

# Affordable Housing Common Funding Application



Affordable Housing Bond

Affordable Housing Development Reserve

Affordable Housing Fund



Town of Chapel Hill Office for Housing and Community

[housingandcommunity@townofchapelhill.org](mailto:housingandcommunity@townofchapelhill.org)

919-969-5079

[www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding](http://www.townofchapelhill.org/town-hall/departments-services/housing-and-community/funding)

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## COVER PAGE

**Organization Contact Information**Legal Name: EmPOWERment, INCTax ID Number: 56-1965772Physical Address: 109 N. Graham Street #200, Chapel Hill, NC 27516Mailing Address: 109 N. Graham Street #200, Chapel Hill, NC 27516Organization's Website: www.empowermentincnc.orgDate of Incorporation: 1996Executive Director Name: Delores BaileyTelephone Number: 919-967-8779E-Mail: empowermentincnc@gmail.com**Funding Request**Project Name: PEACH ApartmentsTotal Number of Units Included in Funding Request: 10Total Project Cost: \$2,256,000.00Total Amount of Funds Requested: \$200,000.00Please 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 checked="" type="checkbox"/> Affordable Housing Development Reserve: <u>\$200,000.00</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |

Loan Terms Requested, if applicable, (provide a concise description): \_\_\_\_\_

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

The project will construct ten affordable rental apartments in a historically African American neighborhood. It will address a specific rental gap for the most vulnerable populations that continues to go unmet: six units will target tenants earning below 30%AMI and four will target 60-80% AMI. The project will be using 22% TOCH funds with a unit cost of \$4,350, subsidy cost of \$50,000.00. This project will be constructed in a Conservation District by an experienced team of professionals. Units will include Universal Design and energy efficient principles. The project includes provisions for long-term affordability making connections with community residents.

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

- Acquisition
- Predevelopment activities
- Infrastructure/site improvements
- Rental housing subsidy
- New construction for homeownership
- New construction for rental housing
- Owner-occupied rehabilitation

- Rental rehabilitation
- New construction of emergency shelter
- New construction of transitional/supportive housing
- Rental/utility connection assistance
- Second Mortgage Assistance
- 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.**

DocuSigned by:  
*Delores Bailey*  
 Signature: \_\_\_\_\_ 10/2/2020  
 D22D2C9D6F9E43B... \_\_\_\_\_  
 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.**

EmPOWERment Inc.'s board member, Jabe Hunter is employed by the Chapel Hill Police Department but he does not receive any financial benefits from serving on EmPOWERment Inc's Board of Directors. Mr. Hunter's job as Assistant Chief of Police does not pose a conflict of interest to EmPOWERment providing affordable rental units.

Council member Tai Huynh is and Ex-officio member of the EmPOWERment Inc's Board of Directors. Mr. Huynh will not vote on the distribution of funds.

**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:  
*Delores Bailey*  
D22B2C3D6F9E43B... \_\_\_\_\_ Date: 10/2/2020 \_\_\_\_\_  
Executive Director

**ORGANIZATION INFORMATION**

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

EmPOWERment, Inc’s mission is to empower individuals and communities to influence their own destiny. We focus on community organizing, affordable housing and grass roots economic development to carry out our mission. Our affordable housing mission is to reduce or remove housing barriers for the most vulnerable populations in Orange County. Priorities are given to those populations.

**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.

To create The PEACH Apartments, EmPOWERment Inc. has assembled a team of building professionals that can produce and manage multifamily units. Their various levels of experience will allow this project to be completed on schedule and on budget. This team consists of Ms. Delores Bailey, Ms. LaTanya Davis, Ms. Kate Rumley, Mr. Josh Gurlitz, Mr. Roger Perry and Mr. Philip Post.

Delores Bailey (Executive Director of EmPOWERment, Inc. for 15 years)

Responsibilities:

- Ms. Bailey will be responsible for overall management of the proposed PEACH Apartments project.
- Ms. Bailey will be the point of contact between developers, architects, general contractor, and construction personnel.

