

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: February 1, 2010

SUBJECT: 2010 HOME Applications

ATTACHMENTS: 1. Excerpts Housing Assistance Corporation Application (Ridgecrest)
2. Excerpts Henderson County Habitat for Humanity Application
(Shuey Knolls IV)

SUMMARY OF REQUESTS:

Habitat for Humanity and Housing Assistance Cooperation (HAC) are requesting funding application submission approval for HOME Investment Partnerships Program (HOME) funds. No County matching funds are required nor requested. HOME funds are administered through the Asheville Regional Housing Consortium. HAC is requesting \$125,000 to combine with 2009 HOME funds in order to construct 15 homes in the Ridgecrest Development. The project will provide affordable housing to families earning 80% of area median income or less.

Habitat for Humanity is requesting \$150,000 to attain its Henderson County goal of 10 homes per year. At approximately \$15,000 per home this amount will be used to cover the HVAC system, piping and installation of plumbing, thermal and moisture protection, and flooring. Families served by the project are within the 30-60% income level of the county's median household income.

BOARD ACTION REQUESTED:

Planning 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.

SECTION II: PROJECT DESCRIPTION

II.A. Project Title: Ridgecrest

II.B. Project Location(s) (be as specific as possible): The site is located on 64 E, Chimney Rock Road, 1/8 mile west of the intersection of Gilliam Mountain Road in Edneyville, Henderson County, NC.

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

- | | |
|---|---|
| <input checked="" type="checkbox"/> New Construction for Homeownership
<input type="checkbox"/> Owner Occupied Rehabilitation
<input type="checkbox"/> Acquisition/Rehab/Sale
<input type="checkbox"/> New Construction for Rental
<input type="checkbox"/> Other (Specify) | <input type="checkbox"/> Rental Rehabilitation
<input type="checkbox"/> Predevelopment Loan (HOME Only)
<input type="checkbox"/> Public Facility or Improvement (CDBG Only)
<input type="checkbox"/> Commercial Property Improvement (CDBG Only) |
|---|---|

II.D. Program Justification

1. What is the purpose of the project? (in one sentence)	To provide affordable single-family housing to people in Henderson County, NC.
2. What unmet need or market will the project address?	The project will provide housing affordable to people earning 80% or less of the area median income.
3. How do you know that the need or market exists? What objective data exists to justify your statement of need and market? Attach a copy of the project market analysis if one exists.	The need for affordable single-family housing is evident by the data in the November 2009 Housing Needs Assessment & Market Study for Henderson County. The market study states that over the next 10 years, 138 subsidized owner-occupied units will be needed per year.
4. Has this program been funded with CDBG or HOME funds in the past?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

Please attach the following:

- Market Analysis
 Other data indicating need or market

II.E. Project Site Details

1. What is the size of the development site?	24 Acres
2. Please give a site description	<p>The site was previously prepared for single family housing construction by another developer. The site is platted and recorded with 36 lots and has a paved road and water line in place. Some of the lots will need to be recombined to accommodate septic systems, so for the purpose of our project budget and plan, we are considering this a 32 lot subdivision. Each lot will have a private septic system. The site is off of a major road, 64E, in Henderson county and is located in the Edneyville community. The site is primarily cleared with a portion of the site containing mature trees.</p> <p>Funds from this grant application will be combined with</p>

	a 2009 \$100,000 HOME award for a combined subsidy of \$225,000 that will produce 15 homes in the development. Subsequent HOME funds will be requested for additional housing production in the Ridgecrest development.
3. What is the current site zoning and the status of any required planning reviews?	The current zoning is R2 (Residential 2) and a planning review is not required.
4. What is the status of your assessment of environmental conditions at the site? Will there need to be mitigation of any existing environmental conditions before the project proceeds?	We are not aware of any environmental concerns or existing conditions that would require mitigation.

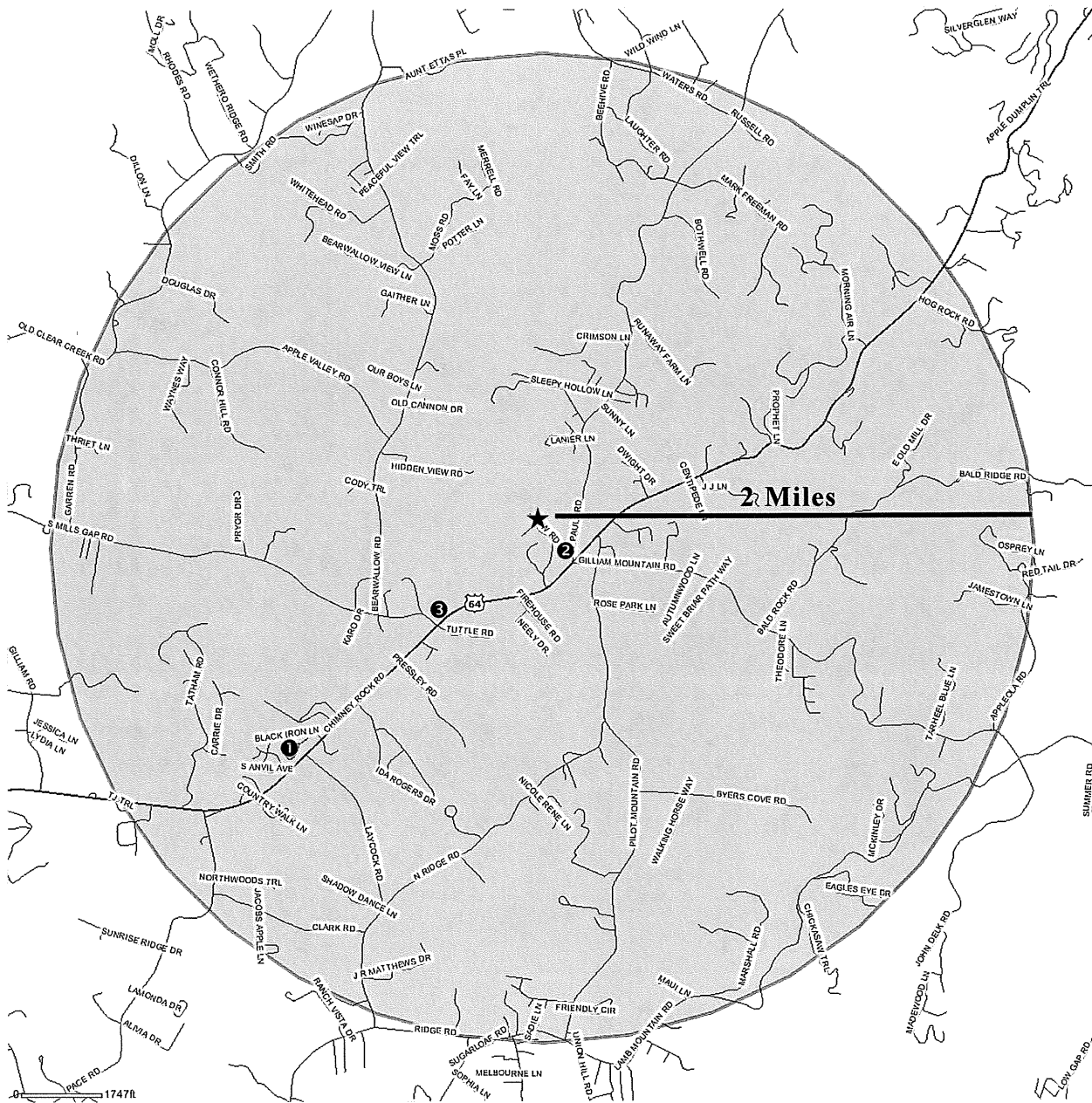
Please attach the following:

