



Foundation For the Challenged

choice · innovation · transformation

April 25, 2016

Adam Trimble
Community Development Department
Longview City Hall
1525 Broadway
Longview, WA 98632

Dear Adam:

Foundation For the Challenged (FFC) is pleased to submit the attached applications for HOME funds for the acquisition and renovation of a single family home in either Longview or Kelso. This project will provide affordable, accessible housing for three people with developmental disabilities. Services will be provided by Lifeworks, and funded by the Developmental Disabilities Administration.

This project builds on the successful partnership between FFC, Lifeworks and the Cities of Longview and Kelso that has resulted in the development of three projects to date. This project has received funding from the State Housing Trust Fund and is fully funded except for Longview or Kelso dollars. Each \$1 of local funds will leverage \$10 of State funding.

We look forward to your review of our request. If you have any questions, please contact our development consultant, Philippa Nye at Ally Community Development.

Thank you,


Kathy Streblo
Executive Director

5970 Wilcox Place, Suite E · Dublin, OH 43016

Phone 614.389.4501 · Fax 614.389.4503

www.ffcOhio.org



HOME Participating Jurisdiction Project Design Proposal – 2016

Applicant: <u>Foundation For the Challenged</u>	Contact Person: <u>Philippa Nye</u>
Title: <u>Kathy Streblo, Executive Director</u>	Title: <u>Development Consultant</u>
Address: <u>5970 Wilcox Pl., Suite E</u> <u>Dublin, OH 43016-6808</u>	Address: <u>5220 25th Ave. SW</u> <u>Seattle, WA 98106</u>
Phone: <u>614-389-4501</u>	Phone: <u>206-817-9551</u>
Fax: <u>614-389-4503</u>	Fax: <u>N/A</u>
E-mail: <u>kstreblo@ffcoho.org</u>	E-mail: <u>philippa@allycommunitydevelopment.com</u>

Non-Profit Status: NO Yes **IRS Tax Identification Number** 01-0619670

Location: Longview Kelso

Project Title: FFC Homes X

HOME Funding Requested: \$ \$45,000

Project Description

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

The Foundation For the Challenged (FFC) is proposing to purchase and renovate a three-bedroom house to provide affordable housing for three extremely low-income individuals with a developmental disability. The house will have accessibility features that meet or exceed ADA requirements. The 24/7 support services will be provided by Life Works and funded by the Developmental Disabilities Administration (DDA).

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

There are about 457 people receiving living with a developmental disability and receiving services in Longview and Kelso according to the Consolidated Plan. People with development disabilities are typically living on disability payments and have incomes of about 17% of area median income. If they are living in market rate housing they are usually paying more than 50% of their incomes for rent. They also often need accessible housing units that are difficult to find at any rent. This project will provide accessible, affordable housing so that the residents can pay 30% of their incomes for rent. Support services will be provided in the home.

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).

Consolidated Plan Objective Code and Number: 2



Consolidated Plan Objective Title: Stabilize and revitalize neighborhoods

Consolidated Plan Objective Proposed Accomplishments & Outcomes: (1) rental unit rehabilitated

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.)

FFC was awarded \$450,913 from the State Housing Trust fund for the development of a home in Longview or Kelso. The local funding is the last funding needed to move forward with the project. As soon as Longview funding is available we can identify a house to purchase.

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) As soon as funding is available (estimated 11/1/16)

Project Completion Date (mm-dd-yyyy) 5/1/17

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.)

FFC will either purchase a vacant or owner-occupied house. FFC will be making a 40-year commitment to renting to extremely low-income individuals with a developmental disability whose income is at or below 30% of the area median. Tenants will be paying 30% of their incomes for rent and utilities.

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.

The house will be remodeled to meet the health and safety needs of the tenants. This will include making the units accessible, and making improvements to extend the useful life of the building and reduce operating costs. If needed, special adaptations may be made for tenants' individual needs. One of the safety features will be the installation of a fire retardant sprinkler system that will be monitored 24/7 and is dialed into the fire department.



DDA has identified the Longview area and this project in particular as one of their highest priorities for the development of affordable, accessible housing. In Cowlitz County there are only 27 affordable units available for every 100 households at 30% of median income.

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.

FFC owns over 90 homes providing affordable, accessible housing to people with developmental disabilities. FFC has just completed a home for people with disabilities in Kelso and has another duplex funded that is in development.

FFC's previously developed homes in Cowlitz County include:

4560 Windemere, Longview 98632. This home was funded with State Housing Trust Fund (\$379,955) and Longview funding (\$45,000)

94 Redpath St. A & B, Kelso 98626. This home was newly constructed with State Housing Trust fund (\$383,887) and Kelso funding (\$45,000)

2481 Redwood Ave, Longview 98632. This home was newly constructed with State Housing Trust fund (\$394,762) and Longview funding (\$45,000)

5232 Oriole Drive, Longview 98632. This home was funded with State Housing Trust fund (\$373,434).

Our service provider for this project, Life Works, also owns and operates the Kelso Group Home at 922 Cedar Street that serves 9 adults with developmental disabilities who need housing and service supports. This home was originally developed by Cowlitz County in 1980. The initial funding of \$60,390 was from a State Referendum 29 grant. Extensive remodeling was completed using a State Housing Trust Fund grant in 2006 for \$358,106.

