



CITY OF DURHAM | NORTH CAROLINA

**Date:** April 17, 2012

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Reginald J. Johnson, Interim Director  
Department of Community Development  
**Subject:** Award of General Funds and HOME CHDO Funds  
to Community Alternatives for Supportive Abodes  
(CASA) for Permanent Affordable Housing

### **Executive Summary**

The Council approved the FY 11-12 Annual Action Plan that includes the award of \$251,969.00 in general funds and \$253,031.00 in HOME funds to Community Alternatives for Supportive Abodes (CASA) for the development of a 10-unit permanent housing apartment building for persons who are homeless and have disabilities. The proposed facility will be located at 1600 Sedgefield Street and will target formerly homeless Veterans. All other sources of funding are now in place and CASA is ready to begin the construction process.

### **Recommendation**

The Department of Community Development recommends that City Council authorize the expenditure of \$251,969.00 in budgeted general funds and \$253,031.00 in HOME CHDO funds for the purpose of permanent affordable housing for persons who are homeless and with disabilities, and authorize the City Manager to execute a General Fund construction/permanent loan agreement and other related legal documents in the amount of \$251,969.00 that is forgiven over a period of 20 years at 0% interest and a HOME CHDO construction/permanent loan agreement and other related legal documents in the amount of \$253,031.00 that is forgiven over a

period of 20 years at 0% interest, with Community Alternatives for Supportive Abodes.

### **Background**

CASA was incorporated on March 10, 1992 to address housing for persons with special needs including mental illness, developmental disability, substance addiction and HIV-AIDS being served by the Wake County Department of Human Services. Within the past several years, CASA has expanded into Durham and Orange Counties. To date, CASA projects completed or in the development phase total a combined 643 housing units and rental subsidies representing over \$38 million in project funding CASA currently owns and manages 249 units in the Triangle area and is partner or manager of 101 additional units. Included in this total is Buchanan Apartments and Vesson Court Apartments, in Durham which serve persons with special needs. CASA also manages Shirley Stroebel Apartments located at 1711 Liberty Street.

CASA's application for funding is for the acquisition of land and new construction of the Durham Veterans Apartments, located at 1600 Sedgefield Street on part of a 1.34 acre site. The balance of the site is reserved for future development. The initial building will consist of 10 one-bedroom apartments containing approximately 450 square feet. All of the units will house persons who are homeless and have disabilities with preference and priority given to veterans having incomes at or below 30% of the area median. At least one unit will be reserved for a person with a disability who is chronically homeless.

The total project cost is estimated at \$1,279,257.00 The City of Durham will provide a forgivable loan in the amount of \$251,969.00 in General Funds and a forgivable loan of \$253,031.00 in HOME CHDO funds. The remainder of the funding will be provided by a grant from the HUD- Supportive Housing Program of \$400,000.00 and a deferred loan of \$374, 257.00 from the North Carolina Housing Finance Agency Supportive Housing Development Program.

To provide supportive services, CASA will partner with local agencies such as CAARE, the Durham VA Medical Center, TROSA and Volunteers of America to address specific case management needs of residents. Other referring partners will include Urban Ministries of Durham, Housing for New Hope and the Durham Center.

### **Issues/Analysis**

The 2010-2015 Five-Year Consolidated Action Plan (the Plan) and FY '10-'11 Annual Action Plan have identified as an ongoing priority need, the development of additional permanent housing units for special needs populations-specifically those persons with severe and persistent mental illness,. According to the Plan, the goal of the City is to add 10 units for each of the next 5 years. The Department of Community Development is committed to the development of safe and affordable housing for special needs populations and this project will assist in providing additional opportunities for our citizens that require special needs housing.

### **Alternatives**

The City Council could elect not to provide the requested funding for this activity. If the project does not receive General Funds and HOME funding, it will not move forward. Approval of the project will represent another incremental step towards meeting the permanent housing goals of the Ten Year Plan to End Homelessness in Durham.

### **Financial Impact**

General funds specifically designated for affordable housing for persons who are homeless and with special needs are budgeted and available for this project. HOME CHDO funds are also budgeted and available for this project

### **SDBE Summary**

Goals for this project have been set by the Office of Equal Opportunity/Equity Assurance at 10% for minority SDBE participation and at 1% for women's SDBE participation.