals for Bond funds via the Town's website and other communications channels. Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on Affordable Housing Bond funds, visit the Town's [Affordable Housing Website](#).

AFFORDABLE HOUSING FUND (AHF):

In 2002, the Town Council established the AHF to preserve owner-occupied housing in Chapel Hill for affordable housing purposes.

Application Process: Funds are available through the AHF on a rolling basis, with applications being accepted at any time. Applicants are evaluated by the Town Manager, with Council approval required for requests for housing renovation or homeownership assistance above \$40,000.

Eligible Uses: The AHF has a variety of eligible uses, including:

1. Preservation of owner-occupied housing
2. Land acquisition
3. Renovation
4. Affordable housing construction
5. Rental and utility assistance

For more information on the Affordable Housing Fund, visit the [Town's website](#).

AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR):

In fiscal year 2014-15, the Town Council allocated over \$688,000 for affordable housing and approved an allocation strategy for this funding, establishing an Affordable Housing Development Reserve (AHDR).

Eligible Uses: The AHDR is dedicated exclusively to the development and preservation of affordable housing. Priority project areas are:

1. Land bank and land acquisition
2. Rental subsidy and development
3. Homeownership development and assistance
4. Future development planning.

Threshold requirements:

1. The applicant can demonstrate site control (if applicable).
2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the priority project areas identified by the Town.
4. The application is complete and submitted by the established deadlines.

Application Process: AHDR applications are accepted three times per year (~ every 4 months). Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on the Affordable Housing Development Reserve, visit the [Town's website](#).

Federal Funding Sources Not Covered By This Application

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The CDBG Program was created by the U.S. Congress in 1974 and is administered by the Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income peoples.

Eligible Uses: [CDBG eligible activities](#) include, but are not limited to: Acquisition of Real Property, Relocation and Demolition, Rehabilitation, Public Facilities and Improvements, and Public Services. Ineligible activities include Political Activities, Certain Income Payments, Construction of New Housing, or buildings for the General Conduct of Government.

Application Process: Applications are accepted once a year and reviewed by an Application Review Committee, which makes a recommendation for funding to the Chapel Hill Town Council for final approval.

For more information about the CDBG program, visit the [Federal CDBG website](#) and the [Town website](#).

THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

In 1990, Congress enacted the HOME Investment Partnerships Act in an effort to provide a new approach to housing assistance at the federal level. This federal housing block grant affords state and local governments the flexibility to fund a wide range of housing activities.

Eligible Uses:

1. Projects that expand the supply of decent, safe, sanitary and affordable housing, with emphasis on rental housing, for very low- and low-income citizens

2. Projects that strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing
3. Projects that encourage public, private and nonprofit partnerships in addressing housing needs.

Application Process: Applications are accepted once a year and reviewed by a committee coordinated by Orange County.

For more information about the HOME program, visit the [Federal HOME website](#) and the [Town website](#).

OVERVIEW OF ELIGIBLE USES BY FUNDING SOURCE

Uses	CDBG	HOME	AHF	AHDR	BOND/ARPA
Acquisition/Land Banking*	✓	✓	✓	✓	✓
New Construction		✓	✓	✓	✓
Demolition	✓			✓	✓
Future Development Planning				✓	
Homebuyer/Second Mortgage Assistance	✓	✓	✓	✓	
Redevelopment/ Reconstruction	✓	✓	✓	✓	✓
Rehabilitation/Renovation	✓	✓	✓	✓	✓
Housing Relocation	✓	✓		✓	
Rental Assistance	✓	✓	✓	✓	✓
Rental Subsidy			✓	✓	
Site Improvements	✓	✓	✓	✓	✓

* HOME and CDBG funding allow landbanking if there is a plan in place for the property which includes a CDBG/HOME eligible end use (e.g. demolition and rehabilitation in target neighborhoods) within the time frame permitted by those programs.

2022 INCOME LIMITS

US Department of Housing and Urban Development (HUD)

Durham-Chapel Hill Metropolitan Statistical Area
(Durham, Orange, and Chatham Counties)

<i>Income Level</i>	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
30% area median income	\$20,100	\$22,950	\$25,800	\$28,650	\$32,470	\$37,190	\$41,910	\$46,630
50% area median income	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$59,250	\$63,050
80% area median income	\$53,500	\$61,150	\$68,800	\$76,400	\$82,550	\$88,650	\$94,750	\$100,850

Source: U.S. Department of Housing and Urban Development (HUD) 2022

Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund

American Rescue Plan Act (ARPA)



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, Affordable Housing Fund, and ARPA). 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

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:

- Section 1: Cover Page
- Section 2: Disclosure of Potential Conflicts of Interest
- Section 3: Organization Information
- Section 4: Project Information
- Section 5: Attachments

COVER PAGE

Organization Contact Information

Legal Name: CASA

Tax ID Number: 56-1778714

Physical Address: 624 W. Jones St., Raleigh, NC 27603

Mailing Address: 624 W. Jones St., Raleigh, NC 27603

Organization’s Website: www.casanc.org

Date of Incorporation: 3/10/1992

Executive Director Name: Everett McElveen

Telephone Number: 919-307-3455

E-Mail: emcelveen@casanc.org

Funding Request

Project Name: Homestead Gardens Horizons

Total Number of Units Included in Funding Request: 32

Total Project Cost: \$6,067,461

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

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

- | | | |
|-----------------------------------------------------------------------------------|-------------------------------------------|-------------------------------|
| <input type="checkbox"/> Affordable Housing Bond: | <input type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input type="checkbox"/> Affordable Housing Fund: | <input type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input type="checkbox"/> Affordable Housing Development Reserve: | <input type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input checked="" type="checkbox"/> American Rescue Plan Act : <u>\$1,000,000</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |

****New this year.** If you are NOT requesting a loan, please describe your reasoning: CASA is requesting this funding as an ARPA grant. However, we would accept any of the above funding sources structured as a loan. The submitted pro forma operates on the assumption of receiving the funding as a loan amortized over 40 years with a 0% interest rate.

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):

CASA is requesting that the funding be structured as a loan amortized over 40 years with the majority repaid (see pro forma).

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

To develop approximately 32 units of rental housing for households under 60% AMI with a priority for households who are at risk of homelessness. CASA will be master leasing this community to UNC Horizons, who serves families with young children headed by mothers in recovery from substance use. The typical family served in Homestead Horizons will earn less than 30% of AMI and would face homelessness in Chapel Hill were it not for this housing.

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

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: Everett McElwee
Executive Director

9/30/2022
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: Everett McElwee
Executive Director

9/30/2022
Date

ORGANIZATION INFORMATION

1. Organization Mission (*no more than a few sentences*): CASA's mission is to provide access to stable, affordable housing for people who are homeless or at risk by developing and managing rental communities.

CASA has developed, owns, and manages over 463 apartments throughout the Triangle, of which 62% are permanent supportive housing for persons with disabilities, and all of which serve low-income individuals and families. CASA's goal is that once a tenant moves into a CASA unit, they never face homelessness again.

