



**Date:** December 22, 2015

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Reginald J. Johnson, Director  
Department of Community Development  
**Subject:** Award of Dedicated Housing Funds to Habitat for Humanity of Durham, Inc.

### **Executive Summary**

In response to the City of Durham's application for funding of CDBG, HOME, ESG and General Funds for FY 2015-2016, Habitat for Humanity of Durham, Inc. (Habitat) submitted an application for grant funds using Dedicated Housing Funds under the Neighborhood Revitalization category, in the amount of \$182,910.00 to acquire single family building lots, or to purchase homes suitable for renovation in Northeast Central Durham (NECD). The acquisition of these properties will enable Habitat to provide homeownership opportunities to first time home buyer individuals and families whose income does not exceed 60% of the area median income.

### **Recommendation**

The Department of Community Development recommends that City Council authorize the expenditure \$182,910.00.00 in budgeted Dedicated Housing Funds for the purpose of creating affordable housing units, and authorize the City Manager to execute the grant agreement and related legal documents with Habitat.

### **Background**

The funding that Habitat is requesting will be used for the acquisition of no fewer than 5 single family vacant lots, or homes suitable for demolition and replacement, located on scattered sites in NECD. These parcels will be improved with detached energy efficient homes that will complement the existing redevelopment efforts in NECD and will be sold to first-time homebuyers.

Habitat must construct all new homes to meet System Vision specifications and upon completion each house must be certified by Advanced Energy that the energy required to heat and cool the building will not exceed the Guaranteed usage.

Habitat will continue their current efforts to eliminate substandard houses and blight in NECD and provide homeownership opportunities to further stabilize the neighborhood.

**Issues/Analysis**

The revitalization of Durham's central city neighborhoods was a specific priority of the Five-Year Consolidated Plan. Habitat has acquired or plans to acquire other vacant and dilapidated properties in the NECD and SWCD neighborhoods.

**Alternatives**

The City Council may elect to not provide funding for this project. It should be noted however, that there are no alternative funding sources. If the project does not receive Dedicated Housing Fund funding, Habitat will have to delay or cancel plans to develop new housing in this neighborhood.

Another alternative is that Council could elect to provide a lesser amount of funding, but that too, would have a negative impact on the number of homeownership units created.

**Financial Impact**

Dedicated Housing Funds specifically designated for the creation or preservation of affordable housing are budgeted and available for this project.

**SDBE Summary**

N/A