

APPLICATION FOR FUNDING FOR CONSTRUCTION PROGRAMS

Town of Chapel Hill CDBG Program

Orange County HOME Program

Town of Chapel Hill Affordable Housing Development Reserve

Section 1: APPLICANT AND PROJECT OVERVIEW

A. Applicant Information

Applicant Organization's Legal Name: Housing for New Hope, Inc.

Primary Contact Person and Title: Gretchen Senéz, Executive Director

Applicant Organization's Physical Address: 18 W. Colony Place Suite 250, Durham, NC 27705

Applicant Organization's Mailing Address: 18 W. Colony Place Suite 250, Durham, NC 27705

Telephone Number: 919-489-6282

Fax Number: 919-489-6593

Email Address: Gretchen@housingfornewhope.org

DUNS Number: 833118599

(Dun & Bradstreet, Inc. provides this number at no charge, and it is required for Federal funding recipients.)

B. Project Information

Project Name: Housing Support Program

Total Project Cost: \$279,367

Total Amount of Funds Requested: \$99,420

Please specify the **type** and **amount** of funding requested: (Note: If applying for funding from multiple sources, please indicate the amount requested from each source.)

CDBG: \$_____

HOME: \$_____

AHDR: \$99,420

Proposed Use of Funds Requested (provide a concise description of proposed project): Affordable Housing Development Reserve funding will provide Rapid Rehousing, tenant-based rental assistance, tenancy support, and community resource database management, all of which will facilitate the identification and obtainment of affordable housing for Chapel Hill's low-income homeless individuals and families.

To the best of my knowledge and belief 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:  _____
Board Chairperson/Department Head

4/23/15 _____
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. Project Name

1. Please provide the name of your project. Housing for Hope's Housing Support Program

B. "Who"

1. Client Group. Who is the targeted client group, and what are their needs? What objective data can you provide in evidence of these needs?

The targeted client group is homeless households who have not been able to maintain suitable, affordable housing in Chapel Hill. Our resources would target households with an income of 0-60% area median income. Needs of this client group include outreach & support, obtaining and maintaining permanent housing, access to healthcare, stable income, and other necessities.

The evidence of this need is provided by the Point-in-Time Count. In 2015, 129 literally homeless individuals were counted in Orange County. Of the 129, 109 were in transitional housing or emergency shelter. The client assistance and case management provided by the HNH Housing Support Program provides the "back-door," for individuals and families exiting transitional housing and emergency shelter to permanent affordable housing.

2. 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. Please see **Attachment 2** for the current income limits for the Durham-Chapel Hill MSA.

Note: Activities may benefit individuals and/or geographic areas. You may fill out one or more of these tables, as appropriate.

Income Group*	Number of Beneficiaries
<30% of the Area Median Income (AMI)	4
31%-50% of AMI	16
51-80% of AMI	0
>80% of AMI	0
TOTAL	20

** The AHDR Funding will provide enhanced client assistance for 10 of the 20 families served annually in HNH's Housing Support Program

Special Needs Beneficiaries (if applicable)	
Category	Number of Beneficiaries
<i>Elderly (over 60)</i>	2
<i>Disabled (not elderly)</i>	2
<i>Homeless</i>	20
<i>People with HIV/AIDS</i>	0
TOTAL	20

**** The AHDR Funding will provide enhanced client assistance for 10 of the 20 families served annually in HNH's Housing Support Program**

CDBG Area Benefit Activities (Infrastructure and Public Facilities)*				
Street	Census Tract	Block Group	Total Persons	#LMI Persons

N/A

* If your agency has any questions about these designations, please contact the Town or County staff.

PROJECT DESCRIPTION CONTINUED

B. "Who" (continued)

3. Project Staff. Please provide names of staff, contractors, and/or volunteers that will be involved with the project and describe their responsibilities with the project. (Optional: Attach resumes and/or job descriptions):

HNH's Housing Support Program intends to use the requested resources to fund 1.5 FTE's, including **1 Care Manager/Housing Locator and a Housing Specialist**. We are currently recruiting for the Care Manager/Housing Locator and should the project be funded, **Michael Kelly** would assume the **Housing Specialist Position**.