Life Works also provides supported living services to four clients in a group home located at 1111 11th Ave in Kelso that is owned by the Lower Columbia Action Program. The home did receive HOME funding from the City of Kelso for an ADA bathroom.

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?

FFC is collaborating with DDA and Life Works in the development of this project. FFC is acting in the capacity of developer, owner, and property manager. Life Works will continue to provide the tenants their 24/7 services and DDA will continue to fund these services.

HOME Program Longview- Kelso HOME Consortium

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Questions? Technical Assistance? Contact Adam Trimble at 360.442.5092, or by e-mail at: adamt@mylongview.com



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

FFC will enter into one-year leases with each tenant, track their income annually, submit rent and utility information for each home, and ensure that the pro-rated rent payment per tenant does not exceed the HOME High Rent as set annually by HUD.

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.)

Kathy Streblo, Executive Director of FFC, 614-389-4501, kstreblo@ffcoho.org
Kathy will have oversight of the entire project and will be executing all project related documents.

Philippa Nye, Ally Community Development, Development Consultant, 206-817-9551,
philippa@allycommunitydevelopment.com
Philippa will have the lead in writing the local funding applications, coordinating with funders and Life Works, searching for a property, supporting the bid process for contractors, overseeing the remodeling, and ensuring the project is completed on-time and within budget.

Amy Bliss, Property Manager, 206-714-6464, ffc.amy2@gmail.com
Amy will be doing the initial tenant eligibility reviews, putting together the leases, and addressing any initial tenant or house-related problems at rent-up.

Carolyn Anson, Finance Director of FFC, 614-389-4501, canson@ffcoho.org
Carolyn will be responsible for the fiscal management of the project including vouchering for funding, maintaining records, and the final close-out of grants.

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.

FFC is just acting in the capacity of developer, owner, and property manager. FFC is working with Life Works on this project. They currently are funded for and provide the 24/7 support and training services to the tenants identified for this project. They will maintain this role when the tenants move into the house. A Letter of Support from Life Works is attached.

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.)

Kathy Streblo, Executive Director of FFC, 614-923-6020, kstreblo@ffcoho.org
Kathy will have on-going oversight of the house and will execute documents as needed.

Michael Pollowitz, Asset Manager, 206-228-7275, mpollowitz@gmail.com
Michael will be completing all funder related reports, be the liaison between the tenants and FFC, and supervise David Scheiber, the Property Manager.

Amy Bliss, Property Manager, 206-714-6464, ffc.amy2@gmail.com
Amy will be the direct interface with tenants and Life Works around leases, repairs, responding to questions and problems, and overseeing the overall maintenance of the house.

Carolyn Anson, Finance Director of FFC, 614-389-4501, cason@ffcoho.org
Carolyn will be responsible for the fiscal management of the house including budgeting, vouchering for funding, maintaining records, and reconciling the income & expenses.

14. Complete the Rental or Ownership Proforma and Marketing Plan (provided separately.) Summarize your marketing/public outreach that you will you provide to inform the general community of this project? (Review the Marketing Plan information under the Underwriting Policies)

There is no Marketing Plan. One of the HTF contractual requirements is that DDA will be the referral entity for this house. Given the complexity of service funding and the importance of roommate matching, Life Works will work directly with DDA on future tenant referrals. FFC will enter into a Referral Agreement with DDA once this project is fully funded. These Referral Agreements are standard practice and FFC already has an existing agreement with DDA Region 2.

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

DDA and Life Works will refer an eligible tenant(s) as vacancies occur. FFC will review tenants based on their rental application and funder eligibility requirements.

DDA and Life Works both incorporate philosophies that maximize the rights and responsibilities of people with developmental disabilities to participate in and make decisions about events that affect their lives. This housing opportunity will be another extension of this philosophy.

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

This project offers tenants long-term, stable housing that is both affordable and accessible. The specific health and safety needs of the tenants will be addressed in developing any remodeling scope of work.

The affordable rents will provide opportunities for the tenants to use their additional income to improve their quality of life.

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.

FFC believes that the problem of affordable, accessible housing will be addressed for the initial tenants once the project is completed and the tenants move in. Longer term, this home will continue to be an affordable, accessible housing resource for 40 years.

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 30% of Median Income: 3
At or below 50% of Median Income: _____
At or below 80% 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.

The State Housing Trust fund expects local governments to contribute to HTF funded projects if funding is available. Local funding will be less than 10% of the total budget for this project. Once developed, the project will provide affordable housing for 40 years. HOME is the only available local source for this project.

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

FFC is committing \$3,000 to the project for the Operating Reserves. The State funding is not federal funds.

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.

All other funding is committed for the project. With Kelso funds, this project can proceed.

22. Complete and attach the separate HOME Budget Form.

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See attached.

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.

