

## TOWN OF CARRBORO AHSRF APPLICATION SUMMARY SHEET

**APPLICANT:** EMPOWERMENT, INC.

**PROJECT TYPE:** Acquisition

**AMOUNT REQUESTED:** \$100,000

**TOWN AFFORDABLE HOUSING GOALS ADDRESSED:** 2.1 Increase the number of rental units that are permanently affordable to individuals and families earning less than 60% of AMI.

**PROJECT ADDRESS:** 105 Fidelity Street, White Oak community, Carrboro

**PROJECT SUMMARY:** Acquire one, 2-bedroom, 1.5 bath condominium to place in EMPOWERment's affordable rental program, thus adding one unit to the Town's permanent affordable housing stock. EMPOWERment will lease the unit to a household earning between 31-60% AMI, within 60 days of closing, which is anticipated in June 2022.

The project cost is \$225,000. EMPOWERment is providing \$20,000 and was recommended to be awarded \$105,000 in HOME funds to help acquire the property.

This project is an opportunity to acquire a desirable dwelling unit at below-market value because the sellers wish to contribute to the Town's affordable housing goals.

**POPULATION SERVED:** The unit will be leased to a household earning 31-60% AMI. Within EMPOWERment's rental program, 48% of households are Housing Voucher holders.

**ENVIRONMENTAL IMPACT:** The unit is well-maintained and in good condition. As EMPOWERment manages and maintains the property, energy efficient appliances, fixtures, and materials will be used to extend the life span of the property.

## FUNDING APPLICATION

DATE:

### Section 1: APPLICANT AND PROJECT OVERVIEW

#### A. Applicant Information

Applicant/Organization's Legal Name: EMPOWERment, Inc.

Primary Contact Person and Title: LaTanya Davis, Operations Manager

Applicant/Organization's Physical Address: 109 N. Graham Street, #200, Chapel Hill, NC 27516

Applicant/Organization's Mailing Address: 109 N. Graham Street, #200, Chapel Hill, NC 27516

Telephone Number: 919-967-8779

Email Address: empowermentincnc@gmail.com

#### B. Project Information

Project Name: EMPOWERment Affordable Rental Program: 105 Fidelity Street A-20, Carrboro, NC-Acquisition

Total Project Cost: \$225,000.00

Total Amount of Funds Requested: \$100,000.00

Please specify **which permitted use of funding is being requested** (as listed in Section 2: B.1.):

EMPOWERment is requesting this funding for the acquisition of a townhouse located in the White Oak Community of Carrboro.

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

Signature: 

Executive Director or other Authorized Signatory

3-31-22

Date

## Section 2: PROJECT DESCRIPTION

Please provide a thorough description of the project (by answering the "who," "what," "when," and "where" questions about your project). **Do not assume the reader knows anything about the project.**

### A. "Who"

1. Who is the target population to be served and how will their needs be addressed through this project? If this is a repair or rehabilitation project, please address how the beneficiary meets eligibility requirements and provide substantiation, such as a deed, homeowner insurance policy statement, etc.

In this acquisition, this project will be 100% affordable housing to the most vulnerable populations in Orange County. The target populations to be served will be residents earning 31 to 60% AMI, those residents that rely on Housing Choice vouchers, people with disabilities, people experiencing homeless, veterans, and single female heads of households. All of these groups have been adversely affected by the increasing rental costs in OC and the rise in construction costs being passed down to renters. Through acquiring 105 Fidelity Street # A-20 St, Carrboro EI will be in the unique position to price this unit at below market-rate.

2. Please indicate the income of the beneficiaries (households) to be served through the proposed project. Please see Attachment A for the current income limits for the Durham-Chapel Hill MSA.

**\*This projection is based on past history of EI affordable rentals, however EI did not designate race at this time**

Income Group (Area Median Income)	Number of Beneficiaries	% of Total Beneficiaries
<30% of AMI		
31%-60% of AMI	3	3
61-80% of AMI		
81-100% of AMI		
101-115% of AMI		
TOTAL	3	3

Income Group	Seniors (age 62+)	Children	Disability Present	Asian	Black	Hisp./ Latinx	Mixed Race	Other	White
<30% of AMI									
31%-60% of AMI		2							
61-80% of AMI									
81-100% of AMI									
101-115% of AMI									
TOTAL		2							

**3. Project Staff.** Please provide names of staff, contractors, and/or volunteers that will be involved with the project. Describe their responsibilities with the project and track record in successful completion of similar projects in the past:

**Delores Bailey, Executive Director**

Ms. Bailey will be responsible for the reviewal and signing of contracts and documents in regard to the 105 Fidelity Street A-20, Carrboro acquisition. In the past she has been responsible for the following:

- Managing the construction of six new homes and 22 major rehab projects throughout Orange County during her tenure with EMPOWERment, Inc. (EI).
- Increasing rental inventory from 12 to 64 units, including three manufactured homes during her leadership at EI.
- Overseeing ten acquisitions in the last five years collaborating with the Town of Carrboro (TOC) and Orange County (OC) for these acquisitions.
- Working through the pandemic to complete EI's goals of acquiring two properties for affordable rental housing development in 2020.
- Preparing 20 Year proformas for the acquisition of affordable housing properties.
- Collaborating closely with municipalities, departments, and staff.
- Leading as Executive Director of EI for 20 years overseeing all aspects of the mission.

**La Tanya Davis, Operations Manager**

Ms. Davis will hold the following responsibilities for the acquisition:

- Overseeing for 105 Fidelity Street A-20, Carrboro acquisition.
- Managing timelines, budgets, and communications.
- Managing administrative duties pertaining to the project, i.e., miscellaneous repairs
- Reporting financials to Ms. Bailey.
- Working with maintenance staff and Property Manager for tenant selection.

In the past, Ms. Davis has been responsible for the following:

- Overseeing EI's five most recent acquisitions
- Serving as EI's finance manager and as the rental property manager before being promoted to Operations Manager
- Developing budgets and managing the day- to-day work of rehabilitation for these types of projects
- Providing 17 years of extensive knowledge of EI's tenant base to the project.

**B. "What"**

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

- ☒ Acquisition
- ☐ Pre-development costs
- ☐ Rental subsidy
- ☐ Ownership subsidy
- ☐ New construction for homeownership
- ☐ New construction for rental
- ☐ Rehabilitation for owner-occupied or rental (including urgent repairs - see \*)

- ☐ Land banking
- ☐ Grant to land trust
- ☐ Foreclosure assistance
- ☐ Other (specify):

*\*Starred items requesting no more than \$5,000 or 15% of the existing fund, whichever is lower, do not have to provide performance measures and can apply outside of the funding cycles.*

**2. Project Description.** Please provide a general overview of your project, including what you are planning to produce, how the requested funds will be used and how you are planning to carry out the project. Include how your project meets the criteria of eligible uses.

EMPOWERment, Inc. (EI) is requesting funding needed to acquire the property at 105 Fidelity Street A-20 Carrboro, NC to continue to add to the affordable housing rental stock in Carrboro. EI was awarded funding for the acquisition from HOME for \$105,000 and EI is providing \$20,000 which combined covers 55% of the cost. EI is requesting \$100,000 from the Town of Carrboro (TOC) to cover the remaining 45% of the acquisition cost. EI has created a unique collaboration with the owners of the property, whose wishes are to help increase affordable rental inventory in Carrboro. Once purchased, EI will produce affordable housing for 31 to 60% AMI and other vulnerable populations. EI plans to carry out this plan by partnering with the TOC and OC to reach the affordable housing goals set by both municipalities. The unit is in good condition and should be ready for tenants within 60 days from closing.

### **C. "Where"**

- 1. Project Location.** Please be as specific as possible. 105 Fidelity Street #A-20, Carrboro, NC 27510
- 2. Project Size (if applicable).** Please provide the size of development site:   N/A   acres

Please attach the following:

- ☒ Site map showing lot boundaries, locations of structure(s), and other site features
- ☒ General location map (at least ½ mile radius)

### **D. "When"**

☒ Attach a **detailed** timetable showing when each work task will be completed (e.g., planning; obtaining financial commitments; design; environmental review; bidding; loan closing; key milestones in construction; marketing; final inspection; occupancy; etc.)

### **E. Project Details**

If the questions below are not applicable or the requested information is not currently available, please insert N/A.

#### **1. Property Acquisition.**

- a. Has your agency acquired real property in order to carry out the project, or is property acquisition planned?

This is property acquisition.

- b. Is the property currently occupied? If so, attach a description of your plan to relocate.

The property is currently occupied by the owners who will relocate after the acquisition. There will be no need for relocation plans.

- c. Please attach an appraisal of the property. Attached

## 2. Construction/Rehabilitation Detail.

- a. How many units will be newly constructed? None

- b. How many units will be rehabilitated? None

- c. What is the square footage of each unit? 1017

- d. What is the number of bedrooms in each unit? 2

- e. What is the number of bathrooms in each unit? 1.5

- f. How many units will have full ADA accessibility? 0

- g. Is the proposed project located in Carrboro Town limits, ETJ, or transitional area?