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.

Everett McElveen, Chief Executive Officer – Mr. McElveen joined CASA as CEO in November of 2021. As CEO, he oversees all our programs, and ensures that all activities and work of the agency are directed toward our mission of providing affordable housing and opportunities for successful living. He comes to us with more than 20 years of nonprofit leadership experience in housing, homelessness, employment, healthcare, and food security. For the last 17 years, he worked in Pittsburgh where he most recently served as CEO of Community Human Services (CHS) which has a budget of more than \$13 million and a staff of 130. Mr. McElveen also served as President and CEO of Life's Work of Western Pennsylvania, a nonprofit providing opportunities to people living with disabilities and/or mental illness and those with barriers to employment.

Lena Frias, Chief Administrative Officer – Originally from Nevada, Ms. Frias joined CASA in July of 2022 as Chief Administrative Officer. She has over 20 years of senior leadership experience working in housing, public and behavioral health, and within the real estate industry. Prior to joining CASA, Ms. Frias worked for a Public Housing Authority as Director of Rental Assistance operations overseeing the agencies housing assistance programs. She has extensive experience in finance and accounting, with an emphasis in grant management. She considers herself a "Houser" and is dedicated to the mission of affordable housing development.

Jess Brandes, Senior Director of Real Estate Development– Ms. Brandes has a background in non-profit financial development and a Masters in City and Regional Planning. She works to get more affordable housing units on the ground throughout our communities, doing so in partnership with our elected officials, community development staff, funding and service partners. Jess and her team ensure that projects move forward on schedule and on budget while adhering to the development regulations of various municipalities, and the project requirements of various funders. She has worked at CASA since 2008 and has her NC Real Estate Broker's License. In 2017, Jess was named a 40 Under 40 Leadership Award winner by the Triangle Business Journal for her leadership in affordable housing. In March 2021, Jess was appointed as Transitional COO to support CASA's day-to-day activity as the agency prepares to welcome a new CEO at the end of calendar year 2021.

Missy Hatley, Senior Director of Resource Development – Recognizing that neither government nor the community can create and sustain affordable housing alone, CASA hired Missy Hatley in 2014 to launch our private sector charitable giving program. Ms. Hatley has more than 20 years of experience in

nonprofit fundraising and communications focused on homelessness and housing, including seven years at CASA and previous stints at One80 Place, a comprehensive homeless services center in Charleston, SC, and at Habitat for Humanity of Wake County. Under Ms. Hatley’s leadership, CASA’s community support grew from less than \$35,000 annually in 2013 to over 1M in 2019. CASA now engages more than 600 charitable donors annually, including individuals, corporations, foundations, civic groups and communities of faith. Donor support helps meet operating costs that exceed our rental revenue set at 30% of household income and also provides real estate development dollars for pre-development. In 2020, CASA launched a private-public campaign to raise 13.7M for the construction of a 100-unit permanent, supportive housing community in Raleigh. In the first six months of the campaign, community donors have contributed more than 4M. Ms. Hatley holds a Masters degree in English from the University of North Carolina at Wilmington, and a Bachelors degree from North Carolina State University.

Rachel Eberhard, Real Estate Developer – Ms. Eberhard initiates and evaluates new development opportunities, including analyzing potential project sites and negotiating acquisitions for CASA. She previously served as the founder and managing principal of Apiary Community Consulting and worked in the acquisitions group for a national low-income housing tax credit (LIHTC) syndication firm after receiving a Master’s degree in City and Regional Planning at the University of North Carolina at Chapel Hill. Her consulting work has consisted of supporting HUD Consolidated Planning efforts, developing affordable housing informational tools for voters, creating a redevelopment plan for the City of Roanoke Rapids, and evaluating key performance indicators for Chapel Hill’s Community Home Trust. In her own time, she serves on Durham’s Citizen Advisory Committee that works to facilitate citizen participation in the planning and implementation of the Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) and Emergency Solution Grant (ESG) funds.

Amanda Barbee, Real Estate Developer – Ms. Barbee came to CASA in 2022 with over 6 years of affordable housing experience, including property management, compliance, and development experience. Amanda serves as a project manager for CASA, working on funding applications, loan closings, pre-development activities, and construction management. Amanda has previously worked for a Community Development Organization in Seattle, and a local housing authority and an affordable housing developer/property manager in Greensboro, North Carolina. She has worked on projects with various funding sources, including HUD Project Based Vouchers, HUD 811 PRAC, the North Carolina Housing Finance Agency’s Supportive Housing Development Program, Low Income Housing Tax Credits in both Washington State and North Carolina, HOME, National Housing Trust Fund, and private bank financing. Amanda also has participated in extensive training in affordable housing compliance, fair housing, social justice advocacy, and racial equity.

of FTE – Full-Time Paid Positions: 31

of FTE Part-Time (less than 40 hours/wk) Paid Positions: 1

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 refer to the CASA Development History attachment.

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?
Merritt Mill Apartments	9% LIHTC Rental new construction	\$990,805	No	The project is experiencing delays due to the pandemic and material cost escalations.

**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).*

To develop a 32-unit rental apartment community for households under 60% AMI with a priority for households who are at risk of homelessness. This 3-story building will consist of 2 and 3-bedroom units, an elevator, community room, laundry room, and office spaces. CASA will develop, own, and manage the community. We will be master leasing the building to UNC Horizons, who serves families with young children headed by mothers struggling with substance use. The typical family served in Homestead Horizons will earn less than 30% of AMI and would face homelessness in Chapel Hill were it not for this housing. CASA and UNC Horizons will execute a 20-year lease that will be renewable by the lessee. Our pro forma is structured to include a limited income increase of just 1.5% each year in order to ensure an affordable and predictable rent structure over the long-term for our lessee, UNC Horizons. Our pro forma also includes an operating reserve that is funded in the early years of the development and is then drawn in the latter years when the property begins to see less cashflow.

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

- X Yes
- No

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

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

6. Leverage: How much funding is committed at the time of submission of this application? \$ 3,500,000

What percentage of funding for the proposed project would be leveraged from sources other than the Town? 79 % (Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).

Funding Source	Development Cost	Percentage	Commitment Letter?
Total	\$6,067,461	100%	
Town of CH AHDR	\$300,000		Attached
Town of CH ARPA	\$1,000,000		N/A
Total Town funds	\$1,300,000	21%	
Oak Foundation	\$3,000,000		Attached
UNC Horizons – Hanley Family Foundation	\$200,000		Attached
CASA anticipated fundraising	\$500,000		Estimate
UNC Horizons anticipated fundraising	\$500,000		Estimate
Horizons – other gift	\$50,000		Estimate
Bank Loan	\$517,461		Estimate
Total Non-Town funds	\$4,767,461	79%	

Please refer to the Funding Commitment Letters attachment.

