

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

Project	Affordable Housing Development and Services
Organization	Mountain Housing Opportunities, Inc.

Amount Requested	\$108,000	Strategic Priority or Sustainability Goal	Affordable Housing
New or Renewal Request	Renewal	Area Served	Districts 1, 2 and 3

Organization Description	<ul style="list-style-type: none"> It is Mountain Housing Opportunities' (MHO) belief that Buncombe County, we can't advocate, litigate, regulate or counsel our way out of our affordable housing problem and that we must build new housing supply: permanently affordable, income restricted and mixed income homes/apartments to supplement what the private market is building for mostly upper-income households. And we must preserve affordable homes with timely repairs. MHO is developing 520 affordable homes/apartments in Buncombe. MHO this year is repairing over 100 Buncombe homes for low-income homeowners: elderly, disabled and families with children. This year MHO will serve 1,600 Buncombe residents in our programs of affordable housing development, leasing, management, emergency home repair, and neighborhood revitalization.
Key Steps	<ul style="list-style-type: none"> MHO has 520 more homes/apartments in development today: 212 at Lee Walker Heights; 95 at East Haven in Swannanoa; 62 at Eagle Market Place; 80 in early development in downtown Asheville; 46 single-family homes in Weaverville; 25 single family homes in Shiloh. MHO will serve 100 unduplicated households with 130 Emergency Home Repairs in the contract year. MHO will build and finance homes for 24 families or individuals to become homeowners during the contract year through Self-Help Homeownership, TurnKey Homeownership, and DownPayment Assistance. MHO will lease, manage & maintain 667 affordable and workforce apartments.
People Served	<ul style="list-style-type: none"> Seventy-two percent (72%) of MHO renters have incomes which HUD calls "Extremely Low Income" (below 30% of Area Median Income -- AMI) or "Very Low Income" (below 50% of AMI). Our renters save over \$425 per household per month in rent (over \$5,000 saved per household per year in rent) compared to median rents in Buncombe County.
Outcomes	<ul style="list-style-type: none"> MHO's basic measure of production is unduplicated households served: for example, new homeowner households created through MHO construction, sale and financing; new and existing renter households served with safe, affordable apartments in good neighborhoods; or unduplicated homeowner households served with Emergency Home Repairs.

Budget			
Amount Funded FY2018	\$80,000	Increase Request	\$28,000
Administrative Budget	13% (from 2016 IRS Form 990)	Total Organization Budget	\$5,070,019 (projected FY2019)
Other Funding Sources: Buncombe County Affordable Services Program Funding, City of Asheville Funding, Private & Business Contributions, Foundation & Private Grants, United Way, Neighborworks, Competitive Federal Grants, Competitive Local & State Grants, Income From Services, Income From Development, Rental Operations			

Strengths
Project serves underserved, underrepresented, minority, and/or high-need population
Diverse/Balanced funding sources
Strong implementation plan

MHO Affordable Housing Development and Services

FY2019 Strategic Partnership Grants

Mountain Housing Opportunities, Inc.

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Application Form

Question Group

Project Name*

Name of Project.

MHO Affordable Housing Development and Services

Amount Requested*

\$108,000.00

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](#).

MHO serves all of Buncombe County, including Asheville and all towns and unincorporated areas. MHO serves all of County Commissioner Districts 1, 2, and 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.

In Buncombe County, we can't advocate, litigate, regulate or counsel our way out of our affordable housing problem. We must build new housing supply: permanently affordable, income restricted and mixed income homes/apartments to supplement what the private market is building for mostly upper-income households. And we must preserve affordable homes with timely repairs. MHO is now, today, developing 520 affordable homes/apartments in Buncombe: in Asheville, Swannanoa and Weaverville. MHO this year is repairing over 100 Buncombe homes for low-income homeowners: elderly, disabled and families with children. MHO's Mission is "To Build and Improve Homes, Neighborhoods, Communities and Lives, and To Build Hope and Dignity in the People We Serve." MHO has helped over 6,000 Buncombe households to achieve this goal. This year we will serve 1,600 Buncombe residents in our programs of affordable housing development, leasing, management, emergency home repair, and neighborhood revitalization.

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?

1) Not enough affordable homes/apartments to meet the needs of our workforce, retirees, disabled, and homeless people. More than 7,600 Buncombe renter households pay more than fifty percent (50%) of their income for rent -- that's over twenty percent (20%) of Buncombe County's renter households. 2) Long wait lists for MHO safety-related Emergency Home Repairs and long wait lists for our safe, well-located affordable apartments. 3) Increasing costs of home construction and repair, largely due to strong construction economy (high demand for construction work for a limited supply of contractors, subcontractors and materials). MHO's building contractor, subcontractor and materials costs have increase by more than twenty percent (20%) in the past year.