- Site plan showing lot boundaries, street access, location of structure(s), and other site features**
- General location map showing development site in relation to streets, points of interest in the surrounding neighborhood, neighborhood facilities and services (at least ½ mile radius). Interstates (within 1000 feet), airports (within 5 miles), railroads (within 3000 feet), waterways, and flood zones must be shown (show all streams or waterways on or adjacent to the property).**
- If you already own the site of 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.**
- Any environmental studies that have been completed for the property.**

Ridgecrest Site Plan



Ridgecrest Area Map



<p>★ SITE</p> <p>① Edneyville Elementary School (1.8 mi.)</p> <p>② Edneyville General Store (0.1 mi.)</p>	<p>③ La Esperanza Mexican Store (0.5 mi.)</p> <p>④ Exxon Mountain Valley Mini Mart (0.5 mi.)</p>
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II.F. Property Acquisition

<p>1. Has agency acquired real property in order to carry out the project, or is property acquisition planned?</p>	<p>The property acquisition is planned. An offer to purchase contract has been submitted to Carolina First Bank, who will take ownership of the property in foreclosure proceedings in February. Once the Bank takes control of the property we will purchase the property from the Bank.</p> <p>The fortuitous opportunity to purchase a site with developed infrastructure at a discounted price is one that our organization is eager to take advantage of. Once we have the signed sales contract, we will begin our due diligence, which will include the HUD environmental review that will be carried out by the City of Asheville’s Community Development department. Our clients will benefit by paying lower lot costs than we would normally be able to offer.</p>
<p>2. Has property owner been notified of your intention to use federal funds for this project? If so, please attach copy of the letter.</p>	<p>Yes.</p>
<p>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 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 of notice.</p>	<p>No, the property is not currently occupied.</p>

II.G. Housing Construction Detail

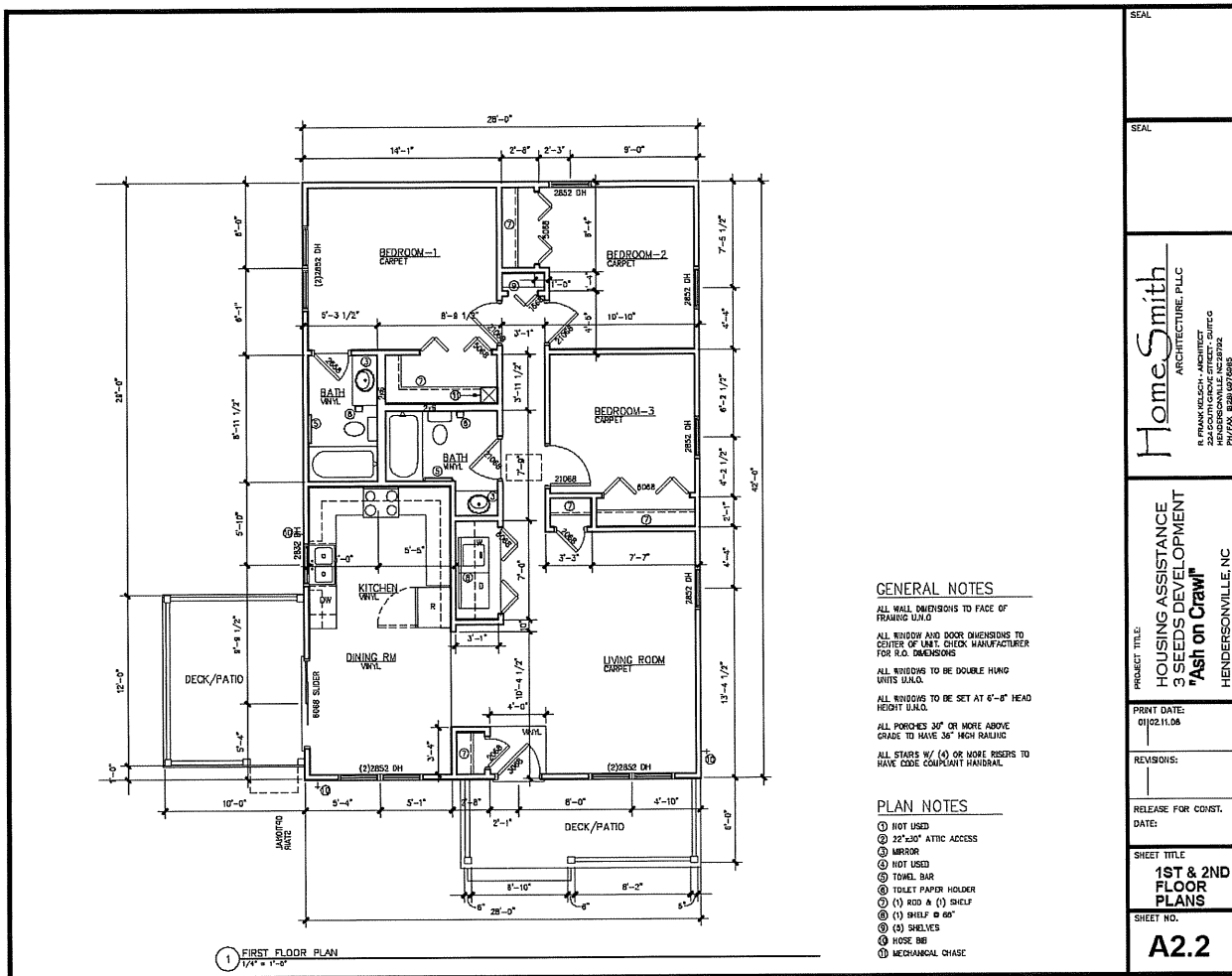
<p>1. How many units will be newly constructed?</p>	<p>15</p>
<p>2. How many units will be rehabilitated?</p>	<p>0</p>
<p>3. What is the square footage of each unit?</p>	<p>1,200</p>
<p>4. What is the number of bedrooms/baths for each unit?</p>	<p>3 bedrooms and 2 bathrooms</p>
<p>5. Will the project participate in an externally monitored energy efficiency program (e.g. Energy Star)? If yes, please provide details.</p>	<p>Yes, all homes in the development will participate in the System Vision program offered by the North Carolina Housing Finance Agency and Advanced energy. Additionally, each home will be certified as a North Carolina Healthy Built Home.</p>
<p>6. Provide proposed construction summary. What will be the total square footage of the proposed completed project? How many stories? What materials will be used? How will the project incorporate “green” construction materials and methods?</p>	<p>Approximately 18,000 square feet of detached, single-family housing will be constructed. Most homes will be single-story homes and a few will be two-story homes. A variety of quality building materials will be used and the project will incorporate green construction materials and methods as listed in detail on our North Carolina Healthy Built Homes checklist.</p>
<p>7. Describe how the project will be designed and built to provide accessibility to persons with disabilities.</p>	<p>Design specifications that will provide accessibility to persons with disabilities include at least one bedroom</p>

