

City of Lawrence CDBG/HOME Programs Grant Application

I. Cover Sheet

Please use this cover sheet as the first page of your proposal. No cover letters, please.

Agency Name: Tenants to Homeowners, Inc. & The East Lawrence Neighborhood Association _____

Mailing Address: 2518 Ridge Court, Ste. 209, Lawrence KS 66046 & PO Box 442393, Lawrence KS 66044

Program Address, if different than above: _____

Contact Name: Rebecca Buford & Nancy Schwarting Phone: 760-2058 & 856-7475

Contact Title: Executive Director & ELNA Coordinator

E-mail (required): rbufordefird@yahoo.com & eastlawrence@yahoo.com Fax : (785) 842-7570 &

Date : November 28, 2007

Mission of organization:

Tenants to Homeowners, Inc.'s mission is to empower tenants to become homeowners through programs for education, construction and creative financing. To create a permanent stock of affordable housing in the Lawrence community.

The East Lawrence Neighborhood Association's mission is to keep their neighborhood maintained and support sustainable community for the families that live there.

II. Project Information

Requested \$7,000 Request is 4.7 % of project budget and .35% of agency budget.

Attachment Checklist

- Department approval, if applicable
- List of officers and board members and their principal occupations (one per agency)
- Most recent annual report and (one per agency) financial statement
- Budget for proposed project, including revenues and expenses (one per project)

Project Type

(Check all that apply)

- Strengthen Neighborhoods
- Movement to housing
- Emergency Assistance
- Affordable Housing
- Housing Counseling
- Home Ownership
- Improve Housing Stock

Funding Need

(Check all that apply)

- New program
- Existing program
- Public Service
- Capital Improvement
- Other (describe) _____

Please use the space provided on this cover page rather than an attachment to respond to the following:

Fifty-word summary description of the project:

Tenants to Homeowners, working in cooperation with the East Lawrence Neighborhood Association and the Lawrence Preservation Alliance, will rehabilitate 1120 Rhode Island, a contributing property to the Rhode Island National Historic District. This home will then become an affordable home in the Lawrence Community Housing Trust.

City of Lawrence CDBG/HOME Programs Grant Application

Please use attachments to answer the following questions in the order presented. Limit your total response to four pages, using standard one-inch margins, single-spacing and 12-point font.

1. What is the situation, problem or opportunity this grant will address?

Tenants to Homeowners, Inc. (TTH), the East Lawrence Neighborhood Association (ELNA), the Lawrence Preservation Alliance (LPA) and Douglas County each expect significant benefits from the rehabilitation of a contributing property to the South Rhode Island Street National Historic District. This property, 1120 Rhode Island, is a dilapidated 1880's bungalow sitting on the edge of 3 vacant lots owned by the county. Visibly run-down, this house gets numerous complaints and is a problem for the neighborhood due to its unsafe condition. This house is also a problem for its owner, Douglas County, which has not allocated funds for rehabilitation. The LPA, the Lawrence Historic Preservation Committee, and the neighborhood energetically oppose demolition of this contributing property.

Otherwise at an impasse, a truly cooperative and beneficial solution has been found. The ELNA asked TTH to rehabilitate the property and sell it through the Lawrence Community Housing Trust Program. Douglas County agreed to give TTH the house and a free lease to the land, in addition to leasing the property's neighboring empty lots. TTH plans to construct new, Energy Star-certified affordable housing on these lots and turn a blighted area into 6 additional units of affordable owner-occupied housing that is in keeping with the historic look of this block and the historic district. TTH and the LPA are working together to rehabilitate the property and pledge to contribute project funds to lower the cost of this neighborhood project.

