

BOARD OF ALDERMEN

ITEM NO. D (2)

AGENDA ITEM ABSTRACT

MEETING DATE: October 7, 2008

TITLE: Request for Emergency Housing Repair Assistance from the Affordable Housing Special Revenue Fund

DEPARTMENT: Economic and Community Development	PUBLIC HEARING: YES ____ NO <u>x</u>
ATTACHMENTS: A. Resolution B. Budget Ordinance C. Memo from EmPOWERment requesting funds for emergency repair to a house at 105 Cobb St owned by Truphenia Kelly	FOR INFORMATION CONTACT: James Harris 918-7319

PURPOSE

The purpose of this item is to present to the Carrboro Board of Aldermen a request for funding from the Affordable Housing Special Revenue Fund from EmPOWERment, Inc. for emergency repair to a sewer line at 105 Cobb Street. Upon approval of this project, a budget amendment is required to move the funds from the General Fund to the new Affordable Housing Special Revenue Fund and to appropriate funds for this specific project within the Special Revenue Fund.

INFORMATION

This fund was created to advance the Town of Carrboro's goal of increasing the stock of affordable, safe and decent housing within the Town and its' planning jurisdiction. The fund was established by a resolution approved on June 26, 2007. Payments to the fund, made by developers, in lieu of providing affordable housing under the applicable provisions of the Land Use Ordinance, are deposited into the fund in addition to other revenues such as grants, donations, loans, interest payments, or other contributions that are received. The fund currently has \$48,000 available for affordable housing projects. In accordance with the June 2007 adopted resolution, the money from the fund may be used in the form of grants or deferred loans. This project falls under the category of emergency housing repair for citizens earning less than 80% of the area median income.

- The applicant has submitted a memorandum to the Economic and Community Development Department containing the following information: 1) The purpose of the request, 2) a complete description of the project to include the location, address and jurisdiction, as well as, if applicable, what problem will be solved, 3) The applicant has provided a discussion of the project showing how the project meets program criteria, who and how many beneficiaries there are, and documented income data to support the need for funding.
- This information has been evaluated by staff and a recommendation for approval is being provided to the Board of Aldermen. All appropriate legal documents needed to secure the Town of Carrboro's interest have been prepared by the Town Attorney and after execution will be recorded

in the office of the Register of Deeds in Orange County. A deed of trust will be recorded in the county that will not only secure the Town's position but will notify the Town if any action is taken with the property.

Town staff received a memorandum from EmPOWERment Inc. fully describing the project and identifying the beneficiaries of the project and recommends approval of the request for emergency assistance from EmPOWERment Inc, for 105 Cobb Street. The funds requested are to repair a sewer line that runs from the citizen's house at 105 Cobb Street to a man hole at the corner of Cobb and Lloyd Street. The project has been evaluated and estimated by Tim Peck of Peck & Artisans, at a cost of \$8,250.00. This amount includes a \$750.00 contingency. The applicant meets the criteria outlined in the guidelines for the project and falls below 80% of the area median income as documented by review of the applicant's income data and verified by EmPOWERment Inc. Without this assistance, this applicant will not be able to move back into her residence.

The \$8,250 funds will be provided as a deferred loan to the applicant for a period of fifteen years. The amount will be reduced on an annual basis at a rate of \$550.00 if the loan recipient abides by the rules of the program by continuing to live in the unit, thereby keeping it affordable and in the affordable housing stock.

RECOMMENDATION:

The staff recommends approval of the request for funds by EmPOWERment Inc. for Truphenia Kelly, the owner of a home at 105 Cobb Street in Carrboro for the purpose of repairing a collapsed sewer line at a cost of \$8,250.00 to be repaired by Tim Peck of Peck & Artisans of Carrboro, NC. If the Board approves this request, a budget amendment is also attached for the Boards' consideration.