



The Impact of Funding Housing Rehabilitation in Fairmont, WV

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Fairmont, West Virginia

The Friendly City



Facts About Fairmont



- Population of 19,097
- Senior Population 17%
- Median income is \$46,336
- Poverty level 75%
- Median house value \$95,700
- Home to Fairmont State University
- 66 miles from Pittsburgh
- Also called “Middletown” halfway between Morgantown and Clarksburg (bedroom community)

About Fairmont-Morgantown Housing Authority

- Regional Public Housing Authority covering 4 counties and two cities
- 1117 Housing Choice Vouchers, 20 VASH Vouchers, FSS Program and 136 Public Housing Units
- Homeownership Center that follows Prepare, Invest, Retain Programs
- Construction Division and Community Development Programs
- Staff of 21 people



Fairmont-Morgantown Housing Authority AHP Housing Rehab Program

- Total amount of AHP funds spent= \$1,721,239
- Average rehab job completed \$14,200
- Staff Dedicated to the program: 2
- Participated in an Owner-Occupied PILOT Program in 2008
- Funded for 9 cycles



Ahhhh...Rehab



HOUSE REPAIRS

Your doing it right

VERY DEMOTIVATIONAL .com

How FMHA Geared Up For AHP



- Met with local City officials
- Met with FHLB staff for consultation/Self Scoring
- Got support of local Homeowners Association
- Met with local housing/civic groups
- Developed an “interest” list
- Promotions to and recruitment of local contractors
- Designed processes, procedures and program forms
- Made Empowerment Partnerships
- Training for Staff

The FMHA OO Rehab Process



- Notice of Award
- Formal applications sent to people on the interest list
- Income and eligibility determinations
- Initial Home Inspection
- Work Write-up/Solicit for contractors
- Chose the lowest responsible bidder with HO
- Loan application (WV Brokers/DOT)

The FMHA OO Rehab Process



- Loan closing/contracts meeting/Recordation
- HO attends Post Purchase Education
- FHLB Approval/Funds Awarded
- Construction begins (draws 25/25/50)
- Interim and final inspections
- Project Acceptance
- Final payments
- Project closeout
- Audit

Barriers Faced by FMHA



- Contractor Back-up
- Change Orders (The ONION Effect)
- West Virginia Weather and rehab issues in general (overall timing)
- Limited funds vs. lots of families
- Limited funds vs. lots of rehab needed
- Client dependency



Overcoming Barriers



- Continual Contractor recruitment
- Negotiation skills are key
- Set clear expectations at the beginning
- Being GOOD STEWARDS of the money
- Prioritization is key
- Mandated one year warranty



FMHA Lessons for you



- Plan early
- Know your community's need
- Schedule a consultation with FHLB
- Have a LONG waiting list
- Make sure your program follows your application
- Have good documents/policies
- Keep good records
- Use specialty contractors when needed
- Communicate often



End Results of OO Rehab

- Removing Blight from Fairmont
- Creating Barrier-Free Housing
- Rehab is contagious
- Stronger neighbor relations
- Educated Homeowners
- Support local contractors/businesses
- Promoting energy efficiency when possible



AFFORDABLE HOUSING PROGRAM (AHP)

What is AHP?

- Flexible source of subsidy for affordable housing projects
- Can be used in conjunction with a variety of financing structures either as a gap source or as a primary source
- Up to a maximum of \$650,000 in AHP subsidy per project
- Project sponsor (developer) partners with a FHLBank member to submit AHP applications for consideration

Project Types

- Rental
- Lease-purchase
- Owner-occupied purchase
- Owner-occupied rehabilitation

Uses

- New construction
- Rehabilitation
- Acquisition

Income Requirements

- Rental – at least 20% of units must be reserved for those with incomes at or below 50% area median income (AMI)
- Families or individuals with incomes at or below 80% of AMI
 - 80% AMI for family of four:
 - Harrisburg, PA: \$58,000
 - Pittsburgh, PA: \$56,950
 - Philadelphia, PA: \$64,250

Owner-Occupied Rehab/Small Scale Projects

AHP opportunities for OOR and small scale projects:

- No minimum size
- Leverage of other funding sources is encouraged, but not required
- Transparent scoring with favorable categories for owner-occupied rehab, small scale rental or homeownership projects
- Design/architectural exhibits not required
- Formal market study not required for OOR or small scale projects

Awarded Owner-Occupied Rehabilitation Projects

	No. of OOR Applications Awarded	Total Number of OOR units	Amount of AHP Subsidy Awarded to OOR Projects
2016	10	217	\$3,681,299
2015	6	63	\$857,025
2014	2	30	\$417,777
2013	3	30	\$428,117
2012	3	43	\$350,715
TOTAL	24	383	\$5,734,933

Awarded Small Scale Development Projects

	No. Small Scale Housing Projects	Total No. Small Scale Housing Project Units	Amount of AHP Subsidy Awarded to Small Scale Housing Projects
2016	20	133	\$8,078,571
2015	21	136	\$6,705,164
2014	11	84	\$3,754,931
2013	19	125	\$5,002,234
2012	10	75	\$3,939,994
TOTAL	81	553	\$27,480,894

