



Willow Grove Community Development Corporation

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Affordable Rental Housing, the Threshold for Home Ownership

Michael J. McGee
Executive Director HLRA
1025 Horsham Road
Horsham, PA 19044

October 6, 2006

Dear Sir,

Attached is an abbreviated application in response to the NOI for HMARC. The Willow Grove Community Development Corporation is a local nonprofit affordable housing agency [a 501(c)(3)] that has effectively served eastern Montgomery County for the last 16 years.

It is the intention of the Willow Grove CDC to be the nonprofit entity through which to develop our plan of providing work-force housing, affordable housing and transitional housing to eastern Montgomery County. The plan may include one or more nonprofit agencies, a developer experienced in projects of this size, a tax credit firm experienced in maximizing the full potential of this project's funding, local commercial bank involvement for financing (as well as the eventual architects, engineers, and qualified contractors), and support by the Willow Grove Community Development Corporation.

The need for zoning acceptance is a basic tenant in this application, if no zoning variance can be considered for the proposed use, then the application is merely an idea to be located elsewhere (possibly when the 700 acres across the street are realized).

I trust this application will be considered with the intention with which it was submitted, to meet the escalating housing needs of eastern Montgomery County and Horsham Township.

Respectfully,

Rev. G. L. Kotzen, Executive Director
Willow Grove Community Development Corporation

Joseph L. Hagy, 3rd, President, Board of Directors

Secretary, Board of Directors

Organizational Profile:

1. Willow Grove Community Development Corporation
2. PO Box 1097 Willow Grove, PA 19090 phone: 215-443-7320
3. Rev. G. L. Kotzen, Executive Director
4. Joseph L. Hagy, 3rd, President of the Board of Directors, has Board delegated authority to complete any transactions on behalf of the Board of Directors. This authority has been delegated by vote of the Board of Directors at it's meeting on September 26, 2006. The excerpts from this meeting are noted :

(Motion was made by G. Dailey and seconded by W. Kirk authorizes an application may be submitted in response to the NOI from the U S Army Reserve Center in Horsham, for work force, affordable and transitional housing. Motion was passed unanimously.)
5. The Willow Grove Community Development Corporation is a 501(c)(3) nonprofit corporation. See attached documentation.
6. The Willow Grove CDC presently has the constituted authority to hold, own, and rent properties in Abington Township, Upper Moreland Township, Hatboro Borough, Ambler Borough, and Horsham Township. The Willow Grove CDC presently owns 51 housing units at 35 locations, whose sole use of the properties is for the fulfillment of its mission to provide affordable housing for low income, hard working families. (see under Organizational Capacity)
7. n/a
8. see attached Articles of Incorporation & By-Laws

Proposed Program:

1. Use of Property – in keeping with the Base Closure Community Redevelopment & Homeless Assistance Act of 1994 and with Public Benefit Conveyance & by direction of HLRA the following proposal for the usage of the 6.8 acres of HMARC located at 936 Easton Road, Horsham, PA 19044, is in compliance with 32 CFR Part 176, 20 (c)(2)(ii). The summary use of the property will be to raise the existing structure(s) and impervious surfaces (remediating any environmental issues to be identified), to develop, engineer, and construct 50 townhomes each being 3 bedroom units with garage, approximately 1800 square feet, 2.5 baths, natural gas, with public water and sewer. Further, the purpose of the project is to provide a unique combination of multi-use housing to serve eastern Montgomery County and Horsham Township.
2. The details of the project include providing **10%** of the newly constructed townhomes be devoted to homeless prevention and transitional housing through the collaborative efforts of the Interfaith Housing Alliance [501(c)(3)] of Ambler, PA 19002, with the provision of all structured case management and required counseling; **20%** of the newly constructed townhomes would be earmarked for affordable rental housing for qualified low income hard working families from Montgomery County – operated with required quarterly inspections and maintained by the Willow Grove Community Development Corporation [501(c)(3)]; and **70%** of the construction project to be designated for sale as “work-force” housing – affordable single family townhomes for private ownership. The provision of work-force housing is goal of the Montgomery County Planning Commission for Montgomery County, of HUD and its attempts to keep the single family home affordable, and is in compliance with the goals and vision for the Montgomery County Department of Housing and Community Development 5 year plan for Montgomery County. The project would, in summary, be 50 newly constructed townhomes on the 6.8 acre site for:
 - a. transitional housing for homeless prevention (10%)
 - b. affordable rental housing (20%)
 - c. work-force housing (70%)