7. Project Profile

Insert project information below

Location (insert address if available)	2200 Homestead Rd., Chapel Hill, NC 27516				
Size (insert acreage of development site)	13.09 acres (Entire site, site acreage for UNC Horizons TBD)				
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
	32				
Studios					
One-bedroom					
Two-bedroom	<u>21</u>	<u>2</u>	<u>923</u>	<u>\$400</u>	<u>\$400 (Utilities paid by UNC Horizons)</u>
Three-bedroom	<u>11</u>	<u>2</u>	<u>1105</u>	<u>\$400</u>	<u>\$400 (Utilities paid by UNC Horizons)</u>
Four-bedroom					
Area Median Income Served (insert # of units by AMI)					
<30%	<u>24</u> (estimate based on income of current families in program)				
31-60%	<u>8</u> (estimate assuming some				

	<u>graduate families may increase income over time)</u>				
61-80%					
81-100%					
>100%					
Target Population <i>(check all that apply)</i>					
Families	<input checked="" type="checkbox"/>				
Older Adults (Age 55+)	<input 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>	2 are fully accessible. Since building has elevator, 100% are visitable.				
Total Development Cost Per Unit	\$178,455				
Per Unit Subsidy	\$31,250 / unit in this application for \$1,000,000				
Debt Coverage Ratio (DCR)	Lowest DCR <u> * </u> Highest DCR <u> * </u>				
	*CASA will master lease project to Horizons and establish an operating reserve for the Project to ensure successful Project operation for no less than 20 years and contribute all cash flow above \$30,000 per year into the operating reserve.				
Town Planning Approvals Received <i>(as of the date of application)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No; Homestead Collaborative is working with Town on revised plans <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?

- X** 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:

- All units are visitable and include wide doorways.
- All our units are one-level living.
- Blocking for grab bars are included in all showers and bathrooms to accommodate tenants' changing needs.
- All new construction includes levers rather than knobs on doors and on sinks.
- All common spaces, including laundry facilities, are fully accessible.

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.
 - 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*).

CASA's serves persons who are homeless and/or have disabilities. We gather input about the needs of the homeless and disabled community through the following formal processes:

- In 2013 CASA's Board authorized the creation of an annual tenant survey, which is reviewed by Leasing and Real Estate Development staff.
- CASA hears input from our intended beneficiaries through extensive involvement in the Partnership to End Homelessness and Continuum of Care for each of the cities/counties that we operate in.
- Specific to addressing needs of people with disabilities, CASA is a member of National Alliance on Mental Illness (NAMI)
- In 2019, CASA began working to pilot a Tenant Council at one of our properties, intending to expand this to our broader portfolio.
- Our partner on this project, UNC Horizons, has shared the unit floorplans with current program participants and their feedback has been included in unit design.

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

Like many organizations, CASA renewed our commitment to Diversity, Equity and Inclusion in 2020. We engaged a partner, Catapult Consulting, who supported us in the following activities:

- Diversity Equity & Inclusion (DE&I) staff training
- Hired a new Human Resource Manager who has both DE&I training/certification and experience. They will be reviewing, recommending, and implementing a range of HR policies from hiring, onboarding, promotions, training & development, and performance reviews.
- Engaged in a compensation study to align job titles, descriptions and salary ranges that include an equity lens for race and gender. As a result, CASA implemented raises for staff who were making below industry standards.
- In order to be inclusive of a variety of faith traditions, we added 3 floating holidays for each calendar year, allowing staff to observe any holidays they wish to participate in.
- CASA's Board of Directors also began working in 2020 to identify specific strategies for the recruitment of people of color to the Board Membership committee. In 2020, the Board was successful in both increasing the number of members who are persons of color and who have the lived experience of homelessness.

- 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: 53%
- ii. % of board that are people of color: 22%

iii. % of staff that have attended racial equity training: 12%

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

CASA's Board currently has 9 members. 55% are women. 2 are people of color. Diverse representation is an area of priority for the Membership Committee which is currently working through nominations with the goal to add up to 3 members. CASA maintains status as a Community Housing Development Organization, which requires at least one-third of the board be representatives of the low-income community. Regarding lived experience, four current members have experienced homelessness. Fields of expertise include an attorney, CPA, retired M.D., mortgage banker, commercial real estate VP, housing developer, marketing consultant and community advocate. CASA is currently prioritizing better representation from Durham and Orange counties, people of color, and the low-income community.

CASA's CEO is a person of color. CASA values equity, diversity, and inclusion at all levels. We recognize having a staff and Board that more closely represent the race, ethnicity, class and lived experience of our tenants will improve our effectiveness. We are committed to hiring and recruiting practices, professional development, training and relationship-building that will further our goals around equity and inclusion.

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. Please include when you plan to expend the Town's funding for the project. For ARPA funding applications, project funding must be expended by 12/31/26.
- 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
 - 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 2022-23:

SOURCE	AMOUNT
Affordable Housing Bond	\$4,002,944 - 5,352,944*
American Rescue Plan Act (ARPA)	\$2,500,000
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>	\$524,237
HOME** <i>(Federal Funding Process lead by Orange County – amount is approximate and varies year-to-year, based on federal budget)</i>	\$439,392
TOTAL	\$8,604,970 - 9,954,970

Amounts listed are budgeted amounts as of July 1, 2022

**Amount available depends on whether a previously awarded project receives 2022 9% Low Income Housing Tax Credits*

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

AFFORDABLE HOUSING BOND and American Rescue Plan Act (ARPA):

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:

1. The applicant can demonstrate site control (if applicable).

2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the eligible uses for Bond funding approved by the Town.
4. The application is complete and submitted by the established deadlines.
5. The proposed project includes at least 10 homes/units.
6. The proposed project must draw funding awarded within three years of the approval of funding award by the Town.

Application Process: The Town will periodically announce a request for proposals for Bond funds via the Town's website and other communications channels. Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on Affordable Housing Bond funds, visit the Town's [Affordable Housing Website](#).

AFFORDABLE HOUSING FUND (AHF):

In 2002, the Town Council established the AHF to preserve owner-occupied housing in Chapel Hill for affordable housing purposes.

Application Process: Funds are available through the AHF on a rolling basis, with applications being accepted at any time. Applicants are evaluated by the Town Manager, with Council approval required for requests for housing renovation or homeownership assistance above \$40,000.

Eligible Uses: The AHF has a variety of eligible uses, including:

1. Preservation of owner-occupied housing
2. Land acquisition
3. Renovation
4. Affordable housing construction
5. Rental and utility assistance

For more information on the Affordable Housing Fund, visit the [Town's website](#).

AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR):

In fiscal year 2014-15, the Town Council allocated over \$688,000 for affordable housing and approved an allocation strategy for this funding, establishing an Affordable Housing Development Reserve (AHDR).

Eligible Uses: The AHDR is dedicated exclusively to the development and preservation of affordable housing. Priority project areas are:

1. Land bank and land acquisition
2. Rental subsidy and development
3. Homeownership development and assistance
4. Future development planning.

