Welcome to HAC’s webcast!

The webcast, sound, and recording will begin at 2:00 pm EST.

To submit a question during the webinar please use the chat box on the lower right-hand side of the screen. If you would like to verbally ask a question, please click the “Raise Hand” button at the top of the screen.
BUILDING A COMMUNITY FOR VETERANS:
Patriot Place, Tennessee

FUNDED BY

THE HOME DEPOT FOUNDATION

Presented by:
RETHA PATTON, EASTERN EIGHT CDC

HOUSING ASSISTANCE COUNCIL
August 20, 2014
Housing Assistance Council

Building Rural Communities

- Established in 1971
- National nonprofit organization
- Created to increase the availability of decent and affordable housing for low-income people in rural areas throughout the U.S.
- Provide services to local, state, and national organizations
Housing Assistance Council

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Upcoming Webinars/Trainings

Understanding HAC Loan Products: An Overview on Uses, Eligibility Requirements and Restrictions
Date: August 27, 2014
http://ruralhome.adobeconnect.com/e47en03qhu4/event/registration.html

Making it Work: Creative Ways to Utilize HAC Loan Products in Your Affordable Housing Development
Date: September 24, 2014
http://ruralhome.adobeconnect.com/hacloanfund/event/registration.html

SAVE THE DATE!!!
2014 National Rural Housing Conference: Retool…Rebuild…Renew!
Date: December 3-5, 2014
http://www.ruralhome.org/calendar/upcoming-event

Register online @ http://www.ruralhome.org/hac-services/training
Shonterria Charleston, 404-892-4824 ext. 27 or shonterria@ruralhome.org
About us.....

- We serve an 8-county region, mixed small urban and rural
- Sale of new homes is our main source of revenue
- Developed/own/manage 150 rental units scattered sites
- Licensed mortgage lender
- Licensed mortgage loan originators (packaging)
- Licensed manufactured housing retailer
- ‘Homebuyer Education’ course – 300 participants annually
- Awesome post-purchase education workshop center
- Administer foreclosure counseling programs
- NeighborWorks chartered organization
Mission Statement:
Strengthening communities through the creation and preservation of affordable housing
Tell us about your experience (if any!) with housing for veterans! Check all that apply:

- landlord – provide rental housing
- developer – new home construction
- developer – acquisition/rehab/resale of existing units
- accept VASH vouchers
- provide services and/or case management
Experience with Housing for Veterans

- VASH voucher program – Experienced Landlord
- Developed 15 rental units specifically for homeless veterans near the VA Center
- Participating agency in the regional Continuum of Care
- Participating member of regional Tri-Cities Military Affairs Council
Project Pre-Development

- Began at the local community level
  - County Mayor, City Mayor, Postmaster
  - Chamber of Commerce President, Business owners
  - Veterans organizational leaders (VFW, etc)
  - Warden of state prison (located in the county)

- Formed Champion Communities Committee
  - Assist with marketing, engineering, site concept

- Held Community Support Informational Meeting
  - Hosted by County Mayor
  - Invited presidents of all local financial institutions
  - Invited other community lenders not previously included
  - E8 brought examples of existing strong partnerships as guest speakers
Poll #2

Tell us about your past experience in utilizing various funding resources! Which of the below resources have you utilized in any kind of past or current projects? Check all that apply:

- HOME program (HUD)
- CDBG program (HUD)
- SHOP program (HUD)
- RD Mutual Self-Help Housing Program
- RD 502 Direct mortgage loan program
- Revolving loan funds
- Local lender – construction financing
- Foundation grants
- LIHTC
- Donations/discounts from local lenders
- Gifts in kind program – Good 360
- Utilize volunteer labor
- Other funding resources not listed
Funding Strategies

- **Acquisition Funds**
  - THDA (state housing financing agency)
    - BUILD loan program
    - HOME (balance of state funds)
  - Local lender
    - CITC program (low interest rate program in Tenn.)
  - Housing Assistance Council
    - SHOP program
    - Revolving Loan Fund
  - Rural Development - USDA
    - Acquisition & site development programs
      - (only for Mutual Self-Help funded programs)
Funding Strategies

- Infrastructure/Site Development financing
  - THDA (state housing financing agency)
    - BUILD loan program
    - CDBG (balance of state funds)
  - Local lender
    - CITC loan program
- Housing Assistance Council
  - SHOP program
  - Revolving Loan Fund
Funding Strategies

- Unit construction financing
  - THDA (state housing financing agency)
    - BUILD loan program
    - CDBG (balance of state funds)
    - HOME (balance of state funds)
  - Local lender
    - CITC program
  - Housing Assistance Council
    - SHOP program
    - Revolving Loan Fund
  - Rural Development – USDA
    - 502 Direct Loan w/construction funds – closed up front
Funding Strategies

- Permanent financing (homeownership units)
  - Rural Development - USDA
    - 502 Direct loan program
    - 502 Guarantee loan program
  - THDA (state housing financing agency)
    - “New Start” mortgage loans - non-profit partnership
    - other THDA mortgage loan products
  - Local lender
    - Local portfolio loan products
Funding Strategies

➢ PURSUE EVERYTHING ELSE POSSIBLE!!

