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Petition to the Chapel Hill Town Council

To: Mayor Kevin Foy and Members of the Town Council

From: Affordable Rentals, Inc. 109 N. Graham, CH; Nancy Milio, Chair

Date: November 24, 2003

Re: Petition for One-time Bridge Operating Funds, Jan. 1-June 31, 2004; Estimated minimum need: \$20,100

ARI's Mission:

ARI's mission is to develop, rehabilitate, maintain, and manage affordable rental housing for families in Orange County whose incomes fall between 30-50% of Area Median Income (about \$21-35,000 for a family of 4).

Origin and Status:

ARI was started as a follow-through on the need for affordable rental housing highlighted in the County Commissioners' Affordable Housing Task Force of 2000. In 27 months, ARI has successfully acquired over \$900,000 in housing assets through CDBG, HOME, and County housing bond funds; low-cost private and commercial loans and donations, and a foundation grant to cover part of our operating costs.

We are in process of completing housing acquisitions, leveraging public with private funds, and collaborating with other housing non-profits in an innovative project that will also be an asset to our community.

In sum, during 2004, we expect to own at least 17 rentals and to manage, in addition, 22 others. We will also apply for available affordable housing funds from public and private sources, planning to reach virtual financial sustainability in about 2 years.

Problem:

Our rapid growth demands that we hire a fulltime Director, instead of the half-time staff that we have had for 16 months. We will begin interviewing candidates next week.

ARI applied for the necessary operating funds from our current foundation supporter, but were stunned to learn 2 weeks ago that we would not be funded at all. Despite of an apparent misunderstanding on the part of the foundation, we managed to make a case with them for discussing an alternate proposal. So, we will soon meet with them at our office to present our plan for 2-year transitional operating budgets of \$55-60,000 to allow us time to reach a financial breakeven point. If all goes well, we would begin receiving foundation funds on July 1, 2004.

Cash Status

Currently we have about \$1200 in cash and expect a corporate donation of \$4600 within weeks. Our barebones monthly expenses will be \$650 overhead and \$3750 for salary; our income is \$1100. The shortfall beginning January will be \$3350 monthly. We therefore need \$20100 to move forward until July 1, when we have a reasonable hope that foundation funds will be awarded.

Request

Having explored many short term options, ARI is asking Council to provide a one-time cash allocation to fill this \$20,100 gap, or a substantial part of it. We are also petitioning Carrboro, and have a commitment of a partial match of public funds from a private donor.