



City of Longview/City of Kelso

HOME Participating Jurisdiction Project Design Proposal – 2015

Applicant: <u>Lower Columbia CAP</u>	Contact Person: <u>Michael Torres</u>
Title: <u>Programs Director</u>	Title: <u>Same</u>
Address: <u>1526 Commerce Avenue</u> <u>Longview, WA 98632</u>	Address: <u>Same</u>
Phone: <u>360-425-3430 x 242</u>	Phone: <u>Same</u>
Fax: <u>360-575-1664</u>	Fax: <u>Same</u>
E-mail: <u>michaelt@lowercolumbiacap.org</u>	E-mail: <u>Same</u>

Non-Profit Status: NO Yes **IRS Tax Identification Number** 91-0814141

Location: Longview Kelso

Project Title: Rehab/Reconstruction for Affordable Rental In Highlands Neighborhood

HOME Funding Requested: \$ 120,000

Project Description

1. Give a *brief* summary of your project (under 101 words):

This proposed Affordable Housing (Rental) Project will consist of reconstruction of a substandard building into a triplex used for affordable rental located at 205 Carolina Street, in the Highlands Neighborhood. The building will be 28' wide by 72' long (the current foundation dimensions). The triplex will consist of a one bedroom, a two-bedroom, and a three-bedroom unit. Required parking spaces will be provided. The three rental units will occupied by households making 80% Area Median Income, and paying HUD reasonable rent limits.

2. Describe the project noting the problem(s) or opportunity(s) that will be addressed.

As stated, this project will produce three modern and functional rental units affordable to households making 80% of Area Median Income in the Highlands Neighborhood.

There is a documented need for affordable private-market housing in the Longview Kelso area. According to the needs assessment in the Longview-Kelso HOME Consortia 2014-2018 Consolidated Plan (see "Needs Assessment" section, pages 9-13), there are approximately 2,540 renting households in Longview and Kelso with a housing cost burden that exceeds 50% of their monthly income. Overall,

HOME Program Longview Kelso HOME Consortium
Questions? Technical Assistance? Contact Julie Hourcle' at 360.442.5081, or by e-mail at: julie.hourcle@mylongview.com



63.6% of all low income renters face a cost-burden of greater than 30% of their income, an estimated 4,555 households in the Longview/Kelso area. In addition, there are approximately 300 households living in overcrowded units, meaning the household accommodates more than one person in each room of the unit they live in. In addition to the overcrowding, housing conditions for this cost-burdened population are characterized by lacking one or more plumbing or kitchen facilities.

This project increases this critically-needed affordable housing. As can be seen in the provided ProForma, this HOME Project ensures rental housing is affordable to a Low and Very Low Income household.

3. List the specific HOME objective information from the “5 year Strategic Plan” within the 2014-2018 Longview-Kelso Consolidated Plan. (See website information under Instructions).

Objective Code and Number: SP-10

Objective Title: Geographic Priorities

Objective Proposed Accomplishments & Outcomes: 3. Highlands Neighborhood. Comprehensive Revival. Reduce Overcrowding, and increase stock of Affordable housing. (Consolidated Plan, page 5).

Objective Code and Number: SP-25

Objective Title: Priority Needs

Objective Proposed Accomplishments & Outcomes: 1. Improve quality of housing Stock; 2. Reduce extreme cost burdens & increase housing. (Consolidated Plan, page 13).

Objective Code and Number: SP-45

Objective Title: Goals

Objective Proposed Accomplishments & Outcomes: 1. Stabilize and revitalize neighborhoods. (consolidated Plan, page 30).

Project Readiness

4. Describe what specific steps need to be completed before the project will be ready to proceed? (Projects must be under construction within 12 months of signing your HOME Contract or funding will be deobligated.)

Following approval of the this project by the City of Longview, this project is Shovel Ready.

1. Approval by the City of Longview
2. Complete project design & obtain permits.
3. Perform outreach to potential low income occupants.



5. Please list start and completion date by Month, Day and Year:

Complete the "Project Timeline" (included at the end of this application) detailing project tasks and dates. This will be a part of your contract goals should your project be selected.

Project Start Date (mm-dd-yyyy) 01-04-2016

Project Completion Date (mm-dd-yyyy) 05-04-2016

Problem Impact and Severity

6. How will this project increase housing affordability for rentals or home ownership? What reductions in cost of rent or a mortgage would be realized? What rents will you charge for each one, two, and three bedroom when the project is complete? (Please detail from your attached ProForma.)

This project ensures low income households can afford to rent and live in a quality home. The cost burden will be significantly reduced by this HOME subsidy. The HUD Rent Limits for Longview which apply to this project would have a 1 Bedroom Unit renting between \$554-\$583, a 2 bedroom unit between \$665-\$683, and a 3 bedroom unit between \$768-\$965.

