

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: January 17, 2007

SUBJECT: 2007 HOME Applications

ATTACHMENTS: 1. The Housing Assistance Corporation Application
2. Henderson County Habitat For Humanity Application

SUMMARY OF REQUESTS:

Habitat for Humanity and Housing Assistance Cooperation (HAC) are requesting funding application submission 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 to assist 6 low-income families. Habitat for Humanity is requesting \$182,200 for road construction, engineering fees, lot clearing, septic systems and building permits for 18 homes in the Shuey Knolls development in the Edneyville community, which will be completed in the next 30 months if approved.

At the time of this writing the Asheville Regional Housing Consortium is awaiting a firm commitment from HUD for the entitlement amount for its members for 2007. Henderson County's planning level will be 18.5% of the net entitlement for the region. This amount for 2006 was \$174,968.

Representatives from each organization will be present to answer any questions.

BOARD ACTION REQUESTED:

Staff recommends approving the submission of these HOME funding applications to the Asheville Regional Housing Consortium at their full amount. Board approval is required to proceed with the applications. The complete applications were too lengthy to be included in the agenda packet but are available upon request.

Suggested Motion: I move that the Board approve the HOME applications for the Housing Assistance Corporation and Henderson County Habitat for Humanity.

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

Name of Project: Henderson County Down Payment Assistance

Contact Person: Noelle McKay Title: Dir. of Resource Development

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

Agency Address: PO Box 2057

City, State, Zip: Hendersonville, NC 28793

Total Funds Requested: \$ 65,000

- 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)

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

Signature: _____
Mayor/Chair of Board

_____ Date

CHECKLIST OF DOCUMENTATION INCLUDED WITH THIS APPLICATION:
(Place an "X" in each box.)

Attachment 1

You must provide an ORIGINAL plus FOUR COPIES of the following sections in the order listed:

- Applicant Information
- Program Description
- Program Budget
- Agency Management
- Disclosure of Potential Conflicts of Interest

REQUIRED ATTACHMENTS

Please provide one copy of each of the following documents, unless they are already on file with the City (check with Community Development staff if you are not sure):

1. An **organizational chart**. Highlight staff who will be responsible for this project
2. **By-Laws, Articles of Incorporation, and 501c(3) determination letter**.
3. A copy of your most recent **audited financial statement, including the management letter**, if one was issued.
4. A copy of your most recent available **financial statements**.
5. A complete list of the members of your current **Board of Directors**. Include addresses, phone numbers, and relevant affiliation.
6. A copy of your **ADA Policy**

SECTION II PROGRAM DESCRIPTION

II.A. Program Title: Henderson County Down Payment Assistance

II.B. Program Location(s) (be as specific as possible): Down Payment Assistance is available for low and very low income people purchasing a home within Henderson County with some assistance targeted to Self Help and New Homes participants within the Prosperity Drive Community.

II.C. Type of Activity (check one):

- | | |
|---|---|
| <input type="checkbox"/> Human Services
<input type="checkbox"/> Job training
<input type="checkbox"/> Tenant-Based Rent Assistance
<input type="checkbox"/> Other (Specify) _____ | <input type="checkbox"/> Housing Services related to HOME-assisted projects
<input type="checkbox"/> Small Business Assistance
<input checked="" type="checkbox"/> Homebuyer downpayment assistance |
|---|---|

II.D. Program Purpose (one sentence stating the purpose of the program in simple language):

The purpose of the program is to provide down payment assistance to low and very low income homebuyers in Henderson County.

II.E. Program Justification. Who are the targeted clients? What are their needs? What objective data can you quote in evidence of needs? (Note that there is another question below covering the detail of how the program will be operated):

The Down Payment Assistance Program targets the following low income (below 80% of the median income) groups.

- People seeking to purchase pre-existing homes for sale on the open market in Henderson County.
- USDA Self Help participants
 (The Self Help housing program brings groups of families together to construct each other's homes. Homeowners contribute 65% of the labor and qualify for an affordable subsidized Rural Development 502 loan.)

Needs

Homebuyers need assistance acquiring an affordable home. Down Payment Assistance (DPA) creates homeownership opportunities for households who, otherwise, would not be able to own a home. DPA may be used as a traditional down payment, towards closing costs, or to defray the primary loan. These adaptations allow DPA to be compatible with a wide range of loans and to be successfully leveraged with other funding

sources. Of the 14 DPA loans completed during the previous funding cycle the following sources of leveraging were used by the following households:

<u>Households</u>	<u>Source</u>	Attachment 1
9	Rural Development 502 loans,	
3	North Carolina Housing Finance Agency (NCHFA) loan products	
5	Section 8 homeownership vouchers,	
4	Down Payment Assistance through other sources (Federal Home Loan Bank, Housing Assistance Council's SHOP program, NCHFA).	

The improved affordability resulting from DPA also **promotes the long term success of the homeowner**. For many DPA participants their housing asset represents their wealth in its entirety and the wealth most likely to extend to the next generation. The counseling and education components of the program when combined with the affordable financing have a positive impact on the homeowner's success.

Instead of being limited to a very site specific affordable development, many homebuyers seek a home within a community in which they are established. Established support networks of family, friends, work, churches, schools, etc. are especially important in rural communities with limited public transportation. The ability to **live within their community of choice** is a need DPA effectively addresses. Homebuyer's may choose to build a home within a Self Help community or purchase a preexisting house anywhere within the county.

Down Payment Assistance also **preserves the affordable housing stock** by permitting low and very low income people to access the affordable housing remaining in the community which otherwise may be purchased by investors to create what are often unaffordable rentals.

Evidence of Needs

According to 2000 Census Statistics, 58% of the renters in Henderson County are below 80% of the county median income.¹ Many of these renters are potential first-time home buyers seeking an affordable home purchase. As an illustration, over 225 people who were interested in homeownership were counseled by HAC's Housing Counselor's during 2006.

Manufactured homes account for 27% of the housing stock in Henderson County. Manufactured housing is divided evenly between renter-occupied units and owner-occupied units.² Manufactured homeowners and renter seek an improved equity potential, a greater variety in house styles, and access to the better financing that DPA offers.

These potential homeowners are entering a challenging housing market. The maximum affordable sales price a two person household, at 50% of the median income with exemplary credit, could afford is \$77,042. A two person household, earning 80% of the median income, could at most afford a sales price of \$123,413. Comparatively, in 2005 the average sales price of a home in Henderson County was \$222,896. The average sales price of homes increased further in 2006 to \$242,833.³

Construction activity is concentrated in price ranges beyond the reach of households earning 80% of the HUD median. During 2004 only 279 homes sold below \$120,000 and by 2006 homes sold for \$120,000 or less had decreased to 179 homes.⁴ This decrease reflects an increase in the costs of pre-existing housing and the

absence of affordable single family construction. Without Self Help housing very little new affordable, housing stock would be produced in Henderson County.