Threshold requirements:

1. The applicant can demonstrate site control (if applicable).
2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the priority project areas identified by the Town.
4. The application is complete and submitted by the established deadlines.

Application Process: AHDR applications are accepted three times per year (~ every 4 months). Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on the Affordable Housing Development Reserve, visit the [Town's website](#).

Federal Funding Sources Not Covered By This Application

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The CDBG Program was created by the U.S. Congress in 1974 and is administered by the Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income peoples.

Eligible Uses: [CDBG eligible activities](#) include, but are not limited to: Acquisition of Real Property, Relocation and Demolition, Rehabilitation, Public Facilities and Improvements, and Public Services. Ineligible activities include Political Activities, Certain Income Payments, Construction of New Housing, or buildings for the General Conduct of Government.

Application Process: Applications are accepted once a year and reviewed by an Application Review Committee, which makes a recommendation for funding to the Chapel Hill Town Council for final approval.

For more information about the CDBG program, visit the [Federal CDBG website](#) and the [Town website](#).

THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

In 1990, Congress enacted the HOME Investment Partnerships Act in an effort to provide a new approach to housing assistance at the federal level. This federal housing block grant affords state and local governments the flexibility to fund a wide range of housing activities.

Eligible Uses:

1. Projects that expand the supply of decent, safe, sanitary and affordable housing, with emphasis on rental housing, for very low- and low-income citizens

2. Projects that strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing
3. Projects that encourage public, private and nonprofit partnerships in addressing housing needs.

Application Process: Applications are accepted once a year and reviewed by a committee coordinated by Orange County.

For more information about the HOME program, visit the [Federal HOME website](#) and the [Town website](#).

OVERVIEW OF ELIGIBLE USES BY FUNDING SOURCE

Uses	CDBG	HOME	AHF	AHDR	BOND/ARPA
Acquisition/Land Banking*	✓	✓	✓	✓	✓
New Construction		✓	✓	✓	✓
Demolition	✓			✓	✓
Future Development Planning				✓	
Homebuyer/Second Mortgage Assistance	✓	✓	✓	✓	
Redevelopment/ Reconstruction	✓	✓	✓	✓	✓
Rehabilitation/Renovation	✓	✓	✓	✓	✓
Housing Relocation	✓	✓		✓	
Rental Assistance	✓	✓	✓	✓	✓
Rental Subsidy			✓	✓	
Site Improvements	✓	✓	✓	✓	✓

* HOME and CDBG funding allow landbanking if there is a plan in place for the property which includes a CDBG/HOME eligible end use (e.g. demolition and rehabilitation in target neighborhoods) within the time frame permitted by those programs.

2022 INCOME LIMITS

US Department of Housing and Urban Development (HUD)

Durham-Chapel Hill Metropolitan Statistical Area
(Durham, Orange, and Chatham Counties)

<i>Income Level</i>	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
30% area median income	\$20,100	\$22,950	\$25,800	\$28,650	\$32,470	\$37,190	\$41,910	\$46,630
50% area median income	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$59,250	\$63,050
80% area median income	\$53,500	\$61,150	\$68,800	\$76,400	\$82,550	\$88,650	\$94,750	\$100,850

Source: U.S. Department of Housing and Urban Development (HUD) 2022

Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund

American Rescue Plan Act (ARPA)



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, Affordable Housing Fund, and ARPA). 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

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: CASA

Tax ID Number: 56-1778714

Physical Address: 624 W. Jones St., Raleigh, NC 27603 Mailing Address: 624 W. Jones St., Raleigh, NC 27603

Organization's Website: www.casanc.org

Date of Incorporation: 3/10/1992

Executive Director Name: Everett McElveen

Telephone Number: 919-307-3455

E-Mail: emcelveen@casanc.org

Funding Request

Project Name: Homestead Gardens Workforce Apartments

Total Number of Units Included in Funding Request: 22

Total Project Cost: \$4,363,187

Total Amount of Funds Requested: \$2,000,000

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

- | | | |
|-----------------------------------------------------------------------------------|-------------------------------------------|-------------------------------|
| <input type="checkbox"/> Affordable Housing Bond: | <input type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input type="checkbox"/> Affordable Housing Fund: | <input type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input type="checkbox"/> Affordable Housing Development Reserve: | <input type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input checked="" type="checkbox"/> American Rescue Plan Act : <u>\$2,000,000</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |

****New this year.** If you are NOT requesting a loan, please describe your reasoning: CASA is requesting this funding as an ARPA grant. However, we would accept any of the above funding sources structured as a loan. The submitted pro forma operates on the assumption of receiving the funding as a loan amortized over 40 years with a 0% interest rate.

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):

CASA is requesting that the funding be structured as a loan amortized over 40 years with the majority repaid (see pro forma).

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

To develop approximately 22 one-bedroom units of workforce rental housing for households earning 50% AMI and 80% AMI.

Please refer to the CASA Workforce Housing Plans attachment for an update on the scaling back on total units.

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

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: Everett McElveen
Executive Director

9/30/2022
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: Everett McElwain
Executive Director

9/30/2022
Date

ORGANIZATION INFORMATION

1. Organization Mission (*no more than a few sentences*): CASA's mission is to provide access to stable, affordable housing for people who are homeless or at risk by developing and managing rental communities.

CASA has developed, owns and manages over 463 apartments throughout the Triangle, of which 62% are permanent supportive housing for persons with disabilities, and all of which serve low-income individuals and families. CASA's goal is that once a tenant moves into a CASA unit, they never face homelessness again.

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.

Everett McElveen, Chief Executive Officer – Everett joined CASA as CEO in November of 2021. As CEO, he oversees all our programs, and ensures that all activities and work of the agency are directed toward our mission of providing affordable housing and opportunities for successful living. He comes to us with more than 20 years of nonprofit leadership experience in housing, homelessness, employment, healthcare, and food security. For the last 17 years, he worked in Pittsburgh where he most recently served as CEO of Community Human Services (CHS) which has a budget of more than \$13 million and a staff of 130. Everett also served as President and CEO of Life's Work of Western Pennsylvania, a nonprofit providing opportunities to people living with disabilities and/or mental illness and those with barriers to employment.

Lena Frias, Chief Administrative Officer – Originally from Nevada, Ms. Frias joined CASA in July of 2022 as Chief Administrative Officer. She has over 20 years of senior leadership experience working in housing, public and behavioral health, and within the real estate industry. Prior to joining CASA, Ms. Frias worked for a Public Housing Authority as Director of Rental Assistance operations overseeing the agencies housing assistance programs. She has extensive experience in finance and accounting, with an emphasis in grant management. She considers herself a "Houser" and is dedicated to the mission of affordable housing development.