By comparison, average rents in the Highlands Neighborhood are \$841, reflecting the single family rental character of the housing stock. (Consolidated Plan, "Strategic Plan", page 5).

7. How does this housing project create a better living environment for residents? Have local, county, or state authorities noted the severity of the problem? Note building, public health or/and safety issues.

This project creates safe, high-quality, affordable rental units in the Highlands Neighborhood, a prioritized and targeted area in the 2014-2018 Consolidated Plan.

This has been identified as a need in the Longview-Kelso 2014-2018 Consolidated Plan, which describes the Housing characteristics in the area as (page 5):

- "Housing is dense and units are small and overcrowded. This neighborhood experiences the highest poverty rates as well as public assistance. Poverty rates are at 45% and unemployment at over 20%, which is relatively high for in-city neighborhoods. Average rents are \$841, reflecting the single family rental character of the housing stock."

The needs described by the Consolidated Plan for the project area (page 5):

- "Overcrowding is the greatest problem in this neighborhood, with most of the owner and rental housing stock consisting of small units on small lots. Affordability is an issue, given that rents reflect single family detached housing stock."



8. List similar projects or programs your agency has, and other agencies have, in place to address this problem in the community. List agencies, funding sources and amounts. List the number of families housed under each of these programs.

Lower Columbia CAP has several affordable housing programs:

-Self Help Housing, funded for the period 2013-2015 by USDA Rural Development at \$742,000, has built over 402 homes for affordable homeownership in rural areas of Cowlitz, Wahkiakum, Lewis, and Clark Counties over the past 20 years.

-Weatherization Program, funded by WA Department of Commerce at approximately 250,000 per year, has made Weatherization repairs and upgrades for approximately 100 households per year.

-1412 N 1st - Lease Option

Funding source(s); amount(s); contract period(s)

Annual Rental Income \$4,200 with another \$4,800 into an escrow account for tenant to purchase (homeownership loan currently being processed).

Solution

Project Development

9. Did you attempt to collaborate the development of this project with other agencies? Which agencies were contacted and what was the outcome?

CAP is not partnering with other organizations or businesses on this project.

10. How do you propose to solve the problem? Please be specific, itemizing the various tasks you will undertake.

This project increases the stock of quality affordable housing in the community.

Lower Columbia CAP will Reconstruct a triplex for Affordable Rental housing on the site of a substandard building in the highlands Neighborhood. HUD Rent Limits will apply to the 3 new units.

11. List all persons who would be involved during the development of this project and describe their project responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include grant administration, project manager, developing partnerships, acquisition, overseeing construction, maintaining records, client intake and eligibility, etc.)



Michael Torres, Programs Director; 360-425-330 x242; michaelt@lowercolumbiacap.org. Michael provides the administration and direct oversight of grants, contracts, programs, and staff related to this project. He has been with CAP since 2009, during which time, he has led implementation of the Homeless Prevention and Rapid Rehousing Program (HPRP) for Cowlitz County, served as a key member of the "Ten Year plan to End Homelessness Update Committee", and its "Project Review Criteria Committee". Prior to CAP, Michael previously served as Executive Director of Northwest Service Academy, at the time one of the largest AmeriCorps programs in the country; and also served 12 years in the U.S. Navy. Michael will supervise the hiring of any program staff required for this project.

Marie Robbins, Administrative Manager; 360-425-3430 x221. marier@lowercolumbiacap.org. Marie will oversee the staff that will market the rentals and screen/qualify applicants, as well as the Construction Supervisor and timely submission of permits/certifications. She has been with CAP since 1990, and has extensive experience in Program Management, and administering projects related to housing.

Paul Pasmore, Construction Supervisor; 360-425-3430 x221. marier@lowercolumbiacap.org (contact via Marie Robbins e-mail). Paul will oversee all aspects of construction. Paul has been with CAP since 2005, and has over 40 years of experience in construction and carpentry.

Project Operation

12. Are you partnering with other organizations or businesses in this project? Will you have contracts for supportive services? What roles will each organization or business play after the project is completed? Please submit letters from partnering agencies and/or businesses as supporting documentation.

CAP is not partnering with other organizations or businesses on this project, and supportive services are not provided.

13. List all persons involved in the operation of this project when completed and describe their responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include case management, day-to-day management, rent schedules for units, annual renter income review, partnerships in serving renters, etc., apartment management, and project owner.)

Juanita Burnham, Housing Projects Coordinator; 360-425-3430 x222. juanitab@lowercolumbiacap.org. Juanita will order materials for the project, obtain bids and prepare contracts for sub-contractors. She will also have the critical role of outreach, screening, and qualification for an eligible household to rent the units. Finally, Juanita will ensure the units meet HUD Affordability Requirements. She is a Certified Educator in Personal Finance; teaches Pre and Post Homeownership training, 1st Time Home Owners class and Asset Building Skills classes.



