

City of Clarkston Affordable Home Repair Program

The City of Clarkston is applying for \$475,000 from the Washington State Community Development Block Grant Program. The purpose of the request is to fund construction activities to support affordable housing through rehabilitation repairs.

Overview

The Clarkston Affordable Home Repair Program (AHRP) will provide essential physical improvements to owner-occupied housing units for residents that qualify low-moderate income within the city. The subrecipient organization, Lewis-Clark Valley Habitat for Humanity (LCV HFH) will manage and implement the new program. The goal is to rehabilitate 18 homes in 24 months.

The program will be structured so applicant homeowners will be eligible for three payback tiers based on household income level:

- Forgivable payment plan, no owner cash investment (<30% median household income)
- No interest payment plan, owner provides 10% cost of materials, (31-50% MHI)
- No interest payment plan, owner provides 20% cost of materials. (51-80% MHI)

Through a promissory note, the owner's investment, borrowed from the program, will be repaid over a period. Upon completion of the AHRP home repairs, LCV HFH will work with the local Community Action Partnership to integrate its weatherization program into projects.

Budget

Clarkston Affordable Home Repair Program				
	<u>CDBG</u>		<u>City*</u>	<u>Total</u>
Gen Admin (City)		\$	8,000	\$ 8,000
Project Admin** (HFH/City)	\$ 118,000	\$	24,000	\$ 142,000
Env Review (consultant)***	\$ 10,000			\$ 10,000
Housing Rehabilitation	\$ 347,000			\$ 347,000
Total	\$ 475,000	\$	32,000	\$ 507,000

- City match is in-kind support for grant administration, building inspections and program support to HFH
- Project administration cannot exceed 25% CDBG for subrecipient
- Consulting services for home to meet HUD environmental review requirements

The portion of the housing rehabilitation budget repaid through the owner's 10% or 20% contribution will be delegated to future home repairs.

Need

In 2018, there was a total of 3,326 housing units in Clarkston. Out of these housing units, 2,999 are occupied and 1,619 are occupied by owners or 54% of the total occupied. This compares to a state ownership rate of 63%. The median value of homes in the city was \$140,800 compared to a state median value of \$311,700, and 22% of Clarkston's owner-occupied housing stock is valued under \$100,000. Of the total housing stock 56% of structures are older than 1950.

In 2018, Clarkston's median household income was \$36,854 and Asotin County's median household income was \$50,423. The statewide median was \$70,116. The city's comprehensive plan states "It is the city's objective to ensure that there should be sufficient housing available for all income levels within the city." Maintaining an existing housing stock in rehabilitated condition is essential to keep people in homes.

In addition to lower income levels, Clarkston residents are disproportionately dependent on public assistance. Food Stamp/SNAP benefits users are 26.8% of households compared to 12.5% statewide. While many may be renters, homeowners are also dependent on assistance. The 2016 ALICE (Asset Limited, Income Constrained Employed) Report for Asotin County by United Way showed an astonishingly high measure of ALICE households, 61% in Clarkston, compared to 43% for all of Asotin County. Even more so in the current COVID-19 economy, lower income (service, restaurant) employees are disproportionately impacted and losing their jobs.

The City of Clarkston Building Department has addressed code complaints of homes in a range of areas - weeds, junk, and trash in the yard and many calls on substandard housing due to structural issues: roof leaks, broken windows, and failing siding due to lack of maintenance. Since 2017 the Department has developed a list to track complaints by address. For multiple offenders, the Building Department contacts the property owner. For owner-occupied homes, the city will connect the homeowner to services that may be able to help them. (Community Action Agency, Valley Interlink, Habitat for Humanity).

Sometimes the issues are of a serious structural nature and the existing services are not set up to address them. The Affordable Home Repair Program will fill a need in the process. The AHRP can address the serious structural needs, many of which have been identified by the city. The AHRP will preserve the housing structure instead of letting it fall into a condition that requires demolition. It allows the owners to remain in place instead of displacing them somewhere else. It enhances the neighborhood and helps to improve property values in the surrounding community.