and bathroom with a 2' 10" door, exterior door handles will be levers instead of round knobs, and wheelchair ramps can be added to access the homes.

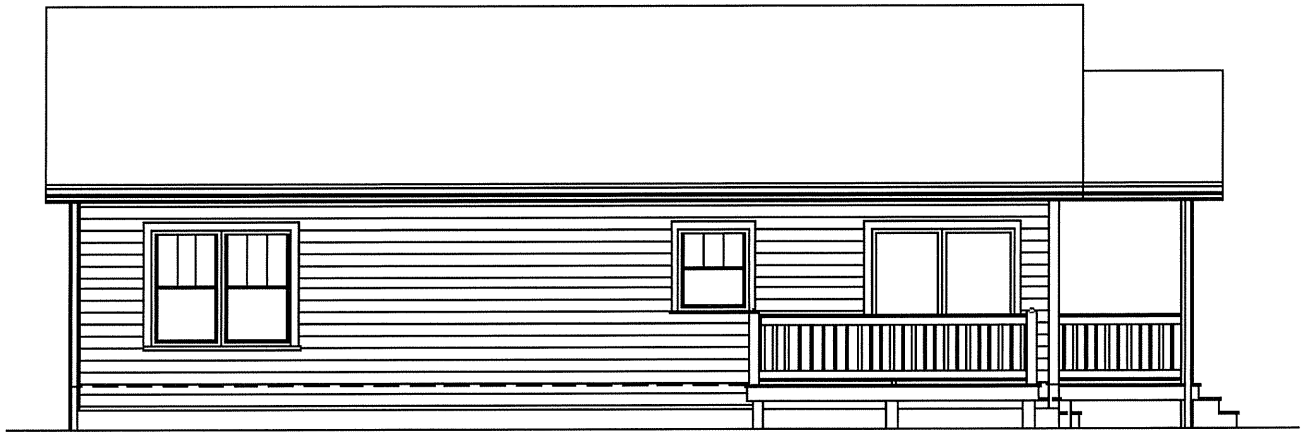
Please attach the following:

- Floor Plan – Annotate floor plan to show ADA features if present
- Elevation drawings of finished building(s), and annotated sketches to emphasize design features that you consider particularly attractive. Please provide photos of current street views to demonstrate neighborhood compatibility.
- If project is a rehabilitation project, please describe historic features of the property and how they will incorporate with the new rehabilitation work being done.

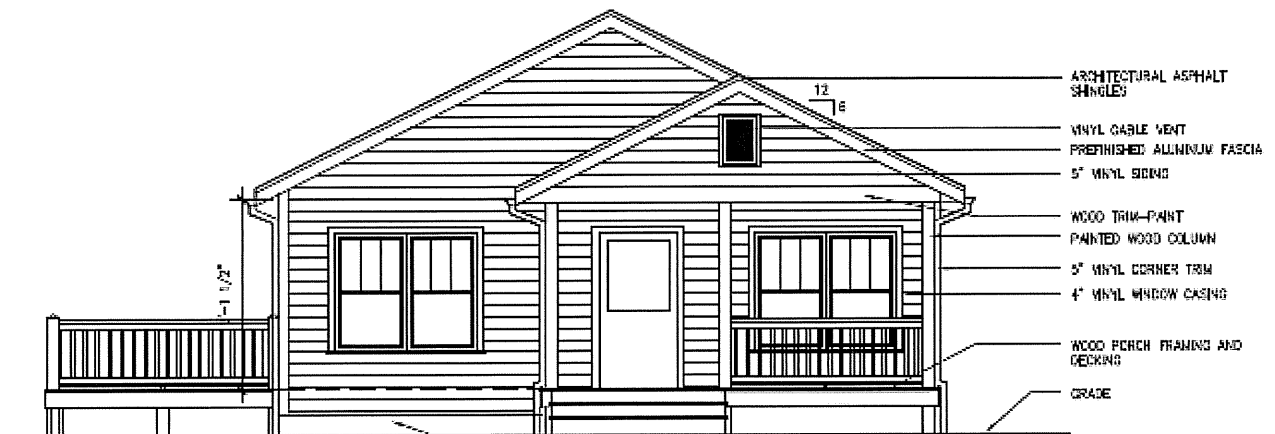
FLOOR PLAN:



ELEVATION OF FINISHED BUILDING:



2 LEFT SIDE ELEVATION
1/4" = 1'-0"



II.H. Lead-Based Paint (Rehab/Repair projects only)

<p>1. Describe in detail how you plan to address lead-based paint testing and abatement or hazard control on any property built before 1978.</p>	<p>N/A</p>
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II.I. Housing Affordability, Marketing, & Supportive Services

<p>1. What are the proposed rents or sales prices for completed housing units? Estimate utility costs.</p>	<p>The estimated sales price of completed housing units will be \$140,000.</p>
<p>2. Explain in detail your process for marketing to ensure an adequate pool of income-eligible renters or buyers.</p>	<p>A vital component of marketing our single family housing program and an essential part of keeping prospective clients in the pipeline is uninterrupted, annual housing production. We will complete construction of our current development at the end of 2010 and we will require additional property on which to build, such as the subject property for this application, in 2011.</p> <p>Participants learn about our home construction programs through marketing and community outreach activities. HAC sponsors approximately 20 outreach activities a year that include informational meetings and dissemination of flyers and brochures. Informational meetings are held biannually at the Henderson County Public Library. Churches, businesses, school systems, and neighborhoods are visited regularly in order to connect with potential participants and inform the community about our programs. Marketing through local media includes radio spots, newspaper inserts, and local TV coverage. Promotional practices include advertising in both English and Spanish and target low and very low income people, people with disabilities, and people who are elderly.</p> <p>Housing Assistance will develop a promotional package specific to the Ridgecrest development which includes program information, loan terms, floor plan sketches, and site map. Promotional packages will be provided to the Board of Realtors, lending institutions, Realtors, and other non-profits. The development will also be marketed on the Housing Assistance website.</p> <p>Activities are also presented by a Housing Counselor who is bilingual. Examples of past outreach activities Housing Assistance participated in include:</p>

	<ol style="list-style-type: none"> 1. Outreach fairs: Grace Lutheran church, Unitarian Universalist Church, Park Ridge Hospital, Pardee Hospital 2. Newspaper articles in the Hendersonville Times-News and the Asheville Citizen Times 3. Gift certificates offered to past participants for successful referrals 4. Presentations made to affordable apartment developments, Henderson County employees, Henderson County Joblink Advisory Board, United Way Board, Interfaith Assistance Ministries LEEP Group, Job Services Employer, Council on Aging, Mountain Microenterprise, Head Start Childcare Center, Adolescent Parenting Program, Hendersonville Homebuilder's Association 5. Posters and information were provided to and posted at the Beystone Health and Rehab Center, Vocational Honor Society, and Consumer Credit Counseling Services 6. Placemats promoting the Self-Help Program on the paper tray inserts of three local McDonalds stores 7. HAC capitalizes on the strength of its Self-Help neighborhoods by offering tours of completed communities, posting promotional signs, and offering virtual tour DVDs
<p>3. Describe <u>in detail</u> any steps planned to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, buy-back options, etc.</p>	<p>Our clients finance their homes using a Rural Development 502 loan. The Rural Development 502 loan is a subsidized loan with a recapture provision which ensures long term affordability. Recapture occurs when the house is sold, refinanced, or upon completion of the 33 year loan term. To further ensure affordability, HOME funds will carry a 30 year period of affordability after which time the lien will become due.</p>
<p>4. Will services be coordinated with the project that will help ensure occupants' long-term housing success? If so, please describe.</p>	<p>All homeowners will be required to complete the Home Buyer Education Course, a 10 hour class that covers homeownership from financing to home maintenance. Individual counseling and the Home Buyer Education Course is offered in both English and Spanish by Housing Assistance's Housing Counselor. Households will participate in one-on-one counseling sessions as well. The amount of time spent in individual counseling will vary depending on the client's needs. Counselors will provide guidance through closing and loan conversion and are available for continued post-homeownership counseling.</p>

II.J. Infrastructure and Public Facilities (this information not required for housing development and Rehab projects). Attach maps to illustrate information below.

1. How many households will have direct access to improved infrastructure?	15
2. How many vacant lots will be provided with water/sewer availability?	15
3. How many persons will have improved transportation accessibility?	15
4. What quantity of infrastructure will be added/improved (e.g. LF of waterline, sewer line, etc.)	The road, underground electricity, and water line is currently in place. Homes will be served with private septic systems.

II. K. Program Design

1. What qualifies your agency to operate the proposed program?	Housing Assistance began developing Self-Help Housing in 1994 and has since partnered with over 100 families to build their own homes within Henderson County. Housing Assistance has a very experienced, capable, and professional staff that has had great success operating the home production program.
2. What capacity does your agency have to implement the proposed program?	Housing Assistance has staff knowledgeable in land development, financial management, housing counseling, and housing production. We have a perfect track record securing USDA RD 523 Self-Help Technical Assistance funding, which supports the administrative expenses associated with the program.
3. What other agencies in the community provide complementary or similar services?	Henderson County Habitat for Humanity provides single family housing for people of low income.
4. How will you ensure collaboration and minimize duplication of services?	Both Habitat for Humanity and the Housing Assistance Corporation serve people of low income, but the income range each organization serves is slightly different. Housing Assistance serves a segment of the population that makes up to 80% of AMI and the majority of Habitat's clients typically make less than 50% of AMI. The November 2009 Housing Needs Assessment & Market Study states a need for single family affordable housing that is greater than can be provided by Habitat and Housing Assistance combined. Therefore, we do not run the risk of producing more housing than our market can bear.
5. What other programs in your agency will support the same clients?	We operate a down payment assistance program that is available to the same clients and we also offer home buyer education and housing counseling.
6. What staff positions will support the program, and what is their experience? If new staff is to be hired, what qualifications will be needed? (Please include all staff positions that will support the program)	Executive Director: <u>Patrick Kennedy</u> . Patrick has served as the Executive Director since September, 2005. In this capacity he is responsible for the overall operations of the agency including single- and multi-family development and construction, homebuyer education and counseling as well as the home repair program. As Director, Patrick has overseen the completion of a 28-unit tax credit apartment community and a 40-unit tax credit community. Additionally,

