



CITY OF LOGAN REDEVELOPMENT AGENCY

Resolution No. 14-39 RDA **A Resolution Approving Agency Assistance in Neighborhood Nonprofit Housing Corporation's "Welcome Home - Own in Logan" Program**

WHEREAS, the Redevelopment Agency of the City of Logan (hereinafter "Agency") is authorized by U.C.A. §17C-1-411 and §17C-1-412 to use tax increment for affordable housing projects within Logan City; and

WHEREAS, the "Welcome Home - Own in Logan" program, being administered by the Neighborhood Nonprofit Housing Corporation (NNHC), qualifies as affordable housing as defined by U.C.A. §11-38-102 (1), with said definition being adopted by the City of Logan in its Land Development Code §17.62 and by the Agency for the administration of its affordable housing funds; and

WHEREAS, the program encourages home ownership within the City of Logan by making the acquisition of a home more affordable by providing down payment/closing cost assistance to low-to-moderate income homebuyers; and

WHEREAS, the Economic Development Committee has reviewed the requested assistance and recommends its approval,

NOW THEREFORE BE IT RESOLVED, that the Agency does hereby approve a grant from the Agency's affordable housing funds, in an amount not to exceed \$100,000, to provide funding to Neighborhood Nonprofit Housing Corporation's "Welcome Home - Own in Logan" program to be used for down payment/closing cost assistance for low-to-moderate income homebuyers purchasing existing single-family homes or those that will be converted back to single-family homes. The program will continue to provide additional incentives for home purchases made within the Adams neighborhood.

NNHC will be expected to make an annual report to the Agency, summarizing the program and measuring its impact, at which time it may also request continued funding from the Agency.

Additionally, in an effort to assist the Agency in monitoring program effectiveness, NNHC will provide a photograph of each property at the time it is funded.

BE IT FURTHER RESOLVED, that the Redevelopment Agency authorizes the Mayor/Chief Administrative Officer to execute the necessary documentation to accomplish the intent of this resolution.

This resolution duly adopted upon this day of 3 June 2014, by the following vote:


Ayes: Daines, Simmonds, Ward, Needham, Olsen

Nays: None

Absent: None


Karl Ward, Chair
Redevelopment Agency

Attest:


Teresa Harris, City Recorder

1712

Neighborhood Nonprofit Housing Corporation Welcome Home – Own in Logan Program Summary

RDA Funding Overview 2013-2014

- To date, 12 qualified home buyers have used this funding.
- \$80,000 has been used thus far for down payment assistance (beneficiary is Logan City.)
- 100% of the RDA funding has been used on down payment assistance; NNHC has found other funding for administrative costs.
- 17% of homes purchased were previous rental homes (this is a difficult number to track, since we don't always know if the home was being rented illegally prior to the purchase.)
- 3 of the 12 homes were purchased in the Adams neighborhood (25%.)
- Average household income is \$32,981 or 59.47% of the area median income.
- 25% are Female Head of Households.
- 33% of families are Hispanic.
- Average selling price of home is \$135,381; average age built is 1959.

Welcome Home program totals since 2003

- There have been 148 homes purchased using Welcome Home "Own In Logan" funds.
- \$910,131 total funds given out to qualified families.
- Average income for qualified families is \$30,929.
- Average Median Income is 63.15%.
- Average sales price of homes purchased is \$125,758.
- Average age built is 1962.
- 13.5% are Female Head of Household.
- 21.5% of the families are Hispanic.

Perhaps most importantly, since 2005*, **89%** of the families are still in their homes. This covers a nine-year homeownership period, which is three years longer than the national average for first-time homebuyers stay in a home. The program is very effective in stabilizing the neighborhoods in which the Welcome Home funds are used.

**The first 2 years of the program were 5 year forgiveness periods; they have all been forgiven and we no longer have the ability to track them.*



"Welcome Home - Own in Logan!"

Homeownership Assistance Program

Program Summary (2004 – 2014)

The "Welcome Home - Own in Logan" program commenced in 2003/04 when Neighborhood Nonprofit Housing Corporation was commissioned to assume aspects of the administration of the Logan Meadows subdivision from Logan City. The Logan Meadows project was a City of Logan subsidized development, which provided grants to further incentivize first-time homeownership in the subdivision.

The following year, the program evolved into a citywide down payment and closing cost assistance program for first-time, low/moderate income homebuyers.

Income Eligibility

A household is considered of "low/moderate income" when the combined income of everyone age 18+ in a household falls below 80% of Logan's annual median income (based on federal stats).

