

PART I GRANT APPLICATION SUMMARY FORM

APPLICANT INFORMATION

Organization: Creating Opportunities in Neighborhood Environments, Inc (CONE)		EIN # 23-3070796
Address: 31 S. Broad St		
City: York	State: PA	ZIP Code: 17403
Phone: 717-845-2601 EX 1128	E-mail: czumbrun@yorkhousing.org	Fax: 717-845-9251
Date Received 501(c)3 Status: June 22, 2001	Total Operating Budget: \$43,730	

Major Sources of Operating Funds (%): **Low Income Tax Credit developer fees**

Contact Person's Name & Title: **Craig Zumbrun, Deputy Director, Housing Authority of the City of York**

Mission and Purpose of Organization:

CONE's mission is to develop, encourage, build, own, manage and/or operate and maintain decent, safe and sanitary, low income, affordable housing and related facilities to meet the needs of persons who are of moderate or limited income and to operate such housing in related facilities at an affordable cost so as to ensure success for independent living for those qualifying individuals.

PROJECT INFORMATION

Type of Application: Competitive Grants Program; Other (Describe)

Project Description (25 words or less):

To purchase/rehabilitate/resell 4 vacant abandoned/foreclosed residential properties for homeownership in Olde Towne East neighborhood for a total of 8/ 25 units.

Anticipated Project Timetable (month/year format): Start Date: **September 1, 2011** End Date: **August 31, 2012**

Client Group to be Served by Project: **Homebuyers making under 120% of Area Median Income or \$74,880 for a family of 3 who agree to live in the home for a minimum of five years.**

Geographical Area to be Served by Project:

York City All York County Northern York County Eastern York County Western York County
 Southwestern York County Southern York County Southeastern York County

List Goals & Objectives Addressed by Project:

Increase homeownership from current 24% to that of York City's currently 67%; occupy vacant units; decrease crime and further stabilize surrounding neighborhood; advance cooperative efforts among community partners.

PROJECT FUNDING

A. COMMITTED To Date From:		B. Additional Funding SOUGHT From:	
Federal NSP3 thru DCED	\$636,000	DCED Keystone Communities	\$179,000
Private donations	\$ 37,000	Private construction loan & donations	\$123,000 20,000
A. TOTAL COMMITTED:	\$673,000	B. TOTAL ADDITIONAL FUNDS SOUGHT:	\$199,000
C. REQUESTED FROM YORK COUNTY COMMUNITY FOUNDATION:			\$5,000
D. TOTAL PROJECT COST:			A+B+C=D \$1,000,000

SIGNATURES

Staff Officer Signature:	Date:
Printed Name:	
Board Officer Signature:	Date:
Printed Name:	

PART II – PROPOSAL NARRATIVE

Introduction

Creating Opportunities in Neighborhood Environments, Inc. (CONE) is 501(c) 3 private non- profit organization which was created by the Housing Authority of the City of York (YHA) in 2001. It has a six member Board, two of whom also serve on YHA's Board. The Board meets bimonthly and is currently using the staff of the York Housing Authority (YHA) and consultant(s) to complete various tasks until it is able to employ its own permanent staff. It has assets of \$300,000 which it earned from two tax credit developments complete with the YHA. These developments created over one hundred affordable housing units. CONE was approved by both the City of York and the County of York as a Community Housing Development Organization (CHDO) under the HUD HOME Partnerships Program in January 2008.

Need/Opportunity.

Some more recent demographics for Olde Towne East follow:

**2007 Statistics for York City and
Olde Towne East Neighborhood**

	Olde- Towne East	York City
Population Count	2,829	40,045
# Families	566	8,874
# Households	1,090	15,645
% Minority	59.60%	40.30%
% Below Poverty	33.90%	28.20%
# Housing Units	1,367	18,308
% Owner occupied	24.00%	67.30%
% Renter occupied	76.00%	32.70%
# Vacant units	264	2,663
Median Family Income	\$29,408	\$33,172
Median Household Income	\$19,329	\$28,716

Source: 2007 Federal Financial Institutions
Examination
Council Census
Reports

Creating Opportunities in Neighborhood Environments, Inc (CONE) recognizes that **increasing homeownership in the City of York neighborhoods** significantly builds upon the success of various City efforts, as well as adds value to the many Housing Authority properties located throughout the City. Increasing homeownership rate in city is a major goal of the City's Comprehensive Plan as well as many neighborhood plans such as Community Renaissance/Elm Street Plan for Olde Towne East and the 2008 Revitalization Plan for Codorus/Thackston Homes.