- The funding request to the State Housing Trust Fund is for \$450,913 of state bond derived dollars. The funding will be used for every aspect of the project's development with the exception of the Operating Reserves.
- The funding request to the City of Longview is for \$45,000 in federal HOME dollars to be used to assist with the costs of Acquisition and the Developer Fee.
- FFC will be providing \$3,000 of private funding that will be used for Operating Reserves.

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

All other funding is committed for the project.

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

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

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:

- \$ _____ 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
\$ \$450,913 F. Proceeds from Affordable Housing Bonds
\$ _____ G. Supportive Services – Type _____
\$ _____ G1 Homebuyer Counseling Services
\$ _____ Estimated/Unknown at this time. Type : _____

Attachments

25. Required Attachments

- Project Timeline (Note: Funding is available in November following project submittal. Please plan accordingly.)

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- Project Budget** (*Note: Show all funding sources and note if they are committed or not committed. List date when commitment will be confirmed.*)
- Detailed Cost Estimates** (*Specific costs for project itemized to show project cost analysis.*)
- Project Documentation** (*See below*)
- HOME Performa: Rental or Homeowner Affordability**
- Market Analysis** (*separate form*)
- Marketing Plan** (*as described in the Underwriting Policies and Procedures.*)
- Developer Development Capacity Certification**
- Agency Financial Audit by e-mail** (*Most current independent audit.*)

Project Documentation to support your project. (Provide in order listed. Staff may limit the number of documents to the most important for Council to base its decision.)

- **Sources of Funds**
 1. Include commitment letters with all terms and conditions for all mortgages, loans, grants, subordination agreements, private fundraising, bridge (interim) loans and investment tax credits (historical low-income, if applicable);
Attached
 2. Provide a formal Certification letter signed by the Agency Director or Owner listing the amounts and type of all governmental assistance (Federal, State, and Local) which will be used in this project.
Attached
 3. If you (the applicant) are a partnership, or will enter into a partnership to undertake this project (including services) provide a copy of the partnership agreement, which will indicate the cash contributions by the general partner(s) and/or limited partner(s).
N/A
- **Uses of Funds N/A**
 1. Earnest money agreement, option or closing statement for land and/or building(s);
 2. Construction cost estimate
 3. Construction contract or preliminary (bids)
 4. Agreements governing the various reserves which are capitalized at closing (to verify that the reserves cannot be withdrawn later as fees or distributions.)
 5. Appraisal (to substantiate the value of the land and the value of the property after rehabilitation or the structure being built)
 6. If low-income tax credits are utilized, provide documentation on the syndication costs (legal, accounting, tax opinion, etc.) from the organization/individuals who will syndicate and sell the offering to ensure that the project can support the fees necessary to syndicate/fund the project. All assumptions should be verified in the supporting documentation.
- Maps, architectural renderings and elevations, floor plans N/A
- Surveys and other professional reports N/A
- Letters from local, state, or federal agencies directing the repair or creation of a specific housing project N/A
- Letters attesting to the subject problem N/A
- Letters of support
In attachment from Life Works
- Current news articles N/A
- Engineering, soils, or environmental reports N/A

Marketing Plan: A marketing plan shall be completed to show how the project will be marketed publically to Longview residents through the public media, professional realtor or/and real estate marketing staff for at least 90 days or until the unit(s) are fully sold/rented. The advertising methods used to reach buyers/renters, both paid and free, and direct promotion through local organizations, stakeholders and social media can be used. The message to buyers should note that the value/sales or rental price is competitive and the home's features fit the target buyer or renter. The agency must follow its marketing plan and provide documentation of its public marketing effort prior to selecting its recipient(s.)

DDA provides the essential funding for and contracts with Life Works to provide the necessary 24/7 residential support services. Given this partnership, Life Works and DDA will work jointly to implement a Tenant Selection Process that includes:

- identifying potential tenants that have a developmental disability;
- through a tenant application and/or screening process, ensure that tenants qualify for the housing based on funder eligibility criteria;
- ensure that each tenant has sufficient service funding for their health and safety; and
- where appropriate, there is a reasonable expectation of house-mate compatibility.

