

# MHO Affordable Housing

---

*FY 2018 Buncombe County Community  
Funding*

## ***Mountain Housing Opportunities, Inc.***

---

Mr. Scott Dedman  
64 Clingman Avenue, Suite 101  
Asheville, NC 28801

scott@mtnhousing.org  
O: 8282544030  
M: 8282738300  
F: 8282540120

## ***Mr. Scott Dedman***

---

64 Clingman Avenue, Suite 101  
Asheville, NC 28801

scott@mtnhousing.org  
O: 8282544030  
M: 8282738300  
F: 8282540120

# Application Form

---

## Project Name\*

Name of Project

MHO Affordable Housing

## Amount Requested\*

Amount Requested

\$103,000.00

## Service Area\*

**Which Commissioner Districts are served by this program?**

Access a map of Buncombe County Commissioner districts [here](#).

- District 1
- District 2
- District 3

## Which county sustainability goal aligns best with the goals of this project?\*

Based on the Buncombe County Sustainability Plan, select a Category, Goal & Objective that align with the focus of the project and the specific results that will be achieved.

Access the Buncombe County Sustainability Plan [here](#).

Community > Affordable, Green, and Liveable Housing > Promote home ownership while also supporting quality, affordable, safe rental developments

## If applicable, select a second sustainability goal that aligns with project goals.

**Result 2 is optional** - Select if project aligns with more than one Sustainability Category, Goal & Objective.

Community > Affordable, Green, and Liveable Housing > Expand housing rehabilitation and repair programs

## If applicable, select a third sustainability goal that aligns with project goals.

**Result 3 is optional** - Select if project aligns with more than one Sustainability Category, Goal & Objective.

Community > Affordable, Green, and Liveable Housing > Provide affordable and workforce housing assistance funding for new developments

## Project Description

### Project Description\*

#### Description of Project

Mountain Housing Opportunities (MHO) is expanding our Affordable Housing Development and Services to meet the growing need in Buncombe County. MHO is the only comprehensive program of Affordable Housing Development and Services in Buncombe County, serving in the project year over 1,750 people in 951 households – formerly homeless people, working families, elderly residents and people with disabilities – through Emergency Home Repairs, Affordable Rental Development and Leasing, and Affordable Homeownership Development and Lending.

MHO Emergency Home Repair saves homes and lives for the most vulnerable low-income homeowners: elderly, disabled, and families with children.

Renters in MHO's 605 affordable/workforce apartments save an average \$345 per month in rent compared to local Market Rents. This is an aggregate savings of \$2.5 million per year to low-income renters. Energy savings due to energy-efficient construction, and commuter savings due to convenient locations of MHO homes and apartments, save our low-income renters and homeowners another \$1.2 million per year.

Buncombe County Health and Human Services funds are leveraged over 25/1 by MHO (more than \$25 of other MHO operating funds to \$1 of Buncombe County funds). Counting MHO's Affordable Housing Development, MHO leverages Buncombe County funds over 50/1 (more than \$50 of other funds to \$1 of Buncombe county funds).

Yet every Buncombe County dollar is necessary to our continued work and growth.

While we now serve almost 1,000 households in the project year, over 16,000 low-income Buncombe County households need MHO services (2014 U.S. Census data). Over 60 eligible, qualified low-income homeowners are on MHO's waiting list for Emergency Home Repairs. When MHO announces 50-60 new apartments for rent, we typically receive over 1,000 inquiries and over 400 renter applications.

Today we have over 440 new homes in different stages of planning, development and construction in Weaverville, Swannanoa and Asheville.

### How many people will this project serve?\*

State the number of individuals or households in Buncombe County that will be served by this project. Also state the number of people that will experience the desired result. For example, if dropout prevention services are being delivered to 100 students, how many will successfully graduate from high school?

The project will serve more than 1,750 people in Buncombe County (951 households) during the contract year. All of them (100% -- more than 1,750 people) will achieve the desired result. MHO counts as production (i.e. households and people served) only those households and people who achieve their goal of a safe,

attractive, affordable home in a good neighborhood, or satisfactory completion of a safety-related Emergency Home Repair.

