

COVER PAGE

Organization Contact Information

Legal Name: Habitat for Humanity, Orange County, N.C., Inc. Tax ID Number: 58-1603427
Physical Address: 88 Vilcom Center Drive, Suite L110, Chapel Hill, NC 27514 Mailing Address: same
Organization's Website: www.orangehabitat.org Date of Incorporation: April 13, 1984
Executive Director Name: Jennifer Player
Telephone Number: (919) 339-9444 E-Mail: jplayer@orangehabitat.org

Funding Request

Project Name: Weavers Grove: Affordable homeownership off of Sunrise Road in Chapel Hill
Total Number of Units Included in Funding Request: 100
Total Project Cost: \$25,348,548 Total Amount of Funds Requested: \$1,500,000

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

- | | | |
|--|---|-------------------------------|
| <input checked="" type="checkbox"/> Affordable Housing Bond: <u>\$1,250,000</u> | <input checked="" 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>\$250,000</u> | <input checked="" type="checkbox"/> Grant | <input type="checkbox"/> Loan |

Proposed Use of Funds Requested (*provide a concise description, not to exceed 100 words*): Habitat for Humanity of Orange County proposes to use \$1,500,000 from the Town of Chapel Hill to assist with infrastructure and site improvement costs for Weavers Grove, Habitat's future development of 100 affordable homes off of Sunrise Road in Chapel Hill. We anticipate that home construction will take place from 2022-2027. Habitat also plans to sell 136 finished lots to market-rate builders to develop entry-level homeownership opportunities, which are also in short supply in Chapel Hill. Our vision is for a thriving, mixed-income community of homes that are aesthetically pleasing, architecturally integrated, and energy-efficient.

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

- | | |
|--|--|
| <input type="checkbox"/> Acquisition | <input type="checkbox"/> Rental rehabilitation |
| <input type="checkbox"/> Predevelopment activities | <input type="checkbox"/> New construction of emergency shelter |
| <input checked="" type="checkbox"/> Infrastructure/site improvements | <input type="checkbox"/> New construction of transitional/supportive housing |
| <input type="checkbox"/> Rental housing subsidy | <input type="checkbox"/> Rental/utility connection assistance |
| <input checked="" type="checkbox"/> New construction for homeownership | <input type="checkbox"/> Second Mortgage Assistance |
| <input type="checkbox"/> New construction for rental housing | <input type="checkbox"/> Other (<i>specify</i>): _____ |
| <input type="checkbox"/> Owner-occupied 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: Jennifer Player
Executive Director

May 1, 2020
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.** n/a

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: Jennifer Player
Executive Director

May 1, 2020
Date

ORGANIZATION INFORMATION

1. Organization Mission (*no more than a few sentences*): Seeking to put God's love into action, Habitat for Humanity of Orange County brings people together to build homes, communities, and hope. Our vision is an Orange County where everyone has a decent place to live.

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. Jennifer Player, President & CEO, will have chief oversight responsibilities for the project. She joined Habitat in 2014, began serving as Associate Executive Director in early 2017, and assumed leadership of the organization at the beginning of 2019. For more than 20 years, Habitat has successfully completed many projects in Orange County using HOME, CDBG, Orange County Affordable Housing Bond, and other government funding sources. Richard Turlington, VP of Construction, will have oversight responsibilities for the preparation of the site and construction of the homes. He has served in this capacity for two years, has ten years of Habitat experience, and seventeen years in the construction industry. Steve Drake, VP of Homeowner Services, will be responsible for recruitment and screening of potential homebuyers, as well as providing homebuyer education to the approved applicants. He has served in this role for three years and was previously a practicing real estate attorney in Chapel Hill. He is also a North Carolina Certified Housing Counselor. Habitat's VP of Finance, Randy McNeill, is a CPA with decades of financial and accounting experience and is also part of the team who will be responsible for satisfying all long-term monitoring and reporting requirements. Habitat has engaged moss+ross to conduct the search for our next VP of Development, who will have overall responsibility for securing project funding from individual donors, organizations, corporations, churches, and foundations. In the interim, Grace Johnston is serving as the Acting Director of Development. She has been a member of Habitat's fundraising team since 2011. Moss+ross is also working with Habitat as consultants for the \$5M capital campaign for Weavers Grove. Andrea Sorvino, VP of Human Resources and Administration, has been with Habitat for four years and is responsible for managing the organization's human capital and business operations. The pro-bono project manager is Bruce Ballentine, a Chapel Hill native and founder of Ballentine Associates, a local civil engineering, land planning, and surveying firm. He has over 40 years of experience working with the Town of Chapel Hill on various developments. Habitat will also work with several other contractors, including Civil Consultants, Cline Design Architects, Scott Murray Land Planning, Soil and Environmental Consultants, and TerraQuest.