For a better understanding of who is income-eligible, reference the 2013 figures:

% AMI range	Total Household Income	Total # of people living at the project address							
		1	2	3	4	5	6	7	8
0 - 30%		\$0 - 12,100	\$0 - 13,800	\$0 - 15,550	\$0 - 17,250	\$0 - 18,650	\$0 - 20,050	\$0 - 21,400	\$0 - 22,800
30 - 50%		\$12,101 - 20,150	\$13,801 - 23,000	\$15,551 - 25,900	\$17,251 - 28,750	\$18,651 - 31,050	\$20,051 - 33,350	\$21,401 - 35,650	\$22,801 - 37,950
50 - 80%		\$20,151 - 32,200	\$23,001 - 36,800	\$25,901 - 41,400	\$28,751 - 46,000	\$31,051 - 49,700	\$33,351 - 53,400	\$35,651 - 57,050	\$37,951 - 60,750

First-Time Homebuyer

The program was originally designed to be available only to first-time homebuyers . . . with the exception of an applicant coming out of a multi-family ownership situation. In 2013, the program was expanded to include any qualified homebuyer, incentivizing homebuyers moving from their starter home to a more permanent location in Logan.

Realistically, though, many of those households ready to move from their starter homes are no longer income eligible, but it is an offering intended to entice families to continue living and investing in Logan.

All applicants are required to attend a financial management class through USU's Family Life Center.

Incentive

From 2004 - 2013, Welcome Home's incentive structure included a \$5,000 base grant and a matching grant of up to \$2,500 to be used for down payment or closing cost assistance anywhere in the city. However, during that timeframe only 30% of Welcome Home recipients had purchased homes in Logan's east neighborhoods; with only 12% in Adams neighborhood.

To promote the broader use of the Welcome Home program and to focus prospective homebuyers to consider homes in the embattled Adams neighborhood for a time, the city changed the incentive structure of Welcome Home to:

- Adams - \$9,500 base grant; \$2,500 matching grant
- Outside of Adams - \$4,000 grant; \$2,500 matching grant

During 2013/14, three Welcome Home recipients have moved into Adams neighborhood, a share of 25%.

Single Family Reconstruction Program

The City also introduced the Single Family Reconstruction Program within Adams neighborhood, which allows prospective a homebuyer to combine Welcome Home and Housing Rehabilitation Assistance Program funds towards the purchase of a multi-unit home and the deconstruction of secondary units. Funding would be used to close the equity gap, to facilitate construction, and to improve the livability of the homes. To date, this program has not been used.

Lien

A requirement of Welcome Home is that a 10-year lien be placed on the purchased property. The grant must be repaid in the event that the home is rented, refinanced, or sold (including in the event of death). In the event of sale, should the home be purchased by an eligible homebuyer (one who fits the Welcome Home program requirements), repayment of the grant is not required, and the property lien continues with the next owner.

All recaptured funds are recirculated into the program.

Funding Sources

Welcome Home has been funded \$794,250 from CDBG (\$634,250) and RDA (\$160,000) funds since 2004; a total of \$794,250.

- 2013: \$100,000 (\$12,500 not yet allocated) RDA (12 homebuyers to date)
- 2012: \$100,000 CDBG (18 homebuyers)

- 2011: \$89,000 CDBG, \$20,000 RDA (18 homebuyers)
- 2010: \$75,000 CDBG (13 homebuyers)
- 2009: \$94,700 CDBG (14 homebuyers)
- 2006: \$80,000 CDBG (10 homebuyers)
- 2005: \$109,000 CDBG (18 homebuyers)
- 2004: \$86,550 CDBG (15 homebuyers)
- Recirculated funds: (11 homebuyers)

Since 2004, \$75,881 has been recirculated, bringing the total program funding to \$830,131.

What has been accomplished with \$830,131 (2004-2014)

- Homes purchased since 2004: 136
 - An additional 20 homes were involved in the Logan Meadows project in 2003
- Average purchase price: \$129,821
- Average house age: 1963
- Average allocation: \$6,313
- Average household size: 3.21 (mean), 2 (mode), 3 (median)
- Average household income: \$31,564
- Average annual median income: 63.8%
- Female head of households: 20 (or 14.7%)
- Race: White (109), Hispanic (18), other single race (4), combined race (5)

Neighborhood Distribution (2004- 2014)

(See accompanying maps)

West

Bridger - 13 (or 10%)

Ellis - 31 (or 23%)

Woodruff - 49 (or 36%)

TOTAL – 93 (or 68%)

East

Adams - 18 (or 13%)

Hillcrest - 4 (or 3%)

Wilson - 21 (or 15%)

TOTAL - 43 (or 32%)

Property Maintenance Findings

In 2013, the Community Development department began a photo inventory of 45 Welcome Home properties in Adams, Bridger, and Ellis neighborhoods. A USU student is continuing this photo inventory.