Experience:

- Under Ms. Bailey’s leadership, EmPOWERment has increased its rental inventory from 12 to 58 units, including two manufactured homes.
- Ms. Bailey has experience managing new construction (five new homes) as well as major rehab projects (more than twenty) throughout Orange County during her tenure at EmPOWERment.
- Her latest rehabilitation project was in Hillsborough, NC. Orange County donated an older home to EmPOWERment to produce more affordable rentals. The vision was to create an affordable home for a veteran. This renovation required:

- clearing the site, relocating the house, renovating from a foundation to the roof
- Ms. Bailey negotiated and coordinated several layers of financing to create the budget for this project
- Upon completion, the house became an affordable rental home for a veteran and his family.
- Ms. Bailey has a long history of working closely with town and county government departments and (requesting) government funding.
- In 2019, Ms. Bailey led a successful fundraising campaign raised over \$100,000.00 to provide operational and seed money for EmPOWERment as well as for this project.
- Ms. Bailey has excellent relationships with local banks and foundations in preparation for the creation of the Capital Campaign for this project.

La Tanya Davis (Operations Manager, 13 years at EmPOWERment, Inc.)

Responsibilities:

- Ms. Davis will be responsible for management of administrative duties pertaining to the project i.e. project costs and financial duties. Ms. Davis will manage timelines and budgets.

Experience:

- Ms. Davis has extensive experience developing budgets and overseeing the day-to-day work of rehabilitation projects.
- Ms. Davis brings her experience and training as well as her extensive knowledge of EmPOWERment's tenant base to the project.
- Ms. Davis has previously served as EmPOWERment's finance manager and as rental property manager. She will bring her extensive knowledge of EmPOWERment's finances to the project.
- Ms. Davis is a licensed real estate broker -in-charge.

Kate Rumley (Retired Executive Director of Brick Capital, a Community Development Corporation, Sanford, NC)

Responsibilities:

- Ms. Rumley will act as a project management consultant.

Experience:

Ms. Rumley created much of the new affordable housing, home ownership and rental for low-income families in Sanford, NC for the last twenty-five years.

- Ms. Rumley oversaw construction of 63 affordable single-family homes and 63 multifamily apartments throughout Lee County.
- Ms. Rumley has experience working with CDBG and HOME government funding.
- Ms. Rumley brings her experience of managing a capital campaign to the PEACH Apartments Project.

Josh Gurlitz (Josh Gurlitz Architecture, Chapel Hill, NC)

Responsibilities:

- Mr. Gurlitz is providing the architectural design, layout, and architectural oversight for the PEACH Apartments Project.

Experience:

- Mr. Gurlitz has over 40 years of experience in commercial and residential project design and oversight.
- Mr. Gurlitz will provide construction administration services, ensuring that the construction is performed at the highest level of quality.
- Mr. Gurlitz has an impeccable reputation for detailed design for both new construction and renovation projects.
- Mr. Gurlitz has several years of experience working with government funded projects and making sure they follow all applicable statutes.
- Mr. Gurlitz's most recent projects for non-profit organizations include: The Bouncing Bulldogs Community Center, Community House for the IFC, and the Alpha Phi Sorority in Chapel Hill.

Roger Perry – (President of East West Partners Management Company)

Responsibilities:

- Mr. Perry is an experienced developer in building single family and multi-family housing to the project. As a developer he will consulting and providing construction oversight.

Experience:

- Mr. Perry brings 37 years of experience developing and managing large construction projects to the PEACH Apartments Project.
- Mr. Perry has managed approximately \$2 billion in new construction for UNC along with numerous other construction projects in the area.
- Mr. Perry has participated in all phases of construction financing.
- Mr. Perry has demonstrated his commitment to enhancing the quality of life for all residents and communities.

Philip Post- (Owner of Philip Post Engineering)

Responsibilities:

Mr. Post has been the Civil Engineering for several projects in Chapel Hill. He will be the Civil Engineer for PEACH apartments. He will provide oversight of the surveying team -Billings Land Surveying.

Experience:

- Mr. Post did the survey on the Trilogy Apartments, Fordham Blvd., Chapel Hill
- Mr. Post was the surveyor on plans for Amity Station Project, Rosemary Street, Chapel Hill (Still in Development)
- Mr. Post is the surveyor of record for the The Barn of Chapel Hill at Wild Flora Farm

**EmPOWERment Staffing**

**# of FTE – Full-Time Paid Positions: 4**

**# 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

EmPOWERment has a long record of building and renovating projects throughout Orange and Chatham counties. These projects including land acquisition, predevelopment bidding, and hiring general contractors.

EmPOWERment created Seminole Pointe, a small subdivision of single-family homes in Siler City in the early 2000s.