of FTE – Full-Time Paid Positions: 20

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

3. Agency Track Record: Please provide a brief description of your organization's past achievements in carrying out similar projects and evidence of successful record of meeting proposed budgets and timetables (*in 100 words or less*). Habitat has built 300 homes locally and has extensive experience creating communities from pre-development/infrastructure through construction and collaborating with stakeholders to ensure success. The Habitat team is eminently well-prepared and has a solid record of meeting budgets and timetables. We have experience building single-family homes, townhomes, duplexes, and homes for seniors. While this project is bold, it is a natural and strategic evolution of our tried and true model. Previous projects include Chestnut Oaks (35 homes), Crescent Magnolia (24), Fairview (55), Northside (16), Phoenix Place/Rogers Road (79), Richmond Hills (54), and Tinnin Woods (30). Our Board has approved a plan to increase building capacity to 20 homes per year to help meet the great need for affordable housing in Orange County.

For all projects for which you have received Town funding within the last 5 years, please provide the information below. If you have not received Town funding within the last 5 years, or ever, please complete for comparable projects. We have received 13 separate funding awards from the Town from

FY15-FY19. Of these, 11 have been completed without any major performance issues, or 85%. The funding awards have been combined into two programs below.

Project Name	New Home Construction, Northside, FY15-19
Total Project Cost	\$1,344,877
Amount of Town Funding Award	\$392,000
Funding Source	AHDR, CDBG
Date of Funding Award Approval	various
Date of Project Completion	June 30, 2019
Project completed within projected schedule	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Project completed within original budget	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, how much over or under budget was the project	\$65,075 under budget across five years
Notes: From FY15-FY19, Habitat purchased land, developed infrastructure, and built and sold nine new affordable homes in Northside on Caldwell, Craig, McMasters, Whitaker, and Sykes Streets. Funding for these projects was provided by five separate awards from Chapel Hill’s AHDR and CDBG. Minor changes to schedule and budget were promptly communicated to and approved by the Town. This project was completed on schedule, within budget, and without any major performance issues.	

Project Name	Home Preservation, Chapel Hill, FY15-19
Total Project Cost	\$929,625
Amount of Town Funding Award	\$156,103
Funding Source	CDBG, Human Services
Date of Funding Award Approval	various
Date of Project Completion	June 30, 2019
Project completed within projected schedule	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Project completed within original budget	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If no, how much over or under budget was the project	\$43,082 under budget across five years
Notes: From FY15-FY19, Habitat used Town funding through CDBG and Human Services to complete 35 Home Preservation affordable repair projects in the Town of Chapel Hill. In FY18 and FY19, we carried an unexpended CDBG balance due to difficulty finding qualifying projects in Town and a corresponding increase in projects completed elsewhere in the County. We maintained prompt and collaborative communication with the Town throughout this process. In FY20 we requested a reduced CDBG allocation for projects located in the Town and are on track to meet our goals. The other six funding awards in question were completed on schedule, within budget, and without any major performance issues.	

***Copy and paste chart as needed to reflect additional projects that have received funding within the last 5 years.**

PROJECT INFORMATION

- 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)*. Habitat is planning to produce 100 units of affordable housing in Chapel Hill for purchase by eligible buyers. Habitat will also sell lots to other developers to build 136 additional homes at entry-level prices. This intentional design encourages interaction in a mixed-income, closely-knit community and creates social and economic benefits. Research shows that growing up in a mixed-income neighborhood makes a profound difference

in the lives of children from lower-income families. Amenities include walking trails and green space, access to public transportation and employment centers, and close proximity to desirable schools, high-quality health care, shopping, and community parks.

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? n/a

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

6. Leverage: How much funding is committed at the time of submission of this application? \$3,834,666
 What percentage of funding for the proposed project would be leveraged from sources other than the Town? 87% (*Please provide documentation of how you calculated leverage as well as funding commitment letters if applicable*). See project budget for calculations.