Each photographed property was ranked against the prevailing exterior condition of homes in immediate proximity to the property. Of the 45, 44 ranked "Average" and one ranked "Better than Average".

Further Information Gathering

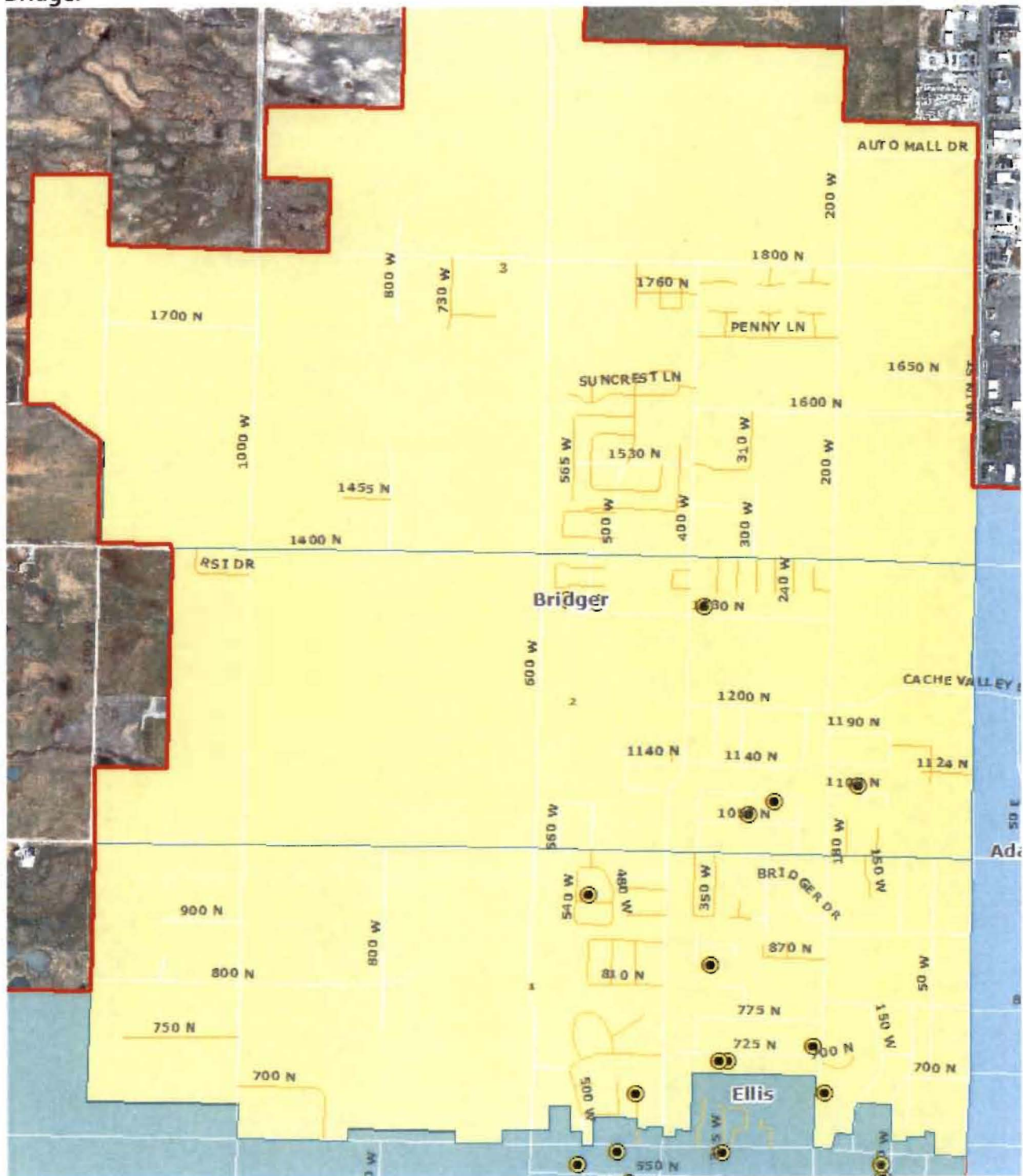
The Community Development department is seeking a clear answer (over and above the statistics already provided) to the question: "What has the City gained from its investment of \$830,131?" The answers will help to determine whether ongoing funding is producing the results the City is seeking.