Jess Brandes, Senior Director of Real Estate Development– Ms. Brandes has a background in non-profit financial development and a Masters in City and Regional Planning. She works to get more affordable housing units on the ground throughout our communities, doing so in partnership with our elected officials, community development staff, funding and service partners. Jess and her team ensure that projects move forward on schedule and on budget while adhering to the development regulations of various municipalities, and the project requirements of various funders. She has worked at CASA since 2008 and has her NC Real Estate Broker's License. In 2017, Jess was named a 40 Under 40 Leadership Award winner by the Triangle Business Journal for her leadership in affordable housing. In March 2021, Jess was appointed as Transitional COO to support CASA's day-to-day activity as the agency prepares to welcome a new CEO at the end of calendar year 2021.

Missy Hatley, Senior Director of Resource Development – Recognizing that neither government nor the community can create and sustain affordable housing alone, CASA hired Missy Hatley in 2014 to launch our private sector charitable giving program. Ms. Hatley has more than 20 years of experience in

nonprofit fundraising and communications focused on homelessness and housing, including seven years at CASA and previous stints at One80 Place, a comprehensive homeless services center in Charleston, SC, and at Habitat for Humanity of Wake County. Under Ms. Hatley’s leadership, CASA’s community support grew from less than \$35,000 annually in 2013 to over 1M in 2019. CASA now engages more than 600 charitable donors annually, including individuals, corporations, foundations, civic groups and communities of faith. Donor support helps meet operating costs that exceed our rental revenue set at 30% of household income and also provides real estate development dollars for pre-development. In 2020, CASA launched a private-public campaign to raise 13.7M for the construction of a 100-unit permanent, supportive housing community in Raleigh. In the first six months of the campaign, community donors have contributed more than 4M. Ms. Hatley holds a Masters degree in English from the University of North Carolina at Wilmington, and a Bachelors degree from North Carolina State University.

Rachel Eberhard, Real Estate Developer – Ms. Eberhard initiates and evaluates new development opportunities, including analyzing potential project sites and negotiating acquisitions for CASA. She previously served as the founder and managing principal of Apiary Community Consulting and worked in the acquisitions group for a national low-income housing tax credit (LIHTC) syndication firm after receiving a Master’s degree in City and Regional Planning at the University of North Carolina at Chapel Hill. Her consulting work has consisted of supporting HUD Consolidated Planning efforts, developing affordable housing informational tools for voters, creating a redevelopment plan for the City of Roanoke Rapids, and evaluating key performance indicators for Chapel Hill’s Community Home Trust. In her own time, she serves on Durham’s Citizen Advisory Committee that works to facilitate citizen participation in the planning and implementation of the Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) and Emergency Solution Grant (ESG) funds.

Amanda Barbee, Real Estate Developer – Ms. Barbee came to CASA in 2022 with over 6 years of affordable housing experience, including property management, compliance, and development experience. Amanda serves as a project manager for CASA, working on funding applications, loan closings, pre-development activities, and construction management. Amanda has previously worked for a Community Development Organization in Seattle, and a local housing authority and an affordable housing developer/property manager in Greensboro, North Carolina. She has worked on projects with various funding sources, including HUD Project Based Vouchers, HUD 811 PRAC, the North Carolina Housing Finance Agency’s Supportive Housing Development Program, Low Income Housing Tax Credits in both Washington State and North Carolina, HOME, National Housing Trust Fund, and private bank financing. Amanda also has participated in extensive training in affordable housing compliance, fair housing, social justice advocacy, and racial equity.

of FTE – Full-Time Paid Positions: 31

of FTE Part-Time (less than 40 hours/wk) Paid Positions: 1

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 refer to the CASA Development History attachment.

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?
Merritt Mill Apartments	9% LIHTC Rental new construction	\$990,805	No	The project is experiencing delays due to the pandemic and material cost escalations.

**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).*

Homestead Gardens Workforce Housing will offer 22 permanent, affordable 1-bedroom homes for low-income renters in Chapel Hill. These units will be permanently affordable for 99-years and serve households earning 50% and 80% AMI. The three-story building will also include a community room, laundry room, and office spaces. CASA will develop, own, and manage the community.

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

- X Yes
- No

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

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

6. Leverage: How much funding is committed at the time of submission of this application? \$ 2,363,187
 What percentage of funding for the proposed project would be leveraged from sources other than the Town? 54 % *(Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).*

Funding Source	Development Cost	Percentage	Commitment Letter?
Total	\$4,363,187	100%	

Town of CH ARPA	\$2,000,000		No
Total Town funds	\$2,000,000	46%	
Federal Home Loan Bank	\$500,000		Attached
Bank Loan – Self Help Credit Union	\$100,000		Estimate
Bank Loan – Self Help Ventures fund	\$1,763,187		Estimate
Total Non-Town funds	\$2,363,187	54%	

Please refer to the Funding Commitment Letters attachment.

7. Project Profile

Insert project information below

Location (insert address if available)	2200 Homestead Rd., Chapel Hill, NC 27516				
Size (insert acreage of development site)	13.09 acres (Entire site, site acreage for CASA Workforce TBD)				
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
	22				
Studios					
One-bedroom	22	1	TBD	See below	
Two-bedroom					
Three-bedroom					
Four-bedroom					
Area Median Income Served (insert # of units by AMI)					
<30%					
31-60%	10 Orange County coordinated entry units* 4 non-coordinated entry units	1		\$999 Orange County coordinated entry units \$772 non-coordinated entry units	\$1077 for Orange County coordinated entry units \$850 non-coordinated entry units
61-80%	8	1		\$1283	\$1361
81-100%					
>100%					
Target Population (check all that apply)					
Families	<input type="checkbox"/>				
Older Adults (Age 55+)	<input type="checkbox"/>				
Disabled	<input type="checkbox"/>				
Homeless	<input type="checkbox"/>				
Veterans	<input type="checkbox"/>				
Other (specify)	<input checked="" type="checkbox"/> Low-income Workforce (50% AMI – 80% AMI)				
ADA Accessibility (insert # of total units)	TBD; CASA is working with Design team on new unit mix				

Total Development Cost Per Unit	\$198,327
Per Unit Subsidy	\$90,909 / unit in this application for \$2,000,000
Debt Coverage Ratio (DCR)	Lowest DCR <u>1.15</u> Highest DCR <u>1.52</u>
Town Planning Approvals Received (as of the date of application)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No; Homestead Collaborative is working with Town on revised plans <input type="checkbox"/> NA

***Assumes coordinated entry tenants will have vouchers that will pay FMR, while the tenant will pay 30% of their income.**

- 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?
- X 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:
- All units are visitable and include wide doorways.
 - All our units are one-level living.
 - Blocking for grab bars are included in all showers and bathrooms to accommodate tenants' changing needs.
 - All new construction includes levers rather than knobs on doors and on sinks.

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.
- 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*).

