

**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: 107 Johnson Street: The Pine Knolls EMPOWERment Affordable Community Housing (P.E.A.C.H.) Apartments

Total Number of Units Included in Funding Request: 10

Total Project Cost: 3,500,000.00

Total Amount of Funds Requested: \$1,000,00.00

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 type="checkbox"/> Affordable Housing Development Reserve: \$_____              | <input type="checkbox"/> Grant            | <input type="checkbox"/> Loan |
| <input checked="" type="checkbox"/> American Rescue Plan Act : <u>\$\$1,000,00.00</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |

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

The P.E.A.C.H. Apartments project will target one of the most vulnerable populations of Chapel Hill, those earning 30 % Area Median Income (AMI) or below. 100 % of this project targets this population. Producing housing at this level is very expensive. A grant is needed from the Town to make this project a reality.

*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*):

Construction costs for this project increased due to COVID. These funds will be used for the construction of The P.E.A.C.H. Apartments. The project will be completed in two years. The project will address a specific rental gap that continues to go unmet: families earning less than 30% AMI. Zoning compliance, Planning and unanimously approval from Town Council was received in June '2022. 60% of funds will come from sources other than the Town. The construction of the ten-unit building will be guided and managed by a team of local professionals: J Gurlitz, R. Perry, P. Post, and K. Page.

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

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

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

Signature:   
Executive Director

9/30/22  
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.**

Council member Paris Miller-Foushee is an Ex-Officio member of the EMPOWERment Inc. (EI) board. Retiring Assistant Police Chief Jabe Hunter is a member of the EI Board of Directors.

**NON-DISCRIMINATION**

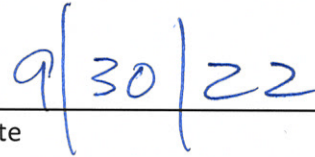
Provider agrees as part of consideration of the granting of funds by funding agencies to the parties hereto for themselves, their agents, officials, employees and servants agree not to discriminate in any manner of these basis of race, color, gender, national origin, age, handicap, religion, sexual orientation, 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

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. The affordable housing mission for EMPOWERment 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 EI. 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.

Ms. Bailey will be the main point of contact between developers, architects, and construction personnel. She is responsible for gathering the financing for this project. She has developed relationships with local banks & foundations and created a Capital Campaign for this project. Last year's successful fundraising campaign raised \$100,000 with a portion providing seed money for this project.

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

La Tanya Davis has been part of EI's team since 2007. Ms. Davis initially served as a Finance Manager before becoming the Property Manager for EI's rental program. She will be working closely with Ms. Bailey in overseeing the project and handling administrative & financial duties. Ms. Davis has played an integral role in property acquisitions, new construction, and rehab projects. EI's most recent rehab project was a home donated to EI by The Town of Chapel Hill. This renovation required relocating the house, managing several stages of rebuilding from the foundation to replacing the roof, flooring, walls, and everything in between. This became an affordable rental home for a resident earning between 30% but no more than 60% AMI. HOME funds, and AHRD were combined with EI funds to complete this project. This project was completed on time and on budget. As Operations Manager, Ms. Davis is responsible for management of timetables and project costs.

#### **Josh Gurlitz (Josh Gurlitz Architecture, Chapel Hill)**

Josh Gurlitz, Owner, and Principal Architect. JGA Architects is a full-service architectural firm located in Chapel Hill, North Carolina. The firm provides planning and design for various governmental, private, corporate, and institutional clients. Mr. Gurlitz also provides project management and quality control services on most of the company's projects, ensuring construction is performed at the highest quality level possible and per the project's requirements. He brings his architectural talents and oversight to the P.E.A.C.H. Apartments. Mr. Gurlitz designed The P.E.A.C.H. Apartments. As a long-time resident of Chapel Hill, he has served on



the boards of several non-profits and Town Advisory Boards. He has developed a knowledge base of rules, regulations, and codes for building in Chapel Hill. He has an impeccable reputation for detailed design for new constructions and projects that require renovations. Mr. Gurlitz successfully lead EI through all Advisory Board meetings, Planning department, two public hearings, and zoning change compliance meetings. In addition, he has committed himself to providing architectural design, layout, and architectural oversight for The P.E.A.C.H. Apartment project. He will provide construction management and administrative services, ensuring that the construction is performed at the highest level of quality.

Mr. Gurlitz has a heart for working with non-profit organizations. His most recent creations include complete renovations the Alpha Phi Sorority house and the nationally known Bouncing Bull Dogs Community Center (<https://www.bouncingbulldogs.org/>) a non-profit that targets the fitness for all children, particularly those from underserved communities like The Pine Knolls community where P.E.A.C.H. will be located.