The following additional actions are being undertaken:

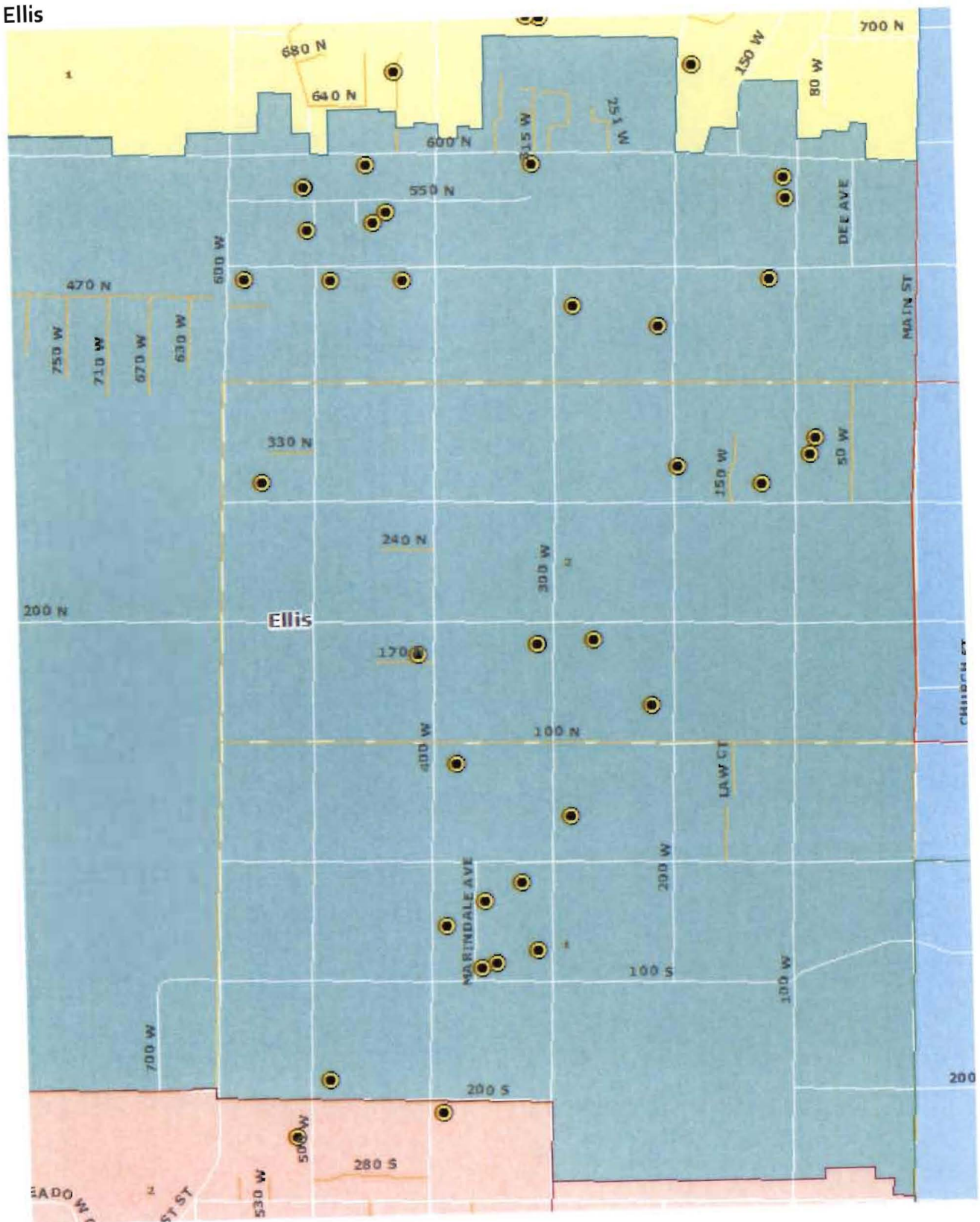
- **PHOTO INVENTORY.** The photo inventory and ranking project will continue and be completed during spring 2014.
- **INTERNAL ANALYSIS.** Interviews with City Council members have begun with questions regarding the benefit they perceive that they are buying by repeatedly allocating funds to Welcome Home. Similar interviews will take place with some members of the administration. This gives a base from which to compare findings.
- **SURVEY AND ANALYSIS.** A survey will be conducted to a large sampling of Welcome Home beneficiaries in effort to determine:
 - the size of households currently residing in the homes. It is our primary interest to determine if the individuals (17) and couples (26) that utilized the program converted to families with children.
 - the compliance with Welcome Home program policies. It is our primary interest to determine if any homes have been converted fully or partially to rental without knowledge of Neighborhood Nonprofit Housing Corporation. Title liens capture sales.
 - the integrity of administration of this program by Neighborhood Nonprofit Housing Corporation. It is our primary interest to again check that the Welcome Home program is being administered appropriately. While we have a great deal of trust in NNHC, it is in the best interest of the administration and citizenry to ensure tax dollars are protected.