The HNH's Housing Support Program's team will be comprised of 4 employees, including 1 Care Manager/Housing Locator, 1 Case Manager, 1 Housing Specialist and a 1 .5 peer advocate.

The **Housing Support Care Manager/Housing Locator** will continue to work with the staff of **Community Empowerment Fund (CEF)** and all community providers to facilitate linkages for those in need to services in the community and to our Housing Specialist for support in obtaining and maintaining housing. The Care Manager will be an integral part of providing support to individuals currently facing challenging behavioral health and/or substance abuse conditions. This program will expand upon our current partnership with CEF and the **Care Manager/Housing Locator** will serve as a resource to **CEF** which acts as a gateway for members to access critical resources and service to advance personal employment, housing, financial literacy and health goals.

The **Housing Specialist** will provide services to individuals and families who are currently experiencing homelessness, with housing location, financial assistance, and case management in order to obtain and

retain housing. This position will be able to build upon our agency's established capacity to rehouse individuals and families in suitable and affordable units as quickly as possible, often within 30 days. This position will also provide tenancy support to the 8 permanent supportive housing units that we are acquiring from UNC. Michael Kelly has been instrumental in placing the tenants in those units and his established relationship will be helpful in maintaining occupancy.

Both the **Care Manager/Housing Locator** and **Housing Specialist** will expand upon our existing relationships with landlords in the community and work to ensure that a comprehensive list of affordable housing options is maintained and available to the entire community.

Housing for New Hope has a robust base of volunteers who we engage on a regular basis in Durham. Last year, we had 3,200 hours of volunteer services from 13 businesses, 8 churches, 7 schools and 2 civic groups. The limitations of our current office space in Chapel Hill have limited our ability to expand our volunteer program into Chapel Hill. We are confident that with expanded programming and with our offices located in the space being vacated by CEF, we will be able to expand our use of volunteers in Chapel Hill.

Gretchen Senéz, Executive Director will provide oversight, administration and supervision of the Orange County team.

C. "What"

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

- Acquisition (for rental or homeownership)
- Predevelopment costs
- Infrastructure/site improvements
- New construction for homeownership (HOME or AHDR only)
- New construction for rental (HOME or AHDR only)
- Public facility or improvement (CDBG only)
- Commercial property construction/rehabilitation (CDBG or AHDR only)
- Owner-occupied rehabilitation
- Rental rehabilitation
- Emergency shelter
- Transitional housing
- Supportive housing
- Security and utility connection fee assistance (AHDR only)
- Rental subsidy (AHDR only)
- New or redeveloped rental housing (AHDR only)
- Second Mortgage Assistance Program (AHDR only)
- Community engagement programs to support future development planning (AHDR only)
- Other (specify): Negotiations with landlords to increase stock of affordable housing and Support Services

2. Project Description. Please provide a general overview of your project, including what you are planning to produce and how you are planning to carrying out the project.

Housing for New Hope (HNN), works to prevent and end homelessness for individuals and families in Orange County. The **HNN's Housing Support Program** regularly searches the streets of Orange County, Chapel Hill, and Carrboro. Utilizing their unique knowledge of homelessness in the area and the trust they have established with the homeless population, they are able to efficiently and effectively search the community to find those in need. This search takes them to places such as highway underpasses, condemned buildings, vacant homes and in-site at other homeless service providers. HNN staff members also maintain relationships with other local homeless service providers in order to receive referrals and conduct outreach at locations such as homeless shelters and community kitchens. It is our goal to ensure that our services are available to everyone who may benefit.

Once engaged through outreach or referral, the program would use AHDR and HOME funds to provide low and very low-income (0-60% AMI) homeless households with direct rent, deposit, and utility assistance so that they may obtain and retain affordable rental housing. Our strategy is an iteration of rapid rehousing, which is an evidence based and nationally recognized model of services that minimizes the impact of homelessness while maximizing the community's financial investment. The success of any re-housing effort depends on the ongoing case management provided to the tenants. Over the last 2 years, the HNN Rapid Rehousing Program in Durham has served 369 individuals, added 117 units of affordable with 35 different landlords; program participants paid rents 33%-54% below the fair market rent. The landlords engaged through our program provide a valuable community resource for anyone in the community in need of affordable housing. As a result, our program serves as a valuable resource for anyone in need of affordable housing.