CASA's serves persons who are homeless and/or have disabilities. We gather input about the needs of the homeless and disabled community through the following formal processes:

- In 2013 CASA's Board authorized the creation of an annual tenant survey, which is reviewed by Leasing and Real Estate Development staff.
- CASA hears input from our intended beneficiaries through extensive involvement in the Partnership to End Homelessness and Continuum of Care for each of the cities/counties that we operate in.
- Specific to addressing needs of people with disabilities, CASA is a member of National Alliance on Mental Illness (NAMI)

- In 2019, CASA began working to pilot a Tenant Council at one of our properties, intending to expand this to our broader portfolio.

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

Like many organizations, CASA renewed our commitment to Diversity, Equity and Inclusion in 2020. We engaged a partner, Catapult Consulting, who supported us in the following activities:

- Diversity Equity & Inclusion (DE&I) staff training
- Hired a new Human Resource Manager who has both DE&I training/certification and experience. They will be reviewing, recommending, and implementing a range of HR policies from hiring, onboarding, promotions, training & development, and performance reviews.
- Engaged in a compensation study to align job titles, descriptions and salary ranges that include an equity lens for race and gender. As a result, CASA implemented raises for staff who were making below industry standards.
- In order to be inclusive of a variety of faith traditions, we added 3 floating holidays for each calendar year, allowing staff to observe any holidays they wish to participate in.
- CASA's Board of Directors also began working in 2020 to identify specific strategies for the recruitment of people of color to the Board Membership committee. In 2020, the Board was successful in both increasing the number of members who are persons of color and who have the lived experience of homelessness.

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: 53%
- ii. % of board that are people of color: 22%
- iii. % of staff that have attended racial equity training: 12%

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

CASA's Board currently has 9 members. 55% are women. 2 are people of color. Diverse representation is an area of priority for the Membership Committee which is currently working through nominations with the goal to add up to 3 members. CASA maintains status as a Community Housing Development Organization, which requires at least one-third of the board be representatives of the low-income community. Regarding lived experience, four current members have experienced homelessness. Fields of expertise include an attorney, CPA, retired M.D., mortgage banker, commercial real estate VP, housing developer, marketing consultant and community advocate. CASA is currently prioritizing better representation from Durham and Orange counties, people of color, and the low-income community.

CASA's CEO is a person of color. CASA values equity, diversity, and inclusion at all levels. We recognize having a staff and Board that more closely represent the race, ethnicity, class and lived experience of our tenants will improve our effectiveness. We are committed to hiring and recruiting practices, professional development, training and relationship-building that will further our goals around equity and inclusion.

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. Please include when you plan to expend the Town's funding for the project. For ARPA funding applications, project funding must be expended by 12/31/26.
- 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
 - 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 2022-23:

SOURCE	AMOUNT
Affordable Housing Bond	\$4,002,944 - 5,352,944*
American Rescue Plan Act (ARPA)	\$2,500,000
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>	\$524,237
HOME** <i>(Federal Funding Process lead by Orange County – amount is approximate and varies year-to-year, based on federal budget)</i>	\$439,392
TOTAL	\$8,604,970 - 9,954,970

Amounts listed are budgeted amounts as of July 1, 2022

**Amount available depends on whether a previously awarded project receives 2022 9% Low Income Housing Tax Credits*

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

AFFORDABLE HOUSING BOND and American Rescue Plan Act (ARPA):

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:

1. The applicant can demonstrate site control (if applicable).

2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the eligible uses for Bond funding approved by the Town.
4. The application is complete and submitted by the established deadlines.
5. The proposed project includes at least 10 homes/units.
6. The proposed project must draw funding awarded within three years of the approval of funding award by the Town.

Application Process: The Town will periodically announce a request for proposals for Bond funds via the Town's website and other communications channels. Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on Affordable Housing Bond funds, visit the Town's [Affordable Housing Website](#).

AFFORDABLE HOUSING FUND (AHF):

In 2002, the Town Council established the AHF to preserve owner-occupied housing in Chapel Hill for affordable housing purposes.

Application Process: Funds are available through the AHF on a rolling basis, with applications being accepted at any time. Applicants are evaluated by the Town Manager, with Council approval required for requests for housing renovation or homeownership assistance above \$40,000.

Eligible Uses: The AHF has a variety of eligible uses, including:

1. Preservation of owner-occupied housing
2. Land acquisition
3. Renovation
4. Affordable housing construction
5. Rental and utility assistance

For more information on the Affordable Housing Fund, visit the [Town's website](#).

AFFORDABLE HOUSING DEVELOPMENT RESERVE (AHDR):

In fiscal year 2014-15, the Town Council allocated over \$688,000 for affordable housing and approved an allocation strategy for this funding, establishing an Affordable Housing Development Reserve (AHDR).

Eligible Uses: The AHDR is dedicated exclusively to the development and preservation of affordable housing. Priority project areas are:

1. Land bank and land acquisition
2. Rental subsidy and development
3. Homeownership development and assistance
4. Future development planning.

Threshold requirements:

1. The applicant can demonstrate site control (if applicable).
2. The project is located within the Town of Chapel Hill city limits or ETJ.
3. The project falls within one of the priority project areas identified by the Town.
4. The application is complete and submitted by the established deadlines.

Application Process: AHDR applications are accepted three times per year (~ every 4 months). Applications are reviewed and evaluated by the Housing Advisory Board (HAB) and then presented to the Town Council for final approval.

For more information on the Affordable Housing Development Reserve, visit the [Town's website](#).

Federal Funding Sources Not Covered By This Application

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The CDBG Program was created by the U.S. Congress in 1974 and is administered by the Department of Housing and Urban Development (HUD). The primary objective of the program is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income peoples.

Eligible Uses: [CDBG eligible activities](#) include, but are not limited to: Acquisition of Real Property, Relocation and Demolition, Rehabilitation, Public Facilities and Improvements, and Public Services. Ineligible activities include Political Activities, Certain Income Payments, Construction of New Housing, or buildings for the General Conduct of Government.

Application Process: Applications are accepted once a year and reviewed by an Application Review Committee, which makes a recommendation for funding to the Chapel Hill Town Council for final approval.

For more information about the CDBG program, visit the [Federal CDBG website](#) and the [Town website](#).

THE HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

In 1990, Congress enacted the HOME Investment Partnerships Act in an effort to provide a new approach to housing assistance at the federal level. This federal housing block grant affords state and local governments the flexibility to fund a wide range of housing activities.

Eligible Uses:

1. Projects that expand the supply of decent, safe, sanitary and affordable housing, with emphasis on rental housing, for very low- and low-income citizens

2. Projects that strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing
3. Projects that encourage public, private and nonprofit partnerships in addressing housing needs.

Application Process: Applications are accepted once a year and reviewed by a committee coordinated by Orange County.

For more information about the HOME program, visit the [Federal HOME website](#) and the [Town website](#).

