

CITY OF WENATCHEE 2008 ANNUAL HOUSING & COMMUNITY DEVELOPMENT ACTION PLAN

ANNUAL OBJECTIVES

During the fourth year, the City will focus HUD-assisted CDBG funds on implementing a number of the objectives of the Consolidated Plan, as follows:

Goal 1: Provide Decent Affordable Housing

Objective A: Increase the supply of affordable housing available to the community's lowest-income households. HUD-assisted CDBG activities will be used to create new permanent affordable housing for lower-income families and supportive transitional and permanent housing for the homeless and other at-risk populations through approaches such as infrastructure development, rehabilitation, and acquisition of property for housing and/or economic development projects. The city has not allocated the 2007 funds dedicated to meet this objective; thus, the funds are intended to be carried over and spent in 2008.

The city is proposing to assist the Columbia Valley Housing Association (CVHA) by providing CDBG funds to supplement and expand their first time home buyer program. Funding would allow CVHA to create a portfolio of owner-occupied homes affordable to low and moderate income households using a community land trust model. Under the land trust model, the ownership of the land remains with the land trust organization while the ownership of the home and improvements remain with the homeowner, thus creating a long-term affordability portfolio and removing the possibility of lower income affordable housing turning back into market-rate housing. This program will provide homeownership for five to eight families earning below 80% of area median income within the Wenatchee city limits.

The city recently completed an assessment of the impediments to fair housing that was initiated in the 2006 Annual Plan. The Analysis of Impediments identified six primary factors that are impeding fair housing in Wenatchee: rising housing costs, insufficient stock of suitable housing, lack of permanent supportive housing for special populations, disadvantaged populations often lack

financial literacy, lack of understanding of fair housing rights & responsibilities, and disadvantaged residents of mobile home parks lack protection. The City will continue to pursue recommendations listed in the Analysis, including: developing a more detailed affordable housing plan, continuing the City's Housing Rehabilitation Program, facilitating development of permanent supportive housing, encouraging community organizations to expand credit & homeowner education opportunities, developing a strategic plan for mobile home park closures, and expanding information and education available on fair housing rights and obligations.

Objective B: Improve the quality of rental housing available to the community's lowest-income households and individuals.

The city has continued working on improving enforcement of the City of Wenatchee's housing codes, such as researching regulatory and incentives-based methods other jurisdictions have used to achieve improved quality of local rental housing, while ensuring that these methods do not contribute to increased homelessness. The city will also explore options for working with landlords to improve the safety and livability of affordable housing currently available to low-income people in the community.

Objective C: Expand homeownership opportunities. The city is proposing to continue assisting homeowners in rehabilitating their homes through the city's Housing Rehabilitation Program. The program directly targets one of the primary factors identified by the recent Analysis of Impediments: an insufficient stock of suitable housing for low-income populations. Through housing rehabilitation, the city's existing housing stock is being revitalized, many health and safety concerns are being addressed, homeowners are taking pride in ownership, and additional improvements not covered by the Program are occurring. The city proposes to utilize CDBG funds to extend this program through 2008.

In addition to increasing the supply of affordable housing available to low and moderate income households, funding CVHA's first time homebuyer program will expand homeownership opportunities for five to eight additional families.

Goal 2: Improve the Quality of Life throughout the Community

Objective A: Revitalize neighborhoods. The City allocated CDBG funds in 2006 and 2007 to extend the sidewalk network along Peachey, Alaska and Spokane Streets to meet a goal of

providing a continuous safe walking path from the south Wenatchee neighborhood to Columbia Elementary School. The design phase of the project has been completed, but the city decided to hold off on advertising for bids for construction until the beginning of 2008 in attempt to solicit contractors at a more favorable time. Construction is anticipated to be completed by mid 2008. Given the importance of neighborhood infrastructure in revitalizing neighborhoods, making them a more safe and attractive place to live, the city is proposing to award 2008 CDBG funds to extend the sidewalk network in the predominately low- to moderate-income South Wenatchee neighborhood.