Yes

- h.** Please attach the following:

- ☒ Floor plan(s)
- ☐ Elevation(s)
- ☐ List of Energy Efficiency measures included in the project (if applicable)
- ☐ List of Universal Design principles included in the project (if applicable)

## 3. Design, Affordability, Marketing, and Supportive Services.

- a. Describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, deed restrictions, etc.:

To ensure long-term affordability this rental project will be designated to remain permanently affordable for 99 years. The project will be further subsidizing by offering below market rental rates so that low-income families can be served. Orange County, Town of Carrboro, and EMPOWERment Inc. funds will be fully leveraged to maintain long term affordability. The following documents will ensure long-term affordability of this rental housing unit:

- Deed Restrictions
- Performance Agreement
- Development Agreement

- b. What are the proposed rents (including utility costs) or sales prices for completed units?

\$950.00 to \$1000.00

- c. Explain your agency's process for marketing to ensure an adequate pool of income-eligible renters to buyers:
- EMPOWERment Inc. (EI) has used a successful and proven multi-pronged approach for over twenty years to ensure a pool of income-eligible renters are considered by our Rental Property Management team. This process includes recommendations from the EI HUD Certified Housing Counselors and community partners such as Community Empowerment Fund, Department of Social Services, Family Success Alliance, Interfaith Council (IFC) and local churches. Our first and best marketing tool is current tenants and their testimonials that EI shares with the public. In caring for both tenants and our properties, EI has maintained a vacancy rate of less than 5%. In addition to tenant promotion, when there is a vacant unit, EI's in-house waitlist of eligible individuals is consulted. The vacancy is also marketed through our website at [www.empowermentincnc.org](http://www.empowermentincnc.org). and [NCHousingSearch.org](http://NCHousingSearch.org).
- d. Describe the use of **energy efficient principles**, universal design, and/or materials with extended life span.
- Since this project is an acquisition, these principle energy efficient design elements are not involved in carrying out the project. However, when EI replaces appliances and fixtures, energy efficient materials will be used to extend the life span of the property.
- e. What supportive services, if any, will be provided through this project
- EI supports our tenants through our own Rental Counseling Program. As a HUD approved counseling agency with nationally certified counselors, EI provides support to rental tenants through services such as budget counseling, eviction prevention, and financial literacy. Other supportive services EI provides include:
- Utility supportive fund known as "The MOM Fund"
  - Assistance securing down payments from Orange County's Emergency Housing Assistance (EHA).
  - Community outreach programs.
  - Tenant Association meetings.
  - COVID-19 wellness check-ins.
  - Meal and gift card giveaways.

### Section 3: PERFORMANCE MEASUREMENTS

#### A. Goals and Objectives

*Please complete the following chart with information about the project's goals and objectives.*

Goal/Objective	Measurement
Increase affordable housing inventory	Acquisition of affordable housing rental units.

Provide housing for low to moderate income individuals such as housing choice voucher holders, single female heads of households, veterans, people with disabilities, and the homeless.	By the end of each year, provide housing for new families that fall under these vulnerable populations.
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## **B. Alignment with Town Goals and adopted affordable housing strategies.**

Please explain how the proposed project aligns with the Town Council Goals and adopted affordable housing strategies.

The TOC Affordable Housing Goals and Strategies number 2.1 is to increase the number of rental units that are permanently affordable to individuals and families earning less than 60% of AMI. The acquisition of 105 Fidelity Street #A-20, Carrboro, NC will help reach that goal of providing and maintaining more affordable rental properties in Carrboro, NC. This acquisition further aligns with the Town Council's 2.1 goal in that:

- It is easily accessible to retail, schools, healthcare, and local employers.
- EI welcomes tenants that are voucher holders.
- EI gives priority to applicants who are homeless, veterans, and seniors.
- EI has been providing affordable housing in Orange County since 1996, and continues to be committed to providing affordable, safe and compliant rental units to the underserved populations of Orange County.

## **Section 4: PROJECT BUDGET AND PRO-FORMA**

### **A. Project Budget**

☒ Attach a **detailed project budget** in Excel format showing all sources and uses of funds. Indicate which funds are committed or pending and include the % of committed funds toward this project. Attach funding commitment letters where available or copies of funding applications previously submitted.

☒ Has an appraisal been conducted? If so, please attach.

### **B. Terms of Project Funding**

Please specify the type of funding request for which you are applying:

☒ Grant      ☐ Loan

### **C. Pro-forma (for rental property only)**

☒ If you are developing a property for rent, please attach a 20-year pro-forma showing estimated income, expenses, net operating income, debt service, and cash flow.



## Section 5: ORGANIZATION DESCRIPTION

If you have already provided this information on a previous application in the current fiscal year, you do not need to provide this information again.