AHP Overview

- **Pre-award**

- Implementation Plan
- Scoring: 100 point scoring against the Bank's established priorities
- Feasibility: application is underwritten against the Bank's feasibility guidelines

- **Post-award**

- Disbursement: awarded projects request disbursements of AHP funds once costs have been incurred
- Compliance and monitoring: completed projects are subject to long-term monitoring and compliance requirements

2017 Scoring Categories

Scoring Categories	Point Allocation
Use of Donated Properties	5 (fixed)
Sponsorship by Nonprofit or Government Entity	5 (fixed)
Targeting	0-22 (variable)
Housing for the Homeless	6 (variable)
Promotion of Empowerment	0-10 (variable)

2017 Scoring Categories

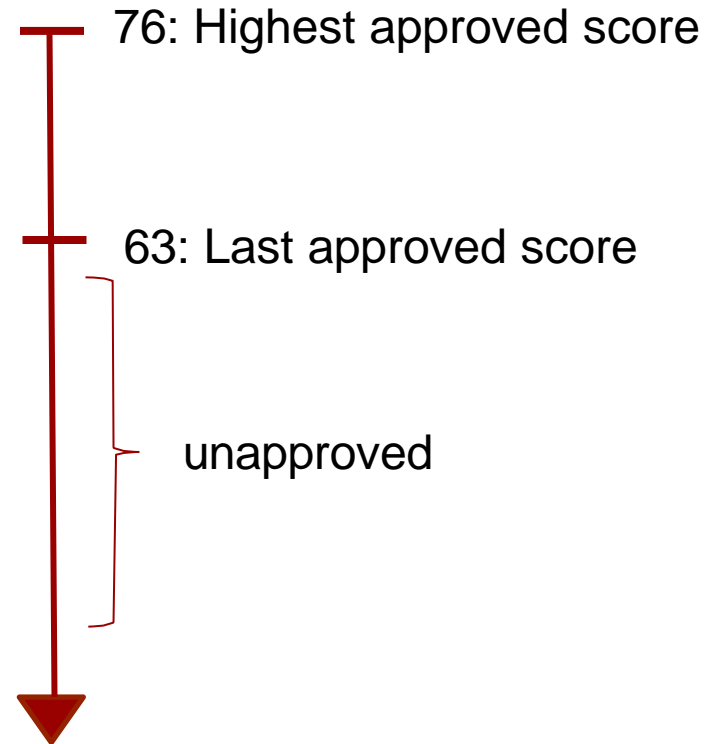
Scoring Categories	Point Allocation
Special Needs	8 (variable)
Rural	5 (fixed)
Member Financial Participation	3 (fixed)
Readiness to Proceed	8 (fixed)
Subsidy per Unit	0-8 (variable)
Community Stability	0-20 (variable)

2016 AHP Funding Round Results



Average AHP Subsidy:
Request: \$461,835

Scored Applications:



Scoring: Serving Populations with Special Needs

Creation of units reserved for persons with special needs defined as:

- Physically and/or mentally disabled
- Developmentally disabled
- Recovering from domestic abuse (physical abuse)
- Recovering from domestic abuse (emotional abuse)
- Recovering from chemical dependency
- Persons with HIV/AIDS

8 points

Reserve $\geq 50\%$ of total units for households with special needs

4 points

Reserve 20% to $<50\%$ of total units for households with special needs

Scoring: Rural

- At least 75 percent of site addresses located in rural areas
- USDA guidelines used to determine if area is rural
- Documentation required:
 - www.usda.gov: input property addresses for single-family or multifamily project types to confirm whether or not the property is designated as rural
 - Rural Designation Certification Form signed by USDA

Scoring: Owner-Occupied Rehab

10 points

75% of properties in the project must be:

- Fully/comprehensively inspected by qualified individual
- Certified that all hazardous or uninhabitable conditions are corrected at project completion
- Certified that all major systems have reasonable (5 years) remaining useful life at project completion
- Qualified individual certification must include:
 - Detailed inspection process
 - Qualifications of individual

5 points

- Property receives needed rehabilitation and/or accessibility improvements on specific components
- Project does not meet the criteria outlined under 10 points

Feasibility Review Factors

- Projects may score well but must also pass the feasibility review to be awarded an AHP commitment
- Review project feasibility guidelines in Attachment B of the AHP Implementation Plan

- Feasibility factors:
 - Need for subsidy and viability
 - Cost reasonableness
 - Readiness to proceed
 - Development team capacity
 - Market demand

Next Steps

- ✓ Visit the AHP webpage: www.fhlb-pgh.com
- ✓ Identify a partner
 - Member/sponsor match service
- ✓ Check registration status
- ✓ Online technical assistance resources
 - AHP 101 webinar
 - Mini-webinar for Community Stability
 - Guide to Complete AHP Online Application
 - Sponsor and Member System Guide
- ✓ Request project-specific technical assistance
 - Go to AHP website, click on technical assistance link and complete TA request form
 - Submit completed form via email
 - Community Investment staff will initiate contact upon receipt of forms

AHP 2017 Timeline

\$23 million in AHP subsidy available for 2017

June 6

Round opens

July 28

Last day to request technical assistance

August
10, 5 p.m.

Round closes

December
14

AHP awards announced

FHLBank Pittsburgh Contacts

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