Out of 1,619 owner-occupied dwellings in Clarkston, the city estimates 120 to 160 dwellings could be candidates for the housing rehabilitation program. The factors determining potential homes include the high percentage of public assistance recipients in the city, higher poverty rate, age of housing, lower incomes of residents compared to the county and state, and complaints received, or property evaluations completed by the Building Dept.

Community Planning

Housing represents a critical physical feature of the built environment, and the need for adequate housing for all residents of the community is important and can only be realized through a fair and open housing market. On May 13, 2019 the city adopted its [Comprehensive Land Use Plan](#) update. In conformance with the Growth Management Act the plan includes a housing element with a statement of goals and policies, and provisions for the preservation, improvement, and development of housing, including single family residences. Under the Housing Goal: *Ensure housing diversity in the city to meet existing and future housing needs* the city adopted a policy to: *Identify funding sources for rehabilitation programs and loans and develop a program to deliver these programs to qualified property owners. Focus on owner-occupied properties first. A second Goal: Encourages the Preservation and Improvement of Existing Housing Stocks* supports the formation of the AHRP.

As input to the updated Comprehensive Plan, the city surveyed residents. The third highest priority for quality of life is “Affordable Housing.” Among important objectives to guide future changes, “Maintaining and enhancing the visual appearance of buildings and landscaping” ranked #1. And an overwhelming number of respondents believe adding more single-family homes to the housing stock is important. The survey confirms that a program like the Affordable Home Repair Program will be a benefit to improve the housing conditions for existing homeowners, which provides community enhancement and encourages more thoughtful development.

Another recent survey completed for the Innovia Foundation within Asotin County determined affordable/decent housing was 2nd highest priority of survey respondents on what makes a good place to live, behind health services. Affordable/decent housing was the 3rd highest priority for what needs improving behind job prospects and wages. (*Inland NW Insights, 2019*)

Capacity

The proposed sub-recipient of the CDBG grant, L-C Valley Habitat for Humanity (LCV HFH) , is a nonprofit organization that has served the Lewiston-Clarkston valley for almost 30 years. In 1991, Lewiston-Clarkston Partners Habitat for Humanity was incorporated in Washington, and later in Idaho, to build and sell houses to low-income individuals and families with affordable (zero interest) mortgages. The AHRP will be the first partnership between LCV HFH and the City of Clarkston, to expand services to include conducting affordable home repairs for low- and moderate income residents.

The vision of LCV HFH is “a world where everyone has a decent place to live.” Habitat for Humanity’s role in realizing that vision is expressed in its mission: by bringing people together “to build homes, communities, and hope.” Over the last 29 years, the agency has built 34 affordable homes in the Valley, impacting over 50 adults and 80 children. Volunteers provide most of the labor used in the building of Habitat homes, which keeps their mortgage affordable for low-income homeowners. The organization has built 34 homes in Nez Perce County, ID and Asotin County, WA. LCV HFH will start to build its 35th home in 2020.

The workplan of the AHRP will be managed by the LCV HFH Executive Director and a program construction manager hired under the program who will supervise contracts with contractors working on behalf of homeowners. Grant administration and project management will be coordinated between the ED and City of Clarkston staff. The Clarkston Public Works Director

and the L-C Habitat ED will report monthly to City Public Works Committee on program progress, goals, and objectives.

Readiness

The Lewis-Clark Valley Habitat for Humanity has drafted a Program Overview, Policies and Procedures and organization chart (**attached**). Related application materials, forms and contracting documents are in draft form. LCV HFH will utilize a program Repair Manual developed for local Habitat affiliates. LCV HFH has been working closely with the Clarkston Building Dept to develop a process for inspection, selection of construction contractors, code compliance and all steps to integrate the city’s requirements into the program. The city and Habitat have consulted with Community Action Partnership and will work with CAP to integrate its weatherization program into ARHP project homes that otherwise could not utilize weatherization due to the house condition.

Once the CDBG funds are awarded in September, the LCV HFH and City of Clarkston will complete a CDBG Subrecipient Agreement. After the start of 2021, the program will launch (**task timeline attached**). The program is not dependent on other sources of funding to start.

Results

The Affordable Home Repair Program will solve the rehabilitation needs of 10%-15% of the estimated number of eligible owner-occupied homes. Homes repaired under this program will encourage other owners to initiate improvements that they can achieve on their own. That “lift” provides a community-wide benefit.

