



# HOME Participating Jurisdiction Project Design Proposal – 2015

**Applicant:** Lower Columbia CAP **Contact Person:** Michael Torres  
**Title:** Programs Director **Title:** Same  
**Address:** 1526 Commerce Avenue **Address:** Same  
Longview, WA 98632

**Phone:** 360-425-3430 x 242 **Phone:** Same  
**Fax:** 360-575-1664 **Fax:** Same  
**E-mail:** michaelt@lowercolumbiacap.org **E-mail:** Same

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

**Location:** Longview  Kelso

**Project Title:** Affordable Rental, 4 Bedroom, Single-Family Home on site of former Terry Salvage Yard

**HOME Funding Requested:** \$ 46,335

**Project Description**

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

This proposed Affordable Housing (Rental) Project will consist of new construction of a 4 bedroom, 1270 square ft., single-family unit, at the site of the former Terry Salvage Yard (Parcel # 20489), in North Kelso. The rental unit will be occupied by a household 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.**

This project will produce a modern and functional 4 bedroom, single-family home for rent, affordable to households making up to 80% of Area Median Income in the North Kelso 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, 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 market. 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: 4. North Kelso Neighborhood. Housing Rehabilitation. (Consolidated Plan, pages 6-7).

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, pages 13, 14).

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 Kelso, this project is Shovel Ready.

1. Approval by the City of Kelso
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) 04-04-2016



Project Completion Date (mm-dd-yyyy) 07-11-2016

### **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 Kelso which apply to this project would have a 4 Bedroom Unit renting between \$857-\$1056.

By comparison, average rents in the Longview-Kelso market for 2013 of a single unit was \$652, and a 2 bedroom apartment was \$669 for an average size of 788 square ft. (Consolidated Plan, "Needs", page 3).

**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 North Kelso 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 ("Needs", page 11):

-“By far the overwhelming message from community meetings was that affordable rentals are difficult to find, creating hardship on these very low income families. Affordable housing for low income seniors and those with disabilities was also a high priority. Programs to assist low income homeowners with maintaining structural soundness and reasonable energy costs have been identified as a priority.”

-It is estimated that 40% of renters in Kelso are cost-burdened.

**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 construct a modern and functional 4 bedroom, single-family home for rent, affordable to households making up to 80% of Area Median Income in the North Kelso Neighborhood. HUD Rent Limits will apply.

**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@lowercolumbiaicap.org](mailto:michaelt@lowercolumbiaicap.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@lowercolumbiaicap.org](mailto:marier@lowercolumbiaicap.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@lowercolumbiaicap.org](mailto:marier@lowercolumbiaicap.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@lowercolumbiaicap.org](mailto:juanitab@lowercolumbiaicap.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, 1<sup>st</sup> 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 household 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 North Kelso 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, 4; 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 a 4 bedroom quality affordable rental units in the North Kelso Neighborhood in Kelso, reducing the cost-burden, and increasing new-construction 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: 1

At or below 50% of Median Income:         

At or below 30% of Median Income:         

TOTAL Number of Households: 1



## **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 \$59,231.69 in unrestricted funds, and is requesting that the Kelso City Council approve re-purposing the \$50,433.32 approved from HOME 2014 that were to be used on this same site for Cowlitz Cottages, be used for this project. 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) \$46,335  
HOME 2014 (Federal) \$50,433.32  
CAP (Private) \$59,231.68





**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 \$59,231.68 it is proposing.

**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:**

- \$59,231.68 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 : \_\_\_\_\_



**Exhibit A**

**Project Timeline**

<b>Detail Tasks for Project</b>	<b>Start Date</b>	<b>Completion Date</b>
	<b>Month Day Year</b>	<b>Month Day Year</b>
Submit full description		
Market for residents	1-1-2016	7-11-2016
Submit plans to city for review	11-1-2015	4-4-2016
Submit for right-of-way-permit	11-1-2015	4-4-2016
Receive building and right-of-way permits	4-2-2016	4-2-2016
Excavation	4-4-2016	4-4-2016
Foundation	4-5-2016	4-13-2016
Lumber drop & framing	4-14-2016	5-3-2016
Trusses and roof sheathing	5-4-2016	5-10-2016
Roofing	5-11-2016	5-13-2016
Rough plumbing	5-16-2016	5-16-2016
Rough HVAC	5-17-2016	5-17-2016
Rough electrical	5-18-2016	5-19-2016
Quality Assurance: Inspect/correct	5-20-2016	5-20-2016
Insulation	5-23-2016	5-24-2016
Inspect Insulation	5-25-2016	5-25-2016
Drywall	5-26-10-2106	6-10-2016
Interior trim	6-13-2016	6-14-2016
Interior paint	6-15-2016	6-17-2016
Underlayment	6-20-2016	6-20-2016
Vinyl	6-21-2016	6-22-2016
Cabinets	6-23-2016	6-24-2016
Plumbing trim	6-27-2016	6-27-2016
HVAC trim	6-28-2016	6-28-2016
Electrical trim	6-29-2016	6-30-2016
Countertops	7-1-2016	7-1-2016
Hardware Installation/blue tape	7-5-2016	7-6-2016
Touch-up	7-7-2016	7-7-2016
Carpet installation	7-8-2016	7-8-2016
Final inspection	7-11-2016	7-11-2016
Move-in/rent up	7-12-2016	7-12-2016

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



**Exhibit B**

**Project Budget and Funding Sources (Please use Excel Template provided by Longview/Kelso.)**



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

	Lv/Kelso Home Source 1	Lv/Kelso Home Source 2	CAP		Total Cost		How costs determined (bid, est.)
Commitment Dates	2015	2014					
<b>ACQUISITION</b>							
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	\$0.00
<b>PREDEVELOPMENT</b>							
Architect	2,000						\$2,000.00
Engineering							\$0.00
Legal Fees							\$0.00
Environmental Review							\$0.00
Preconstruction Inspection							\$0.00
Other: Debris Removal	750						\$750.00
Subtotal	2,750.00	0.00	0.00	0.00	0.00	0.00	\$2,750.00
<b>CONSTRUCTION COSTS</b>							
New Construction	18,685	50,433	46,232				\$115,350.00
Rehabilitation							\$0.00
Infrastructure on site	5,000						\$5,000.00
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	7,500						\$7,500.00
Permits & Fees	4,000						\$4,000.00
Construction Loan Fees							\$0.00
Construction Inspections							\$0.00
Sales Tax							\$0.00
Insurance/Bond/Surety Fees							\$0.00
Contingency			3,900				\$3,900.00
Other: NW Energy Star			500				\$500.00
Subtotal	35,185.00	50,433.32	50,631.68	0.00	0.00	0.00	\$136,250.00
<b>OTHER</b>							
Home Buyer Counseling							\$0.00
Credit Report Fees							\$0.00
Operating Deficlt 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	8,400						\$8,400.00
Other:							\$0.00
Other:							\$0.00
Subtotal	8,400.00	0.00	8,600.00	0.00	0.00	0.00	\$17,000.00
<b>HOME TOTAL</b>	<b>\$46,335.00</b>	<b>\$50,433.32</b>	<b>\$59,231.68</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$156,000.00</b>

Date: 2-26-2015

Sponsor: Lower Columbia CAP

Project Address: Parcel # 20489, Kelso WA