14. Complete the Rental or Ownership Proforma and Marketing Plan for 5 units or over (provided separately.)

Summarize your marketing/public outreach that you will provide to inform the general community of this project? (Review the Marketing Plan information under the Underwriting Policies)

Lower Columbia Community Action Council utilizes the HOME affirmative marketing list in implementing its Fair Housing Marketing Plan which is designed to ensure that outreach activities inform all segments of the community, including very-low-income households. The plan identifies:

- ◆ Commercial media used to advertise the availability of the Affordable Housing Program;
- ◆ Community contacts from which referrals are sought; and
- ◆ Plans for information meetings to inform potential participants in the local area about the program.

This marketing approach is used by LCCAC's Housing Programs, and has worked successfully to date. In addition to the venues identified in the Fair Housing Marketing Plan, LCCAC has incorporated additional strategies to reach its low income and very-low-income target population.

- ◆ The program distributes brochures about the program through area businesses, churches and service clubs for redistribution to their employees, members and contacts.
- ◆ The Weatherization and Energy Assistance Programs run by LCCAC serve residents of Cowlitz County. These programs provide names and addresses to Housing Program, which mails information about the program directly to very low income and low income families in the general area of the building projects..
- ◆ Word-of-mouth advertising results in inquiries from families who know others who have participated in the program.

Families who request information about the program receive a brochure and are asked to complete a Pre-Screening form. Credit checks are submitted for those who appear to qualify. The rating system used to select participants includes additional points for applicants who live in sub-standard housing.

15. Describe your selection process for applicants to participate? How will disabled applicants be able to participate?

This will be a first-come-first serve application process. The applicant must meet income eligibility criteria described below; and credit requirements, as set by the bank making the mortgage loan.

Following the marketing approach described above, LCCAC will identify an interested household whose total gross annual household income for all persons aged 18 or older to reside in the home as identified by IRS Form 1040, Definition of Adjusted Gross Income, must equal to or be less than 80 percent of median adjusted for household size within six months of loan closing, and as established annually by HUD.

Gross annual household income will be determined based on a projection of total household income for the next 12 month period per HOME Program Guidelines prior to final eligibility approval. Gross



annual income will be recalculated if more than six months have elapsed since the household was first determined to be income eligible for participation in the program.

Disabled applicants are eligible to participate.

16. What other short-term and long-term outcomes will result from the project?

Short-term, the participating households will better their living conditions by residing in a home that meets HUD Housing Quality Standards with an affordable rent; and they will have low utility costs from their home being built to Washington State Energy Code requirements. This reduces their cost burden and overcrowding in substandard housing.

Long-term, this directly contributes to the stability and revitalization of the highlands Neighborhood by directly addressing some of the most compelling issues identified in the Longview-Kelso 2014-2018 Consolidated Plan. Specifically, this project supports Consolidated Plan Goals and Objectives: SP-10, 3; SP-25, 1-2; SP-45, 1.

17. What activities would still need to be undertaken after the project is completed in order for the problem to be fully addressed? Quantify where possible.

The broader problem of resolving the problem this community faces with insufficient affordable housing stock for homeownership or rental is beyond the scale of this project. However, as noted, this project directly supports goals and the accomplishment of outcomes identified in the 2014-2018 Consolidated Plan.

Specifically, it produces 3 quality affordable rental units in the Highland Neighborhood in Longview, reducing the cost-burden and overcrowding prevalent, and improving available housing stock.

Households Benefiting

18. What is the number of low-income households that will benefit from this project?

Use current year HUD Income Limits for family size.

At or below 80% of Median Income: 3

At or below 50% of Median Income:

At or below 30% of Median Income:

TOTAL Number of Households: 3



Budget

19. Explain why HOME funds are appropriate for your project. If this application is for a program currently receiving HOME funding, discuss what action you have taken and what other funding sources have been investigated in the last 12 months to reduce your organization's dependence on City of Longview (or City of Kelso) HOME funds.

HOME funds are appropriate because this project expands the supply of decent, safe, sanitary, and affordable housing in the community.

20. What agency funding will you commit to this project? If none, why not? (A 25% match of non-federal funding is desired.)

Lower Columbia CAP is utilizing \$10,782 in unrestricted funds, and listed CHDO. There are no additional funds available at this time.

21. If one or more funding sources listed below is not realized, what impact would this have on your project? Explain what changes would be considered to its scope or design, including the number of families housed, structure(s) constructed, delays in construction start date, etc. and whether your project would exist without HOME funding.

