



Linda Reid
Housing Program Specialist
City of Ashland
51 Windburn Way St.
Ashland, OR 97501

February 16, 2018

Dear Linda:

Attached please find the proposal to the City of Ashland in request for funds from the City of Ashland's Affordable Housing Trust Fund from the Rogue Valley affiliate of Habitat for Humanity. The request is in the amount of \$250,000 which will allow us to purchase five buildable lots in the proposed Katherine Mae subdivision.

Funding is requested to residential building lots from the Young Family Trust which is currently proposing a subdivision development before the City of Ashland for approval. Although it feels to be a difficult path to complete, I am confident the strong commitment from Habitat for Humanity to partner as the affordable housing developer all will be approved for future construction.

There are still a few roadblocks to traverse such as precisely the number of units required based on the percentage of AMI which will be used. Habitat for Humanity has negotiated with the land owner and we have agreed to build and sell homes to households at or below 80% AMI. Habitat can complete the project of five units within a one year time frame as soon as the completed infrastructure allows for the approval of building permits.

There has been a signed document of partnership and commitment between Dr. Young and Habitat for Humanity; however the details have changed. The facts changed when we increased the limited AMI from 60%-80% which increased the numbers of units required for affordable housing. Although we have a verbal agreement, the signed document is not quite ready at this time. This is expected to be ready within the next few days.

On behalf of the entire organization of Habitat for Humanity I want to add how interested, excited and ready we are to work in Ashland and have the opportunity to provide decent, affordable housing to those in need. The entire community of Ashland is so wonderful to work with; we've heard so much excitement from many of our volunteers and donors at the prospect and can't to begin.

Sincerely,

Denise James
Executive Director

1) Introduction:

Habitat for Humanity/Rogue Valley (HfHRV) is a nonprofit organization building houses in partnership with qualified low-income people in need of housing. The proposed project is the purchase of property included in the Katherine Mae Subdivision, accommodating five housing units which will be constructed by volunteers supervised by professional staff. Habitat is the general contractor for each project, following all building codes and requirements.

The project addresses a high priority goal in the City of Ashland's 2015-2019 Consolidated plan to create affordable housing opportunities for low and moderate-income households. A deed restriction placed on each unit sold will ensure future affordable housing. The need for affordable housing within all of Jackson County is at a crisis level, and in Ashland it is nearly impossible for the working poor to find decent, affordable housing. Habitat for Humanity/Rogue Valley has the capacity and experience to fulfill the expectations of the project. The entire community will benefit in the ability to offer affordable housing to the working class and lower-income population. Funds are spent locally, and the economic impact of the ripple effect of spending \$650,000 will be substantial after monies are spent and re-spent. The community benefits with fewer families utilizing other government and social service agencies. Affordable housing issues are the primary reason stated when individuals are asked what brought them to emergency food aid.

The overall goals and objectives of Habitat for Humanity/Rogue Valley are: 1) to provide affordable, permanent, stable housing to low and moderate income households, 2) move families out of substandard housing and assist them in becoming new homeowners in the Rogue Valley; and 3) to provide a hand up opportunity to low and moderate income households with a means to break the cycle of poverty to benefit future generations.

2) Project Description:

Habitat for Humanity/Rogue Valley requests funding in the amount of \$250,000 from the Ashland's Affordable Housing Trust Funds to purchase five residential building lots within the Katherine Mae Subdivision, a subdivision which will be developed at or near the location of 47 E. Nevada St. in Ashland, Oregon. The subdivision plan is currently under review and in process within the City of Ashland and is expected to be approved as the affordable housing requirement is finalized. Habitat for Humanity will develop five lots which will be sold to households of low and moderate income, deed restricted for a period of 60 years, criteria required the City of Ashland. An estimated 15 people will receive direct benefit from the housing program by attaining affordable housing. Indirect benefit to as many as 200 individuals through their volunteer efforts by receiving training and community service in their participation in the project. At least 30 women participate annually in the Habitat "Women Build" program, learning new skills provided through training clinics and hands-on work at Habitat job sites. At least 50 students participate in Habitat for Humanity projects in partnership with local high schools and colleges learning skills in many areas as well as construction. Senior projects, internships and YouthBuild participants often take advantage of Habitat for Humanity for on-site experience. In addition, vocational training centers and many Workman Compensation programs use HfHRV for education and training.

