

FY 25 AHSP Application Staff Summary: Western Carolina Rescue Ministries - Backyard ADUs for Supportive Housing

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|---------------------------------|--|---|---------------------------|-------------------------------|
| 2 Household Served | \$23,750 AHSP Request Per Household | \$1.00 : \$2.43 Leverage Ratio AHSP \$: Other Non-County \$ | ≤50% AMI Target | 11% % Admin Cost |
|---------------------------------|--|---|---------------------------|-------------------------------|

Project Description: Western Carolina Rescue Ministries (dba Hospitality Houses) submitted a **New Start Grant** application requesting funds in the amount of **\$47,500** to support the Backyard ADUs for Supportive Housing project.

AHSP Goal: Support activities that achieve functional zero Homelessness

AHSP Objective: 200 units for <30% AMI

Summary: Hospitality Houses' request (\$47,500) is intended to help construct two new accessory dwelling units (ADUs) in Buncombe County. ADUs that will be used as transitional housing for families experiencing homelessness. The request will support an overall budget of \$163,020 of which the balance of funds (\$115,520) is expected to come from sources such as rent including vouchers, donations, Dogwood Health Trust (\$40,000) and the Asheville Housing Trust Fund (\$42,500), although projects located outside of the City of Asheville are not eligible for Housing Trust Funds.

Potential tenants include households at risk of homelessness served by Western Carolina Rescue Ministries, specifically women receiving support through the organization's Abbas Homes program and referrals from other community providers. The application indicates all households will have incomes at or below 50% of AMI but expects that all households will be below 30% AMI.

AHSP funds will be used to help cover construction costs, program management and supportive services. Support services to eligible tenants will be provided by local agencies overseen by Western Carolina Rescue Ministries. The use of vouchers is anticipated. ADUs will have a 10-year land lease with property owners. These ADUs will be the second and third units constructed through this pilot program. A future sustained source of funding has not been identified.

County Funding Source Options: Buncombe County General Fund and AHSP Program Income.

Finance Department Assessment of Audits and Financial Position: Western Carolina Rescue Ministries, Inc. provided a relatively timely audit, but did not include the notes to the financial statements. As such, staff cannot determine if findings are present. The auditor provided an unmodified opinion. As of December 31, 2022, Western Carolina Rescue Ministries, Inc.'s financials show a reasonably healthy financial position.

Recommendation: Community Development Division staff reviewed the project, confirms it generally adheres to the requirements of the FY25 AHSP and is eligible for funding. Other sources of funding are not secured yet, it is unclear if project is ready for implementation on July 1, 2024. A full or partial award may be considered.

| PROJECT SUMMARY SHEET | | Y/N |
|---|--|-----|
| Project Description/Narrative | | |
| Clearly affordable housing focused | | Y |
| Aligns with all components of the application | | Y |
| Aligns with all guidelines of the AHSP program | | Y |
| Aligns with the selected strategic goal | | Y |
| Designed to Serve Households with AMI | | |
| <80% | | N |
| <50% | | Y |
| <30% | | Y |
| Designed to Serve | | |
| Income qualified general populous eligible for the program | | N |
| Individuals who are age 55 or older | | N |
| Individuals with a disability | | Y |
| Individuals who are hard to house | | Y |
| Individuals who are homeless | | Y |
| Individuals who are BIPOC | | Y |
| Individuals who are justice involved | | N |
| Individuals who have vouchers | | Y |
| Individuals who have been referred by the Continuum of Care | | Y |
| Budget of Expenses | | |
| Complete | | Y |
| Reasonable | | Y |
| Budget of Revenues | | |
| Complete | | Y |
| Reasonable | | Y |
| Includes leveraging additional investment (non-AHSP funds) | | Y |
| Project Schedule | | |
| Complete | | Y |
| Reasonable | | Y |
| Project Team | | |
| Relevant experience and qualifications to complete the project | | Y |
| Project History | | |
| Indicates success in completing projects in the program category | | N |
| Applicant | | |
| Has timely audits free of qualifications and findings which would adversely indicate ability to manage an AHSP allocation | | N |
| Shows a healthy financial position | | Y |
| Is a non-profit applicant | | Y |