This project is not feasible without the requested HOME funding. Other funding listed is currently available and ready.

22. Complete and attach the separate HOME Budget Form.

Complete the budget form showing all sources and uses of funds related to your project.

23. Sources and Uses Fund Statement / Budget Form Narrative

a. Please list all funding sources, intended uses, and amounts from your budget form. Identify each source as Federal, State, Local, or Private.

HOME 2015 (Federal) \$120,000

CHDO 2013 (Federal) \$11,000

CHDO 2014 (Federal) \$40,000

CHDO 2015 (Federal) \$40,044

CAP Unrestricted (Private) \$10,782



b. Identify which sources are proposed and which sources are committed.

All sources are proposed. As soon as approval of this proposal occurs, CAP can commit the Unrestricted and CHDO funds proposed.

c. Supporting Documentation: List and attach "Sources of Funds" supporting documentation noted under Question #25.

-Certification Letter

d. Supporting Documentation: List and attach "Uses of Funds" supporting documentation noted under Question #25.

-Construction Cost Estimate/Drawdown schedule

24. Please list the amount of private, local, and State (non-federal) matching funds which will be designated towards the 25% match per HOME categories below:

- \$ 10,782 A. Cash Contributions
- \$ _____ B. Forgone, Taxes, Fees and Charge
- \$ _____ C. Donated Land or Other Real Property
- \$ _____ D. On Site and Off-Site Infrastructure
- \$ _____ E 1 Donated Site Preparation
- \$ _____ E 2 Donated Construction Material
- \$ _____ E 3 Donated Labor (other than homeowner): Number or hours _____ times \$10 per hour
- \$ _____ E1 Sweat Equity (homeowner only): Number or hours _____ times \$10 per hour
- \$ _____ F. Proceeds from Affordable Housing Bonds
- \$ _____ G. Supportive Services – Type _____
- \$ _____ G1 Homebuyer Counseling Services
- \$ _____ Estimated/Unknown at this time. Type : _____



Longview/Kelso Home Consortium
Exhibit B - PROJECT BUDGET AND FUNDING SOURCES

	Lv/Kelso Home Source	CHDO	CHDO	CHDO	CAP	Total Cost	How costs determined (bid, est.)
Commitment Dates	1 2015	2013	2014	2015			
ACQUISITION							
Purchase Price - Land						\$0.00	
Purchase Price - Bldg.						\$0.00	
Transaction Taxes						\$0.00	
Closing/Recording Fees						\$0.00	
Title Insurance/Binder Fees						\$0.00	
Appraisal						\$0.00	
Other:						\$0.00	
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00	
PREDEVELOPMENT							
Architect	5,500					\$5,500.00	
Engineering						\$0.00	
Legal Fees						\$0.00	
Environmental Review						\$0.00	
Preconstruction Inspection						\$0.00	
Other: Debris Removal	750					\$750.00	
Subtotal	6,250.00	0.00	0.00	0.00	0.00	\$6,250.00	
CONSTRUCTION COSTS							
New Construction	95,150	11,000	40,000	2,226		\$148,376.00	
Rehabilitation						\$0.00	
Infrastructure on site				15,000		\$15,000.00	
Energy Related Improvemts						\$0.00	
Repair/Replace Major Syst.						\$0.00	
Lead Based Paint /Haz Mat						\$0.00	
Access for Disabled						\$0.00	
Securing of Building						\$0.00	
Demolition						\$0.00	
Utility Connections				7,800		\$7,800.00	
Permits & Fees				15,018	282	\$15,300.00	
Construction Loan Fees						\$0.00	
Construction Inspections						\$0.00	
Sales Tax						\$0.00	
Insurance/Bond/Surety Fees						\$0.00	
Contingency					10,000	\$10,000.00	
Other: NW Energy Star					500	\$500.00	
Subtotal	95,150.00	11,000.00	40,000.00	40,044.00	10,782.00	\$196,976.00	
OTHER							
Home Buyer Counseling						\$0.00	
Credit Report Fees						\$0.00	
Operating Deficit Reserves						\$0.00	
Relocation Costs						\$0.00	
Loan Fees						\$0.00	
Tenant Rental Assistance						\$0.00	
Affirmative Marketing						\$0.00	
Project Management	8,600					\$8,600.00	
Developer Fees	10,000					\$10,000.00	
Other:						\$0.00	
Other:						\$0.00	
Subtotal	18,600.00	0.00	0.00	0.00	0.00	\$18,600.00	
HOME TOTAL	\$120,000.00	\$11,000.00	\$40,000.00	\$40,044.00	\$10,782.00	\$221,828.00	

Date: 2-26-2015

Sponsor: Lower Columbia CAP

Project Address: 205 Carolina, Longview, WA 98632