7. Project Profile

Location (<i>insert address if available</i>)	7516 Sunrise Road and adjoining parcels owned by Habitat				
Size (<i>insert acreage of development site</i>)	32.6 acres				
Total Number of Units	100				
	# of Total Housing Units	# of Bathrooms	Square Footage	Proposed Rent or Sale Price Per Unit	Projected Cost Per Unit Including Utilities
Studios	0				
One-bedroom	0				
Two-bedroom	0				
Three-bedroom	50	2.5	1400-1500	\$250,000	\$780+
Four-bedroom	50	2.5	1500-1600	\$250,000	\$780+
Area Median Income Served (<i>insert # of units by AMI</i>)					
<30%	0				
31-60%	70				
61-80%	30				
81-100%	0				
>100%	0				
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"/> In addition to families, Habitat frequently builds homes for older adults, persons with disabilities, and veterans. We maintain strong relationships with the Department on Aging and with local veterans' groups. We will advertise our homes to these groups and others. Occasionally, we do build homes for individuals who have previously experienced homelessness.
ADA Accessibility <i>(insert # of total units)</i>	All units will have many universal design features. Units with full ADA accessibility will be built if identified as a need of the buyer.
Per Unit Subsidy	\$15,000/unit
Town Planning Approvals Received <i>(as of the date of application)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No, we have approvals from five advisory boards to date. Our conditional zoning public hearing was pushed back due to COVID-19 and is tentatively scheduled for June 10. <input type="checkbox"/> NA

Please note that the information in the Total Number of Units section is an estimate. All units will have three or four bedrooms, but the exact breakdown will be determined as we approve applicants and prepare to begin vertical construction. We estimate the homes will appraise for around \$250,000. Mortgage payments will be dependent on the income of the household, but we estimate that they will start at \$780 per month, including utilities. The AMI breakdown is also an estimate. We serve households earning between 30% and 80% of AMI. Over the last few years the average household served has had an income of 45% AMI, so we estimate that majority of the homebuyers will be under 60% AMI.

- 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: n/a

- 9. Universal Design:** Please briefly describe the universal design features included in the proposed project: Habitat homes in Weavers Grove will include many universal design features, such as: 3-foot door or 5-foot pair at laundry room access; bathroom design that allows for 5-foot turning radius; loop-handle drawer pulls; lever-handle door knobs; offset tub/shower controls to allow easier reach from outside the tub, per homeowner request; 3-foot-4-inch-wide hallways, frame-to-frame; all interior doors 3-feet wide minimum, including closets where possible; easy access to breaker panel, adjust height for homeowner; easy access to whole house water shutoff, approximately shoulder height in laundry room; exterior maintained by HOA to avoid need for ladders; ground-floor master bedroom option; and optional features tailored to individual homeowners are available on an as-needed basis, such as roll-in low-threshold shower, grab bars in shower and toilet area, oversize tub, etc. The 24 Habitat homes for seniors nearing completion in Hillsborough are all ADA-compliant so we have experience building those design features.

- 10. Involvement of Beneficiaries:** Please describe how you have involved the intended beneficiaries of the proposed project in the planning and design process *(in 100 words or less)*. While the actual Weavers Grove homebuyers have not yet been identified, we do have over 300 local Habitat homeowners with valuable experience and insights. Habitat held focus groups of current homeowners, soliciting their opinions and ideas on the Weavers Grove neighborhood design and desired amenities. We also have a number of community members and Habitat homeowners serving on Habitat committees and the Board of Directors, providing input and guiding decisions about this development. In addition, the results of a Habitat homeowner survey recently conducted by Triangle J Council of Governments have influenced our plan for future programming and education workshops.

11. Alignment with Town Goals and Strategies. Please explain how the proposed project aligns with the [Town Council Goals](#) and adopted [affordable housing strategies](#). This project directly aligns with the strategic goals and objectives approved by the Town Council.

Environmental Stewardship: Habitat homes are green-certified and based on the SystemVision program which meets or exceeds ASHRAE standards. All appliances will be Energy Star certified. Existing vegetation will be maintained to the extent possible and proposed tree canopy coverage exceeds the minimum by 50%. Whenever possible, all lighting will be LED. A significant amount of natural area will be preserved on this property, minimizing wildlife displacement and providing opportunities for residents to immerse themselves in and enjoy the preserved natural areas. In addition, a community garden, natural walking trail, and other outdoor recreation amenities are included. Nine state-of-the-art stormwater control measures will be utilized to ensure that all stormwater regulations are met or exceeded. The project will preserve existing stream networks and stormwater management will be designed to mimic natural hydrological functions. Durable materials will be used for long-lasting building, and locally and sustainably sourced materials will be used when possible.

Economic & Financial Stewardship: This project will create significant construction opportunities in the short-term, will create several permanent jobs in the long-term, and will provide at least 236 quality new residential dwelling units for people who will patronize local businesses. A recent study by Triangle J Council of Governments found that in fiscal year 2019, Habitat contributed \$2.03 million in economic impact to Orange County. Close to one-third of Habitat's homeowners work for UNC or UNC Health. This trend is expected to increase to over 50% since the location is convenient to campus and we expect bus service to be extended to serve this community. Lastly, the project will leverage the Town's funds to a great extent: according to the project budget, for every \$1.00 from the Town, Habitat will leverage another \$6.50 from other sources.