Each home constructed by HfHRV is built to the highest level of sustainability and certified through the EarthAdvantage program. Homes built within the HfHRV program have received Platinum awards continually from standards used including high levels of insulation, homes designed using a ductless heat system, and many other energy saving components. Homes are designed to convert to solar usage for power when it becomes affordably available in the area. Houses are tested for air tightness to assure heat or cool air isn't lost unnecessarily, low VOC levels are maintained through the use of paint decreasing the chance of illness and cancer. Simple measures such as light colored roofs, and the proper placement of the home and windows adds value to sustainable measures. Water saving measures

are utilized for each home through low flow plumbing and landscaping. The Habitat organization has been the construction leader of the county of sustainable building standards. People living in poverty conditions are often paying astronomically for utilities due to poorly insulated houses, leaky roofs and inadequate heat systems. Many plumbing issues are not corrected, leaving leaks causing increasing damage, mold issues as well as high monthly costs. An energy efficient home will increase the affordability factor to all new HfHRV homeowners with the decrease in monthly utility payments.

Applicants are carefully screened through a rigorous selection process. The three main criteria to qualify for the HfHRV program are: 1) income levels must be between 40-80% of federal median, 2) individuals must show a need for housing, either through substandard housing conditions, overcrowding, or paying more than 50% of their income in rent, and 3) applicants must be willing to “partner” with HfHRV; committing to at least 500 hours of sweat equity on their home. Additionally, HfHRV looks for individuals that will take advantage of the *hand up* opportunity, will become good neighbors, and responsible tax payers.

Habitat will target applicants that are currently living in Ashland, its surrounding towns, or individuals that are employed in Ashland as potential future HfHRV homeowners. There is an expectation that housing units will be sold to households consisting of family units; children will attend local schools and shop locally.

In addition to a commitment of construction on their home, applicants must attend a series of homeowner training workshops including budgeting, homeowner maintenance, and good neighbor skills. Pre-purchase counseling includes a series of eight workshops. History has shown a much higher success rate of Habitat homeowners that are prepared to become homeowners, get along with their neighbors and become stakeholders of their neighborhood of those with as much preparation and knowledge as possible. Services are provided in partnership with community agencies, as well as HfHRV staff and volunteers.

People served are those living in substandard housing with income between 40% and 80% of the federal median income for Jackson County. Homes are built and sold to HfHRV households with a no-interest mortgage. The average monthly payment, including taxes and insurance, is \$500 to \$600. A monthly payment this low is affordable to those with a lower income and allows the family to own a home while providing for their family’s basic needs such as food and clothing. Houses are sold for the appraised and market value, which maintains the neighborhood property values. The mortgage is held by HfHRV and the monthly mortgage repayments received are used to build future homes. The note is also divided into two liens. The first mortgage obligation is traditionally the cost of construction including land and administrative costs. The monthly payments of the first note will not exceed 30% of the household income. The difference between the first obligation and the sales price is the amount of a second and silent lien. At any time of title transfer the full amount of the second lien become due. Habitat also maintains first right of refusal for each home allowing homes to remain in the Habitat program. Over sixty homes have been built and sold by Habitat for Humanity in Jackson County, and HfHRV has the ability to complete five to six per year with its current administrative and financial structure.

The project will begin as soon as logistically possible. The developer of the subdivision is currently in the approval process with the City of Ashland, depending mostly on the solid commitment of providing the required affordable housing units. Once final approvals have been awarded and infrastructure is complete, HfHRV can begin construction of the affordable units. The five units can be completed within one year once the building permits for construction have been issued.

A site map to be included as a separate attachment.

3) Project Experience

Rogue Valley Habitat for Humanity was incorporated as a nonprofit organization in 1987 and is an affiliate of the International Habitat for Humanity organization based in Atlanta, Georgia. The local organization is independent, however must adhere to certain guidelines, principles and various process to maintain the logo and Habitat branding. The service area is Jackson County in Southern Oregon. The local organization is staffed by nearly 20 people, including those employed at the ReStore, a used building material store providing the sustainable income used for all administrative costs. A strong Board of Directors governs the organization, participates in goal setting, and is dedicated to maintaining the integrity and positive reputation of the organization. The organization is volunteer driven, and over 1000 volunteers participate annually in many aspects of activities. The mission of the organization is to provide decent, stable and affordable housing to those in need.