OVERVIEW OF ELIGIBLE USES BY FUNDING SOURCE

Uses	CDBG	HOME	AHF	AHDR	BOND/ARPA
Acquisition/Land Banking*	✓	✓	✓	✓	✓
New Construction		✓	✓	✓	✓
Demolition	✓			✓	✓
Future Development Planning				✓	
Homebuyer/Second Mortgage Assistance	✓	✓	✓	✓	
Redevelopment/ Reconstruction	✓	✓	✓	✓	✓
Rehabilitation/Renovation	✓	✓	✓	✓	✓
Housing Relocation	✓	✓		✓	
Rental Assistance	✓	✓	✓	✓	✓
Rental Subsidy			✓	✓	
Site Improvements	✓	✓	✓	✓	✓

* HOME and CDBG funding allow landbanking if there is a plan in place for the property which includes a CDBG/HOME eligible end use (e.g. demolition and rehabilitation in target neighborhoods) within the time frame permitted by those programs.

2022 INCOME LIMITS

US Department of Housing and Urban Development (HUD)

Durham-Chapel Hill Metropolitan Statistical Area
(Durham, Orange, and Chatham Counties)

<i>Income Level</i>	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
30% area median income	\$20,100	\$22,950	\$25,800	\$28,650	\$32,470	\$37,190	\$41,910	\$46,630
50% area median income	\$33,450	\$38,200	\$43,000	\$47,750	\$51,600	\$55,400	\$59,250	\$63,050
80% area median income	\$53,500	\$61,150	\$68,800	\$76,400	\$82,550	\$88,650	\$94,750	\$100,850

Source: U.S. Department of Housing and Urban Development (HUD) 2022

Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund

American Rescue Plan Act (ARPA)



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, Affordable Housing Fund, and ARPA). 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

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:

- Section 1: Cover Page
- Section 2: Disclosure of Potential Conflicts of Interest
- Section 3: Organization Information
- Section 4: Project Information
- Section 5: Attachments

COVER PAGE

Organization Contact Information

Legal Name: Community Home Trust

Tax ID Number: 56-2141179

Physical Address: 105 Conner Dr Suite 1000, Chapel Hill, NC 27514

Mailing Address: P.O. Box 2315 Chapel Hill, NC 27515

Organization's Website: communityhometruster.org

Date of Incorporation: 05/11/1999

Executive Director Name: Kimberly Sanchez

Telephone Number: 919-967-1545
cvoliveira@communityhometruster.org

E-Mail: ksanchez@communityhometruster.org /

Funding Request

Project Name: **Affordable Housing Homestead Gardens**

Total Number of Units Included in Funding Request: **21**

Total Project Cost: **\$5,945,082.00**

Total Amount of Funds Requested: **1,500,000.00**

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

- | | | |
|-------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------|
| <input checked="" type="checkbox"/> Affordable Housing Bond: up to <u>\$1.5M</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input checked="" type="checkbox"/> Affordable Housing Fund: up to <u>\$1.5M</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input checked="" type="checkbox"/> Affordable Housing Development Reserve: up to <u>\$1.5M</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input checked="" type="checkbox"/> American Rescue Plan Act: up to <u>\$1.5 M</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |

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

This is a multimillion-dollar project that will provide affordable housing to many diverse families in the area. CHT homes are permanently affordable, allowing subsequent buyers to take advantage of the initial grant. There is no opportunity for a homeowner or CHT to pay back a loan and keep the home permanently affordable.

CHT uses the grant funds to reduce the cost of the home to the buyer by providing a no-interest, no-payment 2nd mortgage. Utilizing the funds as a grant to CHT, allows us to roll over this subsidy from buyer to buyer, keeping it affordable for multiple generations.

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): **N/A**

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

In collaboration with other affordable housing developers, a community of homeowners and renters will be created on a piece of land owned by the Town of Chapel Hill. All homes in this community will be affordable. CHT will build 21 townhomes at this site that will be sold to buyers whom will pay up to 30% of their gross monthly income on both their mortgage and non-mortgage costs.

Typically CHT obtains its homes directly from developers through inclusionary housing policy. However, this is a unique opportunity for CHT to build homes. As a result, CHT will build up to three townhomes that include accessory dwelling units (ADU). These ADU’s will allow a person or family with a lower AMI than is typical of CHT homes, to purchase in this community.

These applicants will have the ability to use the ADU as a rental unit and use that rental income on their mortgage application as income, making up the difference between a lower and higher AMI eligible homeowner. Because CHT’s homeowners are first time homebuyers, and may also become first time landlords, CHT is prepared to offer its services to manage the rental as property manager. CHT is very excited to have the opportunity to be creative and innovative through this project.

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: DocuSigned by:
Kimberly Sanchez
1BE8346B29ED45C... _____ 9/30/2022
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:
DocuSigned by:

1BE8346B29ED45C...
 EXECUTIVE Director

 9/30/2022
 Date

ORGANIZATION INFORMATION

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

Community Home Trust delivers housing affordability to diverse populations in partnership with our 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.

Kimberly Sanchez – Executive Director

Kimberly Sanchez grew up in Central Florida, completing her undergraduate degree in Public Relations at the University of Florida and law degree at the University of Miami. She has been a nonprofit leader for over 15 years, having come to CHT as the former CEO of Community Legal Services of Mid-Florida (CLSMF), a non-profit law firm and legal aid organization, headquartered in Orlando, Florida. Kimberly has primarily practiced housing throughout her career and is passionate about affordable housing and its impact on the health of our communities. Kimberly oversees the organization.

Caroline Veloso Oliveira – Deputy Director

She holds a Bachelor's degree in Nutrition as well as a Master of Science in Applied Clinical Nutrition. Caroline also holds a Project Management Professional (PMP) credential. She has experience in planning and hosting large conferences and seminars across the state of North Carolina, as well as working on large projects. Caroline is an active member of multiple committees that promote education and affordable housing opportunities. Having gone through the experience of purchasing a home in North Carolina herself, Caroline is very passionate about affordable housing as she believes housing to be a basic human need.

As Deputy Director, Caroline leads our property management team and is the second in command in our organization. She is in charge of program planning, operations, and human resources, and works closely with our financial department. Caroline acts as a liaison between Self Help and CHT, and oversees the Sales and Property Management functions.

Lori Woolworth - Finance Director

Lori has worked in non-profit accounting for over 20 years, with 13 years in affordable housing. Lori oversees the finances of the organization. She is also an Accredited Financial Counselor, Certified HUD housing counselor, and licensed Realtor®, serving as our Broker-in-Charge. Oversees finances.

Deja Gilmore - Program Coordinator

She obtained a degree in social work from North Carolina Agricultural and Technical State University. She purchased a home as a first-time home buyer in 2020. Deja has worked in the housing industry for seven years. Deja Provides financial and homebuyer education to potential buyers to prepare them for homeownership

Amy Slaughter - Sales Manager

Amy has a degree in Business Administration/Marketing and then obtained her real estate license in 2010. She worked as a Realtor® in Johnston County for five years before relocating to Orange County. She has been with Community Home Trust for over 7 years. She works with buyers after

they go under contract to help through the home buying process, including working with lenders and attorneys.

