

Item Title: Affordable Housing Funding Request from Urban Ministries of Wake County for the Acquisition and Rehabilitation of a Women’s Shelter

Specific Action Requested:
That the Board of Commissioners:

- 1. Authorizes the County Manager to approve a funding agreement for a grant of up to \$2,399,967 in County CIP funds to Urban Ministries of Wake County (Urban Ministries) for the acquisition and rehabilitation of a property in Raleigh, NC to be used as a homeless shelter for women, subject to terms and conditions acceptable to the County Attorney.**
- 2. Reallocates \$2,399,967 from the Housing CIP Reserve for Future Projects to Urban Ministries Grant for Women’s Shelter project.**

Awards are contingent upon the basic terms as identified in the project descriptions, including funding commitments from the financial partners as identified, and upon the project receiving local approvals including site plan approval and all the necessary permits from the local municipality.

Item Summary:

Purpose: The Board of Commissioners approves real estate transactions associated with affordable housing development in Wake County.

Background: Urban Ministries requested funding through Wake County’s Continuous Call for Affordable Housing Projects of up to \$2,399,967 to purchase and rehabilitate a building in Raleigh for use as an emergency shelter for single women who are experiencing homelessness. This building, located at 3603 Bastion Lane in Raleigh, would replace the Helen Wright Center for Women which is currently operated by Urban Ministries.

The current facility has 36 beds for single women. The existing building in downtown Raleigh is at capacity and is increasingly costly to maintain. Urban Ministries will relocate all of its homeless shelter programs to the new building and will add 37 new beds for a total of 73 beds to meet the urgent community need for emergency shelter of single women.

The new property is accessible along three bus lines and in a location that meets the zoning requirements for an emergency shelter.

Board Goal: This Board action complements transit and housing affordability initiatives in the Social and Economic Vitality and Growth and Sustainability goal areas.

Fiscal Impact: Up to \$2,399,967 in Housing CIP to Urban Ministries for this acquisition. This funding was appropriated in the FY2019 budget as part of the \$15 million to increase and preserve housing affordability. This action also commits the County to increased operating support for Urban Ministries.

Additional Information:

Project Details: Since June of 2000, Wake County Human Services has operated an emergency shelter for single men experiencing homelessness at the South Wilmington Street Center(SWSC). Since July 2002, Wake County has provided operating funding to Urban Ministries to provide shelter for single women at the Helen Wright Center for Women.

In the fall of 2014, shelter utilization data suggested there was a community need for additional emergency shelter capacity for single women. Wake County has since released two Request for Proposals to provide increased emergency shelter capacity for single women. In February 2018, Urban Ministries requested funding through Wake County’s Continuous Call for Affordable Housing Projects to purchase and rehabilitate a building located at 3603 Bastion Lane in Raleigh. This facility will replace and expand the Helen Wright Center for Women.

The new facility will relocate Urban Ministries emergency shelter programs, and will add 37 beds, for a total of 73 beds, to meet the urgent community need for emergency shelter of single women. Urban Ministries anticipates providing emergency shelter and services to approximately 750 women each year by 2019.

The chart below shows the project’s proposed sources and uses:

Sources		Uses	
County Request	\$ 2,399,567	Lot Acquisition	\$ 938,000
Fenwick Foundation	\$ 70,000	Const/Remodel	\$ 2,489,953
Sale of Real Property	\$ 800,000	Other(furn.&Misc)	\$ 116,808
Urban Ministries Donations	\$ 275,193		
Total	\$ 3,544,760	Total	\$ 3,544,760

Financial Conditions: Thirty (30) year restrictions will be placed on the deed of the property to ensure continued availability of emergency shelter housing. Should Urban Ministries not be able to satisfy the terms of the grant, they may request disposition of the property prior to the end of the term of the grant. As a condition of funding, the County will require a right of first refusal to acquire the property in the event of a contemplated sale or disposition.

As a further condition of funding, Urban Ministries will be required to rehabilitate and perform maintenance on the facility in a reasonable and timely manner to ensure continued availability of emergency shelter. The initial rehabilitation project will be monitored by Wake County’s Facilities, Design and Construction Department through completion for occupancy.

This item does not account for any future operational funding. Operational funding is not a condition of this grant; however, additional funding of \$167,210 will be awarded to Urban Ministries upon completion of the facility. Total operational funding will not exceed \$301,125 and includes previous commitments to Urban Ministries for the operation of the Helen Wright Center for Women, as well as the additional allocation for the increased capacity of 37 beds.

Legal Authority: Counties are authorized to engage in a variety of affordable housing programs for the benefit of low and moderate-income persons pursuant to NCGS 153A-376 and NCGS 153A-378. Further, by law, North Carolina counties may exercise the powers of a housing authority pursuant to NCGS 153A-376(b) and NCGS 157-34.

As a pre-requisite of appropriation and expenditure of county funding and consistent with the provisions of GS 153A-149, the County is requiring affordability restrictions, rehabilitation components and a security interest in the subject real estate. The County is not securing any loan guaranty of Urban Ministries associated with the acquisition of the subject property. The County will maintain a security interest in the real property by and through a note, deed of trust, and deed restrictions to ensure the property is available for affordable housing needs of the community.

Urban Ministries must commit to acquire and rehabilitate the facility and make said facility available for emergency shelter to qualifying low and moderate-income persons, in accordance with criteria established by the County, for a minimum period of thirty years (30) years.

Budget Reallocation: With the adoption of the fiscal year 2019 budget, \$15 million was appropriated to increase and preserve housing affordability. On September 17, 2018, the Board approved the allocation of \$5,250,000 to the DHIC, Inc loan project for Trees & Leaves Apartments, leaving a revised appropriation available to support future housing projects of \$9,974,000. Following this grant, the new balance in this fund will be \$7,574,033 as shown in the chart below:

FY 2019 Beginning Balance	\$ 15,224,000
Projects	Use of Housing CIP Funds
9/17/18 - DHIC, Inc. Loan for Trees & Leaves Apartments	(5,250,000)
10/1/18 - Urban Ministries Grant for Shelter for Single Women	(2,399,967)
FY 2018 Current Balance	\$ 7,574,033

Attachments:

1. Presentation
2. Proposed Women’s Shelter Location Map