The need for addressing homelessness in the Horsham/Ambler communities has been the mission and service associated with the Interfaith Housing Alliance (IFHA). They have a facility in Ambler on Spring Garden Avenue which houses 8 families for transitional housing purposes (this is an 18 to 24 month highly structured program with all manner of case management, job training, financial literacy training,

etc., by the staff of IFHA. The need this agency faces is the increased number of sites for transitional housing. The homeless or shelter work is **not** an ingredient of this proposal. Rather, homeless prevention in a staff monitored living environment, would meet the community needs for keeping families that have come near to or suffered the misfortune and effects of homelessness in a carefully monitored living environment.

3. Provide Following a) through d):
 - a) need to expand existing transitional housing facilities – revolving shelter program among volunteer churches in local community generates more than the 8 unit facility can accommodate, 5 additional units on the HMARC site would in helping to meet needs. The affordable housing need with the Willow Grove CDC can be easily assessed by the fact of the over 140 families on the waiting list for affordable rental housing; and the need for work-force housing can be ascertained by the focus of the Montgomery County Planning Commission, HUD, and the goals of the Montgomery County Department of Housing and Community Development
 - b) the expanded services address three needs presently effecting Montgomery County and Horsham Township. 100,000 people per day drive into Montgomery County in order to work, but cannot afford the current housing prices – work-force housing will provide the serviceability of affordable single family housing which is relatively non-existent in Montgomery County; the Willow Grove CDC will be able to effect the lives of approximately 10% of the waiting list of those who qualify for the affordable rental housing services; and the expansion of the IFHA transitional housing facilities serving Montgomery County will expand by approximately 60% with the additional 5 units.
 - c) Compliance with state standards will be standard operating procedure of the proposed activities, all work will be in compliance with any federal, state, or local for the HMARC project.
 - d) Speaking for the Willow Grove CDC and the IFHA, neither agency owns sufficient property to initiate this project. In so far as HUD, the Montgomery County Planning Commission, and the Montgomery County Department of Housing and Community Development, I cannot speak for their holdings.
4. With respect to other homeless programs, there will be the integration with the Montgomery County Housing Coalition and other County providers. There are other homeless prevention programs and transitional housing in other County locations: Norristown, Lansdale, Pottstown, North Wales, and Ambler. These are in contrast to full fledged shelter programs that serve individual off the streets. Transitional housing is highly regimented and far more suitable for residential integration.
5. The required time to commence the project and its associated programming would be directly related to the length of time it takes for the proper zoning application (with all necessary engineering, plot plan, architectural, etc. requirements). Once the zoning is successfully completed the actual site preparation and construction phases of the project could be done within 2 years of the zoning approval.

Building Or Property Necessary To Carry Out Program

1. All existing site buildings will be raised.
2. The applicant – the Willow Grove Community Development Corporation – is requesting a deed transfer, and would not, at this point consider the ownership being anywhere other than the sole possession of the Willow Grove Community Development Corporation.
3. The Willow Grove CDC will need to request the proper zoning changes or variances to permit 50 townhomes to be constructed on the existing HMARC site.
4. As noted the existing HMARC site buildings will be raised for an entirely new construction project.

Organization Capacity

1. The Willow Grove Community Development Corporation has, at this point, has not attempted a multi-unit new construction project, though it has extensive experience in new home construction, existing home renovation, and existing home preventive maintenance, inspections, and servicing. The capacity

of the Willow Grove CDC through its expertise on the Board of Directors, its potential to expand, and its credible reputation throughout the greater Horsham community presents itself as the nonprofit organization through which this vital project can come to fruition. The present staffing is not adequate to fulfill the project as it now stands and additional staffing will be required. Additionally, it will be necessary to enlist the proper sub-contracted firms that can provide the knowledge, expertise, and guidance for the project. Because the Willow Grove CDC has not done this sort of project does in no way limit its ability or potential to succeed. Over the last 16 years, the Willow Grove CDC provided a service for eastern Montgomery County by providing affordable rental housing. Market rate developers charging market rents and more, are plentiful. When looking for those providing well maintained, affordable rental housing, need only look as far as the Willow Grove Community Development Corporation – there are no competitors, no one else providing this service, and the reality is – affordable housing is done by no one but the Willow Grove CDC. For the Willow Grove CDC to pull together what heretofore does not exist – a new construction project for homeless prevention, affordable rental housing, and work-force housing – is merely an extension of our mission and another way to serve the local community.

2. Present properties owned and operated by Willow Grove CDC :

435 A Arbutus Ave, Horsham, 19044	308 - Front N. York Rd, Hatboro, PA 19040
435 B Arbutus Ave., Horsham, 19044	2602 Phipps Ave. WG, PA 19090
502- A Arbutus Ave., Horsham, 19044	2545 Pierce Ave., WG, PA 19090
502- B Arbutus Ave., Horsham, 19044	1559 Prospect Ave. WG, PA 19090
1700 Arnold Ave., WG, PA 19090	1565 Prospect Ave., WG, PA 19090
1702 Arnold Ave., WG, PA 19090	1736-A Prospect Ave. WG, 19090
335 Bonair Ave, Hatboro, PA 19040	1736-B Prospect Ave. WG, 19090
337 Bonair Ave, Hatboro, PA 19040	1567 Robinson Ave, WG 19090
14-A Cherry Street, WG, PA 19090	2544 Rubicam Ave., WG, PA 19090
14-B Cherry Street, WG, PA 19090	262 Southern Ave, Ambler, 19002
14-B Cherry Street, WG, PA 19091	281-A Southern Ave Ambler, PA 19002
1500 Fairview Ave. WG. PA 19090	281-B Southern Ave, Ambler, PA 19002
1514 Fairview Ave, WG 19090	281-C Southern Ave, Ambler, PA 19002
1550 Fairview Ave, WG 19090	217 Summit Ave., WG, PA 19090
1554 Fairview Ave, WG 19090	219 Summit Ave., WG, PA 19090
1836 Fairview Avenue, WG, 19090	221 Summit Ave., WG, PA 19090
1556 Franklin Ave, WG. PA 19090	223 Summit Ave., WG, PA 19090
1604 Franklin Ave. WG, PA 19090	225 Summit Ave., WG, PA 19090
235-A Garden Ave., Horsham, 19044	227 Summit Ave., WG, PA 19090
235-B Garden Ave., Horsham, 19044	229 Summit Ave., WG, PA 19090
2429 Hamilton Ave, WG, PA 19090	1646 Summit Avenue, WG PA 19090
1649-1 High Ave., WG, PA 19090	#1 Woodland Ave, Hatboro, 19040
1649-2 High Ave. WG, PA 19090	#3 Woodland Ave. Hatboro, 19040
1651 High Ave., WG, PA 19090	#5 Woodland Ave. Hatboro, 19040
2608 Lamott Ave., WG, PA 19090	Vacant lot - 1646 Franklin Ave, WG, PA 19090
2612 Lamott Ave., WG, PA 19090	2 vacant lots between 1538 & 1550 Prospect Avenue
308 -Rear N. York Rd, Hatboro, 19040	23 Easton Road –The Vintage Thrift -

3. Expansion plans: Upon the successful authorization being granted to the Willow Grove CDC – the requirements associated with Base Closing Procedures will need to be applied as so directed. To accomplish adequate compliance with the legal, construction, zoning, Township, governmental, etc, guidelines, increased staffing will be required, additional partnering will be subcontracted, in order to facilitate the progress of the project. The present affordable housing work will not be compromised and will continue. The necessary capacity will be present to carry out all plans to the Township's satisfaction.
4. Management functions on site after completion: predictably there will be on site management of the transitional housing units, with all necessary functions carried out by the IFHA. There will be no on site Willow Grove CDC management after completion in that *every* 3 months- thereafter - a full house inspection by Board members of the Corporation will be standard operating procedure. The Willow Grove CDC preventive maintenance, and maintenance will continue on the additional 15 units. There will be no on site management of the sale of the townhomes to work-force families. The homes will be individually owned, all utilities paid, all taxes paid by individual families.
5. n/a
6. Homeless Providers Management Plan *NOTE: THIS ASPECT OF THE PROJECT IS YET TO BE DEVELOPED WITH THE SPECIFIC PROGRAMMING AND SPECIFICATIONS OF THE INTERFATITH HOUSING ALLIANCE. TO DATE THEY HAVE CONSENTED TO ALLOWING – FOR THIS PHASE OF THE APPLICATION – A SUMMARIZATION OF THEIR SERVICES IN THAT THE IFHA AND THE WILLOW GROVE CDC HAVE BEEN AND REMAIN IN A COLLABORATIVE RELATIONSHIP SINCE NOVEMBER 2000. FORMAL PROGRAMMING CRITERIA WILL BE PROVIDED AS THE APPLICATION PROGRESSES.*
 - a. Transitional Housing
 - 1) Existing service of eligible candidates drawn from the revolving shelter services conducted by IFHA
 - 2) All eligibility criteria will remain as is presently established including all disqualification standards and necessary background checks
 - 3) Developing a viable and stable life for the family in transitional housing remains the goal as the family pursues independent and self-reliant living.
 - 4) Case management will be provided for IFHA
 - 5) Lease copy – see attached (IFHA units will be maintained by the Willow Grove CDC)
 - 6) Lease dependent upon management by Willow Grove CDC
 - 7) Present contract with IFHA and the Willow Grove CDC regarding rental payments – see attached blank copy
 - 8) The noted financial controls are a matter of course with the Willow Grove CDC, audited annual statements, monthly treasurer's reports, double signatures on all checks, all are standard operating procedures. See attached 2004 and 2005 annual audits.
 - 9) Property maintenance will be carried out by the Willow Grove CDC in its regularly scheduled and highly monitored maintenance program
 - 10) Security programs have yet to be developed other than secure front doors with dead bolt and keyed locks, and proper locks on all windows. Personal safety systems may be installed by the occupants.
 - 11) Annual inspections of all Willow Grove CDC housing is conducted by both the Montgomery County Department of Housing and Community Development and (where applicable) the Abington Township Department of Community Development. If further inspection above and beyond this is required by Horsham Township – the Willow Grove CDC will comply.
 - 12) Most of the Willow Grove CDC services will be provided off-site; IFHA will provide on-site case management, but off-site education.

Financial Plan

The Willow Grove Community Development Corporation does not consent, at this point, to the release of any public statement as to the specifics of the this application without pre-approval by an officer or director of the Corporation.

Projected Proforma for HMARC Project

Land Acquisition	0
Demolition	\$ 100,000
Land Development Planning	100,000
Architectural	25,000
Zoning Related	25,000
Land Development Costs	
\$28K / unit x 50 units	1,400,000
Construction Costs including all permits	
\$90/sq.foot at 1800 sq.ft./unit =	
\$162K/unit x 50 units	8,100,000
Total Projected Costs for HMARC Project	\$9,750,000

Financing

Tax Credit financing	\$2,300,000*
Construction/permanent mortgage financing	6,250,000
Grant funding once the land and zoning secured from private, and public sources	1,000,000
Corporation funding	200,000
Total Projected Funding for HMARC Project	\$9,750,000

* Tax Credit Breakdown

30% of Project viable for tax credit financing
 – estimated \$3million= 30% - \$2.3 Million in
 tax credits leaving \$700,000 for
 construction/perm financing