
Item Title: Amendments to Wake County's Affordable Housing Plan

Item Summary:

Staff is proposing changes to the 2001 Action Plan that the Board of Commissioners approved on May 21, 2001; the 2000 Consolidated Plan that the Board approved on May 15, 2000; and the 1999 County affordable housing fund allocation that the Board approved on September 7, 1999. There are a total of five changes proposed:

1. Include Emergency Shelter Grant (ESG) funds as part of Wake County's Consolidated Plan.
2. Provide a loan to Regency Development Corporation to develop safe, decent and affordable elderly housing units (Courtyard Commons Senior Apartments in Fuquay-Varina).
3. Provide a grant to Good Work, Incorporated for their Basic Business Skills Program to serve low income residents of Wake County.
4. Add two public facilities projects to the list in the strategic planning section of the 2000 Consolidated Plan - a sidewalk in Rolesville and a sewer line in Morrisville. Both projects serve low-income residents.
5. Provide a loan to the non-profit Community Alternatives for Supportive Abodes (CASA) to develop affordable housing for persons with special needs (Supported Housing Development).

The changes do not involve the receipt of additional funds. They are proposed changes to spending plans that the Board has already approved. US Department of Housing and Urban Development regulations require that amendments to existing plans be approved by the Board of Commissioners.

Staff sent a summary of the proposed changes to representatives from each town that participates in the County's entitlement program (Housing and Community Revitalization - HCR). The towns all agreed with the staff recommendations. A summary of the changes was published in the News and Observer for public comment. Staff did not receive any comments from the public.

A more detailed description of the proposed changes is summarized on the attached document.

Specific Action Requested:

That the Board of Commissioners approve the proposed changes (1-5) to the County's affordable housing plans.

Proposed Changes to the Affordable Housing Plans

1. Include Emergency Shelter Grant (ESG) funds as part of Wake County's Consolidated Plan.

Beginning July 1, 2001 Wake County will be the designated recipient of the Emergency Shelter Grant (ESG) entitlement from the U.S. Department of Housing and Urban Development (HUD) which totals \$83,000. In previous years, the City of Raleigh received the ESG entitlement. Since Wake County assumed responsibility for the homeless shelter from Raleigh in 2000 (now called the South Wilmington Street Center), the City no longer needs the ESG grant. Staff recommends that these funds be used at the Center to cover the costs of linen and paper goods. These funds are in the South Wilmington Street Center's budget, therefore, no revisions are required.

Outcome: Homeless men will receive improved service at the South Wilmington Street Center. The SWSC provides emergency shelter to an average of 300 homeless men each night.

2. Provide a loan to Regency Development Corporation to develop safe, decent and affordable elderly housing units (Courtyard Commons Senior Apartments in Fuquay-Varina).

On May 21st the Board of Commissioners approved the 2001 Action Plan, which is a blueprint for the expenditure of federal Community Development Block Grant (CDBG) and HOME funds from July 1, 2001 through June 30, 2002. This plan includes a budget of \$239,550 for property acquisition in the Consolidated School Redevelopment Area of Fuquay-Varina as a part of an ongoing revitalization effort for that community. After the Action Plan's approval, Regency Development, a Raleigh-based, for-profit developer, requested a \$250,000 loan to develop affordable senior housing in the Consolidated School Redevelopment Area. They propose to rehabilitate one of four currently vacant Fuquay-Varina Consolidated School buildings into Courtyard Commons, a 17-unit affordable housing development. The building is owned by the Fuquay-Varina Community Development Corporation (CDC), a non-profit organization formed to revitalize the Consolidated School campus and surrounding neighborhood. The CDC and Regency Development will share the rental income from the apartment units.

The building to be rehabilitated is adjacent to the Fuquay-Varina Early Learning Center, another school building that we are helping to renovate. The Center, which is nearly finished, will provide affordable daycare for 140 children. The proposed Courtyard Commons apartments would complement the Early Learning Center and other revitalization efforts in the neighborhood (housing rehabilitation, single-family home construction and open space/park development). Regency estimates that the development will cost \$2 million. They have applied to the North Carolina Housing Finance Agency (NCHFA) for tax credits and private lenders for the balance of the funds. If funded, a County loan of \$250,000 would leverage approximately \$1,750,000 in funds (from the NCHFA and private lenders). In 1996, Regency Development received a loan from Wake County to assist with the rehabilitation of the Old Garner School for 45 units of senior housing. This was a successful venture.

Staff recommends that the loan of \$250,000 to Regency Development come from funds originally slated for property acquisition by the County in the 2001 Action Plan. Both activities achieve the same goal – affordable housing development. However, Regency's development

leverages more funds and can be implemented faster. County staff will manage the loan with the following proposed terms: 0% interest, 20-year term. The loan will be secured by a deed of trust and a promissory note.

Outcome: The County's stock of affordable housing would increase - - seventeen (17) elderly households would have safe, decent affordable housing.

3. Provide a grant to Good Work, Incorporated for their Basic Business Skills Program to serve low and moderate residents of Wake County.

The intent of the Community Development Block Grant (CDBG) program is to develop viable communities by providing decent housing and a suitable living environment and expanding economic opportunities to benefit persons of low income. Wake County has focused its funding on the housing component of the CDBG program. This is because the demand for affordable housing is great and, to date, we have been unable to find viable organizations to perform economic development activities.