There are four primary goals of the program:

1. Help participants identify, obtain, and retain decent, safe, sanitary, and affordable housing
2. The development of affordable housing stock through connections with landlords in the community who are willing to lease to someone with a barrier to housing, a housing voucher or an economic need for affordable rental rates below the fair market rent
3. Assist participants to obtain/maintain income and/or reduce expenses and live as independently as possible
4. Ongoing management of the Connect Database created by CEF to provide valuable information for services providers and the general community on resources available

In order to achieve **goal #1**, Housing for New Hope staff works with clients to overcome many barriers that would discourage a typical landlord from renting a unit to them, including:

- Low to no income
- Lack of savings required for the up-front costs required for rental housing such as the security deposit
- Multiple evictions or lack of rental history
- Criminal history

After suitable housing is obtained, it is critical that the household have access to a case manager to support them as they work towards housing stability. Research and our agency's experience demonstrates that a period of ongoing support services (3-6 months) has a significant impact on the ability of the household to maintain housing. Our current program has achieved a rate of over 98% of housing stability. Contingency funds are also used to pay for rental and utility deposits, temporary rental assistance, housing application fees, furnishings, household goods, and some minimal food and clothing purchases. The staff also utilizes Housing for New Hope's existing network of volunteers and in-kind donors to provide social support and home furnishings.

Goal #2 would be accomplished through the identification, education and negotiation with landlords/property managers, and developers. Our comprehensive approach of supporting the landlords includes a thorough monthly follow-up concerning rent payments, budget development with each households that insures a credit with the landlord once our financial assistance has been expended, and the support of our staff, if necessary to intervene and to support he landlord with any issues. We also work with landlords/property managers to ensure that the units are maintained and suitable for the household.

We would work with each household on **goal #3** to increase income; we would assist with job searches and make referrals to community SOAR workers who can assist a household with the pursuit of disability, support them in applying for a housing voucher to reduce their housing costs and all other benefits based on their eligibility. Michael Kelly is currently receiving 2-3 referrals from CEF each month. His **case-load has increased steadily** since November 2014, from **29 to 45 households**.

We would be expanding our existing partnership with CEF to accomplish **goal #4**. We would contribute the financial assistance necessary for them to expand and maintain their community resource database.

D. "Where"

1. Project Location. Please be as specific as possible.

Housing for New Hope's Orange County office is currently located at University Methodist Church, 150 East Franklin Street Chapel Hill, NC 27514, we also spend time at the CEF offices for the mutual support of those in need. This grant would allow us to expand into the space currently occupied by CEF at 133 E Franklin Street as they move into the new location. We feel this move would ease the transition of those in need who access services in the current space while allowing us to support those needs. CEF staff would be available on as needed basis. Similarly, we are committed to supporting their new space through a shared space agreement.

Though a physical office is a necessity, our staff seek out homeless individuals where they reside on the street, in the woods, in abandoned homes or shelters. Once clients are identified and enrolled, the program will place clients in scatted-site rental units throughout Orange County. Locations will be chosen based on availability, quality, affordability, and ability to meet clients' housing needs.

2. Project Size. Please provide the size of development site: _____ acres **N/A**

Please attach the following: **N/A**

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

PROJECT DESCRIPTION CONTINUED

E. “When”

- Attach a **detailed and realistic** 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.) **(Please See Below)**

As this application is for an expansion of our current work in Chapel Hill, we are actively engaged in the work and would therefore offer the community a seamless transition into the expansion once the award is made. This award would also allow us to dedicate resources immediately to increase landlord engagement and to maintain the Connect Database. Given HNH’s experience administering Rapid Rehousing in Durham and similar services in Orange County, the proposed program would be ready to begin locating appropriate housing and administering rental assistance as soon as the first eligible and appropriate household is identified and enrolled, which we anticipate would take less than **60 days**. Our experience and research also tells us that we would be able to expend the full amount of direct client rental assistance within the 365 days of receiving the award. For the additional staff required, we would work on an aggressive time table to ensure that the staff was chosen, trained and working to accomplish the stated project goals within **90 days** of the award.

