

**Buncombe County FY2019 Strategic Partnership Grants
Application Summary Sheet**

Project	Homeowner Services
Organization	Asheville Area Habitat for Humanity

Amount Requested	\$140,000	Strategic Priority or Sustainability Goal	Affordable Housing
New or Renewal Request	Renewal	Area Served	Districts 1, 2 & 3

Organization Description	<ul style="list-style-type: none"> Asheville Area Habitat for Humanity (AAHH) is dedicated to eliminating substandard housing locally and worldwide through constructing, rehabilitating, and preserving homes; by advocating for fair and just housing policies; and by providing training and access to resources to help families improve their shelter conditions. Since 1983, AAHH has built and sold over 310 safe, affordable homes to homebuyers earning 30-70% AMI by serving as not only the mortgage originator and underwriter of 0%-interest 30-year mortgages but also a provider of programs. Homebuyers complete a minimum of 200 hours of "sweat equity" overseen by AAHH staff, including 60 hours of Homebuyer Education.
Key Steps	<ul style="list-style-type: none"> Homeowner Services staff will conduct outreach to inform low and very-low income individuals about the Homeownership Program. Homeowner Services staff will receive and review applications for homeownership and will identify and qualify new homeowners. Homebuyers will complete 200 hours of "sweat equity" which will include construction of their new home (if health allows - other volunteer opportunities can be made available) and required homeowner education coursework. Construction staff will build 12-15 new, affordable homes by fiscal year-end
People Served	<ul style="list-style-type: none"> AAHH targets individuals and families currently living in cost-burdened, over-crowded, temporary, or sub-standard housing conditions, who have lived or worked in Buncombe County for at least one year, and who earn 70% of AMI or less to purchase affordable homes through 0%-interest mortgages.
Outcomes	<ul style="list-style-type: none"> 12-15 households will: Receive underwriting and assessment to be qualified for a 0% interest mortgage; Gain knowledge in money management, homebuying/maintenance, and more; Each homebuyer completing the 60 hours of homeowner education will receive a certificate of completion before closing on their home; Purchase and move into new, affordable, energy- and location-efficient homes; Each house will receive a Certificate of Occupancy and 3rd party certification of energy-efficiency standards, and each homeowner will close on their home and move in.

Budget			
Amount Funded FY2018	\$70,000	Increase Request	\$70,000
Administrative Budget	12% (from 2016 IRS Form 990)	Total Organization Budget	\$5,832,153 (projected FY2019)
Other Funding Sources: Grants, Private donations, Government funding, ReStore, Sales of houses, Amortization of mortgage discount, Other income, Rental income			

Strengths
Project design is evidence based, replicating a structured model, and/or best practice
Strong implementation plan
Diverse/Balanced funding sources

AAHH Homeowner Services

FY2019 Strategic Partnership Grants

Asheville Area Habitat for Humanity

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Application Form

Question Group

Project Name*

Name of Project.

AAHH Homeowner Services

Amount Requested*

\$140,000.00

PROJECT NARRATIVE

Area Served*

Which areas of the County will be served by this project? Which Commissioner District(s) will be served?

A Buncombe County Commissioner district map is available at [THIS LINK](#).

- District 1
- District 2
- District 3

Organization Description*

Tell us about your organization. What is your mission? Highlight two or three key facts and accomplishments that best define your organization.

Asheville Area Habitat for Humanity (AAHH) is dedicated to eliminating substandard housing locally and worldwide through constructing, rehabilitating, and preserving homes; by advocating for fair and just housing policies; and by providing training and access to resources to help families improve their shelter conditions. Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities, and hope. Since 1983, AAHH has built and sold over 310 safe, affordable homes to homebuyers earning 30-70% AMI by serving as not only the mortgage originator and underwriter of 0%-interest 30-year mortgages but also a provider of programs. Homebuyers complete a minimum of 200 hours of "sweat equity" overseen by AAHH staff, including 60 hours of Homebuyer Education. Since launching the Home Repair program in 2011, AAHH has completed over 231 critical home repairs for low income homeowners in Buncombe County, approximately 80% of whom are over the age of 62.

Strategic Priority*

Which of the following priorities best reflects the primary goal of your project?