Staff recently became aware that Good Work, a Durham-based business skills building organization, provides classes for low-income residents of Wake County. The organization requested a \$50,000 grant to conduct the following 3 business skills training programs which will serve up to 60 low-income individuals in total:

- Building Your Business: (6 sessions)
- Managing Your Construction Trade Business: (6 sessions)
- Building Your Child Care Business: (6 sessions)

Classes will be offered in English and Spanish. Good Work will submit monthly reports detailing clients served, class attendance and the progress of participants (during and after the classes). Since 1991, Good Work has provided training, technical assistance, loans and peer support to 3,000 individuals and small business owners.

In the FY 2000 Action Plan (approved by the Board in May, 2000) \$50,000 in CDBG funds was budgeted for technical assistance to improve the capacity of non-profit organizations. After the plan was approved by the Board of Commissioners, staff learned that this is an ineligible expense for the CDBG program. Therefore, \$50,000 in CDBG funds remains unspent and unallocated to any activity. Staff recommends that these funds be granted to Good Work in order to provide training for low-income residents living in Wake County.

Outcome: Up to 60 low-income residents will improve their job skills, increasing their potential to earn more money or start their own business thus creating economic opportunity.

4. Add two public facilities projects to the list in the strategic planning section of the 2000 Consolidated Plan - a sidewalk in Rolesville and a sewer line in Morrisville.

a. In June 2001, the Town of Rolesville requested that a sidewalk on West Young Street be added to the list of public facilities projects in the 2000 Consolidated Plan (see attached list of public facilities projects). Before being considered for funding, public facilities projects must be identified in the Strategic Planning Section of the 5-year Consolidated Plan. Board approval is required for all additions to the list. The approval is not a funding guarantee – projects are selected from this list based upon funding availability for each program year.

If built, the sidewalk will provide safe pedestrian access to downtown Rolesville for approximately 100 residents of a low-income community. The Rolesville sidewalk will be approximately 830 linear feet in length. The total cost of the sidewalk is \$151,000. Wake County would contribute \$100,000 in federal CDBG funds and the town will secure the balance from other sources. Staff recommends that these funds be granted to the Town of Rolesville to build a sidewalk.

Outcome: Approximately 100 low-income residents will have safe pedestrian access to downtown Rolesville.

In June 2001, the Town of Morrisville requested that a sewer line in the Shiloh community be added to the list of public facilities projects in the 2000 Consolidated Plan. Again, the additions to projects listed in the Consolidated Plan must be approved by the Board.

If funded, this project will provide improved sanitary sewer service to approximately 15 low-income families. Staff recommends that these funds be granted to the Town of Morrisville. The funding request is for \$250,000 and will come from federal CDBG funds. Total project cost and sources for supplemental funds will be determined by the town – funds will not be allocated until this information is provided.

Outcome: Approximately 15 low-income families will have improved sanitary sewer service.

5. Provide a loan to the non-profit Community Alternatives for Supportive Abodes (CASA) to develop affordable housing for persons with special needs (Supported Housing Development).

In June 2001, CASA requested a loan of \$45,125. These funds would allow CASA to purchase and renovate two houses located in Raleigh that would house up to 15 low-income individuals with mental illness and/or substance abuse problems. The City of Raleigh will provide matching funds if the County also provides funds to CASA. The County has provided funds to CASA on 3 other supportive housing projects in Raleigh, Cary and Wake Forest. All three projects have been successful ventures.

Staff recommends that a loan of \$45,125 be made to CASA to develop additional affordable housing units for persons with special needs. The funds would come from the County's FY 1999 Affordable Housing Revolving Loan. The County has \$100,000 in unspent funds for housing development from the 1999 program year. A loan to CASA achieves the outcome intended for these funds – the addition of affordable housing units to the County's housing stock.

Staff originally intended to use the \$100,000 in County funds for single-family housing development in Fuquay-Varina. However, delays in the property acquisition and subdivision approval process have delayed this process and the funds remain unspent.

Outcome: The County's stock of affordable housing would increase. Up to 15 low-income persons with special needs would have safe, decent affordable housing.

List of Public Facilities Projects in the 2000 Consolidated Plan (pg41)

Table 24
5-year Public Facilities Needs

Town	Activity	CDBG Funds	Funding Year	Annual Totals
Cary	Water Lines (East Johnson St)	\$250,000	2000	
Garner	Police Substation	\$10,000	2000	
WF	Police Substation - Dubois	\$50,000	2000	
FV	Consolidated School Cafeteria	\$215,000	2000	\$525,000
WF	Police Substation - Dubois	\$100,000	2001	
FV	Sidewalks (Bridge Street)	\$100,000	2001	
FV	Police Substation	\$70,000	2001	
FV	PACC Parking Lot	\$20,000	2001	
Cary	Sewer Lines (Hunter Street)	\$100,000	2001	
FV	Sidewalks (McLean, Lawrence)	\$200,000	2001	
Garner	Police Substation	\$10,000	2001	\$600,000
FV	Consolidated School Apts	\$200,000	2002	
Wendell	Hall/Knott/Bobbit Pavement	\$150,000	2002	
Apex	Sidewalks/Drainage Lynch Street	\$300,000	2002	
Garner	Police Substation	\$10,000	2002	\$660,000
FV	Waterline Improvements	\$100,000	2003	
Apex	Road Pavement Correna	\$150,000	2003	
Garner	Police Substation	\$10,000	2003	
Garner	Drainage Improvements	\$100,000	2003	
WF	Sidewalks	\$80,000	2003	\$440,000
FV	McLean Street Connection	\$200,000	2004	
Wendell	Eagle Rock Water/Sewer	\$100,000	2004	
Cary	Hunter Street Sidewalks	\$20,000	2004	
Cary	Subdivision Infrastructure	\$200,000	2004	
Garner	Police Substation	\$10,000	2004	\$530,000
	Total	\$ 2,775,000		\$2,775,000