¹ "Housing Market Trends in Henderson County," Bay Area Economics, November 10, 2004.

² "Housing Market Trends in Henderson County," Bay Area Economics, November 10, 2004.

³ Western North Carolina Regional MLS

⁴ Western North Carolina Regional MLS

Reviewing the performance of past DPA HOME funding is perhaps the most convincing endorsement of need. During the program's first two year cycle with Housing Assistance:

- Eleven families have purchased homes, and
- Three built Self Help Homes.

Attachment 1

II.F. Program Operation. Explain simply and clearly how your program works. This may take more than one page. Please concentrate on practical details - what, where, when, who and how - rather than program philosophy or purpose. Do not assume that the reader knows anything about your operations. For service programs, this is best done by describing the steps by which a client progresses through the program, rather than focusing on what staff do. Be sure to describe how clients access the program in the first place, how much time they typically spend with staff in program activities, how they provide evidence of their eligibility, and how your collaboration with other agencies helps them. For minor rehab programs only, describe in detail how you address lead-based paint testing and hazard control on property built before 1978.

Down Payment Assistance provides down payment and closing cost assistance to homebuyers purchasing a home in Henderson County. Typical financing for this mortgage product includes a first mortgage and the DPA which is in the form of a second mortgage. Fifty percent of DPA is forgiven after 5 years. The DPA second mortgage is completely forgiven after 10 years. Qualifying homebuyers may be eligible to borrow up to \$10,000 to purchase a pre-existing home or up to \$15,000 to build a Self Help home.

Approximately 29% of clients from the past DPA grant cycle accessed the program through HAC outreach efforts and 71% accessed the program by referral. Based on these results, HAC will concentrate efforts on extending outreach and referral effort as avenues for **accessing the program**.

Referrals

Lenders referred four of the last fourteen participants and are proven to be a valuable asset and partner in the DPA program. Housing Assistance will continue to contact lenders, who offer affordable housing products and demonstrate a willingness to utilize the program, in order to educate them about the HOME DPA program and process. Dissemination of information about the program to lenders will promote referrals of families who have already begun the eligibility process with the primary lender. Clients participating in Western Carolina Community Action's Self Sufficiency and Section 8 programs are referred for one-on-one counseling and Home Buyer Education Classes in order to complete the housing component of the program. WCCA referred 4 of the last 11 DPA clients.

Outreach

Outreach activities include promotional events and publications in both English and Spanish. As an example, promotional activities for the DPA program have included:

- Brochures; an 8-page newspaper insert; multiple print, radio, and television ad and spots

- Recruitment Drive at Wal Mart, public schools, Park Ridge Hospital, General Electric, Chamber of Commerce
 - Agency presentation at the United Way Fairs
 - Recruitment Drive at the Latino Advocacy Coalition Fair
 - Free community informational Seminar/Cook Out and Tour of Homes sponsored by Housing Assistance and Western Carolina Community Action
- Similar activities and events will continue during 2007.

Attachment 1

After a client makes initial contact, they begin the **Intake process**. The same forms and procedures will be used for Countywide (homebuyers purchasing a pre-existing house) and Self Help Down Payment Assistance. During the opening meeting, the client receives information about the Down Payment Assistance Program. Pay stubs and bank statements will be collected to determine preliminary income qualifications. A notable addition to the intake process is that Housing Assistance will provide information and requirements regarding the Housing Quality Standards (HQS) Inspection. Clients are also provided a simplified flow chart regarding Lead Based Paint Requirements and the process triggered should any deteriorated paint be identified during the Visual Assessment.

Assessment of the intake form between the housing counselor and client will determine approximate loan readiness. If any barriers to loan eligibility exist, the counselor and client will develop and follow through with an action plan. During the follow up the client will be required to take the Home Buyer Education Course, which is a ten-hour class.

Successful completions of most action plans achieve loan readiness. The housing counselor will then discuss **affordable lending opportunities** and provide guidance when selecting the lender. If the client chooses to build or purchase a home using Countywide assistance, the housing counselor will also communicate the down payment assistance program requirements to the lender to ensure the success of the program. Housing Assistance will gather a Truth-In-Lending Statement and an Estimate of Settlement costs to ensure the primary loan offers reasonable rates and terms. Terms of the primary loans are very important for achieving long term affordability. Down Payment Assistance loans may be denied if the primary lender's terms are unacceptable. Should the client prefer Self Help housing the housing counselor would begin completing the USDA 502 loan package that will be submitted to the local USDA office.

A client will be determining **Income eligible** after a Housing Counselor completes the appropriate forms using the Section 8 method. As the client proceeds through the process of having the HQS, appraisal, and closing materials prepared the Housing Counselors will continue to provide guidance. The Finance Director will be responsible for HOME funded transactions associated with DPA.

The process for both Countywide and Self Help participants is similar. Self Help clients have an additional requirement of participating in approximately 15 hours of predevelopment meetings prior to construction.

Down Payment Assistance Program participants will be expected to follow up with the counselors at least twice following loan closing. **Post homeownership** includes participating in one-on-one post purchase counseling. Clients may select from a choice of topics which include protecting your equity, developing a

spending plan, tax benefits of homeownership, home maintenance, consumer fraud protection, insurance, and basic estate planning. A client will typically spend anywhere from five to 15 hours or more working with staff from initial interview to post homeownership counseling.

II.G. Is this a human services program which is not already CDBG-funded? YES _____ NO _____

If YES,

- a) Briefly describe other relevant programs in the Asheville area and demonstrate that there is a gap in service provision.

b) Say how CDBG funding will enable you to provide new or expanded services (be quantitative)

Attachment 1

II.H. Staffing. Identify your program team by name, job title, and employment status (employee, independent contractor, or volunteer), and clearly describe each person's job responsibilities in the program. (use job titles consistently here, on the agency organizational chart, and in the Budget salary table) For rehab/repair programs only, identify project staff that have completed training in Lead Safe Work Practices (with date) or have any more extensive training in LBP hazard control.

Juan Unda, Housing Counselor, Employee

Juan has been employed with HAC for four years and has recruited four Self Help Housing Groups. Juan is an ordained pastor at a Presbyterian Church and has advanced degrees from Erskine College. As a Housing Counselor, Juan is responsible for providing individual counseling, teaching the Home Buyer Education Class, recruiting candidates, determining program eligibility, and facilitating their progress through the eligibility and closing processes.

Hugh Lipham, Director of Housing Development, Employee

Hugh has experience in performing custom residential home additions, renovations and remodeling projects including quoting, subcontracting and completing work. Additionally, he worked as for three years as Field Coordinator for the Appalachia Service Project managing a construction, labor and housing budget of \$800,000. Hugh has an undergraduate degree in Business Administration and a Masters of Business Administration with a concentration in real estate and urban analysis. Hugh will perform the HQS Inspection for the Down Payment Assistance Program.