Longview/Kelso Home Consortium - Longview Application

PROJECT BUDGET AND FUNDING SOURCES

	Longview HOME Source 1	HTF Source 2	FFC Source 3	Source 4	Source 5	Total Cost	How costs determined (bid, est.)	
Commitment Dates	2016							
ACQUISITION								
Purchase Price - Land						\$0.00		
Purchase Price - Bldg.	40,500	291,700				\$332,200.00	Market Study	
Transaction Taxes						\$0.00		
Closing/Recording Fees		1,100				\$1,100.00	prior projects	
Title Insurance/Binder Fees		1,400				\$1,400.00	prior projects	
Appraisal		550				\$550.00	prior projects	
Other:						\$0.00		
Subtotal	40,500.00	294,750.00	0.00	0.00	0.00	\$335,250.00		
PREDEVELOPMENT								
Architect		25,000				\$25,000.00	prior projects	
Engineering						\$0.00		
Legal Fees						\$0.00		
Environmental Review		1,000				\$1,000.00	prior projects	
Preconstruction Inspection		600				\$600.00	prior projects	
Other: Capital Needs Assessments		1,500				\$1,500.00		
Subtotal	0.00	28,100.00	0.00	0.00	0.00	\$28,100.00		
CONSTRUCTION COSTS								
New Construction						\$0.00		
Rehabilitation		55,600				\$55,600.00	prior projects	
Infrastructure on site						\$0.00		
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						\$0.00		
Permits & Fees						\$0.00		
Construction Loan Fees						\$0.00		
Construction Inspections		900				\$900.00		
Sales Tax						\$0.00		
Insurance/Bond/Surety Fees		600				\$600.00	prior projects	
Contingency		8,340				\$8,340.00	HTF requirement	
Other: Utilities		250				\$250.00	prior projects	
Subtotal	0.00	65,690.00	0.00	0.00	0.00	\$65,690.00		
OTHER								
Home Buyer Counseling						\$0.00		
Credit Report Fees						\$0.00		
Operating Deficit Reserves						\$0.00		
Relocation Costs						\$0.00		
Operating Reserves			3,000			\$3,000.00	prior projects	
Loan Fees		9,017				\$9,017.00	2% HTF fee	
Tenant Rental Assistance						\$0.00		
Affirmative Marketing						\$0.00		
Project Management		0				\$0.00	prior projects	
Developer Fees	4,500	40,856				\$45,356.00	10% of award	
Other: Accounting/Audit		500				\$500.00	prior projects	
Other: Replacement Reserves		10,000				\$10,000.00		
Other: Real Estate Tax		2,000				\$2,000.00	Market Study	
Subtotal	4,500.00	62,373.00	3,000.00	0.00	0.00	\$69,873.00		
HOME TOTAL	\$45,000.00	\$450,913.00	\$3,000.00	\$0.00	\$0.00	\$498,913.00		
Date: 4-18-16								
Sponsor: Foundation For the Challenged								Project Address: TBD

**Form 8A
Proposed Rents**

Sponsor Name: Foundation For the Challenged
Project Name: FFC Homes X

Instructions:
 * Rent - if the project includes PHA / HUD / USDA subsidy, include only the subsidy payment amount in column H.
 ** Annual Gross Tenant Paid Rental Income will flow into Year 1 "Annual Gross Tenant Paid Rental Income" entered on Operating Pro Forma.
 *** Annual Gross Rental Subsidy Income will flow into Year 1 "Annual Gross Rental Subsidy Income" entered on Operating Pro Forma.

A	B	C	D	E	F	G	H	I	J	K	L
% of Median Income Served	Number of Units or Beds	Unit Size (Number of Bedrooms)	Average Square footage of unit	Tenant - Paid Monthly Rent	Tenant - Paid Utilities	Sum of Tenant - Paid Rent and Utilities (E + F)	PHA / HUD / USDA Subsidy Payment *	Gross Monthly Rent (G + H)	Annual Gross Tenant Paid Rental Income ** (B x E) x 12	Annual Gross Rental Subsidy Income *** (B x H) x 12	Annual Gross Rental Income J+K
30%	3	1	450	\$ 190.00	\$ 63.00	\$ 253.00	\$ -	\$ 253.00	\$ 6,840.00	\$ -	\$ 6,840.00
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common Area Units (Unrestricted Mgr's Units)				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market Rate Units				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	3								\$ 6,840.00	\$ -	\$ 6,840.00

**Form 8B
Operating and Service
Sources**

Sponsor Name:	Foundation For the Challenged
Project Name:	FFC Homes X

ANNUAL OPERATING SUBSIDY SOURCES (Do Not Include SERVICE Dollars Here)

Source and Type	Proposed Funding	Committed / Conditional Funding	Total Funding	Length of Commitment
Housing Trust Fund (HTF) O&M		\$ -	\$ -	
County 2060 O&M (<i>specify county</i>)	\$ -	\$ -	\$ -	
Local O&M (<i>specify jurisdiction</i>)	\$ -	\$ -	\$ -	
McKinney Operating Support	\$ -	\$ -	\$ -	
Other:	\$ -	\$ -	\$ -	
Other:	\$ -	\$ -	\$ -	
Other:	\$ -	\$ -	\$ -	
Other:	\$ -	\$ -	\$ -	
Total Annual Operating Subsidy Sources	\$ -	\$ -	\$ -	

ANNUAL SERVICE FUNDING SOURCES (Do Not Include OPERATING Dollars Here)

Source and Type	Proposed Funding	Committed / Conditional Funding	Total Funding	Length of Commitment
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Total Annual Services Funding Sources	\$ -	\$ -	\$ -	

