



January 20, 2017

Mr. Nate Broman-Fulks  
 Assistant to the Town Manager  
 Town of Carrboro  
 301 W. Main St.  
 Carrboro, NC 27510

Dear Nate:

CASA is pleased to submit this request to the Town of Carrboro for land banking funds to support our development at Merritt Mill West. This development of 16 newly constructed units will be the single largest new construction project CASA has undertaken in our 25 year history.

We are grateful to the Town for your consideration of this request and for your commitment to affordable housing. We look forward to partnering to create 16 brand new homes for individuals who need, as we all do, the safety and stability of a permanent address.

### **Project Description**

CASA is proposing to build a 16-unit development on Merritt Mill Road in Carrboro, and we are requesting \$357,208 from the Town of Carrboro's Affordable Housing Fund to pay for the 2.14 acres of land we are purchasing (2 adjacent lots, 802 and 806 S Merritt Mill Road). This development will create 16 permanent homes for members of our community who have critical housing needs – people with disabilities, those who are homeless and living in a tent, motel or a van, veterans who have a housing voucher but can't find a landlord who will accept it. People who know the sting of hearing "our waiting list is closed", "nothing is available", "our shelter is full."

Specifically, all units will be for households earning less than 50% of AMI with a priority for people who are homeless and/or who have disabilities. Rents will be 30% of a tenant's income. CASA will accept all types of rental subsidies. We are estimating rents for households without a housing voucher at \$150 per month, and for those with a housing voucher \$637. Utilities (electric and water) are estimated at an additional \$137 monthly cost for a one bedroom apartment.



CASA intends to begin the CUP process with Town of Carrboro Planning staff in early 2017, with the hope of undertaking construction in 2018 and project completion in 2019. Our preliminary site plan includes one 16-unit building of 1-bedroom, 1-bath apartments with associated parking.

Along with Merritt Mill West, CASA will be developing a 12-unit permanently affordable development on the Chapel Hill side of the parcel, known as Merritt Mill East, serving a similar population, likely with a focus on families.

The location of these developments are ideal. This site is 0.7 miles from downtown Carrboro, a little over 1 mile to downtown Chapel Hill, and 1.5 miles to UNC Hospital. Tenants will be right around the corner from stores and employment opportunities at the new South Green development. Around the other corner, Chapel Hill - Carrboro City Schools recently announced plans to redevelop the Lincoln Center into a bigger education campus, including a pre-K program, expanded Phoenix Academy High School, and possibly a community health clinic.

### **Our Request**

We understand \$357,208 is an extremely significant request to the Town. We are grateful to have secured this land during a unique time for Carrboro in which you do have funds available to provide such significant support, but we are not taking that support for granted. Our total estimated development costs are nearly \$2.2 million and we're asking Carrboro for approximately 16% of that. Put another way, for every Carrboro dollar invested in Merritt Mill West, more than 5 dollars will be invested in Carrboro by other funders. We are seeking those leveraged funds from Orange County, the NC Housing Finance Agency, Federal Home Loan Bank, and community, corporate and foundation supporters. The balance will be financed through one of our banking partners.

We are making our request to Carrboro first to ask you to be our “keystone funder” – the strong center that brings together everyone else we need to make the project happen. We know from experience that a strong commitment of local dollars is critical to getting the commitments we need from others.

As we recognize that we need to obtain a Conditional Use Permit, we understand a commitment made by the Town for this funding will be a conditional commitment, pending final land-use approval.

### **Discussion of how the project meets the criteria of eligible uses and eligible beneficiaries**

This project furthers the Town's Affordable Housing Goal 2.1: “Increase number of rental units that are permanently affordable to individuals and families earning less than 60% of AMI. 2024 goal is to have 470 affordable rental units. In 2014 there were 349 affordable rental units. This is an average annual increase of 12 units.”

This project meets the eligible use C: “To assist in the purchase of land for conveyance to nonprofit affordable housing agencies. (Land Banking)”

### ***Who are the beneficiaries?***

All units will be for households earning less than 50% of AMI with a priority for people who are homeless and/or who have disabilities. CASA has an Applicant Pool of over 300 eligible households in Orange County. The



most recent Point-in-Time Count data available (2015) of persons who are homeless in Orange County found 129 people, 19 of whom were children.

Many applicants in CASA's applicant pool are already connected to services through a government or nonprofit agency. For tenants with disabilities who are not, support services will be offered through Cardinal Innovation's network of approved behavioral health agencies. These agencies refer clients to CASA for housing by completing a rental application and providing the needed support services. CASA requests a signed Supportive Housing Referral Agreement with each application. The role of the Agreement is to ensure the applicant/tenant has access to community resources and has the support to live successfully in their permanent housing and avoid a return to homelessness. The Agreement details the expectations CASA has for what support the referring agency should provide for the tenant prior to move in, and what ongoing support should be provided during the tenant's residency in a CASA apartment.

## **About CASA**

When CASA was created nearly 25 years ago, our express direction was to develop, own and manage rental property specifically financed for and programmatically designed to serve persons with disabilities. These persons with disabilities were disproportionately represented within the homeless community and were, and unfortunately still are, among the poorest of our neighbors. CASA's mission has grown over the years to include other households in need of high-quality, affordable rental housing including veterans and working families. CASA currently owns and operates 30 units of affordable rental housing in Carrboro: the Club Nova Apartments downtown, 3 condos in Collins Crossing, and three small units off of Hillsborough Street.

CASA's approach has always been a Housing First model – we see day in and day out the power of a permanent home to provide stability, dignity, and safety to individuals and families with complex challenges. Getting a job, accessing health care, keeping in contact with a service provider, maintaining family stability – all of these things can be next to impossible when one is homeless or at imminent risk. All are made much more achievable when one has a door to lock, a bed to sleep in, and a home address.