Ellen Henion, Director of Finance, Employee

Ellen has served as Director of Finance for seven years. Her direct experience includes all fiscal and general accounting responsibilities. In relation to Down Payment Assistance, Ellen will be responsible for all financial accounting activities, including bank checks and invoices for the attorney and the HOME funds reimbursement requisition.

Noelle McKay, Director of Resource Development, Employee

Noelle has been with Housing Assistance Corporation for 11 years and served as a Housing Counselor during the first 8 years. As Director of Resource Development, Noelle is responsible for managing grant writing and gifts programs for the agency. Noelle administered the last HOME funded Down Payment Assistance Program and will be available in an advisory capacity for the Housing Counselor. Noelle completed the Training on Implementing the Lead Safe Housing Rule in March, 2002.

Patrick Kennedy, Executive Director, Employee

In his one year with Housing Assistance Patrick has overseen the completion of one apartment community, eight single family homes and a transitional home for victims of domestic violence. In addition, land was acquired for additional single-family development, a new senior apartment community was started and the agencies Home Repair program has increased production by 10%. Patrick graduated with a degree in Mechanical Engineering and also has a Masters of Business Administration. Patrick oversees the Down Payment Assistance Program.

II.I. Timetable. For new programs, or programs in which significant improvements are proposed, complete the

II.J Housing Services applicants only. If you are applying for a CDBG Housing Services grant to assist with the staff and overhead costs of producing HOME-assisted units, please complete the following table.

HOME-Eligible Production Underway or Planned in City of Asheville

Project Name	Expected Number of HOME-eligible units in City of Asheville ONLY			Unit type: S/F or M/F	Expected completion date	Amount project receives in CDBG project delivery or HOME-funded developer fees
	New Constr.	Rehab	Down-payment assistance only Excluding ADDI			
						\$
						\$
						\$
						\$
Unduplicated Total:						\$

II.K. PROGRAM TARGETS AND OUTCOMES

1. Client Demographics. Please show numbers of clients, **not percentages**, in each category. Current income limits are on page V of the general instructions. For CDBG Applications, numbers should reflect Asheville residents only.

Number of Persons or Households Served, by Income Group					
Check whether counting by		<u>Persons:</u> <input type="checkbox"/>		or <u>Households:</u> <input checked="" type="checkbox"/>	
		(Services)		(Rehab, DPA, Loans)	
Year	<30% of median	31-50% of median	51-80% of median	>80% of median	Total
2005/2006 (actual)*	3	1	2		6
2006/2007 (as now projected)	1				1
2007/2008 (target)		3	3		6

**For existing programs this line should be consistent with data you submitted for the CAPER.*

3. For the outcome(s) selected above, describe below the specific changes you will look for and how you will measure the changes, in order to know whether or not your program outcomes are being achieved. Describe how you will monitor progress in implementing the program and who will be responsible. Attach copies of the data collection tools you will use.

Outcome: Improve financial well-being of low income persons.

The financial well being of low income persons will be improved by entering into homeownership with favorable lending terms. The Housing Counselor will collect the Truth -in-Lending Statement and Estimate of Settlement Costs from the primary lender to ensure affordable primary lending. The counselor will also verify that the PITI payment to the homeowner reflects a reasonable percentage of their monthly income (i.e. typically below 33% of their gross monthly income) and that they do not have an excessively high debt threshold (i.e. typically not greater than 41% of their gross monthly income).

Outcome: Increase homeownership for low-income and minority households.

Achievement of this outcome is indicated by the purchase of a home. Households purchasing pre-existing homes can be documented using the recorded Note and Deed of Trust. Self Help clients close prior to construction and may be also be documented using the recorded Note and Deed of Trust. All applicants are determined income eligible using the Section 8 method (form attached) and a Race and Ethnic Data Reporting Form is collected for each household (form attached) by the Housing Counselor.

SECTION III BUDGET

III.A. OPERATING BUDGET:

Please provide budget information 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
3. If yes, please estimate the percentage of program effort provided within Asheville: 0 %
4. What is your estimated total agency budget for FY2007? \$873,100

Revenues

1	2	3	4	5	6
Source	7/1/05 – 6/30/06 Actual	7/1/06 – 6/30/07 As Now Projected	7/1/07 – 6/30/08 Proposed	7/1/07 – 6/30/08 This Grant Only	07/08 Funding Committed? YES/NO
This Grant	97,942		65,000	65,000	NO
CDBG Program Income					
Other Grants (list):					
Support from the Public					
Program Fees					
Other (specify)					
TOTAL REVENUE	97,942		65,000	65,000	

Please make sure that proposed Expenditures correspond to proposed Revenues.

Expenditures

1	2	3	4	5
Line Item	7/1/05 –6/30/06 Actual	7/1/06 – 6/30/07 As now	7/1/07 – 6/30/08	7/1/07 – 6/30/08

		Projected	Proposed	This Grant Only
Salaries	3824		1639	
Taxes & Fringe Benefits	1261		540	
Professional Fees				
Supplies				
Telephone				
Postage				
Occupancy Costs				
Equipment Maintenance				
Printing & Publications				
Travel & Training				
Direct Assistance to Clients	92,342		62,600	
Membership Dues				
Indirect Costs	515		221	
Other				
TOTAL EXPENDITURE	97,942		65,000	
Excess (shortfall) of Revenue over Expenditure				0

III. B. EXPLANATION OF BUDGET CHANGES: You must explain all large changes in expenditures from year to year (a "large change" is an increase or reduction of more than 10% in a line item, but you may ignore changes less than \$1000).

1. Housing Assistance is submitting a smaller grant request for \$65,000. The larger, previous grant request (\$97,942) represented a two year cycle versus the current one year grant cycle. Taking into the account the change in the grant request all other expenditures reflect changes of less than 10% per line item.
2. _____
3. _____
4. _____
5. _____
6. _____

III. C. CDBG/HOME STAFF COSTS: Complete for all staff positions for this program. Add lines as needed to include all persons included on the salary line in expenditure table III.A (page 7).

Position Title	Annual Salary	% Time to be spent on this program	% Salary to be paid by CDBG	CDBG \$ Request

			TOTAL:	

III.D. IN-KIND SUPPORT (optional)

If your program will receive significant non-cash support (e.g. donated goods or services, volunteer labor, loans provided directly to clients by third parties through your efforts), you should list it here (as a \$ value) so we can take it into account in estimating “leverage”. Volunteer labor should be valued at \$10 per hour unless you can justify a larger amount (e.g. for donated professional services).

III.E. PROGRAM INCOME , CBDO and CHDO PROCEEDS

(This section is to be completed only by Buncombe & Madison Counties, EMSDC, HAC, Habitat, NHS, MHO, MMLF & WCCA.)