EmPOWERment built the only affordable home in the Briar Chapel subdivision in 2009.

Location	338 McMaster Street, Chapel Hill
Scope/Scale of Project	Total renovation of single-family home
Budget/Sources	Budget: \$140,00 - \$104,869 (HOME); \$35,131(EmPOWERment)
Project completed on budget	Yes
Project completed on time	Yes
Completion Year	2017



Location	507 Terrell Road, Hillsborough
Scope/Scale of project	Relocating house in partnership with Orange County and total renovation of single family.
Budget/Sources	The home was donated by Orange County. Budget: \$110,000 - \$60,000 HOME; County Funds; \$25,000; EmPOWERment Inc; \$25,000
Project completed on budget	No
Project completed on time	No. The process of relocating the home took more time than projected.
Completion Year	2018



Location	606/608 Bynum Street, Chapel Hill
Scope/Scale of Project	Total renovation of two single family homes for rental
Budget/Sources	Budget- \$264,400 - Orange County Funding
Project completed on budget	Yes
Project completed on time	Yes
Completion Year	2018





Location	121 Cole Street, Chapel Hill
Scope/Scale of project	Acquisition of property held by the Northside Neighborhood Initiative's land bank.
Budget/Sources	Budget: \$150,000 - \$145,000 (HOME); \$5,000 (EmPOWERment)
Project completed on budget	Yes
Project competed on time	No. Closing of project was delayed due to Environmental Review.
Completion year	2020



Location	124 Fidelity Street Units 24 & 45 Carrboro
Scope/Scale of Project	Acquisition of 2 condo units in Carrboro Hillmont community
Budget/Sources	Budget: \$150,000 - \$145,000(HOME); \$5,000 (EmPOWERment)
Project completed on budget	Yes
Project competed on time	Yes
Completion Year	2020



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)
320 McMasters Street	Single family	\$54,128	Yes
338 McMasters Street	Single Family	\$27,000	Yes
PEACH Apartments	Multi Family	\$301,000	No

**\*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 PEACH project will re-purpose Pine Knolls Community Center into affordable rentals. A 10,000 square foot building will house ten units, targeting people with incomes below 60% AMI. A request has been submitted to the Town of Chapel Hill to convey an adjacent lot to two lots owned by EmPOWERment, Inc. The Town has shown its commitment to the project with previous financial support. There will be two-efficiency units, four 1-bedroom units, three 2-bedrooms and one 3- bedrooms. The apartments will have parking, gardening space and playground. The site is located on a bus line near hospital, shopping and schools.

- 5. Long-Term Affordability.** 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 PEACH Apartments are in a Neighborhood Conservation District. It is designated to remain affordable for 99 years. The property will be recorded with deed restrictions in the form of Performance agreements and Development agreements. EmPOWERment, Inc will ensure housing affordability by monitoring the 20-year Proforma and research ways to subsidize very low-income families. Though expenses may increase at the property, EmPOWERment, Inc will try to make adjustments so the residents will bear none of the increases. Orange County and Town of Chapel Hill funds will be fully leveraged to help EmPOWERment, Inc recapture subsidies and maintain long-term affordability.

**6. Leverage:** How much funding is committed at the time of submission of this application?

\$657,000.00

What percentage of funding for the proposed project would be leveraged from sources other than the Town? 78% (Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).