eighteen single family homes and four units of transitional housing for victims of domestic violence have been completed during this time. Patrick has a background in engineering and business, with prior responsibility for over 150 people in a production environment. He currently serves as President of the Henderson County Affordable Housing Coalition.

Director of Finance: Ellen Henion. Ellen has served as the Director of Finance for 10 years during which time she has managed the financial and reporting responsibilities for 9 Self-Help Groups. Her direct experience includes all fiscal and general accounting responsibilities. In addition, she is responsible for coordinating all reports to funding agencies which include: CDBG, Block Grant, NCHFA, HOME programs, SHOP programs, USDA 523 grants, Tax Credit developments, United Way, local government and other funding resources of the organization. Her prior experiences included accounting in the commercial sector and 10 years teaching math. *Ellen will be responsible for all financial accounting activities, including HOME funds reporting, payment requests, accounts payable and client records.*

Director of Residential Development: Hugh Lipham. Hugh has experience with single-family neighborhood development and multi-family development oversight with the Housing Assistance Corporation. Additionally, Hugh has experience performing custom residential home additions, renovations and remodeling projects including quoting, subcontracting, and completing work. Hugh has an undergraduate degree in Business Administration and a Masters of Business Administration with a concentration in real estate and urban analysis. Hugh maintains a general contractor's license for the Housing Assistance Corporation. *Hugh will be responsible for acquisition and infrastructure development of the property.*

Housing Counselor: Jairo Mercado. Jairo has a background in construction, advocacy and non-profit operations management. He is also currently working toward acquiring his Housing Counseling Certification through the North Carolina Association of Housing Counselors. Jairo is fully bilingual and has counseling, outreach, and presentation experience. Jairo's family previously participated in the Self Help program with Housing Assistance and he has personal experience with this and other Rural Development loan products. *The*

	<p><i>Housing Counselor seeks prospective candidates and, through one-on-one counseling, assists them in homeownership preparation activities, verifies program eligibility, assists with application preparation, and completes pre-construction preparation up to and including closing. In the process Jairo works closely with Rural Development personnel and our Housing Construction personnel to ensure a smooth transition from counseling to construction.</i></p> <p>Housing Construction Superintendent: <u>Sean Rose</u>. Sean has worked for Housing Assistance since July 2002. Sean built his home in the Self-Help Housing Program and has since worked on an additional 50 homes. Prior to working at HAC, Sean was a trim carpenter in residential and light commercial construction. <i>Sean will complete inspections, job write-ups, estimates, procurement; coordinate subcontractors; and oversee work progress and scheduling.</i></p> <p>Construction Supervisor: <u>Gary Morgan</u>. Gary Morgan began with Housing Assistance in May 2005 and has worked on 25 Self-Help homes. Prior to employment at Housing Assistance, Gary was self-employed as a carpenter and worked as an assistant instructor with the Blue Ridge Community College carpentry program. <i>Gary will work with the selected families and offer technical assistance to each volunteer during the required sweat equity fulfillment.</i></p>
<p>7. Who is eligible for this program? How will you determine client eligibility?</p>	<p>Clients who are eligible must be at or below 80% of the county median income, qualify for a loan with affordable rates and terms (typically a Rural Development 502 loan), and complete the Home Buyer Education Course.</p> <p>Clients must also sign a labor commitment as required by the USDA Rural Development Self Help program and/or the SHOP program.</p> <p>Eligibility is determined using USDA Rural Development 502 loan and NCHFA New Homes Loan Pool Guidelines and the Section 8 method for HOME. Income, asset, and credit verifications are processed by Housing Assistance Corporation and submitted to USDA RD and NCHFA for review and eligibility determination.</p> <p>Targeted populations include the following (approximations):</p> <p>Income 50-80% of County Median:</p>

	<p style="text-align: right;">9 RD Self-Help homes</p> <p>Income below 50% of Median:</p> <p style="text-align: right;"><u>6 RD Self-Help homes</u></p> <p style="text-align: center;">TOTAL 15 RD Self-Help homes</p> <p>Housing Assistance is required to meet the USDA threshold requiring 40% of participants be below 50% of the area median income. Past developments have not had difficulty meeting this threshold.</p>
<p>8. How will potential clients learn about your program?</p>	<p>Clients learn about our program through our marketing efforts described in section II.I.2. of this application and through word of mouth.</p> <p>We have noticed several people hearing about the Three Seeds neighborhood and our program through past Self-Help participants and through people who have not participated in the program yet, but who have applied for the program in our office. Our strong reputation for consistently producing single family housing in our community continues to be one of our greatest marketing tools.</p>
<p>9. What is the application process for clients?</p>	<p>Clients meet with our housing counselor and fill out an application form that includes information on household demographics, debt, and income. Our housing counselor reviews the application and addresses areas of concern.</p> <p>Once our housing counselor feels the client is ready for the next step in the process, an application is sent to our area Rural Development office for review. Once approved by the Rural Development office, the client is officially in the Self-Help program and on the waiting list for the next group of homes.</p>
<p>10. What are the program requirements for clients?</p>	<p>Clients are required to complete a 10-hour Home Buyer Education course, they are required to attend a series of pre-construction meetings, and they are required to contribute labor toward the construction of their homes. Our clients typically contribute 600 hours of labor during the construction process.</p>
<p>11. What outcomes do you expect clients to obtain from this program?</p>	<p>Outcome A: Increase homeownership for people of low income</p> <p>Outcome B: Improved financial well being of people of low income</p> <p>Outcome C: Self-Help participants will improve affordability by establishing a sweat equity position</p>
<p>12. How many people/households will achieve each outcome?</p>	<p>Number achieving Outcome A:</p> <p>People: OR Households: 15</p>