Key Steps*

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

In addition to MHO's 605 affordable apartments and more than 400 families we have helped to become homeowners, we have 520 more homes/apartments in development today: 212 at Lee Walker Heights; 95 at East Haven in Swannanoa; 62 at Eagle Market Place; 80 in early development in downtown Asheville (northeast corner, Clingman and Hilliard); 46 single-family homes in Weaverville; 25 single family homes in Shiloh (south Asheville). These 520 homes/apartments will add to the more than 1,000 MHO has already built or financed in Buncombe County, and the more than 4,000 Emergency Home Repairs we have completed. We are saving homes and saving lives for 100 unduplicated households with 130 Emergency Home Repairs in the contract year. We will build and finance homes for 24 families or individuals to become homeowners during the contract year through Self-Help Homeownership, TurnKey Homeownership, and DownPayment Assistance. We will lease, manage & maintain 667 affordable and workforce apartments.

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.

Seventy-two percent (72%) of our renters have incomes which HUD calls "Extremely Low Income" (below 30% of Area Median Income -- AMI) or "Very Low Income" (below 50% of AMI). Our renters save over \$425 per household per month in rent (over \$5,000 saved per household per year in rent) compared to median rents in Buncombe County. Our Buncombe County renters together save over \$3.2 million in rents

compared to median Buncombe rents. This includes 605 Buncombe households today, 667 by summer 2018 (of which 637 will be low-income households, below 60% of AMI). In Emergency Home Repair, all households served have incomes below 50% of AMI, and many have only Supplemental Security Income (SSI -- less than \$800 per month). More than half of those served by Emergency Home Repair are elderly, and more than half are women-headed households. Homeowners who receive special financing for homeownership (in our three programs of development and finance for homeownership) have incomes below 80% of AMI.

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?

No other organization east of Charlotte provides the broad array and scale of housing services which MHO provides, including rental, homeownership, and Emergency Home Repair. Any other housing development organization in Buncombe County may build 10-20 homes per year, while MHO builds an average of more than 50 new homes/apartments per year, and serves more than 800 households per year (more than 1,600 people). Partners: MHO's Investment Partner, the Community Affordable Housing Equity Corporation (CAHEC), has invested over \$80 million through MHO for affordable/workforce housing development. Bank partners include HomeTrust, First Citizens, TD Bank, BB&T, SunTrust, Asheville Savings, and Wells Fargo. Important government partners are Buncombe County, City of Asheville, NC Housing Finance Agency, US Department of Agriculture and HUD. MHO's legal counsel is Roberts & Stevens. Nonprofit partners include OnTrack Financial, AB Tech, Homeward Bound and Eagle Market Streets Development Corp.

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?

MHO is governed by a volunteer Board of Directors of business and community leaders. More than thirty percent (30%) of Board members are representatives or residents of low-income neighborhoods. Three are retirees, five are local owners or executives of a business, three represent local nonprofit or government partners. Five Board members are African American; seven are white. Seven Board members are women; five are men. MHO's professional staff of seventeen employees have a combined experience of 224 years in housing development, home repair and nonprofit management. Their housing experience ranges from one to thirty years each; the management/executive team's housing experience averages 22 years per person. Together this team has brought more than \$100 million in housing investment and finance into Buncombe County for housing development and repairs, and has built or financed more than 1,200 homes.

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.

MHO's basic measure of production is unduplicated households served: for example, new homeowner households created through MHO construction, sale and financing; new and existing renter households served with safe, affordable apartments in good neighborhoods; or unduplicated homeowner households served with Emergency Home Repairs. MHO's successful nonprofit model of private/public partnership through a charitable Housing & Community Development Corporation is rare, but not unduplicated. MHO is a member of NeighborWorks America, a national network of more than 240 groups providing resources, technical support and training for excellence in housing, community development and services. MHO is rated "Exemplary" by NeighborWorks America, their highest rating of an organization's production, management and operations.

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?

MHO is funded by United Way, charitable contributions and foundations, competitive government grants/contracts, NeighborWorks America (described above), and income from services and development. This last category -- income from services and development, or earned income -- is intentionally a growing part of MHO's revenue, as we seek to expand our production and services to meet Buncombe County's growing housing need. This year marks our 30th year of steady, stable growth in revenue, production and services.

Sustainability*

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

The largest source of financing for MHO's development programs comes from private investments through the federal Low-Income Housing Tax Credit (LIHTC) program. As noted above, MHO is intentionally increasing our revenue through "earned income" from housing services and development. However, the increase we seek this year from Buncombe County is to cover rapid increases in construction costs (contractors, subcontractors and materials) -- more than a 20% increase in construction costs in the past year.

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.

MHO Budget Buncombe Strategic-partnership-grants-FY2019.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.

MHO Audit 2016.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.

990 Mountain Housing Opportunities 2016.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.

MHO Board List Feb 1 2018.pdf

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

R. Scott Dedman, President & Executive Director, February 9, 2018