- a. For AHDR projects:
Projects will be evaluated and scored based on the timetable included in the application and the performance agreement will outline the agreed upon dates for use of funds and project completion.
- b. CDBG funded projects For CDBG-funded projects:
For large-scale projects receiving funding for infrastructure/site improvements, your timetable should reflect an expectation of completing construction by December 2017.
- c. For HOME-funded projects:
The project must be completed by June 2020.

F. Project Details

Please provide the information requested below (please add additional lines where necessary). If the question is not applicable or no information is available, insert N/A.

2. Property Acquisition.

- a. Has your agency acquired real property in order to carry out the project, or is property acquisition planned? N/A
- b. Has the property owner been informed of your intention to use federal funds for this project? If so, attach letter. (Sample property acquisition letters are available from Town or County staff.) N/A
- c. Is the property currently occupied? If so, attach a description of your plan to relocate tenants in accordance with the Uniform Relocation Act. (Contact Town or County staff if your agency has questions about the URA.) N/A

3. Construction Detail.

- a. How many units will be newly constructed? N/A
- b. How many units will be rehabilitated? N/A
- c. What is the square footage of each unit? N/A

PROJECT DESCRIPTION CONTINUED

F. Project Details (continued)

3. Construction Details (continued)

- d. What is the number of bedrooms in each unit? N/A
- e. What is the number of bathrooms in each unit? N/A
- f. Will the project participate in an energy efficiency program (e.g. Energy Star)? N/A
 - i. If yes, please provide the details: _____
- g. How many units will have full ADA accessibility? **As required by the tenant**
 - i. Please provide details: _____
- h. For rehabilitation projects, describe your lead-based paint abatement plan for property built before 1978: N/A
- i. How many households will have direct access to improved infrastructure? N/A
 - i. Please describe: _____
- j. Is the proposed project located in a Neighborhood Conservation District? (Neighborhood Conservation Districts apply only to projects located in Chapel Hill.) N/A

- i. If yes, is your agency fully informed of the Neighborhood Conservation District guidelines? (For more information about the Neighborhood Conservation District guidelines, please contact Town staff.) N/A

k. Please attach the following: N/A

- Floor plan(s)
 Elevation(s)

4. 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.:

Our comprehensive approach of supporting the landlords includes a thorough monthly follow-up concerning rent payments, budget development with each households that insures a credit with the landlord once our financial assistance has been expended, and the support of our staff, if necessary to intervene and to support he landlord with any issues; has allowed us to develop a positive reputation and the ability to expand our affordable housing options for the community. We will strive to ensure that the landlords working with our program are engaged and satisfied, so that they will be motivated to continue to provide affordable units of housing to those in need in Chapel Hill.

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

N/A

- c. Explain your agency's process for marketing to ensure an adequate pool of income-eligible renters to buyers:

HNH staff will work with CEF and other community providers to ensure that eligible households are educated about the program and the services we are able to provide so that those in need will be engaged as potential renters.

- d. If supportive services will be coordinated with the project, please describe these:

Housing for New Hope staff works with clients to overcome many barriers that would discourage a typical landlord from renting a unit to them, including:

- Low to no income
- Lack of savings required for the up-front costs required for rental housing such as the security deposit
- Multiple evictions or lack of rental history
- Criminal history

After housing is obtained, it is critical that the household have access to a case manager to support them as they work towards housing stability. Research and our agency's experience demonstrates that a period of ongoing support services (3-6 months) has a significant impact on the ability of the household to maintain housing.

Section 3: PERFORMANCE MEASUREMENTS

A. Goals and Objectives

Please complete the following chart with information about the project's goals and objectives. Also, please provide information on how these goals and objectives will be measured. **Be as detailed and specific as possible.**

