

REQUEST FOR BOARD ACTION

**HENDERSON COUNTY
BOARD OF COMMISSIONERS**

MEETING DATE: January 18, 2006

SUBJECT: 2006 HOME Applications

ATTACHMENTS: Yes

SUMMARY OF REQUESTS:

Habitat for Humanity and Housing Assistance Cooperation (HAC) are requesting funding application approval for HOME funds. HOME funds are administered through the Asheville Regional Housing Consortium. HAC is requesting \$65,000 for their Down Payment Assistance Program and \$266,850 for the construction of 18 homes for low-income households. Habitat for Humanity is requesting \$120,100 for infrastructure for 20 homes for low-income households in the Sheuy Knolls subdivision.

The Asheville Regional Housing Consortium has been told to expect a 5% reduction in the entitlement amount for its members for 2006. Henderson County's planning level will be 18.5% of the net entitlement. This amount is estimated to be approximately \$176,492.

A brief summary of the projects is attached. Representatives from each organization will be present to answer any questions.

COUNTY MANAGER RECOMENDATIN/BOARD ACTION REQUESTED:

Staff recommends approving these HOME funding applications at their full amount. The complete applications were too lengthy to be included in the agenda packet but are available upon request.

CITY OF ASHEVILLE
ASHEVILLE REGIONAL HOUSING CONSORTIUM

Application for Funding
for a
CONSTRUCTION PROJECT

This is an application for: CDBG HOME
(Check only one box)

SECTION I
APPLICATION INFORMATION

Full Legal Name of Applicant: Henderson County Habitat for Humanity

Applying as: (check one) Asheville CDBG Subrecipient (CDBG only)
 Asheville HOME Subrecipient (HOME only)
 Other Member Government (HOME only)
(Subrecipient agency, if any: Henderson County)
 CHDO (HOME only)

Address: 1111 Keith St
Hendersonville, NC 28792

City/State/Zip: _____

Telephone Number: 828-694-0340

Contact Person: Douglas Watson
Grants Coordinator

Title: _____

Telephone Number: 828-694-0340 E-mail: hendhabitat@bellsouth.net

Name of Project: SHUEY KNOLLS DEVELOPMENT

Total funds requested: \$ 120,100

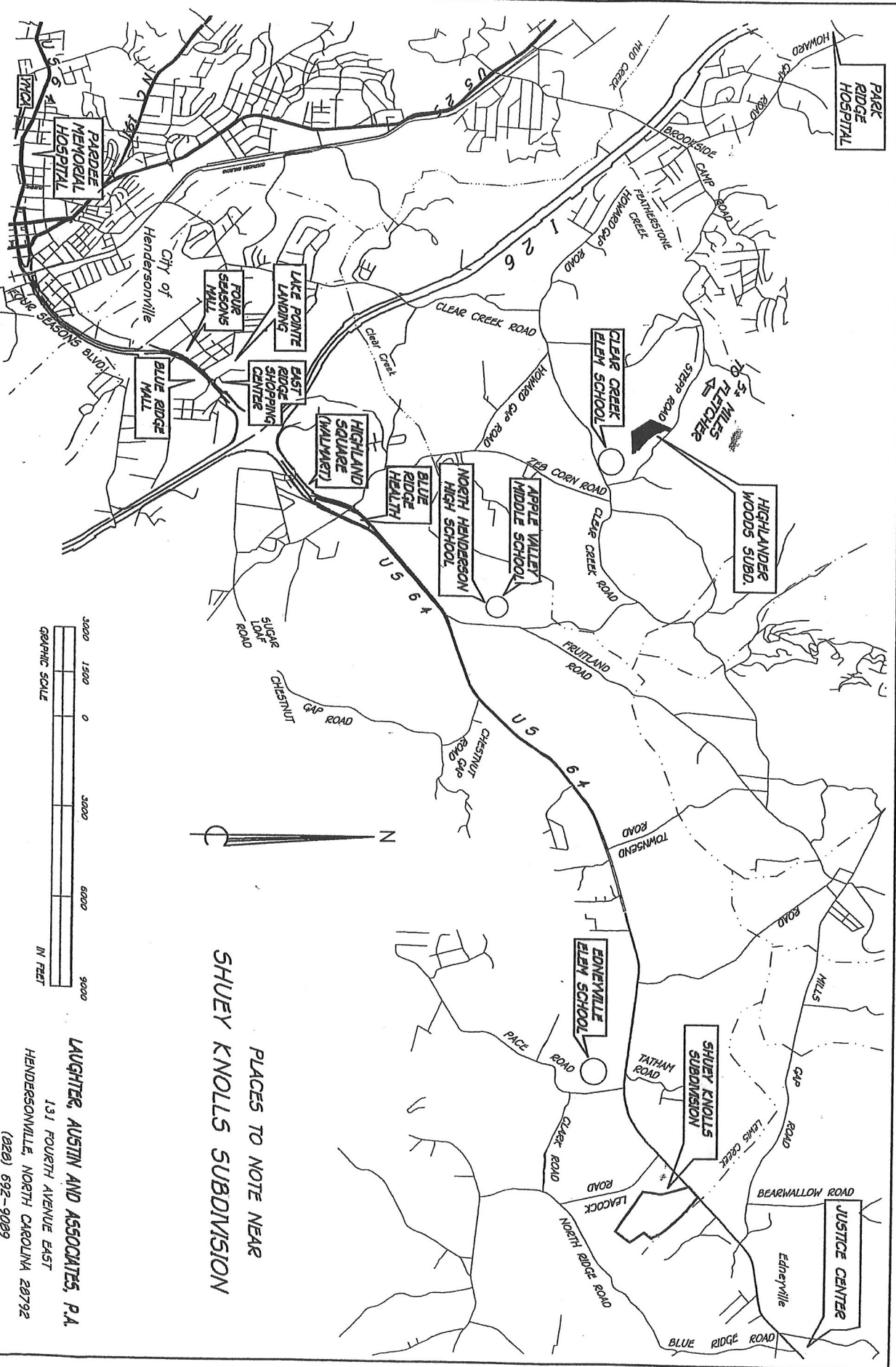
To the best of my knowledge and belief all data in this application are true and current. The document has been duly authorized by the governing board of the applicant.

II. C Project Description

Shuey Knolls is a 60-acre tract of undeveloped land in a rural part of the county. The site consists of open farmland as well as several wooded areas. There are some lovely distant mountain views from some of the lots. This property should ultimately contain about 80 homes on 46 acres. We plan to start house construction in early 2006 and complete the first 20 houses by March 2008.

A group of Edneyville residents have purchased about fourteen acres of this property from Habitat. They want this land to build a community center. Their plans call for a building to house a gym, kitchen, and meeting space. There will also be outdoor recreational facilities and walking trails on about 9 acres of this land. This will provide outstanding recreational opportunities for our homeowners as well as the rest of the Edneyville community. It will also help to integrate our new development into an existing, well-established, rural community.

This \$120,100 grant request will be used to complete building the initial portion of the road into the property. (The Home 2005 grant is paying for the water line and a portion of the road construction costs.) The 2006 grant will also be used to install septic systems, obtain building permits, and engineering costs for the first ten houses to be built in 2006.



PLACES TO NOTE NEAR
SHUEY KNOLLS SUBDIVISION

LAUGHTER, AUSTIN AND ASSOCIATES, P.A.
131 FOURTH AVENUE EAST
HENDERSONVILLE, NORTH CAROLINA 28792
(828) 692-9089

III.F. Costs

Be as detailed as possible. Add or amend categories as needed. **For all * items, please add details on how the costs have been estimated.** The second column should cover total project costs (including those met from HOME or CDBG), the third column shows how much of each line item is to be met from HOME or CDBG. Totals must be consistent with the revenues shown in section IIIA.

Category (add/amend as needed)	<u>All</u> Costs	This grant/loan only
Construction Period		
Acquisition	\$ 177,100	\$
Relocation*	\$	\$
Demolition/Clearance	\$ 45,000	\$
Site improvements*	\$ 163,440	\$ 120,100
Rehabilitation*	\$	\$
New construction*	\$ 1,220,000	\$
Construction contingency	\$ 90,000	\$
Architect/Engineer fees	\$ 15,000	\$
Construction loan fees	\$	\$
Construction interest*	\$	\$
Construction period taxes	\$	\$
Legal/Accounting	\$	\$
Other Prof. fees (Appraisal etc)	\$	\$
Agency project delivery costs (if no developer fee)	\$ 320,000	\$
Other pre-construction or construction period costs:	\$	\$
	\$	\$
	\$	\$
Permanent		
Permanent loan fees	\$	\$
Developer fee	\$	\$
Reserves	\$	\$
Other	\$	\$
Total Development Costs	\$ 2,030,540	\$ 120,100

III.G. Pro Forma (Rental Property Only)

If you are developing property for rent (commercial or residential), attach a 20-year pro forma showing estimated income, expenses, net operating income, debt service, and net cash flow.

CITY OF ASHEVILLE
ASHEVILLE REGIONAL HOUSING CONSORTIUM

Application for Funding
for a
CONSTRUCTION PROJECT

This is an application for: CDBG HOME
(Check only one box)

SECTION I
APPLICATION INFORMATION

Full Legal Name of Applicant: The Housing Assistance Corporation

Applying as: (check one)
 Asheville CDBG Subrecipient (CDBG only)
 Asheville HOME Subrecipient (HOME only)
 Other Member Government (HOME only)
(Subrecipient agency, if any: Henderson County)
 CHDO (HOME only)
PO Box 2057

Address: Hendersonville, NC 28793

City/State/Zip: _____

Telephone Number: (828)692-4744

Contact Person: Steve Bond
Director of Housing Development

Title: _____

Telephone Number: (828)692-4744 E-mail: stevehac@bellsouth.net

Name of Project: Summit Springs

Total funds requested: \$ 266,850

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

Signature _____
Mayor/Chair of Board

_____ Date

II.B. Short Description. One or two sentences stating the number and type of housing or other units expected to result from this project and the targeted client group. State both total number of units in project and number to be assisted with CDBG/HOME.

New construction of 18 single family homes for low income households; all units to be HOME-assisted.

II.C Project Description. Please attach a **detailed narrative description** of the project, addressing **all** of the following questions. **Please check each box below, to show that you have addressed the question, and insert information directly in blanks. Where the question is not applicable or no information is available, insert N/A.**

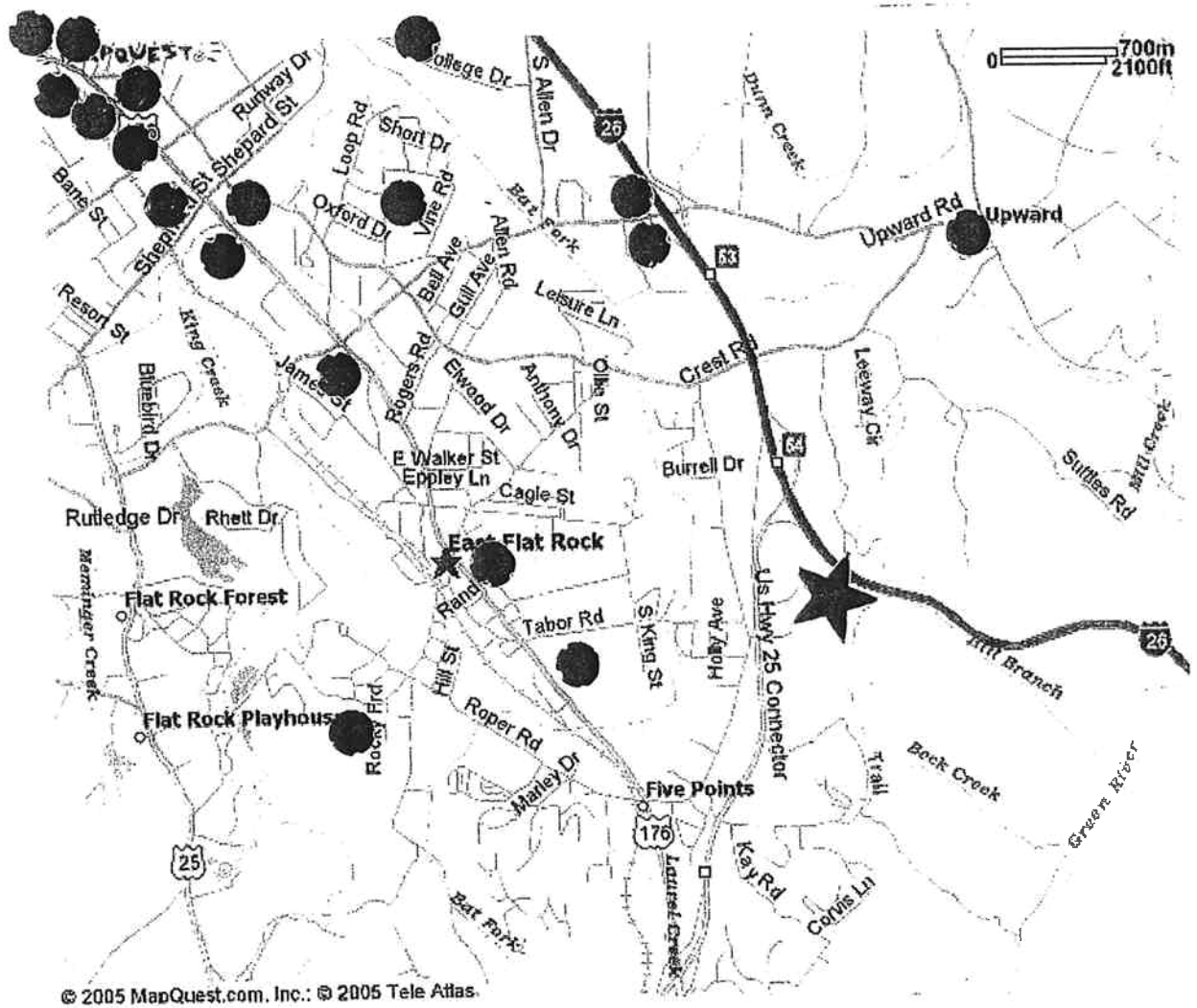
The **Summit Springs** Development is a 12 acre property optioned by Housing Assistance Corporation (HAC) for single family housing development. The eighteen homes proposed for the Summit Springs represent a continuation of Housing Assistance's efforts to provide Henderson County residents with quality, affordable housing with options to accommodate a client's diverse needs and abilities. Of the eighteen homes proposed for the project, the Summit Springs development includes:

10 Rural Development (RD) Self Help homes. Self Help housing brings groups of families together to build each other's homes under the guidance of HAC Construction Supervisors. Families contribute 65% of the labor, over 600 hrs. per adult family member, and qualify for a subsidized RD 502 loan. Self Help housing opportunities will require a significant labor contribution from the client which will result in a notable equity position and increased affordability.

2 non-RD Self Help homes. The two non-RD Self Help homes will require a minimal owner labor contribution of 100 hours and will not be included in the RD program. Families must qualify for affordable primary financing and may potentially use down payment assistance in the form of a second mortgage from the North Carolina Housing Finance Agency's (NCHFA's) New Homes loan pool or from the Federal Home Loan Bank's AHP funds. These homes offer another affordable housing option with a smaller equity position but a much less demanding labor requirement than RD Self Help housing.

6 New Homes houses. The remaining six homes will be built using the North Carolina Housing Finance Agency's "New Homes" program. "New Homes" provides gap financing through deferred, interest-free second mortgages of up to \$20,000 per home for buyers below 80% of the median income. The New Homes option are attractive for those families who are seeking attractive, quality housing but are unable or do not desire to contribute their labor.

General Location Map



- | | | | |
|---|---------------------|---|---|
|  | Summit Springs |  | Community Services/
Medical Facilities |
|  | Employment Centers |  | Schools |
|  | Shopping Facilities |  | Recreation Areas/Parks |

SECTION III PROJECT BUDGET AND FUNDING

III.A. Revenues

Show total revenues for the project, including funds already expended. If project financing structure will change when construction is completed, then you should complete the "Permanent" financing column, if not, then leave column blank. Attach funding commitment letters where available or copies of funding applications you have submitted.

Source	Committed?	Construction Period	Permanent (if different)
This Grant (or loan)	No	\$ 266,850	\$
Prior year HOME*	Yes		\$
Prior Year CDBG*	Yes		
HOME program income	Yes		\$
CDBG Program Income	Yes		
Other grants (list):			\$
			\$
			\$
Support from the Public			\$
Bank Loans etc.		\$ 893,859	\$
Other sources (list):			\$
SHOP		\$ 180,000	\$
FHLB-A Predevelopment		\$ 100,000	\$
Total Revenues		\$ 1,440,709	\$

* HOME or CDBG funds received from the state should be treated as "other grants"

III.B. Terms of Project Funding. Specify the requested amount and terms of your CDBG or HOME funding request, along with the details of all other loans listed above for the project.

CDBG/HOME funding is sought in the form of a: Grant Loan (check one)

State amounts and terms for all loans (if not known, tell us your working assumptions)

Source	Amount	Term (years)	Interest Rate	Amortizing Y/N	Any other requirements
Bank	\$ 893,859	2	6	Y	Interest only
SHOP	\$ 180,000	3	0	Y	75% forgivable
FHLBA	\$100,000	1	0	Y	Predevelopment loan

III.F. Costs

Be as detailed as possible. Add or amend categories as needed. **For all * items, please add details on how the costs have been estimated.** The second column should cover total project costs (including those met from HOME or CDBG), the third column shows how much of each line item is to be met from HOME or CDBG. Totals must be consistent with the revenues shown in section IIIA.

	Total Cost	HOME
ACQUISITION		
Building Acquisition	-	
Land Acquisition	117,700	
UNIT CONSTRUCTION (see sheet)	900,000	
OTHER CONSTRUCTION		
Site Work	65,000	65,000
Landscaping	25,000	25,000
Permits	9,350	9,350
Clearance and Demolition	-	
Utility Connections & Tap Fees	9,000	9,000
Contingency	9,422	
INFRASTRUCTURE		
Streets and Sidewalks	72,000	72,000
Water and Sewer	93,000	62,000
Contingency	14,348	
PROFESSIONAL FEES		
Site Planning	15,000	
Architecture & Engineering	29,000	14,500
Real Estate Attorney	10,000	
Survey	14,800	10,000
Market Study	8,000	
Environmental	8,500	
Contingency	7,417	
FINANCE COSTS		
Construction Loan Interest	15,680	
Construction Origination	3,150	
Appraisal	3,000	
Construction Insurance	5,000	
Property Taxes		
Contingency	1,342	
SOFT COSTS		
Marketing	5,000	
Contingency	-	
DEVELOPER FEE		
TOTAL DEVELOPMENT COST	1,440,709	266,850

CITY OF ASHEVILLE
ASHEVILLE REGIONAL HOUSING CONSORTIUM

Application for Funding
for a
NON-CONSTRUCTION PROJECT

This is an application for: CDBG HOME HOME-ADDI
(Check only one box)

SECTION I
APPLICANT INFORMATION

Full Legal Name of Applicant: The Housing Assistance Corporation

- Applying as: Asheville CDBG Subrecipient (CDBG only)
- Asheville HOME Subrecipient (HOME only)
- Other Member Government (HOME only)
(Subrecipient agency, if any: Henderson County)
- CHDO (HOME only)

Address: PO Box 2057

City/State/Zip: Hendersonville, NC 28793

Telephone Number: (828)692-4744

Contact Person: Noelle McKay

Director of Resource Development

Title:

Telephone Number: (828)692-4744 E-mail: noellehac@bellsouth.net

Name of Project: Henderson County Down Payment Assistance Program

Total funds requested: \$ 65,000.00

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

Signature: _____ Date _____
Mayor/Chair of Board

SECTION III PROGRAM BUDGET

III.A. PROGRAM OPERATING BUDGET:

Please provide budget information on the next page for **this program only**, (not the entire agency, unless this is the agency's sole program). Columns 2-4 cover the **total** revenues and costs for this program, including the funds you are applying for in this funding application. Column 5 shows just the CDBG or HOME amount requested in this application, and how those funds are to be used. **If you do not use our fiscal year (July 1-June 30) for your budgeting, please amend the column headings accordingly.**

1. What is your agency's fiscal year? January 1 – December 31

2. Does this program budget cover significant activities outside Asheville? Yes. If yes, please estimate the percentage of program effort provided within Asheville: 0 %

Revenues

	1	2	3	4	5	6
Source	7/1/04 – 6/30/05 Actual	7/1/05 – 6/30/06 As Now Projected	7/1/06 – 6/30/07 Proposed	7/1/06 – 6/30/07 This Grant Only	7/1/06 – 6/30/07 This Grant Only	06/07 Funding Committed? YES/NO
This Grant	\$41,348	\$51,194	\$65,000	\$65,000	\$65,000	NO
CDBG Program Income						
Other Grants (list):						
Support from the Public						
Program Fees						
Other (specify)						
TOTAL REVENUE	41,348	51,194	65,000	65,000	65,000	