Ian Morse - Property Manager

Responsible for working with homeowners and homeowner associations to keep Community Home Trust developments and homes well maintained. Ian tries to help homeowners feel empowered when it's time to make repairs. Ian holds a master's degree in Sustainability and Environmental Management from The Harvard Extension School and a Certificate in Non-Profit Management from Duke University. He works with buyers to perform walkthroughs of the property and makes sure all repairs have been completed.

NEMA Management

NEMA Management is committed to adding value to every project. With a deep understanding of what drives projects, NEMA offers design and construction guidance and leadership for a range of commercial, office, institutional and multifamily developments. NEMA will help CHT manage the pre-construction negotiations and onsite construction project management.

of FTE – Full-Time Paid Positions: 10

of FTE Part-Time (less than 40 hours/wk) Paid Positions: 1

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

We have not built in several years so have hired NEMA management to provide expertise. CHT sells between 15-30 homes each year using the land trust model. In over 15 years, we have successfully completed over 340 transactions similar to the proposed project. Similar successful projects in recent history include: 11 homes at Burch Kove, 17 homes in Ballentine, and 12 in the Claremont neighborhood.

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?
Everam Court (2 units)	Property Acquisition	\$20,000	Yes	Yes
201 N Graham St	Property Acquisition	\$50,000	Yes	Yes
306 Brooks	Property Acquisition	\$55,000	Yes	Yes

230 N Graham St	Property Acquisition	\$60,000	Yes	Yes
Greenway Landing (2 units)	Property Acquisition	\$100,000	Yes	Yes
1000 Shagbark	Property Acquisition	\$20,000	Yes	Yes
Chandler Woods (5 units)	Property Acquisition	\$120,000	Yes	Yes
310 Lindsay	Property Acquisition	\$20,000	Yes	Yes
Resale Subsidy	Homebuyer Assistance	\$30,000	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 Homestead Gardens project, located at 2200 Homestead Road in Chapel Hill, is an innovative approach to developing affordable housing in a uniquely collaborative way. CHT plans to build approximately 21 townhomes that will be sold to buyers earning between 65 to 80% AMI. Up to 3 units will be built with an internal ADU which will provide housing opportunities for buyers earning less than 65% AMI.

CHT will find eligible buyers, walk them through the process as first time homebuyers and assist with securing subsidy in collaboration with the lender. CHT will work with NEMA Management – a construction project management company to assist with pre-construction negotiations and on-site construction management. When this project was originally planned, CHT did not need to ask for any subsidy, however, due to the steep increases in materials and labor and the increase in interest rates, CHT will need additional funds to complete the project.



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?

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

To ensure that our properties remain affordable we enforce a 99-year ground lease for all homeowners. The ground lease gives the buyer(s) the rights and responsibilities of a homeowner and any subsidy used in the home remains with the property for future buyers to take advantage of.

The ground lease requires that the property be the homeowner’s primary residence and any future re-sale must be managed by Community Home Trust in order to ensure permanent affordability for the next buyer. Community Home Trust homes are never subject to the private market and homeowners are not allowed to sell their homes on the private market.

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? **75%.**

CHT expects buyers to pay between \$126,000 - \$244,000 for 2-3 bedroom townhomes, depending on income. This assumes 16 homes will be sold to homeowners earning less than 80% AMI and 5 homeowners earning between 80-115% AMI. Using the buyer’s 1st mortgage and funding from CPLP and System Vision. 75% of the funding for this project will be coming from sources outside of the Town of Chapel Hill

(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>	2200 Homestead Road in Chapel Hill				
Size <i>(insert acreage of development site)</i>	<u>14.25</u> acres				
Total Number of Units	<u>21</u>				
	# of Total Housing Units	# of Bathrooms	Square Footage	Proposed Rent or Sale Price Per Unit	Projected Cost Per Unit Including Utilities
Studios					
One-bedroom					
Two-bedroom	<u>15</u>				
Three-bedroom	<u>6</u>				
Four-bedroom					
Area Median Income Served <i>(insert # of units by AMI)</i>					
<30%	<u>0</u>				
31-60%	<u>0</u>				
61-80%	<u>16</u>				

81-100%	<u>5</u>				
>100%	<u>0</u>				
Target Population <i>(check all that apply)</i>					
Families	<input checked="" type="checkbox"/>				
Older Adults (Age 55+)	<input checked="" type="checkbox"/>				
Disabled	<input checked="" type="checkbox"/>				
Homeless	<input type="checkbox"/>				
Veterans	<input checked="" type="checkbox"/>				
Other <i>(specify)</i>	<input type="checkbox"/>				
ADA Accessibility <i>(insert # of total units)</i>	3 ADU Units				
Total Development Cost Per Unit	\$283,099				
Per Unit Subsidy	\$71,385 / unit				
Debt Coverage Ratio (DCR)	Lowest DCR 0 Highest DCR 0				
Town Planning Approvals Received <i>(as of the date of application)</i>	<input type="checkbox"/>	Yes			
	<input 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:

All units will be system vision certified.

The average cost to heat and cool a typical SystemVision home is around \$33 per month.

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

3 ADA units are wheelchair accessible.

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.

- 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, the project can accept housing choice homeownership vouchers if applicable.

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

Our organization is committed to serving diverse populations and the organization’s strategic plan identifies this as a specific objective by increasing the number of clients eligible for housing by reducing barriers, with an emphasis on reaching minorities through education and outreach.

Our organizational values are:

Dedication to our mission: We care about our homeowners, tenants, and the community we share. We seek out new and innovative opportunities and solutions to partner and serve.

Focus on inclusion: We want our organization to reflect our community, and we hold ourselves accountable to building a diverse and inclusive organization. We promise to act on that commitment and respect each other in the process.

Commitment to positive culture: We are committed to excellence in our work, and we invest in each other and our team. Our community and our workplace are safe, encouraging, equitable spaces, and we always support each other. We are open to criticism if it makes us better.

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: 45%
- ii. % of board that are people of color: 45%
- iii. % of staff that have attended racial equity training: 72%

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

We encourage an environment that is open, respectful and curious. We have weekly staff meetings that incorporate team building tools in an effort to facilitate conversations between staff member that help encourage a safe environment for challenging conversations. CHT is working to revise its homeowner selection policies and internal policies through a racial equity lens in order to make sure no one is “left out”.

People of color share similar barriers with other historically marginalized groups such as people with low income, people with disabilities, LGBTQ communities, women, older adults and young people. But people of color tend to experience those barriers more deeply due to the pervasive and systemic nature of racism, which is magnified in housing. By addressing the barriers experienced by people of color, we hope to also identify solutions and remove barriers for other affected groups. CHT hired a consultant from Build from the Heart to work with staff in group discussion and reflection regarding racial equity issues. CHT staff and board members also participated in a moderated book discussion on White Fragility.

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. Please include when you plan to expend the Town's funding for the project. For ARPA funding applications, project funding must be expended by 12/31/26.

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- 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
- 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

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