Goal/Objective	Measurement Tool
<i>Ex: Provide housing for low- to moderate-income households.</i>	<i>Ex: By 2016, build ten units that are affordable to low- to moderate-income households.</i>
Help participants identify, obtain, and retain decent, safe, sanitary, and affordable housing	Within one year, 20 households will be successfully housed with a 80% rate of sustainability * The AHDR Funding will provide enhanced client assistance for 10 of the 20 families served in the program
The development of affordable housing stock through connections with landlords in the community who are willing to lease to someone with a barrier to housing, a housing voucher or an economic need for affordable rental rates below the fair market rent	Within one year, we will have partnerships with 12 landlords/property managers who are willing to participate in our program
Assist participants to obtain/maintain income and/or reduce expenses and live as independently as possible	50% of the households would obtain/maintain income and/or reduce expenses through the attainment of non-case benefits, housing vouchers or other resources
The management of the Connect Database created by CEF to provide valuable information for services providers and the general community on resources available	The database will contain regular updates and expansions as new information is available. Updates will be verified through time stamped user log reports

****Objectives identified above represent the annual objectives of the entire HNH's Housing Support Program**

B. Compliance with National Objectives

If your agency is applying for CDBG funds, address which National Objective your project will be meeting. (An overview of the CDBG National Objectives can be found in Attachment 1.) N/A

C. Alignment with Town Council Goals and adopted affordable housing strategies.

If your agency is applying for AHDR funds, explain how the proposed project aligns with the Town Council Goals and adopted affordable housing strategies.

Housing for New Hope's **Housing Support Program** addresses Goal 1 –Decent and Affordable Housing for Lower-Income Households through advocacy and relationships with landlords/property managers in the community. Our efforts in Durham have resulted in an **additional 117 units of affordable housing with 35 different landlords**, whereby program participants paid rents **33%-54% below the fair market rent**.

Goal 2 –Provide Housing and Services for Populations with Special Needs will be addressed through our management of 8 units of **permanent supportive housing** that we are in the process of transferring from UNC, our **street outreach efforts**, expansion of our **volunteer program** and our continued effort to provide **TBRA** support to those in need.

Goal 3 – Increase Capacity and Expand the Scope of Public Services will continue to be addressed through the expansion of our existing partnerships with community and public agencies, as well as with the expanded visibility the public and centrally located new office space on Franklin Street will offer.

Section 4: PROJECT BUDGET AND PRO-FORMA

Please note that this section must be completed in order to ensure review.

A. Project Budget

Attach a **detailed project budget** showing all sources and uses of funds. Attach funding commitment letters where available or copies of funding applications you have submitted.

B. Terms of Project Funding

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

CDBG: Grant Loan

HOME: Grant Loan

AHDR: Grant Loan

If applicable, please provide details about the nature of your funding request:

***With the proposed project framework, we have expect the resources to be allocated as follows**

Expense Category	Request
Support Staff (1.5 FTE)	\$73,380
Direct Client Assistance	\$13,500
Office Space	\$7,200
Admin	\$2,840
Connect Database	\$2,500
Total	\$99,420

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. **N/A**

Section 5: AGENCY DESCRIPTION

If you have not received CDBG or HOME funding in the past three (3) years, please provide the following information. Agencies and member governments that have been funded in the past three (3) years and member governments carrying out projects entirely with their own staff may omit this section.

If your organization has received CDBG or HOME funding in the last three (3) years and is omitting this section, please check this box:

A. Organization

What is your organization's . . .

1. Mission statement? _____
2. Incorporation date (Month and Year)? _____
3. Estimated Total Agency Budget for FY 2014-2015? \$ _____
4. Total number of agency staff (full time equivalents): _____

B. Agency Track Record

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

- involvement of intended beneficiaries of the project in the planning process
- past achievements in carrying out similar projects
- experience of key staff
- collaborative relationships with other agencies,
- plans to develop linkages with other programs and projects to coordinate activities so solutions are holistic and comprehensive

- any other features relating to agency capacity that you consider relevant. _____

C. Board of Directors

1. How many Board Members should your organization have according to your by-laws? _____
2. How many Board Members does your organization actually have at this date? _____
3. How often does the Board meet? _____
4. What was the actual attendance at each of the last three regular Board meetings? _____
5. Have you failed to reach a quorum at any Board meetings in the last 12 months? _____
6. What efforts do you make to ensure that your Board represents the community it serves?

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 Chapel Hill, Orange County, Carrboro, or Hillsborough? YES NO
- b) Members of or closely related to members of the governing bodies of Chapel Hill, Carrboro, Hillsborough, or Orange County? 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 provide a full explanation 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. N/A