Objective B: Provide support for integrated high priority public services and community facilities. HUD-assisted CDBG activities will be used to advance the strategy of providing assistance to maintain and expand community facilities that offer multiple activities and services for lower-income families, such as youth activities, child care, social and recreational programs for adults, and English as a Second Language courses. To implement this strategy, the City will continue to promote the new community center in the South Wenatchee neighborhood to provide critical services and assistance to lower-income households.

Goal 3: Increase Individual and Community Self-Sufficiency

Objective A: Increase the number of living wage jobs available within the community. The city will continue researching successful regulatory and incentive-based methods other communities have used to encourage businesses to relocate or expand in their areas, such as tax incentives, community enterprise zones, tax credits, and other approaches. The city will also work in partnership with existing business development programs to enhance their capacity to help small businesses hire and retain low- and moderate-income individuals, through approaches such as investigating the feasibility of micro-lending, encouraging strong connections between neighborhood schools and businesses, and advocating for the regular evaluation of the community's economic development programs.

Objective B: Provide lower-income persons with assistance in obtaining the education and skills needed to compete for living wage jobs. The city will encourage increased availability of English as Second Language (ESL) training and greater participation in ESL classes, and

encourage the expansion of mentoring activities that assist lower-income persons in becoming workforce-ready through the Wenatchee Community Center.

RESOURCES

A variety of funding sources will be used to support goals, objectives, and activities of the 2008 Annual Action Plan. These funds include CDBG funds from HUD, recording surcharge fees for low-income (2060) and homeless (2163), and other federal, state, and local sources. There is no program income anticipated this year. The following are committed sources of funds anticipated to be available to complete priority activities during the fourth year:

HUD CDBG Entitlement Funds	\$ 305,000
City of Wenatchee (2060 Recording Surcharge Fees)	\$ 147,000
Chelan/Douglas Counties (2163 Recording Surcharge Fees)	\$ 248,000
USDA Rural Development (Memorandum of Understanding)	\$2,975,000
Federal Home Loan Bank of Seattle	\$ 139,980
Columbia Valley Housing Association	\$ 16,323
Local Private Banks (In Kind)	\$ 200,000
<u>Washington State Housing Trust Fund</u>	<u>\$ 500,000</u>
TOTAL AVAILABLE	\$ 4,531,303

Contingency Plan

The allocation of FY08 dollars is based on FY07 funds allocated to the City of Wenatchee. If the allocation of FY08 funds fall short of the assumed allocation, the city would reduce the allocation of funds in the following order of priority:

1. Administration – any funds less than \$5,000 will be taken out of the administration fund.
2. Community Development – any reduction in allocation of funds more than \$5,000 will be taken out of the housing rehabilitation fund.

If funds are allocated in excess of the estimate, the city would allocate the funds in the following order of priority:

1. Housing – provide the balance of funds toward the Housing Fund.

DESCRIPTION OF CDBG PROJECT ACTIVITIES

Focus of CDBG Project Activities in 2008

The focus for project activities in 2008 is in five areas:

- 1) Housing Supply: Implementation of the Columbia Valley Housing Association's PATH (Preserving Affordable Trust for Housing)/Homeownership Opportunities Project that will expand homeownership opportunities and increase the supply of affordable housing in the community to low and moderate income households, using a community land trust model. This program will provide homeownership for five to eight families earning below 80% of area median income throughout the Wenatchee city limits. This project will include a balance of funds from the 2007 Annual Action Plan (\$166,000), as well as leveraging sources from the Washington State Housing Trust Fund, USDA Rural Development, Federal Home Loan Bank of Seattle, CVHA, and local private banks.
- 2) Housing Rehabilitation: The city's Housing Rehabilitation Program will continue with funds appropriated from the 2008 Annual Action Plan. Program guidelines were reviewed and updated in 2007. Major rehabilitation projects are targeted to the south Wenatchee neighborhood and qualified low- and moderate- income owner occupied housing units. Assistance will continue to be provided in the form of a no-interest, deferred payment loan, with up to 50% potentially forgiven. Four to eight households are expected to benefit from 2008 funds.
- 3) Neighborhood Revitalization - Sidewalks: Completion of a sidewalk project improving internal connectivity of the low-income neighborhood in south Wenatchee.
- 4) Fair Housing: The city will work in cooperation with local organizations to pursue recommendations of the Analysis of Impediments to Fair Housing for the City of Wenatchee.