The structure of the program ensures that individuals most in need financially (<30% median household income) will get the most benefit. Other eligible homeowners (30%-80% MHI) will provide a modest level of investment to buy into the program. The financial contributions of these homeowners will provide funding to complete additional home repair projects. All beneficiaries will provide some level of volunteerism, increasing pride in ownership and community values. Habitat for Humanity has a great record in the partnership of housing programs.

Before project	After project
120-160 potential qualifying homes	18 homes rehabilitated
Homeowner in unsafe and in hazardous living situation	Resolve life and safety hazards
Property is devalued	Increased values
Property violating city code	Comply with nuisance code
Community priority to improve city appearance (per survey)	Increase civic pride
Housing goals and policies set in comp plan	Housing goals/policies achieved in comp plan
Energy inefficient home	Weatherized home providing comfort and lower costs to owner
Community survey addresses need for improved community appearance	Increased community pride
Neighborhood blight	Neighborhood revitalization
Homeowner burdened with repairs	Pride in ownership

Housing repair solutions will be most uplifting and transformative by continuing to emphasize the principles that underlie Habitat's mission through working together, forming diverse and new partnerships, sharing resources, and celebrating. Lewis-Clark Valley Habitat for Humanity's programs uphold the dignity of the homeowners, increase pride in ownership and engage homeowners in the process and allow them to participate in decision-making whenever possible. The City of Clarkston Affordable Home Repair Program can be a significant tool with which to improve the housing conditions for LMI households, while promoting communitywide improvement.

Timeline

Task	Instructions	Party	Start	End
Establish administrative systems	Set up file system, identify responsible parties for managing different aspects of the grant.	City	9/20	12/20
Negotiate CDBG contract with Commerce	It typically takes about 8 weeks to negotiate a contract and get it executed. We allow up to 90 days, should the grantee need more time for signatures.	City	9/20	11/20
Establish Subrecipient Agreement, if applicable	Subrecipients are organizations that will receive CDBG funds to implement the project on behalf of the local government and will benefit from the funds	HFH/City	9/20	11/20
Procure professional services	Professional services consultants including engineers, architects and project managers must be procured following CDBG procurement requirements to be funded by CDBG. Because of CDBG timing requirements, you may choose to fund professional services with non-CDBG funds.	City (not budgeted)	1/21	12/22
Complete NEPA/SEPA environmental review	The CDBG environmental review requirements include the local government's certification. Most direct assistance activities are categorically excluded. A second tier review will be required for any activities outside the original determination (such as loans/grants for construction or rehabilitation).	City/Contractor	9/20	6/22
Develop the local assistance program policies and procedures	They must incorporate CDBG requirements and include the low- and moderate-income eligibility qualification process.	HFH	10/20	1/21
Conduct outreach and market assistance program	Eligible outreach and marketing costs are only those directly related to the CDBG funded activity.	HFH	10/20	12/22
Review applications for assistance, determine eligibility, and process assistance agreements	Initial loan/grant amounts generally not to exceed \$25,000. Loans will require appropriate level of underwriting.	HFH	1/21	12/22
Submit annual and final beneficiary data	Includes data on ethnicity/race and income information of persons served.	HFH/City	2/22	4/23
Monitor subrecipient	The local government applicant is responsible for monitoring its subrecipient.	City	11/20	12/22
Complete civil rights requirements	CDBG civil rights requirements include adopting a Fair Housing Resolution, documenting ADA compliance, and	City	1/21	12/22

	ensuring no discrimination in CDBG activities.			
Track program income, if applicable	Program income is any income generated from the use of CDBG funds that totals at least \$35,000 in a calendar year. Program income not used to sustain the activity generating the income must be used for another CDBG eligible activity by the local government grant recipient.	City	1/21	12/22
Conduct final public hearing	List the responsible party. Estimate when the required final CDBG public hearing to review project performance will be scheduled.	City	12/22	12/22
Schedule audit	If audit costs are incurred during the CDBG contract period and are listed in the Project Budget, CDBG funds can pay for this.	City	6/23	3/23
Close out CDBG contract	Date when all financial and contractual requirements will be met.	City/HFH	12/22	4/23