

## 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](mailto:nbfulks@townofchapelhill.org).

## SUBMISSION INSTRUCTIONS

Submit applications electronically in PDF form to: [housingandcommunity@townofchapelhill.org](mailto: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](mailto: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 type="checkbox"/> | <b>Section 1:</b> | <b>Cover Page</b>                                    |
| <input type="checkbox"/> | <b>Section 2:</b> | <b>Disclosure of Potential Conflicts of Interest</b> |
| <input type="checkbox"/> | <b>Section 3:</b> | <b>Organization Information</b>                      |
| <input type="checkbox"/> | <b>Section 4:</b> | <b>Project Information</b>                           |
| <input type="checkbox"/> | <b>Section 5:</b> | <b>Attachments</b>                                   |

## COVER PAGE

### Organization Contact Information

Legal Name: EMPOWERment, INC

Tax ID Number: 561965772

Physical Address: 109 N. Graham Street #200, Chapel Hill, NC 27516

Mailing Address: Same

Organization's Website: http://www.empowermentinc.org

Date of Incorporation: March 1996

Executive Director Name: Delores Bailey

Telephone Number: 919-967-8779

E-Mail: empowermentincnc@gmail.com

**Funding Request**

Project Name: 104 Grant Street

Total Number of Units Included in Funding Request: 8

Total Project Cost: 494,000.00

Total Amount of Funds Requested: \$279,000.00

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 checked="" type="checkbox"/> Affordable Housing Development Reserve: <u>\$\$279,000.00</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |
| <input type="checkbox"/> American Rescue Plan Act :   | <input type="checkbox"/> Grant            | <input type="checkbox"/> Loan |

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

To continue to serve the most vulnerable populations of Chapel Hill with all our affordable rental units, EMPOWERment Inc. (EI) is requesting a grant. This will keep the cost of maintaining the units down.

*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*):

The funds will be used for acquisition and renovation of a 2-bedroom 1 bath home located in the Pine Knolls Community, Neighborhood Conservation District. It will be purchased from the NNI Land Bank. This property was designated by the Jackson Center as an Anchor property for the community. After the renovation, this unit will be a duplex increasing the affordable rental inventory for Chapel Hill. To address the specific rental gap that continues to go unmet- one unit of the duplex will be 30% AMI one unit will be 60% AMI.

**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

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: Walter Bailey  
Executive Director

Date 9/30/22



**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?

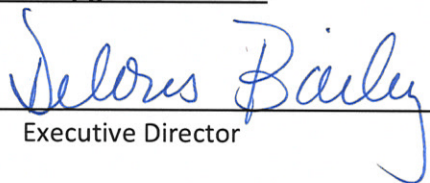
If you have answered YES to any question, **please provide a full explanation below.**

Paris Miller-Foushee is an Ex-Officio member of our board. Retiring Assistant Police Chief Jabe Hunter is a member of the EMPOWERment, Inc's. Board of Directors.

**NON-DISCRIMINATION**

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

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

Signature:   
Executive Director

9/30/22  
Date

## ORGANIZATION INFORMATION

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

EMPOWERment, Inc.'s mission is to empower individuals and communities to achieve their destiny through community organizing, affordable housing, and grassroots economic development. EMPOWERment's affordable housing mission is to reduce or remove housing barriers for the most vulnerable populations in Chapel Hill. Priorities are given to that population.

### 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.

#### **Delores Bailey (EMPOWERment Executive Director)**

Delores Bailey has served as Executive Director of EMPOWERment, Inc. since 2005. Under her leadership, EMPOWERment has increased its rental inventory from 12 to 66 units, including three manufactured homes. Ms. Bailey has managed ten new construction projects and numerous renovation projects during her seventeen years at the helm.

#### **La Tanya Davis (EMPOWERment Operations Manager)**


La Tanya Davis has been part of EMPOWERment's team since 2007. Ms. Davis initially served as a Finance Manager before becoming the Property Manager for EMPOWERment's rental program. She will be working closely with Self-Help throughout the renovation period. Ms. Davis has played an integral role in property acquisitions, new construction, and rehab projects. EMPOWERment's most recent rehab project is a home that was donated to EMPOWERment by The Town of Chapel Hill. This renovation required relocating the house, several stages of rebuilding from a foundation to replacing the roof, flooring, walls, and everything in between. This became a new home for a teacher's assistant (Northside Elementary) and her son from the North Community. As Operations Manager, Ms. Davis will be responsible for the funding to acquire this property in the Pine Knolls Community.