- 5) Planning and Administration: The city will continue to work towards meeting the goals and objectives of the Consolidated Plan through city staff.

2008 CDBG Funded Projects:

Project ID	Recipient Organization	Project Name	Location	CDBG funds	Benefit
08-1	City of Wenatchee	Program Administration	City wide	\$40,000	City wide
08-2	City of Wenatchee (or subrecipient)	Fair Housing Activities	City wide	\$20,000	City wide
08-3	Columbia Valley Housing Association	Housing Acquisition & Homeownership Assistance	City wide	\$84,000	Direct benefit – 2 to 3 homes
08-4	City of Wenatchee	Public Facilities & Improvements - Sidewalks	South Wenatchee neighborhood	\$100,000	Area Benefit
08-5	City of Wenatchee	Housing Rehabilitation	City wide	\$101,148	Direct benefit – 4 to 8 homes
				\$345,148	

Unfinished CDBG Funded Projects from 2007 Program Year:

Project ID	Recipient Organization	Project Name	Location	CDBG funds remaining	Benefit
07-1	City of Wenatchee	CDBG Administration	City wide	\$30,531	City wide
07-2	Wenatchee Downtown Association	CDBG Planning	Central Business District	\$10,000	Area benefit for potential housing
07-3	Columbia Valley Housing Association	Housing Fund	City wide	\$166,000	Direct benefit – 3 to 5 homes
07-4	City of Wenatchee	South Wenatchee Sidewalk	Peachy, Alaska, Spokane	\$50,000	Area Benefit
07-5	City of Wenatchee	Housing Rehabilitation	City wide	\$73,500	Direct benefit – 2 to 6 homes
				\$330,031	

Unfinished CDBG Funded Projects from 2006 Program Year:

Project ID	Recipient Organization	Project Name	Location	CDBG funds remaining	Benefit
06-1	City of Wenatchee	CDBG Administration	City wide	\$1,827	City wide
06-2	Women's Resource Center	CDBG Planning – Capital Needs Assessment of Homeless Shelter	206 Palouse St.	\$20,000	Direct benefit for housing project
06-3	Women's Resource Center	Bruce Hotel Building Safety	206 Palouse St.	\$55,000	Direct benefit for emergency & transitional housing project
06-4	City of Wenatchee	South Wenatchee Sidewalk	Peachy, Alaska, Spokane	\$54,670	Area Benefit
06-5	City of Wenatchee	Housing Fund - Rehabilitation	City wide	\$100,000	Direct benefit – 4 to 8 homes
06-6	Women's Resource Center	South Wenatchee Neighborhood Improvement	South Wenatchee	\$16,078	Area Benefit
				\$247,575	

HOMELESS AND OTHER SPECIAL NEEDS POPULATIONS

The city is supporting homeless and other special needs populations primarily by providing Homeless (2163) and Housing (2060) funds to local service providers. Another focus in 2008 will be to support efforts of local homeless provider leadership to increase involvement in homeless planning and to explore the potential for a new homeless project for housing and services. This will be done in conjunction with the Washington State Homelessness Housing and Assistance Act as implemented in Chelan County.

NEEDS OF PUBLIC HOUSING

During the year, city will be working with the Housing Authority of Chelan County and the City of Wenatchee to identify any public housing needs, including renovation or new construction.