Mr. Gurlitz is an architect with more than 40 years of experience in commercial and residential project design. Mr. Gurlitz has donated 75% of his services to The P.E.A.C.H. Apartment project.

### **Roger Perry (President of East West Partners Management Company)**

Roger Perry, Founder and President of East West Partners Management Company. East West Partners has been developing communities that are both modern and mindful, both residential and mixed-use developments that exudes the highest quality of life Their structures are designed to be environmentally, socially, and economically sustainable. Mr. Perry brings 37 years of experience developing and managing large construction projects like the P.E.A.C.H. Apartments. He has extensive experience working with both private and public partners throughout the state and provides comprehensive services that include acquisition, planning, development, marketing and sales. Mr. Perry is an experienced developer in building single family and multifamily housing which will adds to the project. As a developer he will provide consulting and construction oversight. Mr. Perry has demonstrated his commitment to enhancing the quality of life for all residents in communities like the P.E.A.C.H Apartments.

Mr. Perry has participated in all phases of construction financing. Mr. Perry has managed approximately \$2 billion in new construction for UNC along with numerous other construction projects in the area. He will work with staff to ensure the best financial procedures are taking place.

### **Phil Post (Philip Post Engineering, Inc)**

Philip Post, owner of Philip Post & Associates is a civil engineering and land surveying firm providing land planning, site design, water/wastewater, and construction inspection services. Mr. Post has been the Civil Engineering for over 30 years. He is the Civil Engineer for The P.E.A.C.H. Apartments project. His knowledge of building and zoning codes has allowed The P.E.A.C.H. Apartments project to be expedited through the advisory board's approval process. With Mr. Post's guidance, P.E.A.C.H. was approved for the zoning change request and along with Mr. Gurlitz has created relationship with the NC Botanical Garden that will produce a stormwater system that will be appealing as well as functional. He has provided oversight of the surveying team -Billings Land Surveying for P.E.A.C.H. Mr. Post has been involved in the low-wealth neighborhoods of Chapel Hill like the Pine Knolls community since 1964. Mr. Post has professional knowledge of The P.E.A.C.H. Apartments' future location because of that previous work.

## **Kendall Page (Kendall Page PLLC)**

Kendall Page, Owner of Kendall Page PLLC. Ms. Page is an experienced Real Estate Attorney with over 33 years of law practice in the Triangle area. Ms. Page has navigated, managed, and built her practice into an exceptional law firm with a comprehensive offering of Real Estate Law, Estate Planning, Estate Probate law, and LLC Formation. Ms. Page represents buyers, sellers, investors, builders, and small businesses with their residential /commercial transactions. Ms. Page has been the attorney of record for EI for twenty years. One of EI's goals is to increase affordable rental inventory by purchasing rental units annually. Ms. Page and her staff handle all the closings and recordings for each of these purchases. She provides legal counsel for EI on non-real estate matters as well. EI is also working with Ms. Page on commercial and residential leases and view and resolution of boundary and property line disputes involving other properties owned by EI.

**# 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

EI has been building and renovating homes for more than 20 years. EI designed and created a small subdivision in Siler City for low-income homeowners and built the only affordable home in the Briar Chapel (Chapel Hill) subdivision. We have many new construction projects which include 229 and 231 North Graham Street (Chapel Hill), 201 Prince Street (Carrboro), and several major renovations (338 McMasters Street, 320 McMasters Street), homes purchased from the Northside Neighborhood Initiative (NNI).


The P.E.A.C.H. project combines EI's vast experience of acquisition, project management, and construction with the expertise that Josh Gurlitz, Roger Perry, and Phil Post bring in producing and managing multi-family housing projects.




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 time.
Completion Year	2022


Property	
Location	707 Gomains Avenue
Scope/Scale of Project	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.
Budget/Sources	Funds were used for acquisitions, house move, and renovations. <b>Budget: \$215,529: \$125,319 (HOME); \$26,395 (AHDR) \$63,815(EI)</b>
Project completed on budget	Costs for this project increased because of COVID however it was completed on budget.
Project completed on time	This project was completed on time.
Completion Year	2022



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

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: \$247,000.00: \$177,000 (ADHR)- \$60,000 (OAK)- \$10,000 (EI)</b>
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	Reno, 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	101,000	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 project located in the historic community of Pine Knolls, maintains the Town's diversity. It addresses the most vulnerable populations targeting households and essential workers with incomes below 30% AMI. Unique because more than 75% of the project serves 30% and below. P.E.A.C.H. will produce ten rental units of various types, multi-family, multi-generational, ADA-compliant, Universal Design. It is within walking distance to schools, hospitals, shopping, and three bus lines. The project will be guided and managed from start to finish by a team of building professionals: architect Josh Gurlitz, multi-complex developer Roger Perry and civil engineer Phil Post.