**Form 8C
Operating Pro Forma**

Sponsor Name: Foundation For the Challenged	
Project Name: FFC Homes X	
Instructions: - Complete all 15 years of the pro forma. Cells shaded green are input cells; all others will autocalculate. - If project has rental subsidies, provide two separate pro formas - one with subsidy and one without.	
REVENUES	
Residential Income	Inflation Factor
Annual Gross Tenant Paid Rental Income	From Rents 2.50% per year
Annual Gross Rental Subsidy Income	From Rents
Total Annual Operating Subsidy Sources	From Operating Sources
Other:	
Total Residential Income	=
Total Annual Service Funding	
Total Non-Residential Income	
TOTAL PROJECT INCOME	=
Loss Residential Vacancy	Vacancy Rate 5.00% per year
Less Non-Residential Vacancy	Vacancy Rate 10.00% per year
EFFECTIVE GROSS INCOME (EGI)	=
EXPENSES	
Operating Expenses-	Inflation Factor
Heat	2.50%
Electric	
Water & Sewer	
Garbage Removal	
Contract Repairs	
Maintenance and Janitorial	
Management - Off-site	
Management - On-site	
Insurance	
Accounting	
Marketing	
Real Estate Taxes	
Other	
Total Residential Operating Expenses	
Replacement Reserve	
Operating Reserve	
Total Reserves	
Service Expenses	From Service Budget
Non-Residential Expenses	
TOTAL PROJECT EXPENSES	=
NET OPERATING INCOME (EGI - Total Expenses)	=
Debt Service on	
Lender	Loan Amount
Lender	Rate (%)
Lender	Amortization (years)
TOTAL DEBT SERVICE	
Projected Gross Cash Flow	
Debt Coverage Ratio (DCR)	

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Annual Gross Tenant Paid Rental Income	\$ 6,840.00	\$ 7,011.00	\$ 7,186.28	\$ 7,365.93	\$ 7,550.08	\$ 7,738.83	\$ 7,932.30
Annual Gross Rental Subsidy Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Operating Subsidy Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 6,840.00	\$ 7,011.00	\$ 7,186.28	\$ 7,365.93	\$ 7,550.08	\$ 7,738.83	\$ 7,932.30
Total Annual Service Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	\$ 6,840.00	\$ 7,011.00	\$ 7,186.28	\$ 7,365.93	\$ 7,550.08	\$ 7,738.83	\$ 7,932.30
Loss Residential Vacancy	\$ (288.00)	\$ (295.00)	\$ (302.00)	\$ (310.00)	\$ (318.00)	\$ (326.00)	\$ (334.00)
Less Non-Residential Vacancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	\$ 6,552.00	\$ 6,716.00	\$ 6,884.28	\$ 7,055.93	\$ 7,232.08	\$ 7,412.83	\$ 7,598.30

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Heat	tenant paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	tenant paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water & Sewer	tenant paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garbage Removal	tenant paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Repairs	\$ 260.00	\$ 780.00	\$ 799.50	\$ 819.49	\$ 839.97	\$ 860.97	\$ 882.50
Maintenance and Janitorial	\$ 150.00	\$ 450.00	\$ 461.25	\$ 472.78	\$ 484.60	\$ 496.72	\$ 509.13
Management - Off-site	\$ 1,048.33	\$ 3,145.00	\$ 3,223.63	\$ 3,304.22	\$ 3,386.82	\$ 3,471.49	\$ 3,558.28
Management - On-site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 226.67	\$ 680.00	\$ 697.00	\$ 714.43	\$ 732.29	\$ 750.59	\$ 769.36
Accounting	\$ 300.00	\$ 900.00	\$ 922.50	\$ 945.56	\$ 969.20	\$ 993.43	\$ 1,018.27
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 60.00	\$ 180.00	\$ 184.50	\$ 189.11	\$ 193.84	\$ 198.69	\$ 203.65
Total Residential Operating Expenses	\$ 6,135.00	\$ 6,288.38	\$ 6,445.58	\$ 6,606.72	\$ 6,771.89	\$ 6,941.19	\$ 7,114.72
Replacement Reserve	\$ 139.00	\$ 417.00	\$ 427.63	\$ 438.69	\$ 449.21	\$ 460.19	\$ 471.64
Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Reserves	\$ 417.00	\$ 427.63	\$ 438.69	\$ 449.21	\$ 460.19	\$ 471.64	\$ 483.58
Service Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES	\$ 6,552.00	\$ 6,716.00	\$ 6,884.28	\$ 7,055.93	\$ 7,232.08	\$ 7,412.83	\$ 7,598.30
NET OPERATING INCOME (EGI - Total Expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Form 8C
Operating Pro Forma**