130 Emergency Home Repairs will be completed for 100 households (more than 165 people). 18 households (more than 36 people) will become new homeowners through Affordable Homeownership Development – Self-Help and Turnkey Homeownership (development and construction). 26 households (more than 52 people) will receive Downpayment Assistance (homeownership lending). 807 households (1,500 people) will be served by rental development and leasing in 667 safe, attractive, affordable apartments in good neighborhoods.

## **Describe the people this project will serve.\***

Characterize the demographics of the project's target population in terms such as age, gender, income, race, ethnicity, geographic area, etc. Include information about method of referral/recruitment of the target population.

MHO serves a diverse population with all races and ages. All MHO programs serve households with incomes below 80% of Area Median Income (AMI). Emergency Home Repair serves those below 50% of AMI, e.g. below \$20,300 for one person; many are below \$10,000.

MHO Affordable Rental serves those below 60% of AMI, e.g. below \$27,840 for 2 persons; many are below \$10,000; average household income in the rental program is below \$18,000.

Over 40% of MHO renter households include a person with disability; 11% of MHO renters are formerly homeless; 22% are African American, 3.5% Latino/Hispanic. In Emergency Home Repair, 45% of those served are elderly, 61% are female, 17% are African American.

Referral and recruitment is widespread and diverse: United Way 211, Buncombe Health and Human Services, local nonprofit agencies, advertisements and programs on WRES-FM and other radio, Urban News, Mountain Xpress, IWANNA, and Citizen-Times.

## **What key steps will you take to achieve the results of this project?\***

Describe the core elements of your implementation plan, including milestones that will take place within the funding timeframe.

Client households are served year-round in Emergency Home Repair, Rental Leasing/Management, and Homeownership Downpayment Assistance, with some seasonal differences (for example, more furnace replacements in winter, more roof replacements in spring and summer, more homeownership lending in spring through fall).

In affordable housing development, families are served only after homes or apartments are complete and the families have moved in. Therefore, there is a jump in households/people served on completion of the homes (usually 50-70 homes per property in Rental, and 6-20 homes or more per subdivision in Homeownership).

Currently MHO has in construction 62 affordable apartments and 9 affordable single-family homes in Buncombe County, with more than 300 additional apartments and more than 70 additional single-family homes in earlier stages of planning and development.

In Emergency Home Repair, MHO completes over 130 safety-related repairs per year for over 100 unduplicated households.

## **Describe the evidence of success that backs this project's approach.\***

What evidence of success (i.e. evidence-based research, practice model, accreditation, industry standards, and/or other framework) are you using as a basis for your project design?

MHO is the only Housing and Community Development Corporation in North Carolina with a comprehensive year-round program of affordable and workforce housing development, emergency home repair, homeowner lending, and rental leasing and management. The only similar organizations (i.e. similar in level of productivity and households served) are in much larger counties – Mecklenburg and Wake.

MHO is recognized as an organization with “Exemplary” rating for production, finance and management by NeighborWorks America. In 28 years MHO has served over 7,000 households (over 12,000 people) and has invested over \$100 million in the economy of Buncombe County. Over 500 workers each year earn income in MHO work.

The largest impact of a Buncombe County funds increase to MHO will be expansion of MHO’s Affordable Housing Development programs, in which today we have over 440 new homes in different stages of planning, development and construction.

## **Describe your data collection, tracking, and reporting procedures.\***

Explain your methods for documenting project, service and client information. Include a description of any software or other tools utilized.

MHO programs (except for rental leasing/management) are documented and tracked directly by MHO staff using software and online programs required by funders for quarterly reporting, including Buncombe County, annual data reports to City of Asheville for HUD, quarterly and annual reports to NC Housing Finance agency and Health and Community Care Block Grant, monthly data to USDA, and others. Detailed performance and financial data for Affordable Rental leasing/management are recorded by our contract management company, Partnership Property Management, and then submitted to MHO staff who review and submit them to funders and regulators. Financial data are presented in detail to MHO's Finance and Real Estate Committee of the Board of Directors and to the full Board using nonprofit accounting software (Abila MIP Fund Accounting software) and audited by Bernard Robinson & Company CPA accounting firm.