ANTI-POVERTY

The Community Center project is a major component of the City's anti-poverty strategy. The Center provides a location for programs and assistance aimed at the lowest-income persons in the community. Services such as job training, social services, and housing assistance will provide assistance in the areas of employment, self-sufficiency, and housing, all basic components of the anti-poverty efforts of the City.

LEAD-BASED PAINT HAZARDS

Lead-based paint hazards will be assessed for all houses assisted in major rehabilitation through the City's Housing Rehabilitation Program. Lead interim controls will be taken as determined by the assessment. Occupants will be provided with information on lead-based paint hazards.

MONITORING ACTIVITIES

The City will plan for adequate staffing of the CDBG management function. The activities of the Major Rehabilitation Program will include inspections and assurance that local codes are being met in the rehabilitation process.

This will be the third year where there will be subrecipients involved in implementing activities. The City will implement monitoring procedures and management oversight for 2008 activities, including Section 3, environmental releases, labor standards management, minority business outreach, and equal opportunity provisions.

PUBLIC COMMENTS

In accordance with the City's Citizen Participation Plan, the city held a public hearing on April 12, 2007 to review community development and housing needs, inform citizens of the availability of funds and eligible uses of the Community Development Block Grant (CDBG), particularly from low- and moderate-income persons and persons residing in the Wenatchee area, and review performance over the previous year. No one spoke at the public hearing on this topic.

The City of Wenatchee published notice to the public on August 30, 2007 inviting residents and other interested persons to comment on the draft *2008 Annual CDBG Action Plan for the City of Wenatchee*. Written public comments on the Draft 2008 Action Plan were due September 28, 2007. One comment letter was received from Dale Hill, co-owner of Homchick, Smith and Associates. The letter thanks the city for considering Columbia Valley Housing Association/PATH (Preserving Affordability Trust for Housing) as a recipient of CDBG funds. He states that although PATH is relatively new, CVHA has the advantage of experience. He has some awareness of the residents who formed PATH, and as such has confidence in their good intentions & commitment to long-term involvement with the affordable housing issue in Wenatchee.

A public hearing was held with the City Council on October 11, 2007 to review comments received on the Draft Plan, obtain additional comments on community development and housing needs of the city, and to obtain City approval for the Plan. No one spoke at the public hearing on the CDBG program and 2008 Annual Action Plan.

**Table 3C
Consolidated Plan Listing of Projects**

Jurisdiction's Name City of Wenatchee

Priority Need

Planning and Administration

Project Title

Program Administration Costs

Description

Program administration costs related to the planning and execution of community development activities assisted in whole or in part with funds provided under the CDBG program.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area

City of Wenatchee

Objective Number	Project ID 08-1
HUD Matrix Code 21A	CDBG Citation 570.206(a)
Type of Recipient City	CDBG National Objective LMI
Start Date (mm/dd/yyyy) 01/01/2008	Completion Date (mm/dd/yyyy) 12/31/2008
Performance Indicator	Annual Units
Local ID	Units Upon Completion

Funding Sources:

CDBG	40,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	40,000

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs.

**Table 3C
Consolidated Plan Listing of Projects**

Jurisdiction's Name City of Wenatchee

Priority Need

Decent Affordable Housing

Project Title

Fair Housing Activities

Description

The city will work in cooperation with local organizations to pursue recommendations of the Analysis of Impediments to Fair Housing for the City of Wenatchee completed in 2007. Such activities include: facilitating community organizations in expanding credit & homeowner education opportunities, developing a strategic plan for mobile home park closures, and expanding information and education available on fair housing rights and obligations.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area
City of Wenatchee

Objective Number 1-C	Project ID 08-2	Funding Sources: CDBG 20,000 ESG HOME HOPWA Total Formula Prior Year Funds Assisted Housing PHA Other Funding Total 20,000
HUD Matrix Code 21D	CDBG Citation 570.206(c)	
Type of Recipient City	CDBG National Objective LMI	
Start Date (mm/dd/yyyy) 01/01/2008	Completion Date (mm/dd/yyyy) 12/31/2008	
Performance Indicator Persons Served	Annual Units	
Local ID	Units Upon Completion	

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs.