	<p>Number achieving Outcome B: People: OR Households: 15</p> <p>Number achieving Outcome C: People: OR Households: 15</p>
13. How will you measure these outcomes?	<p>Outcome A: Home ownership is measured by the number of clients who successfully complete the Self-Help/New Homes building process. Completion of the process will be documented with a Certificate of Occupancy and closing documents.</p> <p>Outcome B: A majority of program participants require housing counseling in order to meet Rural Development lending requirements. Typical counseling issues include credit improvement, debt reduction, and employment continuity. Review of Truth in Lending Statements and HUD-1 Settlement Statements document that clients were financially strong enough to qualify for this affordable loan.</p> <p>Outcome C: A participant's Self Help labor contribution will be documented by timesheets that track a household's daily labor hours. The value of the sweat equity will be calculated by subtracting the financing liens from the appraised value.</p>
14. Is there anything else about the program design or implementation that is important to know?	<p>In today's climate of stringent lending practices, it is important to note that our clients have access to an income-subsidized loan product, a USDA RD 502 loan. It should also be noted that the Self-Help homes built by Housing Assistance are not speculative homes. The homes are pre-sold to qualified clients before construction begins, which almost completely eliminates any risk of holding unsold inventory to Housing Assistance.</p>

II.L. Timetable

Please complete the following table to identify the key implementing steps and target dates. Add rows as needed.

Table 1: Key Implementing Steps and Target Dates

Action	Start date (m/d/yy)	Target date for completion (m/d/yy)
Property Acquisition	01/15/2010	07/15/2010
Client Recruiting	08/01/2010	01/15/2011
Site Work	08/01/2010	11/01/2010
Housing Construction	01/15/2011	08/15/2012

Table 2: HOME-Eligible Production Underway or Planned

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			
N/A	N/A	N/A	N/A	N/A	N/A	\$ N/A
						\$
						\$
						\$
Unduplicated Total:						\$

II.M. PROGRAM TARGETS

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

Table 3: Client Demographics

Number of <u>Persons</u> by Income Group					
<i>(To be completed for Public Facilities, Public Infrastructure projects only.)</i>					
Year	<30% of median	31-50% of median	51-80% of median	>80% of median	Total
2008/2009 (actual)	N/A	N/A	N/A	N/A	N/A
2009/2010 (as now projected)	N/A	N/A	N/A	N/A	N/A
2010/2011 (target)	N/A	N/A	N/A	N/A	N/A

Number of <u>Households</u> Served, by Income Group					
<i>(To be completed for Emergency Repair, Rehab, New Construction projects only.)</i>					
Year	<30% of median	31-50% of median	51-80% of median	>80% of median	Total
2008/2009 (actual)	0	0	0	0	0
2009/2010 (as now projected)	1	2	3	0	6
2010/2011 (target)	0	6	9	0	15

NOTE:

- Totals must match people/households listed in II K.
- For existing programs, the total must be consistent with data you submitted for the CAPER.

Table 4: Special Needs Beneficiaries (if applicable)

Category	Number of Persons
Elderly (Over 60)	N/A
Disabled (not elderly)	N/A
Homeless	N/A
People with HIV/AIDS	N/A

Table 5: CBDG Area Benefit Activities only (Infrastructure, Public Facilities)*

Street	Census Tract	Block Group	Total Persons`	#LMI Persons
N/A	N/A	N/A	N/A	N/A

*If assistance is needed, please call CD staff

SECTION III BUDGET

III.A. OPERATING BUDGET:

1. What is your agency's fiscal year? **1/1/2010** through **12/31/2010**
2. Does this program budget cover significant activities outside Asheville? Yes No

IF YES:

- a. Please indicate where activities will be provided:
(*list all cities and/or counties this program will serve*) Henderson County
- b. Please estimate the percentage of program activities provided **in** Asheville: 0 %
3. What is your estimated total agency budget for FY 7/12009-6/30/2010? \$ 850,278

Please complete Attachment A:

Tab Agency Budget

Tab Sources and Uses

Tab Staff Table

Tab Program Income

If you do not use our fiscal year (July 1-June 30) for your budgeting, please amend the column headings

III.B. PROJECT BUDGET

Please complete **Attachment B** for new Rental housing construction projects. NOTE: IF you are developing a tax credit project, please provide a copy of your LIHTC Pro Forma.

Please complete **Attachment C** for new Home Ownership development projects.

If proposing community facility, infrastructure, scattered site housing rehabilitation or emergency repair, please make sure sufficient project detail is provided in the Sources and Uses budget form in **Attachment A**.

SECTION II: PROJECT DESCRIPTION

II.A. Project Title: Shuey Knolls Phase IV

II.B. Project Location(s) (be as specific as possible): Edneyville, NC

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

- | | |
|--|--|
| <input checked="" type="checkbox"/> New Construction for Homeownership | <input type="checkbox"/> Rental Rehabilitation |
| <input type="checkbox"/> Owner Occupied Rehabilitation | <input type="checkbox"/> Predevelopment Loan (HOME Only) |
| <input type="checkbox"/> Acquisition/Rehab/Sale | <input type="checkbox"/> Public Facility or Improvement (CDBG Only) |
| <input type="checkbox"/> New Construction for Rental | <input type="checkbox"/> Commercial Property Improvement (CDBG Only) |
| <input type="checkbox"/> Other (Specify) | |

II.D. Program Justification

1. What is the purpose of the project? (in one sentence)	To provide affordable housing for families in the 30-60% range of the medium income for the county.
2. What unmet need or market will the project address?	Habitat is the only builder constructing homes for this income level. According to the just published Regional Consortium report, most homes remain out of reach for the low-and moderate- income homebuyers.
3. How do you know that the need or market exists? What objective data exists to justify your statement of need and market? Attach a copy of the project market analysis if one exists	Based on our 10 years of experience, the need for this housing for this income level is critical. We average 25 applications per quarter and are building at the rate of 10 homes per year.
4. Has this program been funded with CDBG or HOME funds in the past?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

Please attach the following:

- Market Analysis**
 Other data indicating need or market

II.E. Project Site Details

1. What is the size of the development site?	45 acres in all four phases.
2. Please give a site description	Phase IV homes are being built on heavily wooded lots. The land is relatively flat.
3. What is the current site zoning and the status of any required planning reviews?	Zoning approval has been received for Shuey Knolls homes.
4. What is the status of your assessment of environmental conditions at the site? Will there need to be mitigation of any existing environmental conditions before the project proceeds?	Environmental approval has been received for all lots in Phase IV.