2. How will this grant support the mission of the organization?

TTH's mission is to create affordable housing opportunities for the Lawrence workforce through education, rehabilitation, construction and creative financing. This project allows TTH to improve this target neighborhood by turning a run-down house into a renovated affordable home, and constructing five units of high-quality, affordable housing on a vacant lot that currently does not fit with the residential area (and has been considered for a parking lot). From a long-term perspective, this project will benefit the community by keeping the homes owner-occupied, a requirement for all Housing Trust homeowners. In addition, this little project provides infill development that will remain affordable in a neighborhood that is struggling to stay affordable due to gentrification pressures.

East Lawrence Neighborhood Association's mission is to ensure that their neighborhood is well maintained and supports sustainable community for the families that live there. This particular house is a current eyesore and hazard in the neighborhood. The rehabilitation of this historic resource would do much to support the mission of the ELNA by adding another affordable property to a historically affordable neighborhood that is suffering from gentrification and preserving its rich history through the rehabilitation of a home built in the 19th century.

3. How many people will be served by this grant and what percentage are low-moderate income (describe method of verification)?

City of Lawrence CDBG/HOME Programs Grant Application

100% of the Housing Trust homeowners will be low-moderate income families in perpetuity, as all Housing Trust buyers must have a household income that falls under 80% of the median income to be eligible for the program. Also, since the rehabilitation allows TTH to acquire the neighboring lots from the County, this allows TTH to create an additional five units of affordable, accessible construction that will serve low income homebuyers.

The East Lawrence neighborhood will be continually served by the home's renovation and the guarantee that all TTH, Inc. housing will be owner-occupied. The 2000 census data tells us the neighborhood has 3,195 people in 1332 households of which 66% are low to moderate income. Housing is 59% rental and 41% owner occupied. Neighborhoods are strengthened and stabilized when there is more owner-occupied housing so this project is very positive for the East Lawrence Neighborhood.

4. What resources are currently available to dedicate to the project, including staff, volunteers, existing funds and community partners?

Resources include the LPA's expertise in preservation and \$7,500 in cash support.. TTH has budgeted \$95,000 in project funds for 1120's rehabilitation. Both the LPA and TTH have already received the structural engineer's report, bids from three historic rehabilitation contractors, and contracted Dan Hermreck, a local architect specializing in residential rehabilitation projects, to complete the improved plan drawings for the bungalow. This project is eligible for \$30,000 in historic rehabilitation tax credits and a generous donor has pledged to purchase these tax credits at a \$1 for \$1 rate. The county has committed to helping apply for these credits, donate the home, and lease the land at no cost. The Capitol Federal Foundation has pledged \$5,000 to the cooperative project and TTH, the city's Historic Resources Officer,, the LPA and ELNA are committed to providing technical assistance, building fee waivers, volunteer skilled labor and time to cut the costs of this project without reducing the quality of the preservation.

The East Lawrence Neighborhood Association has two workdays annually to clean up yards, garages, and porches and has hauled away two truckloads of trash and brush. ELNA would be pleased to volunteer to scrape, paint and garden to help make this project a reality.

All that is needed to make this project a success and leverage the additional lots for affordable housing is this small gap funding.

5. How is this approach to the issue unique or collaborative and what gives it a high likelihood of success?

This project was initiated by the East Lawrence Neighborhood Association as they continue to put pressure on the county to do something about this neglected property and was finally supported by the County's donation. ELNA then brought two not for profit organizations, TTH and the LPA, and challenged them to work in cooperation to complete the rehabilitation while still maintaining their own missions, for TTH—affordable sustainable housing, and LPA—the historic preservation of Lawrence's built environment. This project is a wonderful example of how a neighborhood association can bring entities to the table and begin brainstorming about unique approaches to collaboratively solve neighborhood problems like blight, maintenance by neglect and lack of affordable housing in a neighborhood that is experiencing extreme gentrification. This project is likely to succeed because it cooperatively attacks this problem in a

City of Lawrence CDBG/HOME Programs Grant Application

way that will benefit all involved. Not only do the missions of these groups support this project, but they have a proven track record (TTH has rehabilitated 14 homes and the LPA has completed 5) and have already leveraged most of the resources needed to ensure its success.