A home repair program is also an activity of the HfHRV organization of which minor and critical needs are completed for low income homeowners. Over thirty repair projects have been completed since the inception of the repair program in 2012. The minor repair program is in partnership with the Age Friendly Innovators organization which screens applicants and projects in which HfHRV volunteers complete. Many projects include not only minor repair but also provide aging in place mechanisms such as ramps, rails, bars and the elimination of trip hazards for the elderly and disabled. Home Depot often supports critical home repair projects, particularly for veterans.

Throughout the 30 year history within Jackson County, HfHRV has vast experience with completing projects as outlined in proposals, contracts and other commitments. There is a strong history of success utilizing HUD programs such as CDBG in Ashland and Medford, as well as SHOP (Self Help Opportunity Program), Neighborhood Stabilization and other Oregon Housing and Community Services funding mechanisms.

In compliance with the City of Ashland's affordability requirement a 60-year period of affordability for each of the units will be imposed. Upon any transfer of ownership within a 60-year period, potential buyers must qualify for Ashland's affordability housing standards with income levels under 80% of federal median.

4) Funding Request

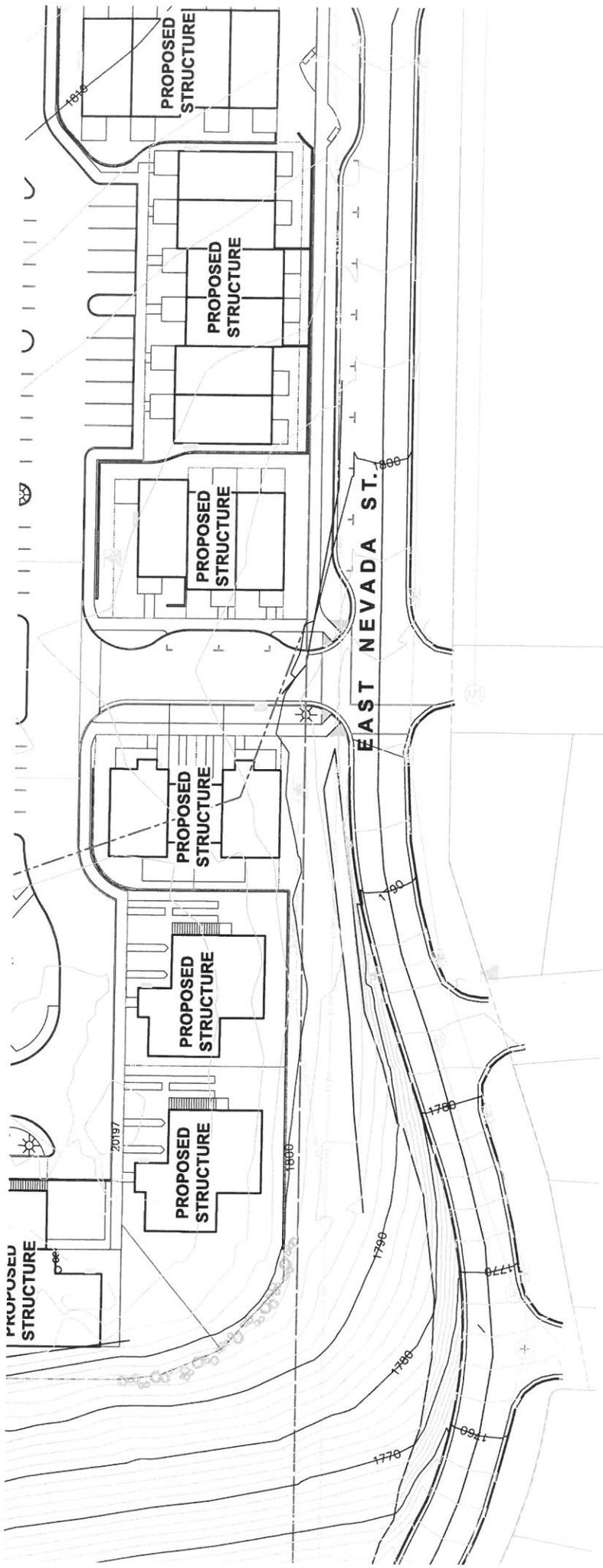
Funding is requested in the amount of \$250,000 to purchase five lots from the Young Family Trust, the developer of the Katherine Mae Subdivision. A verbal agreement as well as nonbinding Memorandum of Understanding between HfHRV and the Young Family Trust for the purchase of property has been established. The purchase price is well below the market value of buildable land in Ashland. All costs including construction material and land costs are included in the sale to each new homebuyer and land costs have been limited to \$50,000 per lot. House construction material costs average \$80,000 per unit, and historically \$20,000 comes in the form of donated services and materials from local and national corporate sponsorships.