## **Explain your technological resources and capacity.\***

Explain your current technological strengths and barriers and how this impacts your ability to track data and report outcomes. Who is responsible for adaptation and use of technology within your organization?

MHO's seventeen employees use computer equipment and software which is up to date within five years. Financial and network servers and software are less than three years old, due to the critical nature of the data. Two local small businesses provide tech support for internet, hardware and software. MHO's staff Communications Manager provides in-house support.

## Organizational Profile

### How does the proposed project support your mission and strategic plan?\*

State your mission and the date of your most recent strategic plan, and explain how the proposed project helps advance your organizational goals.

MHO's Mission is "To Build and Improve Homes, Neighborhoods, Communities and Lives, and To Build Hope and Dignity in the People We Serve."

We believe that if you work in Buncombe County, you should be able to live in this community in a safe, attractive, affordable home in a good neighborhood, and when you retire or if you become disabled, this should still be true. Every dollar funded to MHO advances these goals.

Buncombe County dollars are used for Emergency Home Repair (homeownership preservation and safety); Self-Help and Turnkey Homeownership Development; Homeownership Lending (Downpayment Assistance); and Affordable Rental development, leasing, maintenance and management.

MHO Board and Staff in March 2015 completed a comprehensive new five year Strategic Plan with ambitious goals for expansion of all programs and services. Affordable housing development will expand during this period to produce 230 new homes per year.

### What expertise/accomplishments do you have that are relevant to the proposed project?\*

List your organization's strengths as well as accomplishments from the past 3 years that position the organization to be successful with the proposed project.

MHO leases, maintains and manages over 800 affordable apartments (605 in Buncombe), including 55 new apartments in Leicester completed December 2015. MHO apartments save our low-income renters an average \$345 per month compared to area Market Rents. This is an aggregate savings of \$2.5 million to Buncombe County's low-income population, not counting their savings in energy and commuting costs.

Construction at Eagle Market Place is under way again after a design and construction delay.

Today we have over 440 new homes in different stages of planning, development and construction in Weaverville, Swannanoa, and Asheville.

MHO has helped more than 80 Buncombe families to become homeowners in the past three years, including 18 who built their own homes.

In those same three years, MHO served over 300 households with Emergency Home Repairs, saving homes and lives with over 360 safety related repairs.

### Describe partners that are critical to the success of your organization.\*

List any external partners, intermediaries or advisors important to your success, and describe their role and evidence of their commitment. Describe successful collaborations with these people or groups.

MHO's Investment Partner, the Community Affordable Housing Equity Corporation (CAHEC), has invested over \$75 million in equity investments through MHO for affordable/workforce housing development.

NeighborWorks America has provided an average of over \$300,000 per year of investment in MHO housing development, lending, and operations since 2008. Local banks who have loaned, invested, and/or granted dollars to MHO for housing development, lending and MHO home repair include HomeTrust, First

Citizens, TD Bank, BB&T, SunTrust, Asheville Savings, and Wells Fargo. Important governmental partners are Buncombe County, City of Asheville, NC Housing Finance Agency, US Department of Agriculture and HUD.

MHO Auditors are Bernard Robinson PLLC of Greensboro. MHO's contract rental management company is Partnership Property Management, with office at 372 Depot Street. MHO's legal counsel is Roberts & Stevens. Nonprofit partners include OnTrack Financial and Eagle Market Streets Development Corp.

## ***Financial Information***

---

### **Nonprofit financial assurance requirements:**

Financial statements, prepared using a recognizable basis of accounting (i.e., modified accrual) and IRS Form 990s must be submitted to Buncombe County annually.