### A. Organization

What is your organization's . . .

1. Mission statement?  
EMPOWERment Inc. seeks to empower people and communities to determine their own destinies through affordable housing, community organizing, and grassroots economic development.
2. Incorporation date (Month and Year)? 03/1996
3. Estimated Total Agency Budget for this fiscal year? \$1,097,696.00
4. Total number of agency staff (full time equivalents): 4-Full-Time 1-Part-Time

### B. Organization Track Record and Community Support

Please describe your organization's experience and ability to carry out the proposed project, including:

1. Evidence of coordination of this application with other organizations to complement and/or support the proposed project  
EI's most recent projects in the last three years have been acquisitions and renovations done with the TOC. The projects have been on time and on budget. For this project EI worked closely with the owner of the home and the staff of Carrboro's Housing Department to create this proposed project. EI regularly works with other nonprofits, Town of Carrboro, and Orange County to acquire affordable housing to meet the affordable housing crisis in Orange County. Through our collaboration with these organizations, EI has been able to refer and receive clients, jointly sponsor events, and marshal resources to support the under-served populations.
2. Involvement of intended beneficiaries of the project in the planning process  
EI has involved intended beneficiaries through community outreach meetings. These meetings allow us to receive direct feedback from community members, current and future tenants. Since the COVID-19 pandemic, we have expanded to providing these meetings virtually. We also receive suggestions for walk-ins, normally those in dire need of affordable housing and those on our waiting list. We update the waitlist every six months to keep expecting tenants informed.
3. Past achievements in carrying out similar projects and evidence of successful record of meeting proposed budgets and timetables  
For the last three years the rental inventory increased by an average of two units per year. These acquisitions included properties in the Chapel Hill (Northside & Pine Knolls), Carrboro, and Hillsborough areas. Upon receiving funding for each acquisition, EI followed the projected timelines which kept EI on track to close on time for quick tenant move in. This prevents unintended expenses and allows EI to remain on budget. One specific example of past achievements was the very successful renovation project at Hillmont Apartment at 124 Fidelity Street.
4. Collaborative relationships with other agencies,  
EMPOWERment Inc. has an established track record of collaborative relationships with agencies such as the Department of Social Services, Jackson Center, Community Home Trust, Interfaith

Council, Family Success Alliance, Community Empowerment Fund, and Self-Help. This large network has allowed EI to help place qualified residents in affordable rental units. EMPOWERment has partnerships with local churches and other faith-based organizations to provide temporary financial assistance to residents in need. EI also collaborated with the Emergency Housing Assistant to provide a virtual information session to over 84 community members to inform them about the COVI-19 related emergency housing fund.

5. Plans to develop linkages with other programs and projects to coordinate activities so solutions are holistic and comprehensive

EMPOWERment Inc.'s mission is holistic in that it not only seeks to promote affordable housing, but also to support the communities, school systems, and the places of employment where the heads-of-households and their families live. EMPOWERment has worked with the area police and fire departments, and school system to bring resources to the communities we serve. EI also involved the police department in Community Outreach meetings where they regularly attended to provide comprehensive insight and solutions to community issues. EI led volunteer events such as The Community Beautification Project to renovate and landscape EI's rentals. EI works with UNC Students and administrators to address the needs of underserved individuals in our community through program assistance and information sharing. EI has also sought to address not only long term but short-term housing and financial needs of the community through the establishment of the M.O.M utility fund in 2017 thanks to funding from supporters, local non-profits, and churches. This fund has helped over 400 families by aiding with utility payments when they are experiencing financial hardships. EI continues to partner with The Partnership to End Homelessness to transition homeless individuals into permanent housing through "home sharing" as housemates when possible.

6. Any other features relating to organization capacity that you consider relevant, (i.e. property management experience, including accepting Section 8 Vouchers, etc.).

EI's is the only nonprofit in OC that has managed affordable rentals for over twenty years. EI's property management team consists of real estate brokers who bring expertise to research possible affordable rental acquisitions. In 2021, EI's Affordable Rental Program has successfully served 64 households; of those, 48% are Housing Choice vouchers holders. The remaining 52% of our units are subsidized with below market monthly rentals.

## Section 6: 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 Town of Carrboro  
YES ☐ NO ☐
- b) Members of or closely related to members of the governing bodies of Carrboro?  
YES ☐ NO ☐
- c) Current beneficiaries of the project/program for which funds are requested?

YES ☐ NO ☐

d) Paid providers of goods or services to the program or having other financial interest in the program?

YES ☐ NO ☐

If you have answered YES to any question, **please explain below**. 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.