Funds have not been requested from the Community Development Block Grant program due to specific location restrictions imposed by HUD. Additional funding for the project for house construction materials will come from designated and restricted fundraising. Based on the history of individual giving, church collaboration and corporate support, HfHRV is confident of the ability to complete the project within the timeline.

Attachments include:

Site map (four building lots identified on map. Five will be purchased and built.)

Budget



PROJECT TEAM:

OWNER
 YOUNG FAMILY TRUST
 348 SOUTH MODOC AVENUE
 MEDFORD, OREGON 97504

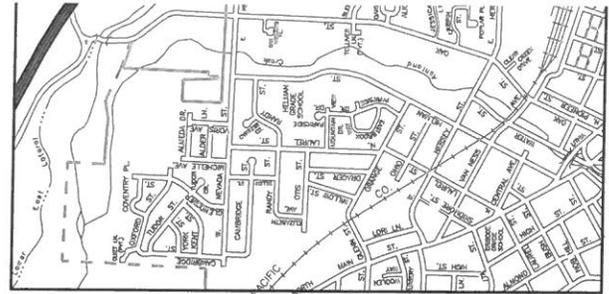
PLANNER
 AMY GUNTER
 Rogue Planning and Development Services
 541 951-4020

LANDSCAPE ARCHITECT
 KERRY KENCAIRN / JAMES LOVE
 KenCalm Landscape Architecture
 541 488-3194

CIVIL ENGINEER
 MIKE THORNTON
 Thornton Engineering
 541 899-1489

CONTENTS:

- COVER
- SITE PLAN + VICINITY MAP
- LANDSCAPE SITE PLAN
- TREE PROTECTION PLAN
- PRELIMINARY GRADING PLAN
- PRELIMINARY IRRIGATION PLAN
- PRELIMINARY PLANTING PLAN



SITE CONTEXT

**Rogue Valley Habitat for Humanity
Katerine Mae Subdivision
Project Budget**

Project Costs		Project Resources	
Phase I		Phase I	
Property Purchase		City of Ashland	
5 lots @ \$50K	250,000.00	Housing Trust	250,000.00
Phase II		Phase II	
House Construction (5 homes)		Foundations:	
General Requirements/permits, etc	60,000.00	US Bank	10,000.00
Site Work	20,000.00	Federal Home Bank	50,000.00
Foundation	15,000.00	Frances Cheney Foundation	5,000.00
Cement Flatwork	15,000.00	West Family Foundation	5,000.00
Frame Materials	45,000.00	Oregon Realtors Association	10,000.00
Millwork Cabinetry	20,000.00	Wells Fargo Foundation	45,000.00
Siding	10,000.00	Various	43,000.00
Insulation	7,500.00	In Kind Donations:	
Doors	7,000.00	Advanced Air (heat)	10,000.00
Windows	5,000.00	Boise-framing material	6,000.00
Roofing	10,000.00	Whirlpool	10,000.00
Plumbing	25,000.00	Precision Electrical	5,000.00
Heat System	25,000.00	Volspar Paint	10,000.00
Electrical	25,000.00	Certainteed Siding	10,000.00
Gutters	3,500.00	GAFF Roofing	10,000.00
Drywall	25,000.00	Electrical labor (union)	6,000.00
Flooring	12,000.00	HfH Cabinet Depart.	15,000.00
Fixtures	5,000.00	Various	25,000.00
Painting	15,000.00	Other	
Appliances	15,000.00	Individual Giving	25,000.00
Landscaping	10,000.00	Business Sponsorships	25,000.00
Misc	25,000.00	ReStore Contribution	15,000.00
		Social Service Agencies	15,000.00
		Mortgage repayment Income	20,000.00
		Special Events	25,000.00
Total Five House Project Budget	<u><u>650,000.00</u></u>	Total Funds expected funds for project	<u><u>650,000.00</u></u>

*** Land purchase does not include value of donation from Young Family Trust as discounted purchase

*** Income sources are based on history of giving and expectation to continue