Please attach the following:

- Site plan showing lot boundaries, street access, location of structure(s), and other site features
- General location map showing development site in relation to streets, points of interest in the surrounding neighborhood, neighborhood facilities and services (at least ½ mile radius). Interstates (within 1000 feet), airports (within 5 miles), railroads (within 3000 feet), waterways, and flood zones ***must*** be shown (show all streams or waterways on or adjacent to the property).
- If you already own the site of 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.
- Any environmental studies that have been completed for the property.

II.F. Property Acquisition

1. Has agency acquired real property in order to carry out the project, or is property acquisition planned?	Yes, Property was purchased in 2003.
2. Has property owner been notified of your intention to use federal funds for this project? If so, please attach copy of the letter.	There was one home on the property when the purchase was made.
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 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 of notice.	No, homeowner moved prior to any construction.

II.G. Housing Construction Detail

1. How many units will be newly constructed?	10
2. How many units will be rehabilitated?	0
3. What is the square footage of each unit?	3 BR/1120 4BR/1232
4. What is the number of bedrooms/baths for each unit?	3 or 4 bedrooms, 2 baths
5. Will the 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.
6. Provide proposed construction summary. What will be the total square footage of the proposed completed project? How many stories? What materials will be used? How will the project incorporate “green” construction materials and methods?	All units are one- story with vinyl siding. Assuming 7 three bedroom and 3 four bedroom total sq. ft. = 11,536 Habitat participates in 2 programs, working together to provide green building practices. These are Advanced Energy, which sets building practices that are green in their energy saving requirements. The second is NC HealthyBuild Homes, which includes the Advanced Energy standards plus additional green practices beyond those of energy saving/energy star. I have included a worksheet that covers all of the items covered in this program. Our homes earn the “Certified” rating

7. Describe how the project will be designed and built to provide accessibility to persons with disabilities.	At least one bathroom will have wheelchair access and necessary ramping will be constructed for entry to the house, if required.
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Please attach the following:

- Floor Plan – Annotate floor plan to show ADA features if present
- Elevation drawings of finished building(s), and annotated sketches to emphasize design features that you consider particularly attractive. Please provide photos of current street views to demonstrate neighborhood compatibility.
- If project is a rehabilitation project, please describe historic features of the property and how they will incorporate with the new rehabilitation work being done.

II.H. Lead-Based Paint (Rehab/Repair projects only)

1. Describe in detail how you plan to address lead-based paint testing and abatement or hazard control on any property built before 1978.	NA
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II.I. Housing Affordability, Marketing, & Supportive Services

1. What are the proposed rents or sales prices for completed housing units? Estimate utility costs.	The homes will have an appraised value of \$150,000 and will be sold for \$104,000 (3BR) or \$106,000 (4 BR).
2. Explain <u>in detail</u> your process for marketing to ensure an adequate pool of income-eligible renters or buyers.	Description is provided in the attached Marketing Program.
3. Describe <u>in detail</u> any steps planned to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, buy-back options, etc.	Our homes have a market value of \$150,000. This is about \$45,000 higher than the purchase price. This difference is covered by a second mortgage. As the homeowners live in their home, their equity is not only their first mortgage payment, but they also earn a portion of the second as well. Those that stay in their homes and pay off the first mortgage receive the second mortgage at no cost. This is a powerful incentive to ensure that they stay in this home. Additionally, some of the homes in Phase IV will be covered by a grant from the Federal Home Bank of Atlanta. These homes are covered by a Deed of Trust that states they must remain affordable to those in the 30-65% income class for 5 years. We have had only a few homes come on the market in 20 years. Those that have come on have been refurbished by Habitat and sold in conjunction with HAC.

<p>4. Will services be coordinated with the project that will help ensure occupants' long-term housing success? If so, please describe.</p>	<p>Habitat provides excellent support for the homeowners. Each family must attend 16 hours of training that covers maintenance of the home and appliances, financial planning and budgeting, predatory lending, etc. before their home is completed. We have also added a training session on their homeowners association because, in a community as large as Shuey Knolls, this organization has added importance. The Habitat nurturer volunteer assigned to each family is also a contact for assistance after the family moves into their home.</p>

II.J. Infrastructure and Public Facilities (this information not required for housing development and Rehab projects). Attach maps to illustrate information below.

<p>1. How many households will have direct access to improved infrastructure?</p>	
<p>2. How many vacant lots will be provided with water/sewer availability?</p>	
<p>3. How many persons will have improved transportation accessibility?</p>	
<p>4. What quantity of infrastructure will be added/improved (e.g. LF of waterline, sewer line, etc.)</p>	