Table 3C
Consolidated Plan Listing of Projects

Jurisdiction's Name City of Wenatchee

Priority Need

Decent Affordable Housing

Project Title

Housing Acquisition & Homeownership Assistance

Description

Funds are reserved for acquisition of property for new affordable housing opportunities in the city. The Columbia Valley Housing Association will use funds to carry out their PATH (Preserving Affordable Trust for Housing)/Homeownership Opportunities Project that will increase the supply of affordable housing for low-moderate income households, using a community land trust model. The location of houses will be within the city limits as determined by each homeowner and those houses available to them for sale in the market. The city has an additional \$166,000 available from the 2007 housing fund, and will combine these two projects to provide additional assistance to CVHA. A total of 5 to 8 homes should be made available and affordable to low-moderate income households.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area

City of Wenatchee – location to be determined (see 570.301(a))

Objective Number 1-A & 1-C	Project ID 08-3
HUD Matrix Code 01 & 13	CDBG Citation 570.201 (a & n)
Type of Recipient Private Non-Profit	CDBG National Objective LMI – 570.208 (a)(3)
Start Date (mm/dd/yyyy) 01/01/2008	Completion Date (mm/dd/yyyy) 12/31/2008
Performance Indicator Housing Units	Annual Units 5-8
Local ID	Units Upon Completion 5-8

Funding Sources:

CDBG	84,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	166,000
Assisted Housing	
PHA	
Other Funding	
Total	250,000

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs.

**Table 3C
Consolidated Plan Listing of Projects**

Jurisdiction's Name City of Wenatchee

Priority Need

Suitable Living Environment – Neighborhood Revitalization

Project Title

Public Facilities & Improvements - Sidewalks

Description

This project will extend the sidewalk network in Wenatchee's primary LMI neighborhood, South Wenatchee. The sidewalk section will be targeted to a recognized school walking route.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area

City of Wenatchee – location to be determined as described above

Objective Number 2-A	Project ID 08-4	Funding Sources: CDBG 100,000 ESG HOME HOPWA Total Formula Prior Year Funds Assisted Housing PHA Other Funding Total 100,000
HUD Matrix Code 03L	CDBG Citation 570.201 (c)	
Type of Recipient City	CDBG National Objective LMI – 570.208 (a)(1)	
Start Date (mm/dd/yyyy) 01/01/2008	Completion Date (mm/dd/yyyy) 12/31/2008	
Performance Indicator Public Infrastructure	Annual Units	
Local ID	Units Upon Completion	

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs.

**Table 3C
Consolidated Plan Listing of Projects**

Jurisdiction's Name City of Wenatchee

Priority Need

Decent Affordable Housing

Project Title

Housing Rehabilitation

Description

Continuation of the city's Housing Rehabilitation Program. The Housing Rehabilitation Program provides deferred payment, no interest loans to low and moderate income home owner/purchasers for eligible rehabilitation costs in accordance with the adopted program guidelines, as amended. Up to 3 major home rehabilitation projects and 5 minor home repair projects should be completed through this project.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area

City of Wenatchee – location to be determined (see 570.301(a))

Objective Number 1-C	Project ID 08-5
HUD Matrix Code 14A	CDBG Citation 570.202 (a, b & f)
Type of Recipient City	CDBG National Objective LMI - 570.208 (a)(3)
Start Date (mm/dd/yyyy) 01/01/2008	Completion Date (mm/dd/yyyy) 12/31/2008
Performance Indicator Housing Units	Annual Units 5-8
Local ID	Units Upon Completion 5-8

Funding Sources:

CDBG	101,148
ESG
HOME
HOPWA
Total Formula
Prior Year Funds
Assisted Housing
PHA
Other Funding
Total	101,148

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs.