

BY JANIS K. OPPELT

When Lennox Chase Apartments in Raleigh, North Carolina, was honored with the 2004 Charles L. Edson Tax Credit Excellence Award by the Affordable Housing Tax Credit Coalition, it was cited as “the best special needs housing project of the year.”

Lennox Chase, a 36-unit property developed by NeighborWorks® affiliate DHIC Inc. of Raleigh, is Wake County’s first permanent supportive rental housing community with a preference for the formerly homeless. Many of its residents are in recovery from substance abuse, and many are being treated for mental health issues.

One of the special features of Lennox Chase is a full-time social worker, Ed Stelli, provided through Wake County Human Services’ Supported Housing Program. Stelli works with residents on-site and coordinates follow-up services with sponsoring agencies.

“Lennox Chase has been a great success so far,” said Natalie Connell, DHIC’s vice president of rental development. “One reason is the full-time presence of Ed Stelli. Another is the residents themselves, who have taken the initiative and developed several important programs on-site.”

There is, for example, a tenants’ advisory council, which Stelli and a core group of residents started about a month after the building was fully rented. Although the primary goal of the council is to help tenants, its existence is important for other reasons.

The advisory council discusses issues of concern to residents and presents guidelines to monthly meetings of tenants. Residents vote on the recommendations of the council. For the first year, Stelli facilitated the advisory council, then turned over its complete running to the tenants. He still attends meetings and answers pointed questions that

relate to DHIC or supportive services.

Lennox Chase is one of the NeighborWorks® rental developments that has received funding from a special congressional appropriation to NeighborWorks® America to develop rental homes for extremely low-income (ELI) families.

“This is our first ELI project to be placed in service,” Connell said. “The housing is what helps people improve other aspects of their lives, including employment and stability. If they don’t have a nice, safe and affordable place to live, it’s harder to fix the other things.”

### Taking Action

Wake County’s affordable housing program focuses on individuals and families, including the homeless, with incomes of \$30,000 and less. The number of people in this income range is growing in Raleigh. They are, according to Annemarie Maiorano, the county’s community development director, “priced out” of the area’s housing market. In addition, those coming from a homeless situation have “issues that preclude them from going to stable housing.”

“We’ve noticed that the biggest leap in the step towards self-sufficiency is during that transitional stage,” Maiorano said. “People are fragile during this stage, and they need a little help to become self-sufficient. Lennox Chase is a response to that. We decided to let someone take a chance on them.”

To do this, and to cut the red tape for all, the county and city governments joined forces and issued a request for proposals for affordable rental housing. DHIC answered the call and received the contract.

However, as DHIC’s Connell said, “We had to put lots of layers of financing into the development to make it affordable.”

The layers included a \$600,000 loan from the city of Raleigh, which

## RALEIGH, NORTH CAROLINA

# Supporting the Formerly Homeless in a Second Chance



DHIC’s award-winning Lennox Chase Apartments.

COURTESY DHIC INC.

DHIC has to repay only if cash flow is available, and a 2 percent loan of \$582,148 from Wake County government, with no repayment requirement. In addition to a \$321,000 grant from NeighborWorks® America, DHIC also received a \$96,747 grant from the Federal Home Loan Bank of Atlanta’s affordable housing program. Enterprise Social Investment Corp. invested \$1.5 million in the project through its purchase of low-income housing tax credits.

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### Home at Last

DHIC broke ground for the two-story building in early 2003, and Lennox Chase opened its doors to the first tenant in mid-November 2003. Before the end of December, Lennox Chase was fully occupied, with a waiting list. Local social service agencies referred most of the tenants, who passed through DHIC's rental application and review process.

It's the first time in a long time that many of the residents have had a place to call their own.

The building contains 36 efficiency apartments, for which tenants pay monthly rents between \$373 and \$425. There's one two-bedroom apartment where the resident manager, Pam Williams, lives rent-free. By arrangement with DHIC, she performs various as-needed tasks.

The majority of the tenants, mostly African Americans, with half as many Caucasians and one Native American, are all in their 40s. Some are employed full-time (an average of 30 hours a week), earning an average annual income of \$11,670. Others receive disability or VA benefits.

### Providing Support

"We hope that this will be the first of many housing complexes of this nature," said Ed Stelli, "a lot is riding on the success of Lennox Chase."

Stelli describes his roles as "giving support for tenants, listening to people's troubles, giving advice, helping with budgeting, troubleshooting, and making referrals to other needed services."

"I try to keep a handle on people who are in recovery," he said, "to ensure that they're staying clean and sober and attending their NA and AA meetings. I intervene when there are problems and help them get their feet on the ground so they can stabilize their lives."

Another stabilizing influence for Lennox Chase residents is Stelli's

coworker, Tommy Vassar, who is employed as DHIC's on-site property manager. In addition to helping with activities at the site, he often finds himself as a liaison between residents and Stelli.

As Vassar said, "Some residents are hesitant to go to Ed because they think he's a shrink, and they don't want to deal with a shrink. I explain that isn't Ed's role, and that he's there to help them solve problems, like Social Security and child support, and link them up with services."

Stelli acknowledged, "This setup is very unique and very needed, particularly for people who haven't always made the best choices. Many of the residents have not had the opportunity of living independently in quite some time. It's a learning process for them."

Some residents may call Lennox Chase home for a long time, while others use it as a springboard to help move forward in their lives.

Take, for example, one man – a former scientist with a good income – whose life deteriorated due to mental health problems. He moved to Lennox Chase from a county-run men's shelter. He became a member of the tenants' advisory council and, as his confidence grew, realized he had the ability to deal with professionals on the "outside." He assumed the role of liaison with the community police.

After one year at Lennox Chase, he started sending out resumes. He prepared them at the on-site business center. This resulted in a phone interview with a West Coast company, which flew him out for a three-day interview. Ultimately, the company chose him for the position, and he has relocated.

This is the kind of success story that everyone likes to hear – and the ultimate goal of Lennox Chase. ■

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