Sponsor Name:		Foundation For the Challenged							
Project Name:		FFC Homes X							
REVENUES		Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<i>Residential Income</i>									
Annual Gross Tenant Paid Rental Income		\$ 8,130.61	\$ 8,333.88	\$ 8,542.22	\$ 8,755.78	\$ 8,974.67	\$ 9,199.04	\$ 9,429.02	\$ 9,664.74
Annual Gross Rental Subsidy Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Operating Subsidy Sources		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	=	\$ 8,130.61	\$ 8,333.88	\$ 8,542.22	\$ 8,755.78	\$ 8,974.67	\$ 9,199.04	\$ 9,429.02	\$ 9,664.74
Total Annual Service Funding		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	=	\$ 8,130.61	\$ 8,333.88	\$ 8,542.22	\$ 8,755.78	\$ 8,974.67	\$ 9,199.04	\$ 9,429.02	\$ 9,664.74
Less Residential Vacancy		\$ (342.00)	\$ (351.00)	\$ (360.00)	\$ (369.00)	\$ (378.00)	\$ (387.00)	\$ (397.00)	\$ (407.00)
Less Non-Residential Vacancy		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)	=	\$ 7,788.61	\$ 7,982.88	\$ 8,182.22	\$ 8,386.78	\$ 8,596.67	\$ 8,812.04	\$ 9,032.02	\$ 9,257.74
EXPENSES									
<i>Operating Expenses-</i>									
	Cost Per Unit								
Heat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water & Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garbage Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Repairs	\$ 309.06	\$ 927.17	\$ 950.35	\$ 974.11	\$ 998.47	\$ 1,023.43	\$ 1,049.01	\$ 1,075.24	\$ 1,102.12
Maintenance and janitorial	\$ 178.30	\$ 534.91	\$ 548.28	\$ 561.99	\$ 576.04	\$ 590.44	\$ 605.20	\$ 620.33	\$ 635.84
Management - Off-site	\$ 1,246.14	\$ 3,738.42	\$ 3,831.88	\$ 3,927.67	\$ 4,025.87	\$ 4,126.51	\$ 4,229.68	\$ 4,335.42	\$ 4,443.80
Management - On-site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 269.44	\$ 808.31	\$ 828.51	\$ 849.23	\$ 870.46	\$ 892.22	\$ 914.52	\$ 937.39	\$ 960.82
Accounting	\$ 356.61	\$ 1,069.82	\$ 1,096.56	\$ 1,123.98	\$ 1,152.08	\$ 1,180.88	\$ 1,210.40	\$ 1,240.66	\$ 1,271.68
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 71.32	\$ 213.96	\$ 219.31	\$ 224.80	\$ 230.42	\$ 236.18	\$ 242.08	\$ 248.13	\$ 254.34
Total Residential Operating Expenses		\$ 7,292.59	\$ 7,474.90	\$ 7,661.77	\$ 7,853.32	\$ 8,049.65	\$ 8,250.89	\$ 8,457.17	\$ 8,668.59
Replacement Reserve	\$ 165.34	\$ 496.02	\$ 507.97	\$ 520.45	\$ 533.46	\$ 547.02	\$ 561.15	\$ 574.85	\$ 589.15
Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Reserves		\$ 496.02	\$ 507.97	\$ 520.45	\$ 533.46	\$ 547.02	\$ 561.15	\$ 574.85	\$ 589.15
Service Expenses	<i>From Service Budget</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES	=	\$ 7,788.61	\$ 7,982.88	\$ 8,182.22	\$ 8,386.78	\$ 8,596.67	\$ 8,812.04	\$ 9,032.02	\$ 9,257.74
NET OPERATING INCOME (EGI - Total Expenses)	=	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service on									
Lender		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE	=	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Gross Cash Flow	=	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Coverage Ratio (DCR)	=								

Form 8D Operating Budget Details

Sponsor Name: Foundation For the Challenged
Project Name: FFC Homes X

Vacancy Rates and Inflation Factors

Please provide the rationale for the vacancy and inflation factors used in the Operating Pro Forma:

Both the vacancy rate (5%) and the inflation rates of the income (2 1/2%) are all accepted industry standard for a project of this type. Since all utilities are tenant paid, expense escalator of 2.5% was considered sustainable.

Operating Expenses

Instructions:

• Indicate whether estimates are based upon current operations. If not, what is the basis for the estimate?

Heat
Electric
Water & Sewer
Garbage Removal
Contract Repairs
Maintenance and Janitorial
Replacement Reserve
Operating Reserve
Off-Site Management
On-Site Management
Insurance
Accounting
Marketing
Real Estate Taxes
Other (identify and include cost estimate for each)

Tenant Paid
Tenant Paid
Tenant Paid
Tenant Paid
Based on current operations
Based on current operations. Tenants maintain unit; this cost is for fire system monitoring.
Net cash flow is deposited into reserves; \$10,000 also capitalized in Dev. Budget
Capitalized at \$3,000
Based on current operations
No on site management
Based on current operations
Based on current operations
Exempt

Market Analysis for the HOME Program Rental and Homebuyer

Part 1

Consolidated Plan Market Analysis

Year: 2014-2018

Project Type: The acquisition and remodeling of a three-bedroom, single-family house.

Consolidated Plan Objective Code and Number: 2

Consolidated Plan Objective Title: Stabilize and revitalize neighborhoods

Need (Number of units): 3 beds in single family home

Target Demographics: Extremely low-income individuals that have a developmental disability. The initial tenants have already been selected by Life Works and supported by the Developmental Disabilities Administration (DDA).

Part 2

Project Description/Structure and Analysis

Project Need/Demand: The tenants need to reduce their burdensome market-rate rent by moving into a shared home where their rent will be set according to HOME rules for shared home settings.