*Calculations shown on Project Development Sources and Uses*

**7. Project Profile***Insert project information below*

<b>Location</b> <i>(insert address if available)</i>	<b><u>107 Johnson Street, Chapel Hill, NC</u></b>				
<b>Size</b> <i>(insert acreage of development site)</i>	<b><u>Three lots: .69 acre</u></b>				
<b>Total Number of Units</b>					
	<b># of Total Housing Units</b>	<b># of Bathrooms</b>	<b>Square Footage</b>	<b>Proposed Rent or Sale Price Per Unit</b>	<b>Projected Cost Per Unit Including Utilities</b>
<b>Efficiency</b>	<b><u>2</u></b>	<b><u>1</u></b>	<b><u>500</u></b>	<b><u>\$350</u></b>	<b><u>\$470</u></b>
<b>One-bedroom</b>	<b><u>4</u></b>	<b><u>1</u></b>	<b><u>717</u></b>	<b><u>\$450</u></b>	<b><u>\$570</u></b>
<b>Two-bedroom</b>	<b><u>3</u></b>	<b><u>2</u></b>	<b><u>895</u></b>	<b><u>\$908</u></b>	<b><u>\$1088</u></b>
<b>Three-bedroom</b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>1134</u></b>	<b><u>\$1276</u></b>	<b><u>\$1461</u></b>
<b>Four-bedroom</b>					
<b>Area Median Income Served</b> <i>(insert # of units by AMI)</i>					
<b>&lt;30%</b>	<b><u>60% of units</u></b>				
<b>31-60%</b>	<b><u>40% of units</u></b>				
<b>61-80%</b>					
<b>81-100%</b>					
<b>&gt;100%</b>					
<b>Target Population</b> <i>(check all that apply)</i>					
<b>Families</b>	<input checked="" type="checkbox"/>				
<b>Older Adults (Age 55+)</b>	<input checked="" type="checkbox"/>				
<b>Disabled</b>	<input checked="" type="checkbox"/>				
<b>Homeless</b>	<input checked="" type="checkbox"/>				
<b>Veterans</b>	<input checked="" type="checkbox"/>				
<b>Other</b> <i>(specify)</i>	<input checked="" type="checkbox"/> <b>Housing choice vouchers</b>				
<b>ADA Accessibility</b> <i>(insert # of total units)</i>	<b>10 units ADA-compliant</b>				
<b>Total Development Cost Per Unit</b>	<b>\$4,350.00</b>				
<b>Per Unit Subsidy</b>	<b>\$ 50,000 / unit</b>				

<b>Town Planning Approvals Received</b> <i>(as of the date of application)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No We have attended the Pre-Application with Planning staff <input type="checkbox"/> NA
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8. **Energy Efficiency:** Will the proposed project meet the standards and requirements of [Energy Star 2.0](#) as verified by an independent, third party expert?

Yes  
 No

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

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

The housing units should be usable by people without additional adaptation. This project will incorporate Universal Design with the intent of developing a better quality of life for the many people who will be living in these residences. The Universal Design features will be incorporated in addition to the NC State Building Code and ADA requirements. The 8 principles of Universal Design will be considered and evaluated during the design process. An iterative process between the design team and the non-profit project developer will be followed as the design develops with the 8 principles as a guide for decision making.

All 10 units will use Universal Designed Principles and one of each of the four types of units will be ADA compliant. The lower level units will be wheelchair accessible. Once inside of these units, the ability to freely maneuver from one room to another will be incorporated in the design. In addition, features such as grab bars, rotating space and toilet accessibility will be included in all 10 units. All these features will allow individuals or families with limited mobility full access to their unit.

#### 10. Social Equity

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

This project started with the Pine Knolls Community Center Board of Directors five years ago. They shared their vision for redeveloping the property with Empowerment, Inc and invited us to become part of making it a reality. The apartment name was created by this group. "PEACH" (Parrish-EmPOWERment Affordable Community Housing). EmPOWERment, Inc has sought community input multiple times from individuals in the Pine Knolls community, members of community outreach groups, and other non-profits involved in housing like Community Empowerment Fund and Family Success Alliance. We are committed to maintaining the rich cultural inclusive legacy of this neighborhood.

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

Housing barriers affect all communities most deeply impacting those of color. The barriers include both rental practices based on racial bias and affordability, since lower income parallels race. EmPOWERment makes the connections necessary to ensure racial equity while striving to overcome the racial inequities that effect renters. Within the broader goal of racial equity, we focus on supplying:

- Affordable housing for the most underserved populations giving priority to applicants that are homeless, disabled or veterans.
- Housing counseling, financial literacy, strategic partnerships that help people of color thrive, thus reducing racial disparities between this population and the more privileged.

- b. 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: 100
- ii. % of board that are people of color: 75
- iii. % of staff that have attended racial equity training: 95

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

The chief barrier to success in the Black community is the lack of access to financial counseling and education. In April 2020, EmPOWERment, Inc realized that local business owners needed help to research and apply for funding because of COVID19. Funding sources are often structured to not promote racial inequity. Weekly ZOOM conferences have directly led to businesses being awarded grants from the SBA. EmPOWERment, Inc has provided minority-owned businesses a way to participate in programs that have demonstrated biased against them. We have helped to bring about racial equity for minority small business owners in our surrounding communities.