Buncombe County Commissioners are dedicated to strengthening the quality of life for everyone by setting new fiscally, socially and environmentally responsible goals that will guide decisions and improve our community for future generations. The Board has committed to strategic priorities as a guide to shape partnerships and investments of resources to insure a healthy, safe, well-educated, thriving and sustainable community.

Details about the Strategic Priorities are available at [THIS LINK](#).

Affordable Housing

Strategic Priority - Other Sustainability Goal

If you selected "Other Sustainability Goal" from the list of Strategic Priorities, please list it here.

Details about the Sustainability Goals are available at [THIS LINK](#).

Shared Vision*

What critical community problem or challenge are you hoping to improve through this project?

The Bowen Report (City of Asheville, 2015) shows a housing gap in Buncombe County of 1,494 homes over the next 5 years for people in the 30-80% AMI income range. The current median list price of available 3-BR homes in the area is \$279,000, well out of reach of buyers in this income range. Amidst an unprecedented affordable housing crisis, AAHH's developments in Arden and Candler will add 33 homes to the affordable housing stock and will enable 33 low-income individuals/families to purchase affordable homes near transit lines. This project will help empower new homeowners to make wise financial choices, build equity through paying a 0% interest mortgage, create long-term planning documents to safeguard their investments, learn to avoid predatory lenders, maintain their home's value through regular maintenance, and more. This success will allow them to save for the future, including higher education, invest in their health, and break the cycle of generational poverty.

Key Steps*

How will the project work? What are specific activities and milestones that your project entails?

The Homeowner Services program will operate through these specific activities and milestones:
7/1-6/30: Homeowner Services staff will conduct outreach to inform low and very-low income individuals about the Homeownership Program.

7/1-6/30: Homeowner Services staff will receive and review applications for homeownership and will identify and qualify new homeowners

7/1-6/30: Homebuyers will complete 200 hours of "sweat equity" which will include construction of their new home (if health allows - other volunteer opportunities can be made available) and required homeowner education coursework

7/1-6/30: Construction staff will build 12-15 new, affordable homes by fiscal year-end

10/12: Submit Quarter 1 Report/Invoice

1/11: Submit Quarter 2 Report/Invoice

4/12: Submit Quarter 3 Report/Invoice

7/12: Submit Quarter 4 Report/Invoice

People Served*

Who are the members of our community this project will serve? How many people will be served? Include demographics, including age, area median income, race, neighborhood and/or school.

AAHH targets individuals and families currently living in cost-burdened, over-crowded, temporary, or sub-standard housing conditions, who have lived or worked in Buncombe County for at least one year, and who earn 70% of AMI or less to purchase affordable homes through 0%-interest mortgages. These individuals and families are often not eligible for conventional mortgages and without enough savings for a downpayment. AAHH is building 21 homes on Beale Road in Arden, near regional employers Eaton, Canteen and STF Precision. We then move to Candler, NC to build 4 detached and 8 attached homes (a new housing model that will increase annual housing production by 25%.) Our homeowners typically work in low-wage jobs (e.g. CNAs, hospitality workers, child care/teaching assistants, transportation, and retail) and span all demographics. We have larger percentages of female-headed and minority-headed households with children than in the general population of the County.

Partners*

Which other organizations are you working with to reach your goals? What other local organizations provide similar services or serve similar beneficiaries, and how do you work together?

AAHH partners with many community organizations and individuals to attain our goals. Our Homebuyer Education coursework includes sessions provided by On-Track Financial, The Mediation Center, Mission Health, The Literacy Council, AB-Tech, local fire and police departments, financial planners, estate attorneys, and more. We also depend on collaborative relationships with community organizations to advertise the program. Our funding relationships with local government enable us to work towards our shared goals of increasing and preserving the local affordable housing stock. While banks provide mortgages and some other organizations provide downpayments, no other agency provides the "soup-to-nuts" approach that we do: from building the houses, to underwriting and holding the mortgages, to providing in-depth education in-house. Although OnTrack offers homeownership courses for the general public we are not aware of any other program offering the in-depth homeownership courses we do.

Personnel*

Who is responsible for the project? Briefly describe project leaders and the role each will play in the project. How do these leaders reflect the population or community that you serve?

Our staff brings a diverse skill set, including experience in construction, finance/accounting, banking/underwriting/mortgage originating, non-profit and education, as well as experience as a Habitat homeowner.