I want to highlight some of CASA's particularly relevant experiences and qualifications to undertake this new construction project in Carrboro:

### ***Mission and Focus***

- CASA has developed, owns and manages over 400 apartments throughout the Triangle, of which 318 are permanent supportive housing. Even as we grow and develop larger communities incorporating workforce housing, our goal continues to be to leverage those higher rents to support the inclusion of permanent supportive housing units.
- In 2016, CASA celebrated the grand opening of 12 newly constructed apartments in Durham, all permanent supportive housing. This project was the second phase of an apartment community specifically for veterans with disabilities. It was completed under budget and was fully pre-leased over a month ahead of opening.

### ***Real Estate Development Experience***

- CASA is a Community Housing Development Organization (CHDO) and we have a full-time Housing



Developer on staff. We are experienced in real estate development processes and activities in a variety of municipalities. Our Housing Developer, CFO and CEO have many years of experience successfully developing rental housing, including all the activities involved with that including but not limited to: buying and selling property, rezoning, site plan approval, board of adjustment approval, new construction, substantial rehabilitation, hiring and overseeing architects, civil engineers, general contractors, coordinating environmental reviews, and obtaining a wide variety of construction and permanent financing.

### *Financial Stability*

- In the past 10 years alone, CASA has developed 299 units of housing utilizing a spectrum of funding sources exceeding \$24 million. These include the development of 10 units of PSH in Chapel Hill at Pritchard Avenue Apartments, 5 blighted and abandoned duplexes that we redeveloped into permanent homes for persons with disabilities. In addition, we've partnered with a for-profit LIHTC developer on 124 tax credit units in 2 projects. As a small and nimble private non-profit, we can put in place creative financing and utilize any number of funding sources to achieve our development goals, including private philanthropy.
- CASA is a responsible steward of the funds we receive and the properties we own. Over the last 20 years we have preserved 76 apartments, including all 30 of CASA's Carrboro units, that were developed by other non-profits and were at risk of being lost to those communities. CASA understands what is necessary for a property to be well maintained and to be able to meet its operating expenses. We budget for and fund annually necessary replacement reserves for every property, and we maintain \$450,000 of operating reserves, designated by our Board, to cover staff, overhead and operations in the event of a significant set-back. Because of our proven track record and financial stability, we are able to attract federal, state and private funding for our projects.

### *Our Supportive Housing Model*

- CASA provides comprehensive and compassionate property management. Our Leasing Team consists of our Housing Director, Arnetta Adams-Brown, 4 Leasing Specialists and a Leasing Administrator. They accomplish all components of leasing our units, and do so with a specialized knowledge of tenants' rights, fair housing laws, and the special needs of people with disabilities.
- CASA provides 24-hour on-call maintenance performed by our Maintenance Team, which currently consists of our Facilities Director, Neil Ritter, 4 full-time and 1 part-time Maintenance Technicians, and 1 full-time Landscape Manager. Along with comprehensive maintenance services including building renovations, routine work-order repairs and preventive maintenance, staff conduct monthly indoor safety inspections of all units.
- Unique to CASA's approach is that our goal for every tenant is that they never become homeless again. We put this goal into action through proactive and compassionate property management in partnership with each tenant's Service Provider. We request that every tenant identify a Service Provider when they submit their application for PSH. The vast majority do. The Service Provider equips CASA with an additional intervention opportunity when a tenant may be experiencing a financial or behavioral health issue that is jeopardizing their housing. CASA meets routinely with tenants and their Service Providers when problems arise to coach and support tenants to make better choices in their housing and be better neighbors. The goal is to have sufficient communication and intervention early on when an issue arises, before it becomes a crisis.



- We have an Orange County applicant pool of over 300 households who have met the initial eligibility threshold for CASA's permanent supportive housing. When a CASA apartment becomes available, the full applicant pool is searched for matching applicants who are invited to complete Part II of the application process. Using this streamlined process to identify eligible tenants, we are able to maintain a 2% or lower vacancy rate.
- CASA involves the persons we serve in project planning by conducting an annual tenant survey. Additionally we typically have a member on our Board of Directors who has experienced homelessness; we are currently working to fill a vacancy in that role.

### *Housing Subsidies*

We accept a variety of housing subsidies and effectively coordinate with multiple organizations in order to provide affordable housing for our tenants.

- Section 8 vouchers from Orange, Durham, Raleigh and Wake Housing Authorities
- Shelter Plus Care subsidies from Wake County and Cardinal Behavioral Health
- VASH vouchers in partnership with Durham VAMC and Durham and Wake Housing Authorities
- Key Subsidies through the NCHFA
- HUD-811 Housing Assistance Payments (HAP)
- Various short term assistance payments from the faith community, Alliance BHC, and service providers

### *Coordination and Collaboration*

- CASA has been an active member of the Orange County Partnership to End Homelessness, with our COO Mary Jean Seyda serving as a past Chair, as well as an active member of the OC Affordable Housing Coalition. Additionally, CASA has been involved in the creation of the Chapel Hill Housing Strategy and the Rental Housing Strategy, and Mary Jean currently serves on Chapel Hill's Affordable Housing Advisory Board.
- CASA's 30 units in Carrboro house persons receiving services and assistance through a variety of community partners including Cardinal Innovations, the UNC Center for Excellence in Mental Health, Community Empowerment Fund, Housing for New Hope, and the IFC.

Please see our Development History (attached) and our Capacity/Qualifications (attached).

Thank you for your consideration.

Sincerely,



Debra K. King  
CEO