# 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:
- 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

Property	
Location	105 Fidelity Court # A -20, Carrboro
Scope/Scale of Project	This was a privately owned condo. The owners wanted the house to become a part of the affordable housing inventory. This project required property acquisition.
Budget/Sources	Funds were used for acquisition. <b>Budget:</b> \$225,000: \$100,000 (TOC); \$105,000 (OC); \$5,000(EI)
Project completed on budget	This project was completed on budget.
Project completed on time	This project was completed on budget.
Completion Year	2022



Property	
Location	707 Gomains Avenue
Scope/Scale of Project	<p>The house was donated to EI by the TOCH and relocated to an EI lot previously purchased with HOME funds. Working on a very tight timeline from the Town, this major project required coordinating the move of the house through downtown Chapel Hill, setting a new foundation, and total renovation. This is a 2 bedroom/1 bath house.</p> <p>Budget/Sources</p>
Budget/Sources	<p>Funds were used for acquisitions, house move, and renovations.</p> <p><b>Budget: \$215,529: \$125,319 (HOME); \$26,395 (AHDR) \$63,815(EI)</b></p>
Project completed on budget	<p>Costs for this project increased because of COVID however it was completed on budget.</p>
Project completed on time	<p>This project was completed on time.</p>
Completion Year	2022





<p>Property</p>	
<p>Location</p>	<p>706 Gomains Ave, Chapel Hill, NC</p>
<p>Scope/Scale of Project</p>	<p>It was purchased from the NNI Landbank. This is a 2-bedroom/ 1 bath, duplex.</p>
<p>Budget/Sources</p>	<p>Funds were required for acquisitions and exterior renovations.  <b>Budget:</b> \$210,000: \$135,00(CDBG); \$105,000 (HOME)</p>
<p>Project completed on budget</p>	<p>This project was completed on budget.</p>
<p>Project completed on time</p>	<p>This project was completed on time.</p>
<p>Completion Year</p>	<p>2021 (acquisition). 2022 (renovations completed)</p>



Property



Property	
Location	320 McMasters Street, Chapel Hill
Scope/Scale of Project	This was home was purchased from the NNI Landbank. It required a total renovation. This is a 2 bedroom/ 1 bath, duplex.
Budget/Sources	Funding was required for acquisition and renovations. <b>Budget:</b> \$247,000.00: \$177,000 (ADHR)- \$60,000 (OAK)- \$10,000 (EI)
Project completed on budget	This project was completed on budget.
Project completed on time	This project was completed on time.
Completion Year	2020

Property	
Location	121 Cole Street, Chapel Hill
Scope/Scale of Project	This home was purchased from the NNI Landbank.
Budget/Sources	Funding was required for acquisition and minor repairs. <b>Budget:</b> \$150,000: \$145,000 ( <b>HOME</b> ); \$5,000 ( <b>EI</b> )
Project completed on budget	The project was completed on budget.
Project completed on time	The project timeline was delayed while awaiting the completion of the Environment Review. Once that was in place the home was purchased and minor repairs were completed.
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)	Was the project completed on schedule and within budget? If not, why?
707 Gomains	Renovation, house move	26,395.00	Yes	Yes
706 Gomains	Acquisition	135,000.00	Yes	Yes
320 Lindsay	Acquisition	187,000.00	Yes	Yes
107 Johnson	Acquisition	301,000.00	Yes	Project is still in progress
320 McMasters	Renovation	54,128.00	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).*

This project will be, and acquisition and renovation of a house designated by the Jackson Center as an Anchor Property in the Northside Community. Purchased by Self-Help the owner's request was it be sold to EMPOWERment. The owner Ms. Virginia Barbee is a long-time residence in the Pine Knoll. Her vision was to keep this home an affordable home in the community. Self Help will renovate the existing home that was originally a duplex but over the years the addition has become dilapidated. After renovation it will be 3-bedroom 2 bath and 2-bedroom 1 bath unit, duplex.

- 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.

EMPOWERment Inc., a 501-3c non-profit is committed to ensuring the rental units created remain affordable to low-income households for 99 years. The following documents will be recorded with the Office of the Register of Deeds upon each closing: Deed Restrictions, Performance Agreements, and Development Agreements.



6. **Leverage:** How much funding is committed at the time of submission of this application? \$ 215,000.00  
 What percentage of funding for the proposed project would be leveraged from sources other than the Town? 44% (Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable).

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

<b>Location</b> (insert address if available)	<u>104 Grant Street, Chapel Hill, NC</u>				
<b>Size</b> (insert acreage of development site)	<u>.15</u>				
<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>
	2	3	1595		
<b>Studios</b>					
<b>One-bedroom</b>					
<b>Two-bedroom</b>	<u>1</u>	<u>1</u>		<u>\$900 to \$1000</u>	<u>\$1114 to \$1214</u>
<b>Three-bedroom</b>	<u>1</u>	<u>2</u>		<u>\$1350-\$1450</u>	<u>\$1604 to \$1704</u>
<b>Four-bedroom</b>					
<b>Area Median Income Served</b> (insert # of units by AMI)					
<30%	<u>1</u>				
31-60%	<u>1</u>				
61-80%	<u>0</u>				
81-100%					
>100%					
<b>Target Population</b> (check all that apply)					
Families	<input checked="" type="checkbox"/>				
Older Adults (Age 55+)	<input checked="" type="checkbox"/>				
Disabled	<input checked="" type="checkbox"/>				
Homeless	<input checked="" type="checkbox"/>				
Veterans	<input checked="" type="checkbox"/>				
Other (specify)	<input checked="" type="checkbox"/>	Housing Choice Voucher Holders			
<b>ADA Accessibility</b> (insert # of total units)					
<b>Total Development Cost Per Unit</b>	\$247,000				
<b>Per Unit Subsidy</b>	\$ 139,500 / unit				
<b>Debt Coverage Ratio (DCR)</b>	Lowest DCR _____ Highest DCR _____ N/A				
<b>Town Planning Approvals Received</b> (as of the date of application)	Yes <input type="checkbox"/> No <input type="checkbox"/> xNA				



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:

Unit 1 and Unit 2 will include:

- Energy efficient exterior doors
- HVAC
- Ductwork
- Lighting
- Water heaters.

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

Unit 1 will not have Universal Design features added because it is an existing structure.

Unit 2 will be a newly constructed structure and all the energy efficient and universal design features can be incorporated.

Unit 2 will include Universal Design with the following:

- 3' doors into bedrooms and bathroom
- 18" clear floor space on pull side of door
- single lever water controls on plumbing faucets
- open areas in kitchen and living
- stepless home entry from deck. 5x5 level landing at entry door are some of them.

- 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.

EI is not 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. See tenant policies attached.

- 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. EI will accept all kinds of housing vouchers including VASH for veterans. EI's goal is to assist individuals who may experienced hardships in the past but need housing and possibly

a second chance. All applicants are allowed to complete an application, income verification, and rental history verification

- 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*).

Our intended beneficiaries include prospective tenants on our waitlist. EI collaborates with the Jackson Center, Interfaith Council, and CEF center to aid in prospective tenants interested in these properties.

EI continues to interact with tenants and other community advocates such as Ms. Virginia Barbee, Damita Salaam. Regular meetings with housing partners from the OCACH, Family Success Alliance and Community Empowerment Fund are connections to our stakeholders.

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

EI is lead by five African American women with more that 50 years of combined personal, historical, and social justice awareness of the communities served. 100% of the EI's staff has participated in DEI training. EI is an affordable housing non-profit that prioritizes the most underserved population such as applicants that are homeless, disabled, veteran, and/or housing choice voucher holders. EI understands that racial discrimination and bias have created barriers to generational wealth for marginalized communities. As a result, EI serves communities that are otherwise forgotten or disregarded in the wealth-building process. These communities often have a more significant percentage of people of color than other neighborhoods in Chapel Hill. EI has created an infrastructure addressing racial equity goals by supplying renters with housing counseling, financial literacy, and personalized advocacy. EI facilitates strategic partnerships that help people of color thrive, thus reducing racial disparities between this population and the more privileged.

- 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: 100%
- II. % of board that are people of color: 60%
- III. % of staff that have attended racial equity training: 100%

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

There are many systems of racism in the affordable housing world. The chief barrier to success for the African American and low wealth communities is the lack of access to financial counseling and education. EI addresses this issue by providing counseling to all especially those struggling financially. The housing counseling staff is nationally certified. During the economic downturn of COVID, staff had a 100% success rate of keeping tenants from being evicted and preventing homeowners facing foreclosure from losing their home.

During COVID, EI helped to bring about racial equity for small minority business owners in surrounding communities and in The Midway Business Center -the small business incubator owned by EI by facilitating weekly discussions about access to resources and sustainability for minority business owners. EI realized local minority business owners needed help understanding the funding options made available to all businesses during COVID 19. Researching and applying for funding during COVID-19 was problematic. We



understood funding sources are not often structured to promote racial equity. Weekly ZOOM conferences led to many of the businesses receiving grants from the SBA. EI has provided minority-owned businesses a way to participate in programs that have demonstrated bias against them.

As a result, EI developed an initiative called Bright Path Solutions. This initiative targets many of the challenges small minority businesses have and arms them with the tools needed to grow their business.

## 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