For many years, the neighbors on the same block have consistently attended neighborhood and County Commission meetings whenever these properties were discussed. All of the neighbors have consistently said that they want residential use, preferably owner occupied and with architectural design that complements the existing National Historic District housing.

6. How will success be measured and how will you continue to fund this project once grant funds are expended?

The project will be considered successful when 1120 Rhode Island is rehabilitated in a manner that respects and enhances its historic character, passes inspection and is sold to an income-eligible household at an affordable price; an estimated \$85,000. This price would provide housing for a family that makes only 53% of the median income for a household of two. Housing Trust homes in this price range are quickly sold, and TTH expects this home to be especially desirable, given its unique character and great location near downtown and South Park. Once grant funds are used and the home is rehabilitated, no more additional funds will be needed, as the restricted resale formula keeps the house affordable. Funding this project will also allow TTH to create another 5 units of affordable housing on this block and sell these homes in the Trust. Without the funds to complete the rehabilitation of 1120, the county will not allow TTH to develop the additional housing units on the vacant land. TTH's revolving project funds will be used for this development.

ELNA will measure success by significant markers along the way:

1. Are all four parties communicating well?
2. Are we making our deadlines?
3. Are we sharing the workload whenever possible?
4. Do we have approval from the Historic Resources Commission?
5. When will the house be occupied?
6. Will the new residents join ELNA?

7. What is the organization's timeline for achieving the objectives of the grant?

TTH and the LPA plan to begin rehabilitation by June 2008 and complete the project within 4-6 months.

8. What other funding sources have been approached and what have the responses been?

This collaborative effort has already received pledges of \$143,000 in project funds, community support from the LPA, ELNA and Capitol Federal Foundation and tax credit financing. If the Housing Trust homebuyer is eligible for a Federal Home Loan Bank grant, this will provide an additional \$10,000 to reduce the home's purchase price (Most households that are eligible for the Housing Trust program are eligible for this allocation). Including the \$7,000 CDBG request, this totals \$150,000, the current cost of the project. TTH and the LPA also have set aside a contingency fund for unexpected costs although we hope with the volunteer efforts and a not-to-

City of Lawrence CDBG/HOME Programs Grant Application

exceed contractor bid agreement to avoid the use of those funds as that would take away from other projects.

9. Describe the agency philosophy and practices regarding recycling and other “green” practices.

Whenever possible, TTH recycles job-site trash and saves extra, useable building materials in a storage shed for future projects. As the first builder in the city of Lawrence to receive Energy Star certification on its houses, TTH leads the community in green construction. An Energy Star rating means that the house has passed rigid performance tests that prove its efficiency matches the claims of its design. TTH will require that the rehabilitated home will pass an energy audit and will come as close to new construction Energy-Star standards as possible. TTH established these policies from a commitment to the environment and to continued affordability of housing. Greater energy-efficiency decreases utility costs to the homeowner, providing support beyond a simple reduction in purchase price. In this rehabilitation effort, TTH and the LPA are approaching another level of recycling, by reusing older housing stock and reusing many of the materials in the structure that are still sound.

In an effort to support recycling and reduce paper use, please see the applications submitted individually by Tenants to Homeowners, Inc. and the East Lawrence Neighborhood Association for the following attachments:

- List of officers and board members for TTH, Inc.
- List of officers and board members for ELNA
- 2007 annual report from TTH, Inc.
- Annual report from ELNA

CDBG/HOME Application 2007
Tenants to Homeowners/The East Lawrence
Neighborhood Association

1120 Rhode Island Rehabilitation Budget

Cost:	\$150,000
Funds:	
LPA	\$7,500
TTH	\$100,000
Tax Credits	\$30,000
Capitol Federal Foundation	\$5,000
CDBG	\$7,000
ELNA/Neighborhood contributions	500
Total Budget	\$150,000