Affordable Housing: The project proposes 100 affordable homes, a significant contribution of much-needed affordable housing for those at or below 80% of the AMI. Habitat partners with individuals and families who are currently paying rent in unaffordable, substandard, unsafe, or overcrowded conditions. We constantly hear stories of renters whose landlords refuse to fix much-needed repairs that often are causing adverse health conditions for them and their children. Other stories include local residents who are sleeping eight people in a two-bedroom apartment or who are subject to rent increases with little or no notice. Habitat provides an opportunity for these families to achieve the dream of homeownership for the first time in their lives. In turn, families are able to have an affordable monthly mortgage based on their income, they can pay for their children to participate in extracurricular activities, they can save money for emergencies, or pay for their kids to go to college. Habitat homeowners also build equity through homeownership, thus breaking the cycle of poverty that may have existed in their family for generations. Providing affordable housing is at the root of this theme of the Comprehensive Plan.

Connected Community: The proposed community will be highly walkable, with sidewalks throughout the development and walking trails among the natural areas to be preserved. Walking connections will be provided to Sunrise Road and to adjacent neighborhoods as appropriate. The project will connect the sidewalk from Sunrise Road all the way to Weaver Dairy Road, making it easier for all residents off of Sunrise Road to walk to nearby shopping and parks. It is anticipated that bus service will be extended to this new development so that public transportation is readily available, just a short walk to a bus stop located in the heart of the community. Biking is also encouraged, with sharrows marked on the community streets, bike racks near community buildings, and a bicycle repair station within the neighborhood.

Vibrant & Inclusive Community: The majority of families who purchase Habitat homes in Weavers Grove will be people already serving our community through their jobs at the university, the hospital or other medical facilities, restaurants, local government, public schools, or childcare centers. With Weavers Grove, 100 of these families will now have the opportunity to do what was previously impossible: to live close to where they work, affordably. This will allow them to spend less time and money commuting to work and to be more available during inclement weather. Also, Habitat families have reported that after purchasing their home, they were able to get more involved in their local community, participate in their kids' activities, and take on leadership roles within their communities. Weavers Grove is not just a group of homes – it is a shift in the way we think about strengthening security and opportunity by intentionally building connections in a mixed-income community.

Affordable Housing Strategies: This project directly aligns with the affordable housing strategies adopted by the Town. The Town's goal is to increase the availability of and access to housing for household with a range of incomes, and to work with for-profit and nonprofit partners to offer a variety of housing that promotes socioeconomic diversity, allows people to stay in Chapel Hill through different life stages, and supports workforce development. This project does exactly that.

This project serves people at different points along to the continuum of housing need. It provides affordable homeownership opportunities to people at several different points along the income spectrum, and also offers the opportunity for people to buy a home where they will be able to age in place. We also know that this housing opportunity will be highly desirable, as our homes located in Chapel Hill are always in high demand, with applications far outstripping availability.

In developing Weavers Grove, we are striving for a sustainable community that balances economic vitality, social equity, and environmental protection. We will offer a hand up to people who would not qualify for a traditional mortgage, but who are committed and prepared for the opportunity to own their own home. Our selection process prioritizes fairness, respect, and empowerment. Our community design aims to preserve as much natural area as possible, and all of the homes will be green-certified.

Finally, Weavers Grove pursues creative partnerships by working with for-profit builders to create a mixed-income community. Mixed-income communities have been found to have a profound positive impact on the people, and especially the children, who live there. We know that Weavers Grove will be an important addition to Chapel Hill and will strengthen the fabric of our community.

ATTACHMENTS

Description of Required Attachments

1. Financial Audit

A recent financial audit that should cover **CY 2017**, for calendar year agencies, and **FY 2017-18**, for fiscal year agencies. 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

Please complete the Organizational Budget Template or submit your own budget file (as long as it contains the same information as the template).

3. Project Budget

Please complete the Project Budget Template or you submit your own budget file (as long as it contains the same information as requested in the provided template).

4. Articles of Incorporation

5. List of Board of Directors

Provide the following information about each board of director's member: name, occupation or affiliation of each member, and officer positions.

6. Pro Forma

If you are developing rental housing, please attach a 20-year operating pro-forma showing estimated income, expenses, net operating income, debt service, and cash flow. n/a

7. Project Information

For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project.

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:

8. 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.

9. 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.

10. 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: n/a items 11-16

11. Tax Returns

Most recent two years of corporate tax returns.

12. YTD Profit and Loss Statement and Balance Sheet

13. Tax Returns

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

14. References

Two business references with name, address, and telephone number

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

16. Completed W-9 Form