- Organizations with annual revenues of \$300,000 or greater must submit financial statements audited in accordance with generally accepted auditing standards.
- Those with revenues between \$100,000 and \$300,000 must submit financial statements reviewed in accordance with SSARS 19.
- Those with revenues of less than \$100,000 must submit non-disclosure financial statements compiled in accordance with SSARS 19.

All financial statements must be reported on by a certified public accountant and include a full balance sheet, income statement, and cash flow statement.

These requirements are considered minimum requirements. Organizations may submit a higher level of assurance than is required.

### **IRS Form 990 - Upload Here**

Click Choose File to upload a copy of the 990 form you most recently completed.

2015 MHO Form 990 Public.pdf

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

Include a statement of intent to comply with nonprofit financial assurance requirements as listed above.

*[Unanswered]*

## Financial Statements - Upload here

Click Choose File to upload a copy of the most recently completed financial statements (audit, compilation or review).

MHO 2015 Audit Mountain Housing Opportunities, Inc. 12-31-15 FS.pdf

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

Include a statement of intent to comply with nonprofit financial assurance requirements as listed above.

## Complete Budget Worksheet - Upload Here\*

Download the budget form [Here](#).

Complete the budget form for this project/program and the overall agency. Save it to your computer, then upload it by clicking Choose File.

MHO Buncombe County Budget 7-1-2017--6-30-2018.xlsx

## Budget Narrative\*

Describe all differences between current year and proposed year. List all pending funding sources with expected date of notification. Please detail any other information that may help clarify the budget.

Private funds (charitable donations and foundation grants combined) are increasing following the hiring in April 2016 of a new staff position, Director of Resource Development, and MHO's fundraising initiative in partnership with the Melvin Lane Fund of the Community Foundation of WNC. Income from services, and income and expenses of housing development including rental operations, are increasing due to MHO's expansion of affordable housing development, following our 5-year strategic plan (2015-2019).

Salaries for same staff/same positions will increase a projected 3.0%. Staffing costs include projected increases in employee health insurance costs beginning 4/1/2017.

Increase in Buncombe County funding will be used for increasing costs of staffing and professional services for MHO's expansion of affordable housing development, including rental and homeownership.

## What (if any) portion of requested funds will be used to support capital expenses?\*

Capital projects are defined as those used to acquire or upgrade physical assets such as property, buildings, or equipment. Please detail.

None of the funds will pay for capital costs.

## Employee Wages



Please provide information about the wage breakdowns of your employees. Living wage for Buncombe County has been identified as \$11.00 per hour for employees with employer-provided health insurance and \$12.50 per hour for employees without.

**Employees with employer-provided health insurance\***

List the number of employees in your organization with employer-provided health insurance in each wage category. For salaried employees, use hourly wage equivalents.

\$7.25 - \$10.99 per hour

\$11.00 - \$14.99 per hour

\$15.00 - \$19.99 per hour

\$20.00 - \$24.99 per hour

\$25.00 - \$29.99 per hour

\$30.00 - \$34.99 per hour

\$35.00 - \$39.99 per hour

\$40.00+ per hour

- \$7.25 - \$10.99 per hour: 0
- \$11.00 - \$14.99 per hour: 1
- \$15.00 - \$19.99 per hour: 2
- \$20.00 - \$24.99 per hour: 1
- \$25.00 - \$29.99 per hour: 5
- \$30.00 - \$34.99 per hour: 3
- \$35.00 - \$39.99 per hour: 3
- \$40.00+ per hour: 2

**Employees without employer-provided health insurance\***

List the number of employees in your organization without employer-provided health insurance in each wage category. For salaried employees, use hourly wage equivalents.

\$7.25 - \$12.49 per hour

\$12.50 - \$14.99 per hour

\$15.00 - \$19.99 per hour

\$20.00 - \$24.99 per hour

\$25.00 - \$29.99 per hour

\$30.00 - \$34.99 per hour

\$35.00 - \$39.99 per hour

\$40.00+ per hour

None.