➢ Foundations
   ➢ East Tennessee Foundation
   ➢ Walmart, etc

➢ Donations, Discounts
   ➢ Building supplies – Lowes, Home Depot, vendors
   ➢ Local manufacturers – block, brick, flooring, etc

➢ Labor, Expertise
   ➢ Internships with local colleges
   ➢ Home Builders Association
Problems encountered

- **BUILD program turned down our application down**
  “Who would want to move there?”
  “Who would pay $25,000 for a lot in Carter County?”
  “Don’t you know the housing market is tanked right now? – should be pursuing rental projects right now”

- **HOME program was not opened for applications in 2012 or 2013**
  “we are waiting on the final rule”

- **Delays in funding acquisition lost local project momentum**
  “I thought that project was dead”
  “I wondered what happened to that project”
Funding Commitments

• First in: HAC - SHOP/RLF combination for $637,000
  – $337,000 for land acquisition costs
  – $300,000 for infrastructure costs

• Home Depot Foundation
  – $150,000 for unit construction costs ($25,000 x 6 units)

• THDA CHDO round HOME award
  – $262,000 for unit construction costs
  – utilized E8CDC HOME program funds to assist with closing costs ($1,000-$14,999)

• Local Lenders – FAHE, 1st Bank & Trust
  – $2,100,000 secured line of credit
Project Design

- Rural affordable design
- Target population: veterans and their families
- Target: low-to-moderate income households <80% LMI
- Mixed income project
- Mixed use (homeownership, rental, public use)
- Community amenities such as center to host agency service providers, horse stables, walking paths, target range area
- Developed in phases
Project Design

Ground Breaking: with Rural Development District Director and Congressman Roe’s District Director

Carter County, TN (Elizabethtown) 45 lots
Home Design

- 3 bedroom, 2 bath
- 1,200 square feet
- Attached garage (or basement)
- One level
- Universal design features [“Easy Living”]
- .70 acre lot size
- Underground septic system/public water
- Energy Star certified - avg. HERS rating 72
Rental Housing

Potential 20 units

- Town house design
- Clusters of 5 units/building
- Mix of 1-, 2-, and 3-bedroom models
- Some units will be project-based housing assistance
- Carter County 2-bedroom HOME high rent is $455
Homeownership Assistance
(Closing Costs, Down Payments, Principal Buy-down)

• sweat equity program to lower the mortgage cost of their home an average of $5,000
• IDA program (avg. $2,000 matched to $6,000) to assist with closing costs
• HOME deferred loans (avg. $5,000) to assist with closing costs
• SHOP deferred loans (avg. $5,000 - $12,000) to lower the mortgage cost
• E8CDC equity deferred loans to bridge gap between mortgage affordability and appraisal sales price ($1,000-$20,000)
Partnerships
Supportive Services

- Veterans Administration Hospital [Mountain Home] – case management, transportation, health care
- Local businesses/Carter County Economic Board – job opportunities
- VFW – social activities, support groups, transportation
- Frontier Health – case management
- First TN Area Agency on Aging and Disabilities – access to medical services, home health care, homemaker and personal grooming, day respite for caregivers, etc.
- First TN Human Resource Agency – transportation, home delivered meals, SeniorCorps
- ARCH – supportive services for veterans and families
- Alliance for Business & Training – employment and job training services, educational attainment
Press Conference – Funding announcement
What E8CDC brings to the project

- Capacity [financial, staff, organizational]
- Collaborations, partnerships, resources
- Leveraging funding sources
- Diversity of services offered
- Educational programs
Things we do well: Homebuyer services

- Offering one-to-one assistance with mortgage pre-qualification and approval
- Offering accessibility to numerous regional affordable housing resources
- Homebuyer Education – pre- and post-purchase courses
Involving elected officials & funders

Things we do well:
Loan Packaging

We have packaged over $30 million in loan value
The right choice, at the right price, at the right time.
QUESTIONS
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Wrap Up

Materials from today’s webinar and the recording will be available on HAC’s website.

www.ruralhome.org