Program income, CBDO and CHDO proceeds are income directly generated by the use of CDBG, HOME, or other Federal funds. Examples include the repayment of CDBG or HOME loans that you have made, the net proceeds from the sale of homeowner units, or rent of assisted property. *If you have any questions, please contact CD staff.*

- List the specific programs operated by your organization that generate CDBG or HOME program income and CBDO and CHDO proceeds:
Program income was generated by Henderson County Down Payment Assistance and the single family housing developments of Meadow Woods and the Village at King Creek
- How does your organization currently use program income and CBDO and CHDO proceeds? Housing Assistance is currently not using program income. All program income was received during the last 6 months and the organization has not yet determined how to best use the funds.
- Complete the table below for your organization’s on-hand and projected CDBG and HOME program income. Remember to include program income from all of your CDBG or HOME programs.

	CDBG Program Income	CBDO Proceeds	HOME Program Income	CHDO Proceeds
Balance at 12/31/06	\$	\$	\$	\$27,450
Estimated receipts 1/1/07 – 6/30/07	\$	\$		0
Proposed Program Use & Amount	Program / Amount	Program / Amount	Program / Amount	Program / Amount

**SECTION IV
AGENCY MANAGEMENT**

(Consortium Member Governments do not need to complete this section)

IV.A. ORGANIZATION

1. What is your organization mission statement?

The Housing Assistance Corporation is a private, non-profit organization committed to providing safe and a affordable housing for persons of limited income living in Henderson County, because we believe every human being deserves the opportunity to live in a decent home.

2. Incorporation date (Month and Year)? 10/1988

3. Number of staff employed (full time equivalents) 11

4. Does your organization have any of the following written management policies? If recently updated or not already on file with the City, please attach.

Policy	Yes	No	Date Last Updated	On file with City?
Personnel policy	X		6/26/2006	No
Purchasing policy	X		1/10/2005	Yes
Code of conduct	X			Yes
Indirect Cost Allocation Plan	X		6/19/2006	No

IV.B. AGENCY TRACK RECORD. Please describe what makes your agency particularly qualified to carry out the program described in Section II. (This may include your past achievements in carrying out this program or other similar programs, experience of key staff, collaborative relationships with other agencies, or recent new initiatives).

Housing Assistance's first efforts administering the Down Payment Assistance program have been successful. During the two year grant cycle Housing Assistance served fourteen households. The DPA also served a diverse group of people who bought homes through out the county. During the last funding cycle:

<u>Demographics</u>	<u># of households</u>	<u>Income Ranges</u>	<u># of households</u>
Caucasian	7	Below 30% of median income	4
African American	4	30% - 50% of median income	5
Hispanic	3	50% -80% of median income	5
Disabled	6		

Four of these fourteen households also partnered with Western Carolina Community Action to use Section 8 Homeownership Assistance. Another family contributed savings from participation in the Self Sufficiency Program and another from her Individual Development Account.

Housing Assistance Corporation has provided Home Ownership Counseling in Henderson County for 11 years. The Home Buyer Education Classes are sponsored by HAC ten time annually (6 sessions in English and 4 in Spanish). The class is taught by Housing Counselors who are certified through the North Carolina Association of Housing Counselors.

The Housing Counselor also provides one-on-one counseling for HAC apartment tenants, participants of the homeownership programs, and the public-at-large. Housing Assistance apartments currently have 36 tenants who contribute monthly savings for homeownership and participate in counseling services.

Participants of the Self Help Housing program qualify for Rural Development 502 loan which are processed by the Housing Counselor. These loan processing skills are transferable to the Down Payment Assistance program. HAC's current Housing Counselor has been a tenant in HAC affordable apartments, completed the housing counseling program, and purchased his homes. His experiences allow him to relate well to clients and address their issues and concerns.

IV.C. BOARD OF DIRECTORS:

1. How many board members should you have according to your by-laws?
Twelve elected to three year terms and up to seven appointed board members.
2. How many do you actually have at this date?
15
3. How often does your board meet?
Monthly
4. What was the actual attendance at each of the last three regular Board meetings?
October 2, 2006 10 members
November 11, 2006 11 members
December 11, 2006 8 members
5. Have you failed to reach a quorum at any Board meetings in the last 12 months?
If so, how many times?
No
6. Do any of your organization's staff members serve on your board?
No
7. What efforts do you make to ensure that your board represents the community it serves?
Housing Assistance makes efforts to reach past low income clients, home repair volunteers, and partner agencies. HAC homeowner's are solicited yearly for service on the Board of Directors. Housing Assistance offers transportation, flexible meeting schedules, and other accommodations base on individual needs in order to assist these low income working families.

**SECTION V
DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

Are any Board Members or employees, or members of their immediate families, or their business associates?

- a) Employees of or closely related to employees of the City's Planning and Development Department: YES ___ NO X
- b) Members of or closely related to Members of City Council: YES X NO ___
- c) Current beneficiaries of the program for which funds are requested: YES ___ NO X
- d) Paid providers of goods or services to the program or having other financial interest in the program: YES ___ NO X
- e) Creditors (i.e. persons who have made loans to the agency or provided loan collateral): YES ___ NO X

If you have answered YES to any question, **please attach a full explanation.** The existence of a potential conflict of interest does not necessarily make your agency ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any grant awarded.

Hunter Marks, Board Member, is the son-in-law of County Commissioners Chairman Bill Moyer.

g:\commdev\common\action plan 2007\application form non-construction

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

Name of Project: Shuey Knolls Infrastructure – Phase II

Contact Person: Douglas Watson Title: Grants Coordinator

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

Agency Address: 1111 Keith St

City, State, Zip: Hendersonville, NC 28792

Total Funds Requested: \$ 182,200

Applying for CDBG funds as: Asheville CDBG Subrecipient

City Department

-Or-

Applying for HOME funds as:

Asheville HOME Subrecipient

Other Member Government
Subrecipient agency, if any: Henderson County

CHDO

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

CHECKLIST OF DOCUMENTATION INCLUDED WITH THIS APPLICATION:

(Place an x in each box to show that you have included each item)

You must provide an ORIGINAL plus FOUR COPIES of the following sections in the order listed:

- Application Information
- Project Description (including location and site maps)
- Program Budgets & Pro-forma
- Agency Management
- Disclosure of Potential Conflicts of Interest

Other Required Attachments: Please provide ONE COPY of each of the following documents, unless they are already on file with the City:xAn **organizational chart**. Highlight staff who will be responsible for this project. By-Laws, Articles of Incorporation, and 501c(3) determination letter.xA copy of your most recent **audited financial statement**, including the auditor's management letter if one was issued. If you have completed a financial year that has not yet been audited, please also attach your most recent **un-audited financial statement**.xA complete list of the members of your **Board of Directors**. Include addresses, phone numbers and relevant affiliation. A copy of your **ADA Policy**.

SECTION II PROJECT DESCRIPTION

Project Title: Shuey Knolls Infrastructure – Phase IIProject Location: Route 64 East, Edneyville, Henderson County**II.A Type of Activity** (check one)

- New construction for Homeownership New construction for rental
- Owner-Occupied Rehabilitation Rental Rehabilitation
- Acquisition/Rehab/Resale Predevelopment Loan (HOME only)
- Public Facility or Improvement (CDBG only)
- Commercial Property Improvement (CDBG only)
- Other (specify): _____

II.B. Description of Project. Provide a general overview of your project, including what you are planning to produce, your target client group, and how you plan to carry out the project. **Attached**

II.C. Project Details. Please provide the information requested below. You may answer the questions in the blanks provided. Feel free to add additional lines where necessary. **Where the question is not applicable or no information is available, insert N/A.**

Site

1. What is the size of development site? **45** ____ acres
2. Describe the access to transportation, employment centers, shopping for basic needs, community services:
Attached
3. What is the current site zoning and the status of any required planning reviews? **Open space. Our plan has been accepted.**
4. Please attach the following:

XSite map showing lot boundaries, street access, location of structure(s), and other site features

XGeneral location map showing development site in relation to streets and points of interest in the surrounding neighborhood (**at least 1/2 mile radius**). Waterways and railroads must be shown.

XIf you already own the site or property, submit a copy of the deed and describe all existing liens or deeds of trust on the property. If the site is currently under an option agreement, submit a copy of the option and purchase agreement.

Property Acquisition

1. Has agency acquired real property in order to carry out the project, or is property acquisition planned?
Yes. The property was purchased in 2003
2. Has property owner been informed of your intention to use federal funds for this project? **If so, attach letter. Yes. Letter attached**
3. Is the property currently occupied? If so, state the number of tenants and describe in detail how you will determine relocation needs and help occupants to relocate in accordance with Uniform Relocation Act. Include the cost of this in your budget. **If you have issued a General Information Notice to tenants informing them of their rights to relocation assistance, attach a copy.** **Not occupied**

Construction Detail

1. How many units will be newly constructed: **18**? Rehabilitated: _____?
2. What is the square footage of each unit: **3BR 1120/4BR 1232**? Number of bedrooms/baths: **2Baths, 3 or 4 BRS**?

II. B. Project Description

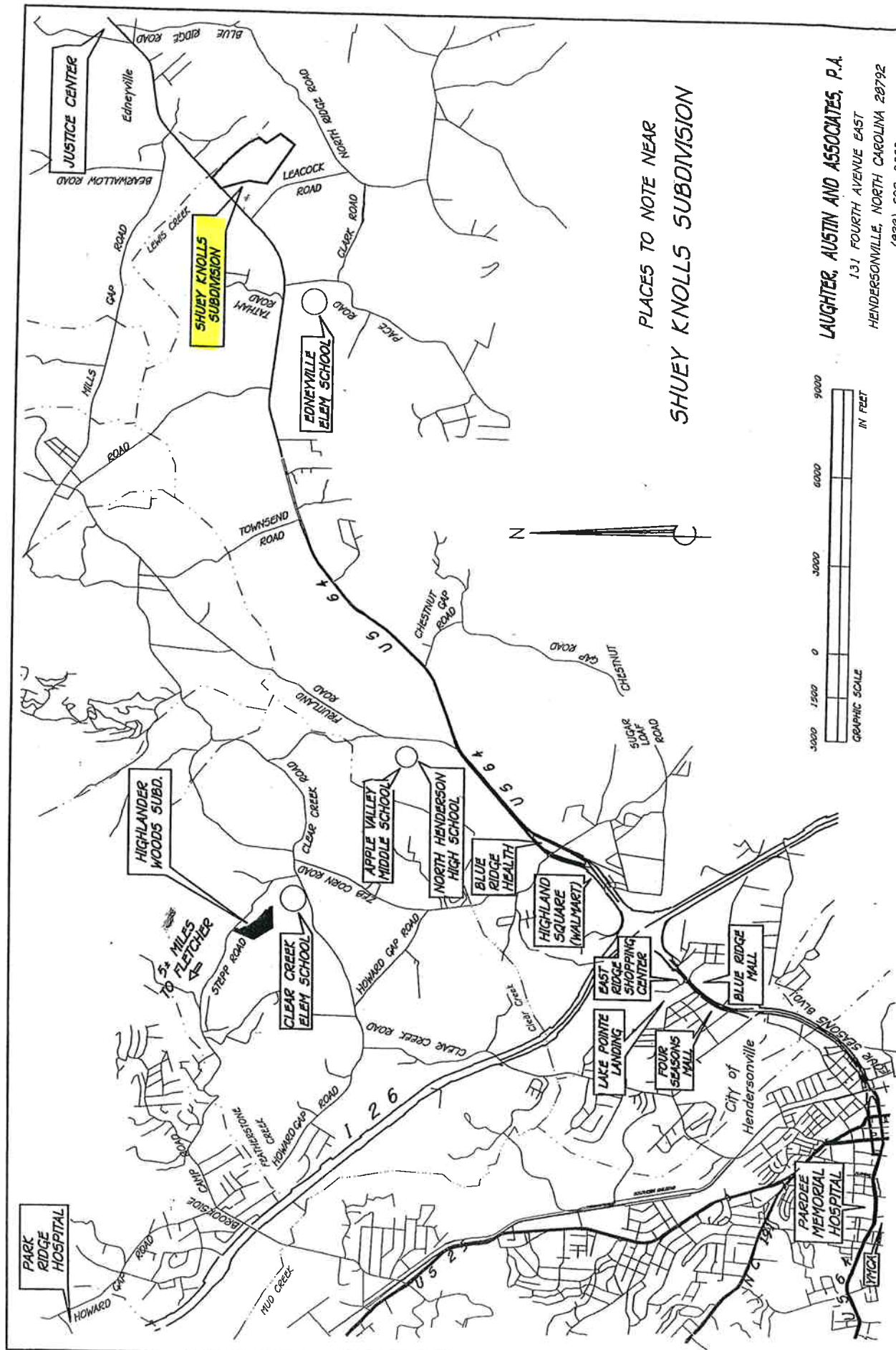
Our target client group continues to be families living in Henderson County who are currently living in sub-standard housing and whose incomes fall into the 30 – 50% range of the county's median income.

This funding request for \$182,200 will allow Habitat to complete construction of the Phase II, 1700 foot road in the Shuey Knolls development. It will also fund engineering fees, lot clearing, septic systems, and building fees for eighteen houses. Habitat has completed 1800 feet of road and water lines, Phase II adds another 1700 feet of road and water. Later Phases must add a final 2400 feet of road and water to give us access to all 70 lots.

Shuey Knolls was a 60 acre tract of undeveloped farm land in a rural part of the County when Habitat purchased it in 2003. It is comprised of both open farm land as well as wooded areas. There are some lovely distant mountain views from some of the lots. Habitat is developing about 44 acres which will eventually contain 70 homes. House construction started in early 2006 and eight houses were complete by the end of the year. We expect to have 20 houses complete by the end of 2007.

A group of Edneyville residents have purchased fifteen acres of this property from Habitat. They wanted this land to build a community center. Their plans call for a building housing 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.

During the past year the Edneyville group has received a \$500,000 matching grant from the state as well as a commitment from the County Commissioners to match the state grant. These funds should provide enough money to complete most of their development plans.



PLACES TO NOTE NEAR
SHUEY KNOLLS SUBDIVISION

LAUGHTER, AUSTIN AND ASSOCIATES, P.A.
 131 FOURTH AVENUE EAST
 HENDERSONVILLE, NORTH CAROLINA 28792
 (828) 692-9199

3. Will project participate in an externally monitored energy efficiency program (e.g. Energy Star)? If yes, please provide details: **Yes, each house will have an Energy Star Certification**
-

4. How many units will have full ADA accessibility: **_Any that are required by the homeowner_** ;

5. How many others will have at least the following accessibility features: **18** _____ :

- An at-grade or ramped entrance to the main floor or the capability to easily install a ramp later on (i.e. not more than three steps); and
- All doorways and passageways on the main floor at least 32" wide; and
- A bathroom or half-bath on the main floor that will accommodate a wheelchair (**show dimensions of unobstructed floor area on floor plan**)

6. Please attach the following:

XFloor plan - Annotate floor plan to show ADA features if present. Annotate sketch to emphasize design features that you consider particularly attractive and compatible with other buildings in the neighborhood

XSketch of finished building(s) **Photos attached**

Lead-Based Paint (Rehab projects only)

Describe in detail how you plan to address lead-based testing and abatement or hazard control on any property built before 1978.

NA

Affordability, Marketing, & Supportive Services

1. What are the proposed rents or sales prices for completed housing units? For rental units, estimate utility costs. _____ **Selling prices will be about \$95,000**
-

2. Explain your process for marketing to ensure an adequate pool of income-eligible renters or buyers: **Attached**
-

3. Describe any steps planned to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, buy-back options, etc. **Attached**
-

4. Will services be coordinated with the project that will help ensure occupants' long-term housing success? If so, please describe. **Yes. Attached**
-

Infrastructure and Public Facilities (attach maps to illustrate information below)

1. How many households will have direct access to improved infrastructure? 18
2. How many vacant lots will be provided with water/sewer availability? All
3. How many persons will have improved transportation accessibility? None

II.D. Project Team.

Identify the project team by name, job title, and employment status (employee, independent contractor, or volunteer), and describe each person's relevant experience and specific responsibilities in this project. If the team is not yet assembled, then describe how you will select them. **Attached**

For Rehab projects only: List all project staff who have completed training in Lead Safe Work Practices (with date) or have any more extensive training in Lead Based Paint hazard control.

NA

II.E Timetable.

Please complete a **detailed** and realistic timetable showing when each work task will be completed (e.g. planning, obtaining financing commitments, design, environmental review, bidding, loan closing, key milestones in construction, marketing, final inspection, occupancy, etc.). The larger the project, the more detail we expect to see. Your timetable must reflect an expectation of starting construction or expending a significant amount of funding before June 30, 2007, and of completing the project by December 2009 (June 2009 for owner-resident rehabilitation activities).

Work Tasks	Start Date	Completion Date
Start 1500 ft Phase II road rough grading	3rd Q 2006	4th Q 2006
Apply ½ gravel and install 1500 ft water	1st Q 2007	2nd Q 2007
Complete 3 houses per Q in 2007 ,2008, & 2009	1st Q 2007	3rd Q 2009
Finish gravel and pave 1500 ft road	3rd Q 2007	4th Q 2007
Lot clearing, septs, permits	3rd Q 2007	3rd Q 2009

Complete 18 houses Phase II	3 rd Q 2007	3 rd Q 2009

II.F. Client Demographics. Please complete the following tables to the best of your ability. Show actual or estimated numbers of beneficiaries, **not percentages**, in each category. In general you should count **households** as the beneficiaries for housing programs and **persons** for non-housing programs. Current income limits are at page V of the instructions.

Income Group	Number
<30% of area median income (AMI)	
31-50% of AMI	18
51-80% of AMI	
>80% of AMI*	
TOTAL	

* Seek advice from City of Asheville staff if your project will benefit any people above 80% AMI.

Special Needs Beneficiaries (if applicable)

Category	Number
Elderly (over 60)	
Disabled (not elderly)	
Homeless	
People with HIV/AIDS	

CDBG Area Benefit Activities only (Infrastructure, Public Facilities)*

Street	Census Tract	Block Group	Total Persons	#LMI Persons

*If assistance is needed, please call CD staff

SECTION III PROJECT BUDGET AND FUNDING

III.A. Costs

Be as detailed as possible. Add or amend categories as needed. **For all * items, you must 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	\$145,800	\$
Relocation*	\$	\$
Demolition/Clearance*	\$	\$
Site improvements*	\$172,200	\$172,200
Rehabilitation*	\$	\$
New construction*	\$1,174,824	\$
Construction contingency	\$	\$
Architect/Engineer fees	\$10,000	\$10,000
Construction loan fees	\$	\$
Construction interest	\$	\$
Construction period taxes	\$	\$
Legal/Accounting	\$	\$
Other Prof. fees (Appraisal etc)	\$	\$
Agency project delivery costs (if no developer fee) Const. Supv.	\$189,000	\$
Other pre-construction or construction period costs:	\$	\$
	\$	\$
	\$	\$
Permanent		
Permanent loan fees	\$	\$
Developer fee	\$	\$
Reserves	\$	\$
Other	\$	\$
Total Development Costs	\$1,691,824	\$182,200

III.B. 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	\$182,200	\$
Prior year HOME*	Yes	\$110,000	\$
Prior Year CDBG*	Yes	\$0	
HOME program income or CHDO proceeds	Yes	\$NA	\$
CDBG Program Income or CBDO proceeds	Yes	\$NA	
Other grants (list):		\$	\$
FHLBATL (10)	Yes	\$60,000	\$
NCHFA (18)	Yes	\$360,000	\$
		\$	\$
Support from the Public	No	\$150,000	\$
Bank Loans etc.		\$0	\$
Other sources (list): Resale store	Yes	\$489,824	\$
Mortgage income	Yes	\$340,000	\$
Total Revenues		\$1,691,824	\$

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

III.C. 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
NA					

III.D. 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.

III.E. Secondary Financing to Homebuyers (homeownership projects only)

Complete this table for homeownership development, where assistance is being provided to the homebuyer, either through the rollover of the project's CDBG or HOME construction funding or other sources.

Loan / Subsidy Source	Average Homeowner Subsidy Amount per unit	Terms	Position
NCHFA	\$20,000	360mos./0 interest	1st
FHLBATL	\$6,000	Down payment grant	2nd
	\$		
	\$		

III.F. HOME Match (HOME funded projects only)

List the project revenues which will count as matching funds (non-federal funds that are permanently contributed to the project). Include any in-kind contributions of materials and labor, including sweat equity, at \$10 p.h. If in doubt whether funds will count as match, please call Sherman Fearing at (828) 259-5725.

Revenue Source	Amount
Home owner sweat equity (400 hrs. each)	\$72,000
In kind materials – shingles,doors, applicances,paint,siding, etc.	\$93,600
	\$

III.G. Program Income , CBDO and CHDO Proceeds

(This section is to be completed only by Buncombe & Madison Counties, HAC, Habitat, NHS, MHO, MMLF & WCCA.)

Program income and CBDO and CHDO proceeds are income directly generated by the use of CDBG, HOME, or other Federal funds. Examples include the repayment of CDBG or HOME loans that you have made, the net proceeds from the sale of homeowner units, or rent of assisted property. *If you have any questions, please contact CD staff.*

- List the specific programs operated by your organization that generate CDBG or HOME program income or CBDO or CHDO proceeds:

NA

- How does your organization currently use program income/CHDO or CBDO proceeds?

NA

- Complete the following table for your organization's on-hand and projected CDBG and HOME program income. Remember to include program income from all of your CDBG or HOME programs.

NA

	CDBG Program Income	CBDO Proceeds	HOME Program Income	CHDO Proceeds
Balance at 12/31/06	\$	\$	\$	\$
Estimated receipts 1/1/07 – 6/30/07	\$	\$		
Proposed Program Use & Amount	Program / Amount	Program / Amount	Program / Amount	Program / Amount

SECTION IV AGENCY DESCRIPTION

Please provide the following information for the agency that will actually carry out the project.
Member governments carrying out projects entirely with their own staff may omit this section.

IV.A. Organization

1. What is your organization mission statement? **To help provide adequate and affordable housing for low income families in need who live in Henderson County.**
2. Incorporation date (Month and Year)? **April 1989**
3. Estimated Total Agency Budget for FY 2006: \$ **1,625,000** _____
4. Total number of agency staff (full time equivalents) **13** _____
5. Does your organization have any of the following written management policies: If recently updated or not already on file with the City, please attach.

Policy	Yes	No	Date Last Updated	On file with City ?
Personnel policy	X			
Purchasing policy	X			
Code of conduct	X			
Indirect Cost Allocation Plan		X		

IV.B. Agency Track Record

Please describe what makes your agency particularly qualified to carry out the program described in Section II. (This may include your past achievements in carrying out similar projects, experience of key staff, collaborative relationships with other agencies, or recent new initiatives.) **Attached**

IV.C. Board of Directors

1. How many board members should you have according to your by-laws? **At least 12, no more than 18.**
2. How many do you actually have at this date? **15 (2 added at Dec. Board meeting)**
3. How often does your board meet? **Monthly**
4. What was the actual attendance at each of the last three regular Board meetings? **Oct. 8, Nov. 10, Dec. 12**
5. Have you failed to reach a quorum at any Board meetings in the last 12 months? **No**

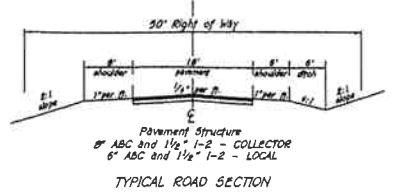
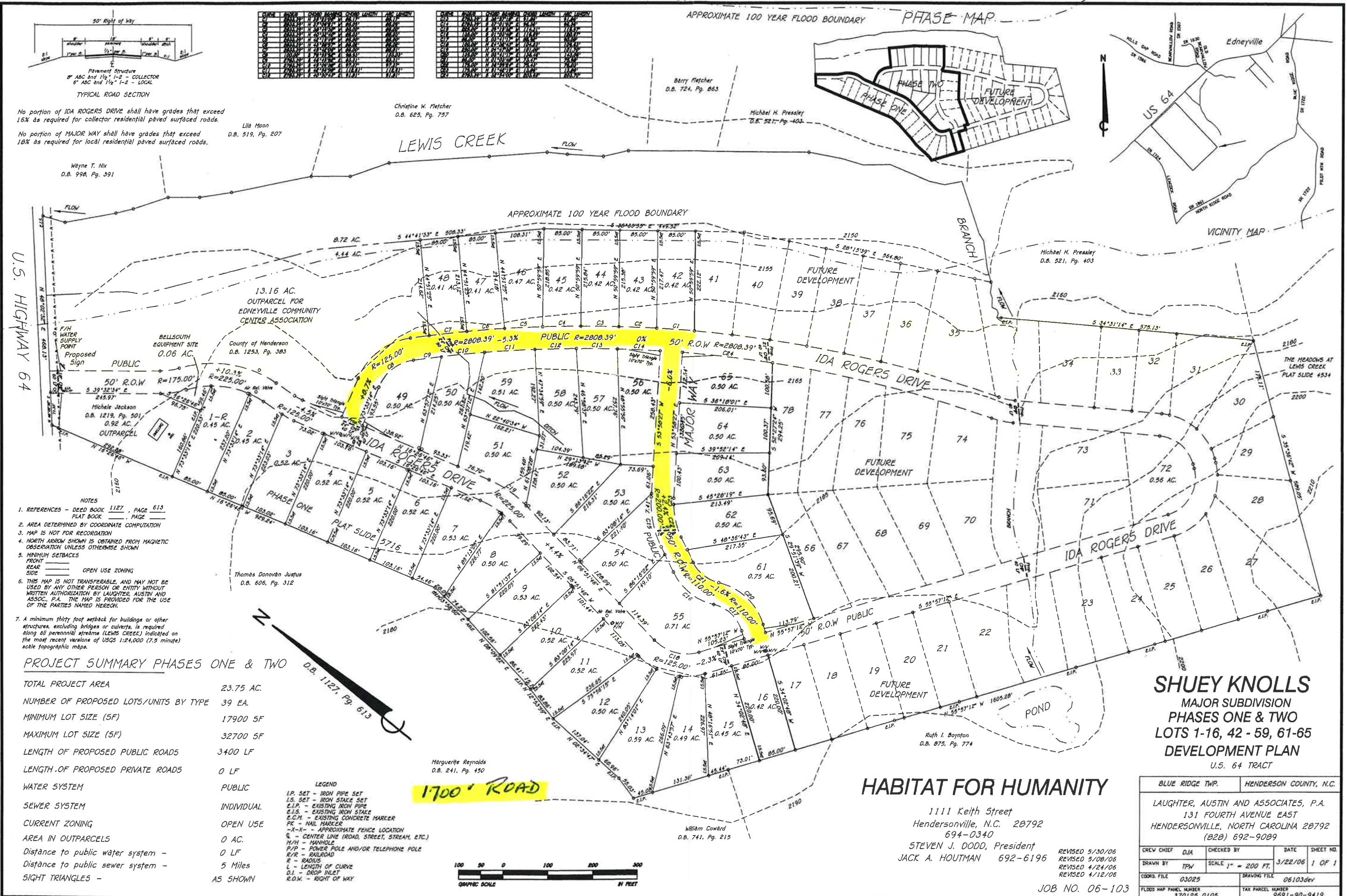
6. What efforts do you make to ensure that your board represents the community it serves?
We have tried unsuccessfully to attract homeowners to the Board. Current members live in all parts of the county and have a diverse background of experiences.

SECTION V DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Are any of the Board Members or employees of the agency which will be carrying out this project, or members of their immediate families, or their business associates:

- a) Employees of or closely related to employees of the City of Asheville
**or the member government through which this application is made:* YES ___ NO X___
- b) Members of or closely related to Members of Asheville City Council
or the Council or Commission of the member government through which this application is made: YES ___ NO X___
- c) Current beneficiaries of the program for which funds are requested: YES ___ NO X___
- d) Paid providers of goods or services to the program or having other financial interest in the program: YES ___ NO X___
- e) Creditors (i.e. persons who have made loans to the agency or provided loan collateral) YES ___ NO X___

If you have answered YES to any question, **please attach a full explanation.** The existence of a potential conflict of interest does not necessarily make the project ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any grant awarded.



No portion of IDA ROGERS DRIVE shall have grades that exceed 16% as required for collector residential paved surfaced roads.
 No portion of MAJOR WAY shall have grades that exceed 18% as required for local residential paved surfaced roads.

Wayne T. Nix
 D.B. 998, Pg. 391

Christine W. Fletcher
 D.B. 625, Pg. 757

Michael H. Pressley
 D.B. 521, Pg. 403

Michael H. Pressley
 D.B. 521, Pg. 403

Ruth I. Boynton
 D.B. 875, Pg. 774

William Coward
 D.B. 741, Pg. 215

Marguerite Reynolds
 D.B. 241, Pg. 450

13.16 AC.
 OUTPARCEL FOR
 EDNEYVILLE COMMUNITY
 CENTER ASSOCIATION
 County of Henderson
 D.B. 1253, Pg. 383

BELLSOUTH
 EQUIPMENT SITE
 0.06 AC.
 County of Henderson
 D.B. 1253, Pg. 383

Michele Jackson
 D.B. 1219, Pg. 501,
 0.92 AC.
 OUTPARCEL

Thomas Donovan Justus
 D.B. 606, Pg. 312

- NOTES
1. REFERENCES - DEED BOOK 1127, PAGE 613
 PLAT BOOK PAGE
 2. AREA DETERMINED BY COORDINATE COMPUTATION
 3. MAP IS NOT FOR RECORDATION
 4. NORTH ARROW SHOWN IS OBTAINED FROM MAGNETIC OBSERVATION UNLESS OTHERWISE SHOWN
 5. MINIMUM SETBACKS
 FRONT _____
 REAR _____
 SIDE _____ OPEN USE ZONING
 6. THIS MAP IS NOT TRANSFERABLE, AND MAY NOT BE USED BY ANY OTHER PERSON OR ENTITY WITHOUT WRITTEN AUTHORIZATION BY LAUGHTER, AUSTIN AND ASSOC., P.A. THE MAP IS PROVIDED FOR THE USE OF THE PARTIES NAMED HEREON.
 7. A minimum thirty foot setback for buildings or other structures, excluding bridges or culverts, is required along all perennial streams (LEWIS CREEK) indicated on the most recent versions of USGS 1:24,000 (7.5 minute) scale topographic maps.

PROJECT SUMMARY PHASES ONE & TWO

TOTAL PROJECT AREA	23.75 AC.
NUMBER OF PROPOSED LOTS/UNITS BY TYPE	39 EA.
MINIMUM LOT SIZE (5F)	17900 5F
MAXIMUM LOT SIZE (5F)	32700 5F
LENGTH OF PROPOSED PUBLIC ROADS	3400 LF
LENGTH OF PROPOSED PRIVATE ROADS	0 LF
WATER SYSTEM	PUBLIC
SEWER SYSTEM	INDIVIDUAL
CURRENT ZONING	OPEN USE
AREA IN OUTPARCELS	0 AC.
Distance to public water system -	0 LF
Distance to public sewer system -	5 Miles
SIGHT TRIANGLES -	AS SHOWN

- LEGEND
- I.P. SET - IRON PIPE SET
 - I.S. SET - IRON STAKE SET
 - E.I.P. - EXISTING IRON PIPE
 - E.I.S. - EXISTING IRON STAKE
 - E.C.M. - EXISTING CONCRETE MARKER
 - PK - NAIL MARKER
 - X-X- - APPROXIMATE FENCE LOCATION
 - CL - CENTER LINE (ROAD, STREET, STREAM, ETC.)
 - M/H - MANHOLE
 - P/P - POWER POLE AND/OR TELEPHONE POLE
 - R/R - RAILROAD
 - R - RADIUS
 - L - LENGTH OF CURVE
 - D.I. - DROP INLET
 - R.O.W. - RIGHT OF WAY



SHUEY KNOLLS
 MAJOR SUBDIVISION
 PHASES ONE & TWO
 LOTS 1-16, 42 - 59, 61-65
 DEVELOPMENT PLAN
 U.S. 64 TRACT

HABITAT FOR HUMANITY

1111 Keith Street
 Hendersonville, N.C. 28792
 694-0340
 STEVEN J. DODD, President
 JACK A. HOUTMAN 692-6196

REVISED 5/30/06
 REVISED 5/08/06
 REVISED 4/24/06
 REVISED 4/12/06

JOB NO. 06-103

BLUE RIDGE TWP.	HENDERSON COUNTY, N.C.			
LAUGHTER, AUSTIN AND ASSOCIATES, P.A. 131 FOURTH AVENUE EAST HENDERSONVILLE, NORTH CAROLINA 28792 (828) 692-9089				
CREW CHIEF	DJA	CHECKED BY	DATE	SHEET NO.
DRAWN BY	TPW	SCALE	1" = 200 FT.	3/22/06 1 OF 1
COORD. FILE	03025	DRAWING FILE	06103dev	
FLOOD MAP PANEL NUMBER	370125_0105	TAX PARCEL NUMBER	9691-90-9419	