**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? **\$1,407,000**  
 What percentage of funding for the proposed project would be leveraged from sources other than the Town? **63%** *(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> <i>(insert address if available)</i>	<u>107 Johnson Street: P.E.A.C.H Apartments</u>				
<b>Size</b> <i>(insert acreage of development site)</i>	<u>.69</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>
	10	14	10,000 sq ft		



<b>Studios</b>	<u>2</u>	<u>2</u>		<u>\$525.00</u>	<u>525+150=\$675.00</u>
<b>One-bedroom</b>	<u>4</u>	<u>4</u>		<u>\$550.00</u>	<u>550+177=\$727.00</u>
<b>Two-bedroom</b>	<u>3</u>	<u>6</u>		<u>\$850.00</u>	<u>850+214=\$1064.00</u>
<b>Three-bedroom</b>	<u>1</u>	<u>2</u>		<u>\$1150.00</u>	<u>1150+254=1404.00</u>
<b>Four-bedroom</b>					
<b>Area Median Income Served</b> (insert # of units by AMI)					
<b>&lt;30%</b>	<u>10</u>				
<b>31-60%</b>					
<b>61-80%</b>					
<b>81-100%</b>					
<b>&gt;100%</b>					
<b>Target Population</b> (check all that apply)					
<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> (specify)	<input checked="" type="checkbox"/>	Housing Choice Voucher Holders			
<b>ADA Accessibility</b> (insert # of total units)	10				
<b>Total Development Cost Per Unit</b>	\$350,000.00				
<b>Per Unit Subsidy</b>	\$130,000.00 / 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)	<input checked="" type="checkbox"/> Yes ( June'2022) <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:

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

**Entryways and Hallways** are designed wider than normal to accommodate a wheelchair. **Flooring** will be vinyl or a thin flat carpet, which is less of an obstacle to get over in a wheelchair.

**Cabinets** will be lower for better accessibility. There are also likely to be fewer cabinets at floor level to make room for rolling a wheelchair up to the countertops.



**Counter tops** will be lower, to make the work space accessible from a wheelchair. They will be 30 inches off the ground. As mentioned above, floor-level cabinets will often be removed from under the sink and counter tops to make space for the wheelchair.

**Appliances** will have all the knobs on the front instead of along the back panel, making them easier and safer to reach.

**Bathrooms** will have grab bars and roll-in showers (along with reinforced walls to support the grab bars). Toilets are higher and will also have grab bars. Faucet that operates with a single lever, rather than multiple knobs.

**Light Switches** are lower for accessibility. Power outlets will also be adjusted at different levels.

**Doorways and Access** are wide enough to accommodate a wheelchair, with a ramp if it's elevated. The threshold will be flush with the floor.

**[Handicap-designated] parking spaces** are set aside and marked for use by residents with disabilities or wheelchairs. They will be adjacent to the unit, or very near, with a clear flat pathway from the door to the parking space. Some may allow unloading from a van, for which residents can inquire for the management to accommodate.

**Common Areas** are very wide, and light switches are lower. You can find ramp access to sidewalks, and elevators where needed to reach common areas.

#### 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.

The P.E.A.C.H. Apartment project will not have policies restricting 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 attached rental policies.

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

Yes, The P.E.A.C.H. Apartment project will accept all kinds of housing vouchers. EMPOWERment's goal is to assist individuals and families who may have experienced hardships in the past but need housing and possibly a second chance. All applicants are required to complete an application, income verification, and rental history verification. EI accepts all types of housing choice vouchers, including VASH vouchers for Veterans.

- 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*).

EI worked closely with the board of Pine Knolls Community Center and community members to ensure this project was designed appropriately. They were strong advocates for affordable housing on this parcel. EI conducted Community Outreach Meetings for input, as well as held the first and second Public Hearing meetings. All suggestions from those meetings have been incorporated. EI continues interacting with tenants and other community advocates such as Ms. Virginia Barbee, Damita Salaam, and Kinte Harris.

Housing partners such as FSA, OCAHC, and DSS have been great sources of communication with stakeholders.

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

EI is led by five African American women with more than 50 years of combined personal, historical, and social justice awareness of the communities we serve. 100% of the EI staff has participated in DEI training. EI is an affordable housing non-profit that prioritizes the most underserved populations such as applicants that are homeless, disabled, veterans, 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, we serve 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 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.