An evaluation of property conditions in Olde Towne East conducted in 2003 found that 49% of the properties in Olde Towne were substandard or dilapidated. In addition, a 2005 vacant property inventory report conducted by the Fels Institute of Government for York City identified 54 properties in Olde Towne East as vacant and calls for occupying or removing vacant units, **increasing the homeownership rate and improving the conditions of existing properties in order to create neighborhood stability.** Increased homeownership would also increase city tax revenues as well as contribute to a safer and more attractive city.

It is also seen as critical that the most blighted and nuisance properties in city neighborhoods be stabilized in order to assure potential homebuyers that the neighborhood is safe and worth their investment. Rehabilitation

would upgrade the existing housing stock to a more marketable level by including wherever possible, today's desired amenities such as off-street parking; security systems; central air conditioning; closet space; ADA accessibility; and wall to wall carpeting/wooden floors. This will help improve living and working conditions and ensure continued viability of the neighborhood for years to come.

Project Activities

CONE is requesting \$5,000 in YCCF funding for Phase 2 of the Olde Towne East Acquisition/Rehabilitation/Resale to Homebuyers project. The goal of Phase 2 is the seem as it was in Phase 1-- to purchase and rehabilitate four vacant residential properties for new homeownership in the Olde Towne East neighborhood (census tract 2 and a DCED Elm Street). This would bring the total to eight units out of a total of twenty five that were originally planned in the 2008 MOU with the York Housing Authority and the YWCA of York. The development team consists of CONE consulting staff, the YHA deputy director and various other staff, plus the current Elm Street Manager. They seek to purchase and rehabilitate four housing units a year for five years.

The Total Project Costs for Phase 2 is projected to be \$1,000,000. YCCF funds will be leveraged with \$636,000 in federal NSP3 funds awarded in March, 2011; and committed private funds totaling \$32,000 from the Powdermill Foundation (\$25,000); Peoples Bank (\$10,000); and Realtors Association of Adams and York Counties (RAYAC) \$2,000. In addition, YHA/CONE has applied for \$179,000 in DCED Keystone Communities funds as well as actively pursuing additional private sources including the PNC Foundation, Citizens Bank and the State Farm Foundation. We have been denied funding for phase 2 by Wells Fargo and Nisource Corporation.

CONE and its partners, the YHA and the YWCA of York, are committed to use the sales proceeds from the units to continue to rehabilitate and resell to homeowners within the neighborhood as well as additional private and public funds raised in order to ensure success.

The projected schedule for phase 2 is as follows:

Activity	Timeline	Responsible Party
Complete acquisition of 4 units	90 days after funds released	CONE, YHA
Secure Renovation funds	30 days after funds awarded	CONE/YHA
Properties rehabilitated	by March 31, 2013	private contractor
Property marketed & sold	by July 1, 2013	YWCA, homebuyers

Anticipated Results and Assessment.

YCCF should support this effort due to CONE's commitment to rehabilitate a total of twenty five units within Olde Towne East as well as our progress to date. A copy of the August 25, 2010 press release when Phase 1 construction began follows at the end of this section. It explains the undertaking in detail.

Progress as of August 28, 2011 on Phase 1 is as follows: The units at 113 and 115 have been completed and are currently on the market for \$79,900 each. 335 E. Princess was completed in late August and will be ready to list for sale in early September 2011. The 119 S Pine unit is 85% completed. The property should be ready to list for sale by October 1, 2011. The unit at 327 E King is under design. Construction bids should be invited in early fall 2011.

The YWCA's Elm Street Program has agreed to assist in the marketing and sales of the units. The Community Progress Council has a counseling program that the homebuyers will be referred to. Those interested in purchasing 113 and 115 S pine must have incomes at or below 80% of AMI due to the City and County HOME requirements. Those interested in purchasing 119 S Pine and 326 E King will be required to have incomes below 115% of AMI thanks to the recent approval by DCED to increase the maximum income in order to improve more rapid sales in a sluggish local housing market.

Leadership

We see leadership as translating mission into reality. We believe all of the organizations involved in this project—CONE, the YHA, and the YWCA of York-- have shown a great deal of leadership in committing to undertake this project in Olde Towne East as a part of a multiyear comprehensive approach to revitalization. Beginning in 2001, the YWCA of York has helped organize residents to identify key issues and work towards improvement through the development and implementation of the Community Renaissance Plan. The Community Renaissance Plan identified deteriorating housing conditions as a primary neighborhood concern. This Plan was expanded through input from the Elm Street Community Alliance and from the Olde Towne East Neighborhood Association. This effort continues to include residents and stakeholders in the community planning and implementation process.

Since this project is taking place in a PA designated Elm Street neighborhood, certain objectives of progress are monitored and reported on an annual basis by the Elm Street organization. Plans are to continue this system in order to chart and fine tune the current and future revitalization activities. For 2010, accomplishments for Olde Towne East's revitalization efforts as reported in the YWCA of York's Annual Report are as follows:

- Over \$7 million has been invested in infrastructure and housing improvements since the program's inception.
- Family-oriented events focused on safety and community partnerships, such as
 - Participation in 2010 National Night Out
 - Celebration of Olde Towne East with an ice cream festival open to the public and sponsored by Turkey Hill
 - Participation in the April York City-wide cleanup
- Crime continued to fall an additional 17%, bringing the rate of criminal incidents down by 24% since 2001.
- The average sales price of an Olde Towne East home rose over 110% since 2000, from \$29,456 to \$63,245, compared to a 33% increase for York City.
- 76% of residents said that they planned to continue living in the neighborhood.
- Rehabilitated homes were showcased in the York Young Professionals Home Tour

Collaborations.

A notable aspect of this project is the partnership established with YHA, CONE, and the YWCA of York. A **three party Memorandum of Understanding (MOU)** was signed in 2008 that outlines the duties and responsibilities of each to acquire, rehab, market, and sale these units. A copy of this MOU is attached to the application.

Additionally, all three organizations have an ongoing, supportive relationship with the City of York's government, evidenced most recently by its support for YHA's NSP3 and DCED applications to the Commonwealth and NSP3's administration by the YHA.

PRESS RELEASE

HOMEOWNERSHIP PROJECT BEGINS IN YORK'S OLDE TOWNE EAST NEIGHBORHOOD

City of York, PA August 25, 2010—In 2007, the York Housing Authority, the YWCA of York, and the CONE organization agreed to work together to achieve the goal of purchasing, rehabilitating and then selling vacant dilapidated housing units in the Olde Towne East neighborhood of the City. By turning these properties into stable owner occupied units, the health of the neighborhood and quality of life will be improved.

Today this joint effort has begun with the reconstruction of the first of 4 vacant housing units located on South Pine Street and East King Street. Over the next five years, plans are to complete a total of 25 housing units in a similar fashion.

The completed units will be sold to those who have incomes below 80% of the area's median income or \$ 44,000 for two people and \$54,950 for a family of four. Homebuyers must agree to reside in the unit for a minimum of five years. This requirement will be enforced through a deed restriction.

Olde Towne East neighborhood is an 18-block neighborhood just east of Downtown York bordered by Market and Prospect Streets and Queen and Broad Streets. It offers its current and potential residents unique architecture at affordable prices in close proximity to all the downtown amenities, including Martin Library, the new baseball stadium, Memorial Park's ice skating rink, theaters, and restaurants. Approximately 3,000 people live in Olde Towne East.

YHA and CONE have a proven track record in developing affordable rental and homeowner developments and the YWCA of York launched the Olde Towne East Elm Street initiative in 2001. This first phase of the project is being funded through the assistance of many public and private funding sources. The YHA and CONE each contributed \$100,000; the YWCA secured York \$248,000 through York City and County the Commonwealth's DCED awarded YHA \$300,000. M&T Foundation is partnering with the YWCA to contribute \$50,000 for housing activities as part of its NPP commitment.

Other private financial institutions contributions come from PNC Bank, Wells Fargo, and Sovereign/Santander. The local Grumbacher Foundation also generously contributed funds for this undertaking.

The Housing Authority of the City of York (YHA) was created in 1949 with a mission "to provide safe, decent, affordable housing opportunities to people who are eligible, in a manner that encourages self-sufficiency". YHA has jurisdiction to administer its programs in the City and County owning and/or managing 1,065 rental units; a 1,565 voucher Section 8 Rental Assistance Program; and co-managing the York Towne House.

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The YWCA of York's stated purpose is "to work proactively and collaboratively to provide programs that promote racial justice, empower women, and strengthen our community." The YWCA of York has been actively engaged in improvements to Olde Towne East, conducting a community planning process which resulted in the Community Renaissance Plan in 2001. The Elm Street Project, seeks to improve the social, economic, and physical conditions in the Olde Towne East neighborhood, the plan seeks to improve the quality of life in the neighborhood by strengthening community policing in the area, promoting homeownership, improving lighting and streetscapes, renovating dilapidated buildings, creating green space and play areas and redeveloping commercial properties. The YWCA and the City of York have leveraged over \$6 million to implement the plan including funding from the Commonwealth's Elm Street Program, the PA Housing Finance Agency, and the Wachovia Regional Foundation.

Extensive information on Olde Towne East's revitalization is available on the YWCA's website <http://www.ywcayork.org/ote/oldetowneeast.html> for current houses for sale, an Elm Street Down Payment and Rehab Program, and Façade Grants.

PART III – PROPOSAL BUDGET

PHASE 2 (NSP 3) ELM ST Acquisition/ Rehab/ Resale										
SOURCE	TOTALS	STATUS	house 1	house 2	house 3	low income unit	total construction	Audit	Admin	total
NSP 3	\$636,000	SECURED	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000	\$5,000	\$31,000	\$636,000
Peoples Bank	\$10,000	SECURED	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000			\$10,000
Powdermill	\$25,000	SECURED	\$7,500	\$7,500	\$5,000	\$5,000	\$25,000			\$25,000
RAYAC	\$2,000	SECURED	\$500		\$500	\$1,000	\$2,000			\$2,000
DCED HRA	\$179,000	PENDING	\$38,000	\$38,000	\$38,000	\$40,000	\$154,000	\$5,000	\$20,000	\$179,000
PRIVATE FDT	\$25,000	PENDING	\$5,000	\$5,000	\$5,000	\$10,000	\$25,000			\$25,000
CONSTRUCTION LOAN	\$123,000	PENDING	\$31,250	\$31,750	\$33,750	\$26,250	\$123,000			\$123,000
TOTAL	\$1,000,000		\$234,750	\$234,750	\$234,750	\$234,750	\$939,000	\$10,000	\$51,000	\$1,000,000

Phase 2 Budget Estimate	House 1	house 2	house 3	house 4	TOTALS
Acquisition	\$34,000	\$34,000	\$34,000	\$34,000	\$136,000
A and E	\$17,500	\$17,500	\$17,500	\$17,500	\$70,000
Permits/ fees	\$7,000	\$7,000	\$7,000	\$7,000	\$28,000
Legal	\$4,500	\$4,500	\$4,500	\$4,500	\$18,000
Rehabilitation	\$161,000	\$161,000	\$161,000	\$161,000	\$644,000
Insurances	\$1,250	\$1,250	\$1,250	\$1,250	\$5,000
Maintenance	\$1,500	\$1,500	\$1,500	\$1,500	\$6,000
taxes	\$8,000	\$8,000	\$8,000	\$8,000	\$32,000
Total unit costs	\$234,750	\$234,750	\$234,750	\$234,750	\$939,000
Audit	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000
Admin/delivery	\$12,750	\$12,750	\$12,750	\$12,750	\$51,000
TOTAL COST	\$250,000	\$250,000	\$250,000	\$250,000	\$1,000,000