Project Affordability for participant: FFC will be setting rent according to HOME rules for group home settings. The anticipated rate will be in the range of 30% of a tenant's income minus a utility allowance.

Project Design (number of units, unit types, sizes, amenities, and services): FFC is proposing to acquire a three-bedroom house. Each tenant will have their own bedroom and share the common areas including a kitchen. Life Works will continue to provide these tenants 24/7 support services.

Income range of participants (example: 16,000-40,000): The yearly income range is anticipated to be between \$9,120 and \$10,800 for each of the three tenants.

Income eligibility requirement(s)/restrictions for project: This project's eligibility requirements include:

- **income at or below 30% of the area median;**
- **to be determined by DDA to have a developmental disability, and**
- **receive sufficient support to ensure their health and safety.**

Timing for Rental Lease-up or Home ownership transfer: May, 2017

Part 3

Market Area Definition:

Name of Neighborhood/ Boundaries of Market Area: TBD in Longview

Market Area:

Demographic Profile/Socio-Economic Trends (population, number of households, age profile, household incomes): According to the Consolidated Plan there are 457 people with developmental disabilities receiving services in Longview and Kelso. It is estimated that all or most of these individuals have income at or below 30% of the area median.

Demand Analysis:

Characteristics of households likely to be attracted to development: Most individuals with a developmental disability will likely be eligible for this housing.

Target population pool for participants: People with developmental disabilities.

Supply Analysis

Characteristics, prices, sales activity trends in the target market area: In a Market Analysis completed on April 13, 2016, there were two houses that met the project's needed characteristics:

- <\$320,000 acquisition plus estimated renovation cost
- >1,500 square feet
- Can be renovated to provide 3 bedrooms
- Located in Longview
- Rambler style single floor
- Owner occupied or vacant

Characteristics, prices, sales activity in other local areas where potential buyers could purchase housing or renters could rent housing. This was not within the scope of this project given the particular tenants identified.

Part 4

Project Site

Neighborhood Physical Condition: (Age of Buildings, Blighting influences, Attractive aspects): TBD

Address of Project: TBD

Site Advantages: TBD

Site Disadvantages: TBD

Part 5 N/A

***Rental Housing Development of 6 or more units
Analysis of Unit Absorption***

Example on Next Page

- Number of units in HOME project _____

- Total number of Market Area households (2012) _____

- Number of rental households _____

- Percentage of total (estimated) _____

- Number of rental households with income of _____
(enter your income range from your project description)
who can afford the rent _____

- Estimated number of rental households in income group _____ %

(Enter a percentage of those who will qualify to rent and multiply that percentage to get a number)

- Market penetration by number of _____ HOME project units
_____ %
(Divide HOME project units by Estimated Number of Households in Income Group to get percentage. The above percentage-should be 5% or less)

- Number of permits issued for similar projects not yet constructed

- **For Rental Buildings: Complete the “Supply Analysis Characteristics of Comparisons Properties.”**

Compare market rate and subsidized properties together:

Property, Year Rehabbed, unit configuration (bed/bath), rents per unit, increases planned date, new rent, occupancy percentage, utilities included, change in rent (range for varying rents, comments explaining amenities, landscaping, maintenance, occupancy by of Sec 8 tenants



STATE OF WASHINGTON

DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000

www.commerce.wa.gov

December 23, 2015

Kathy Streblo
Foundation For the Challenged
5970 Wilcox Place, Suite E
Dublin, OH. 43016

Re: Your 2015 Housing Trust Fund Application

Dear Ms. Streblo:

Congratulations! I am pleased to inform you that your Housing Trust Fund (HTF) application to develop the **FFC Homes X** project has been conditionally approved for funding. Your project is awarded **up to \$2,642,200** in HTF funds from the 2015-2017 State Capital Budget. This award will be contracted under Contract # 15-94110-011.

This funding approval is conditioned upon the following:

1. The project will produce the following units of affordable housing to be placed in service at the end of the construction phase:
 - 23 units for people with disabilities (legislatively required population).
2. Evidence that all the necessary capital funding is committed by September 30, 2016.
3. Evidence that all the necessary approvals have been secured and construction will begin by September 30, 2016.

Please note that this funding approval may be withdrawn or, if award funds had been disbursed, you may be required to reimburse the funds if the above conditions are not met. **You are responsible for informing your HTF Project Manager (identified below) in advance of any issues that may impact your ability to meet any of these conditions.**

This HTF funding round is the result of the Legislature's mandate that Commerce award funds to projects producing affordable housing units serving specific population categories. At a minimum, you will be required to produce the units identified above, which are in accordance with the information you provided in your HTF application or during the application review

process. Unit reductions to the legislatively required populations (as noted above) will not be allowed, or your award may be reduced or withdrawn.

Commerce is making all efforts to meet the targets for the legislatively required populations. We encourage you to review your intended populations, and should you be able to increase the number units serving any of the following population categories, please contact your Project Manager: people with chronic mental illness, homeless families with children, people with disabilities, veterans, homeless youth, and farmworkers (homes or seasonal beds).