Andy Barnett, Executive Director: Overall organization management

Ed McGowan, Finance Director: Finance and accounting operations

Paul Reeves, Director of Construction Services: Construction Services operations

Jill Franklin, Homeowner Programs Director: Homeowner selection, education, and support services

Shannon Kauffman, Homeowner Selection Coordinator: Application/selection process

Jeff Paul, Homeownership Counselor: Homeowner education and "sweat equity"

Stephanie Wallace, Construction Services Volunteer Coordinator: Volunteer services for all AAHH construction programs

Success*

How will you measure results? What will success look like? How will you document the impact of your project? Include whether there is a model that serves as basis for project design.

12-15 households will:

- Receive underwriting and assessment to be qualified for a 0% interest mortgage; Each new house will have a homeowner who has completed the full application, underwriting, and approval process, and has been qualified at or under 70% AMI and able to pay affordable monthly mortgage payments
- Gain knowledge in money management, homebuying/maintenance, and more; Each homebuyer completing the 60 hours of homeowner education will receive a certificate of completion before closing on their home
- Purchase and move into new, affordable, energy- and location-efficient homes; Each house will receive a Certificate of Occupancy and 3rd party certification of energy-efficiency standards, and each homeowner will close on their home and move in

Impact will be documented through photos/videos, email updates, e-newsletters, annual reports, website/social media posts, events/press releases, and community engagement activities. Our program is based on Habitat International's model.

Funding*

What is your plan for finding the balance of the project budget? What is your funding timeline and what are your other sources of support?

Since the 1990's, the City of Asheville has awarded AAHH CDBG funds for Homeowner Services (\$71,759 in FY18). Beginning this year, the funds are no longer available as we are building outside city limits in south and west Buncombe County where land is more affordable, and where we can serve some of the most economically disadvantaged. In 2018, and after decades of support, Asheville Savings Bank (now First Bank) will discontinue servicing our entire mortgage pool (225+), a \$60,000 annual Gift In Kind. This dual loss of funding (\$124,000) substantially impacts designated funding streams for our Homeowner Services program. AAHH will fund the balance of the program with undesignated funds, although it detracts from other critical initiatives like the purchase of land.

AAHH has the following grant requests in support of Homeowner Services currently pending:

- Perry N. Rudnick Foundation: \$20,000
- Anonymous Foundation: \$15,000
- SunTrust Bank Foundation: \$10,000
- Wells Fargo Foundation: \$10,000

Sustainability*

How will this project be maintained? Please describe funding sources and how you plan to sustain the project in future years.

AAHH secures over \$3M annually through faith-based organizations, government entities, corporations, foundations, and individuals. The AAHH ReStore serves as a sustaining revenue stream, generating enough net revenues annually to cover most administrative and fundraising costs of the organization. Returning mortgage payments cycle back into the program, providing over \$900,000 annually. While these sustaining revenue streams are important, our program costs are not covered by these sources, so funding from Buncombe County is essential. Sustainability of this program will require us to face the aforementioned challenges of losing CDBG support for this program and losing our mortgage servicing GIK head on, creating and strengthening our partnerships with local government, private businesses, faith communities, and individuals

ATTACHMENTS

Project Budget*

Download the budget form at [THIS LINK](#).

Complete the budget form for this project and the overall organization.

Save it to your computer, then upload it.

Copy of FY19 Homeowner Svs BC Strategic Partnership Grant.xlsx

Financial Statements*

Upload a copy of the most recently completed financial statements.

All financial statements must be audited, reviewed or compiled by a certified public accountant and include a full balance sheet, income statement, and cash flow statement.

If your organization does not have financial statements, briefly state the reason.

2017.06.30.Audit Report.pdf

IRS Form 990*

Upload a copy of the 990 nonprofit tax reporting form that you most recently completed.

If your organization does not have a 990, briefly state the reason.

June 30 2016 Form 990 as filed.pdf

Board of Directors List*

Upload a current list of your organization's Board of Directors.

If your organization does not have a board of directors, briefly state the reason.

Board Roster October 2017 with detailed contact info.xls

Authorized Signatory

By typing in below the name of the authorized signatory and date of submittal, you acknowledge that your governing body has authorized this application, that it is true and current to your knowledge. As a condition of any grant awarded, this organization will provide all information in the manner described in the contract to be executed between the organization and Buncombe County or its designee, including program and financial reporting.

Name & Date

Andy Barnett 2/8/18