II. K. Program Design

<p>1. What qualifies your agency to operate the proposed program?</p>	<p>Habitat has been building at the 10 homes or higher for 5 years.</p>
<p>2. What capacity does your agency have to implement the proposed program?</p>	<p>There are two foremen at the job site, and a coordinated volunteer staff in the office. Provided we obtain the grant requested by this application, we have financial resources to build the 10 homes.</p>
<p>3. What other agencies in the community provide complementary or similar services?</p>	<p>None focus on this income level. We coordinate our activity with HAC. HAC also assists in the homeowner education programs.</p>
<p>4. How will you ensure collaboration and minimize duplication of services?</p>	<p>We coordinate our training program with the Housing Assistance Corp, Consumer Credit Counseling Service, Blue Ridge Community College, and other agencies.</p>
<p>5. What other programs in your agency will support the same clients?</p>	<p>We have one Board Member for Family Support who coordinates all the homeowner programs and recommends additional programs as the need arises. Recently, we have added a support program focusing on</p>

	drug detection and steps to be taken if the problem occurs at Shuey Knolls.
6. What staff positions will support the program, and what is their experience? If new staff is to be hired, what qualifications will be needed? (Please include all staff positions that will support the program)	The two volunteer board members associated with this program cover Family Selection and Family Support. They joined the Board in the summer of 2009 and have had prior experience in these areas. No additional staffing is required.
7. Who is eligible for this program? How will you determine client eligibility?	Families in the 30-60% income level of the county's medium considering the number of people in the family. The majority of the families selected fall mostly in the 30-50% range. Our initial screening programs collect income data and the IRS 1040 form information verifying income. We also check again prior to the closing about six months later to ensure the information continues to be accurate.
8. How will potential clients learn about your program?	See marketing program for details how we reach potential homeowners.
9. What is the application process for clients?	See marketing program for potential homeowner reviews required.
10. What are the program requirements for clients?	US Citizenship or a legal status to be a resident of the county at the income level required with good credit history.
11. What outcomes do you expect clients to obtain from this program?	<p>Outcome A: No Grant 8 families</p> <p>Outcome B: 50% of grant obtained 9 families</p> <p>Outcome C: Full grant obtained 10 families</p>
12. How many people/households will achieve each outcome?	<p>Number achieving Outcome A: People: 32 people OR Households: 8</p> <p>Number achieving Outcome B: People: 36 OR Households: 9</p> <p>Number achieving Outcome C: People: 40 OR Households: 10</p>
13. How will you measure these outcomes?	Outcome can be measured by the occupancy of the 10 homes.
14. Is there anything else about the program design or implementation that is important to know?	Henderson County Habitat will complete the building program at Shuey Knolls in 2011. Therefore, we must obtain a new building site <u>now</u> to prepare for the continuation of our program. We have located a 20 acre site within Hendersonville at a cost of \$520,000 which

we have purchased. A 7- year amortization period with an interest rate of 5.75% will result in an annual payment of \$90,400. This figure, coupled with the decrease in net income from our Restores of \$60,000 per year because of current economic conditions, means that our financial resources will only allow us to build at a rate of 8 homes per year. Because of the high level of need and demand for our homes, we feel that it is important that Habitat continue at the 10 homes per year level. Therefore, we are seeking a grant of \$150,000 to cover this financial shortfall. This amount equates to \$15,000 per home to be built in 2010-2011 and will cover specific costs in these homes. This amount will be used to cover the HAVAC system, piping and installation of plumbing, thermal and moisture protection, and flooring. Habitat needs to purchase the new property now because we must start planning for the costs to bring water and sewer lines to the site and construct the road so building can continue as Shuey Knolls is winding down.

II.L. Timetable

Please complete the following table to identify the key implementing steps and target dates. Add rows as needed.

Table 1: Key Implementing Steps and Target Dates

Action	Start date (m/d/yy)	Target date for completion (m/d/yy)
All roads are finished and lots laid out, construction starts when building permit is obtained.		
Septic approval required prior to bldg. permit		
Start 2 homes	3rd qtr 2010	1st qtr 2011
Start 2 homes	4 th qtr 2010	2 qtr 2011
Start 3 homes	1 st qtr 2011	3 qtr 2011
Start 3 homes	2 nd qtr2011	4 qtr. 2011

Table 2: HOME-Eligible Production Underway or Planned

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			
Shuey Knolls Phase IV				S/F	12/30/2011	\$
						\$
						\$
						\$
Unduplicated Total:						\$

II.M. PROGRAM TARGETS

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

Table 3: Client Demographics

Number of <u>Persons</u> by Income Group					
<i>(To be completed for Public Facilities, Public Infrastructure projects only.)</i>					
Year	<30% of median	31-50% of median	51-80% of median	>80% of median	Total
2008/2009 (actual)					

2009/2010 (as now projected)					
2010/2011 (target)					

Number of <u>Households</u> Served, by Income Group					
<i>(To be completed for Emergency Repair, Rehab, New Construction projects only.)</i>					
Year	<30% of median	31-50% of median	51-80% of median	>80% of median	Total
2008/2009 (actual)		8*			
2009/2010 (as now projected)		8	2 up to 60% of medium		
2010/2011 (target)		8	2 up to 60% of medium		

NOTE: * Habitat could have closed 10 homes but 2 were carried over to 2010 because NCHFA funding was not available.

1. Totals must match people/households listed in II K.
2. For existing programs, the total must be consistent with data you submitted for the CAPER.

Table 4: Special Needs Beneficiaries (if applicable)

Category	Number of Persons
Elderly (Over 60)	0
Disabled (not elderly)	0
Homeless	0
People with HIV/AIDS	0

Table 5: CBDG 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 BUDGET

III.A. OPERATING BUDGET:

1. What is your agency's fiscal year? 7 /1/2010 through 6/60/2011 / /
2. Does this program budget cover significant activities outside Asheville? X Yes No

If YES:

- a. Please indicate where activities will be provided:
(list all cities and/or counties this program will serve) Edneyville, NC only
 - b. Please estimate the percentage of program activities provided **in** Asheville: 0 %
3. What is your estimated total agency budget for FY2009? \$

Please complete Attachment A:

Tab Agency Budget

Tab Sources and Uses

Tab Staff Table

Tab Program Income

If you do not use our fiscal year (July 1-June 30) for your budgeting, please amend the column headings

III.B. PROJECT BUDGET

Please complete **Attachment B** for new Rental housing construction projects. NOTE: IF you are developing a tax credit project, please provide a copy of your LIHTC Pro Forma.

Please complete **Attachment C** for new Home Ownership development projects.

If proposing community facility, infrastructure, scattered site housing rehabilitation or emergency repair, please make sure sufficient project detail is provided in the Sources and Uses budget form in **Attachment A**.