Documentation of the commitment of all capital financing and a current development and operating budget, proof of organization filings with the Washington Secretary of State, and a certificate of Liability Insurance for your organization will be required prior to execution of the contract. The budget is subject to review and approval by Commerce. Commerce reserves the right to reduce its award if costs are lower or other fund sources are higher than what was projected in the approved application. Note that not more than 10 percent of the HTF award may be used for developer/project management fees, including Evergreen Sustainable Development Standards (ESDS) coordination.

The awarded funds may not be used to reimburse costs incurred prior to the execution of the contract, except upon written approval from Commerce. In addition, funds will not be disbursed until the following two conditions have been met:

1. Your Evergreen Project Plan (EPP) has been approved by Commerce. The ESDS is currently being revised and version 3.0 will be published on our website in February 2016. Your project is required to comply with ESDS v2.2 with the option to comply with v3.0 if you choose. Refer to our ESDS webpage for current requirements:
<http://www.commerce.wa.gov/Programs/housing/TrustFund/Pages/EvergreenSustainableDevelopment.aspx>
2. Your project has demonstrated compliance with the historical, cultural, and tribal review process, including any recommended survey work. If HTF funds will be used for land acquisition, the review process must be completed prior to the second draw. Refer to Section 201.7 of the HTF Handbook for more information:
<http://www.commerce.wa.gov/Programs/housing/TrustFund/Pages/Handbook.aspx>

If HTF funds will be used solely for acquisition, pre-development, or for homeownership on-site infrastructure costs (i.e., no building construction), 10 percent of the HTF award will be retained until project completion. Exceptions must be requested in writing and approved by your HTF Project Manager in advance of contract execution.

Your Project Manager will be Susan Butz. She will be in contact with you shortly to discuss your contracting process. You may also be contacted by a Washington Community Reinvestment Association (WCRA) staff. Commerce contracted with WCRA to provide third-party construction review services for most projects funded through HTF. WCRA staff will notify you of any documentation they may need.

Kathy Streblo - Foundation For the Challenged

December 23, 2016

Page 3

If you have any questions in the meantime, you can contact Susan Butz directly at (360) 725-5005 or Susan.Butz@commerce.wa.gov or myself at (360) 725-4142 or Diane.Klontz@commerce.wa.gov.

Congratulations on your HTF award. We look forward to working with you on this project!

Sincerely,



Diane Klontz, Assistant Director
Community Services and Housing Division

cc: Susan Butz, Project Manager, HTF



PROPOSED HOUSING RESOLUTIONS: 08/10/2015 FFC BOARD MEETING

WHEREAS, the Foundation has a mission to support initiatives designed to support individuals with developmental disabilities, including making available affordable, community-based residential housing; and

WHEREAS, the Foundation desires to acquire and renovate neighborhood community homes for leasing to low-income individuals with developmental disabilities in the State of Washington, which project is to be known as the FFC X Housing project and

NOW, THEREFORE BE IT RESOLVED, that the Foundation is authorized and directed to contribute \$18,000 to this project to be used for Operating Reserves to support the acquisition and remodeling of 6 houses, one each to be located in the cities of Vancouver, Longview, Kelso and the counties of Thurston, Pierce, and Lewis, to support (23) extremely low-income tenants with a developmental disability.

FURTHER RESOLVED, each officer of the Foundation and it's Executive Director, Kathy Streblo is individually authorized and directed, for and on behalf of the Foundation, to take any step or action necessary to complete, submit and execute the application and, if awarded, to negotiate the terms of, and execute, any grant awarded to the Foundation by the Housing Trust Fund and public entities referenced above.


Seatta Layland, Board President



Cowlitz AmeriCorps
Network

April 24, 2016

Longview HOME Program
Longview, WA 98632

Re: HOME Application for low income housing

Dear Council Members,

Life Works has been serving people with developmental and intellectual disabilities in our community for thirty six years. These individuals are typically in the very low income category and are renting places to live in our community at market rates. They often have to live with unrelated people in order to share living expense and in order to receive the supported living services that the state is contracting with us to provide. With this arrangement, most individuals have very little money left for food, clothing, and an occasional recreational activity.

With this project, the people we support will only pay one third of their income for their rent and utilities which will have a significant positive impact on their lives. While many of them struggle to find jobs to make ends meet, this project will reduce their costs and provide them with safe, affordable housing.

Life Works will continue to provide the twenty four hours per day, seven days per week support for the individuals who will move into this housing. We have identified current clients who are most in need of an improved living condition that is being proposed in this grant request. History tells us that once these individuals make this their home; they will live there for many years.

In addition to providing supported services, Life Works will take on a role of collecting and paying rents, notifying the rental agency of maintenance needs, assisting tenants to keep the property presentable, and assisting tenants to keep the home clean and safe.

Thank you for your consideration of the very important project. With this grant, you will be making an important contribution to the community's low income housing stock and to the lives of individuals who will have the opportunity to live here.

Respectfully,

A handwritten signature in blue ink, appearing to read 'David Hill'.

David Hill, CEO