All assembled information will then be compiled and presented to the administration and City Council.

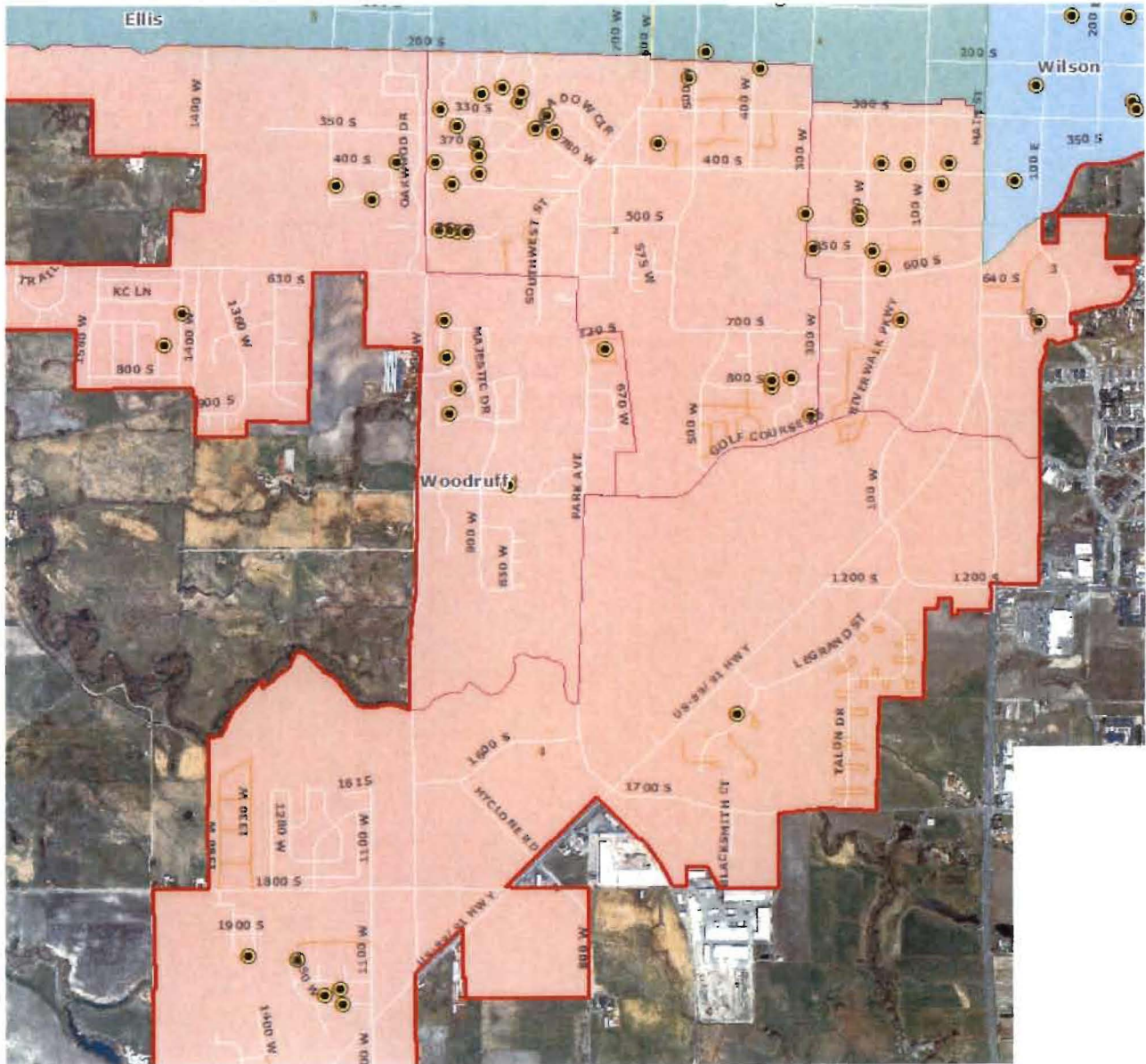
West
Bridger



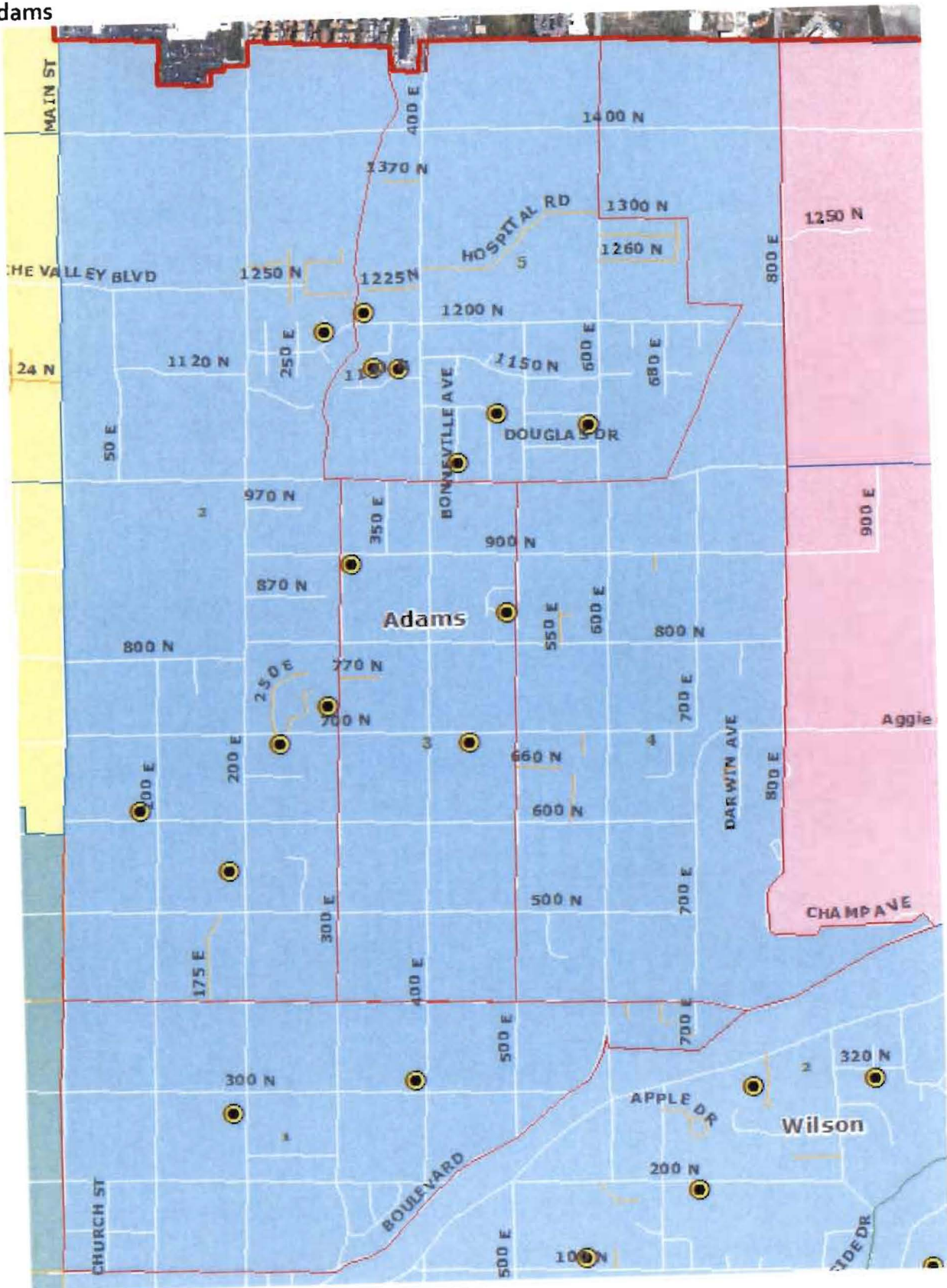
**West
Ellis**



West
Woodruff

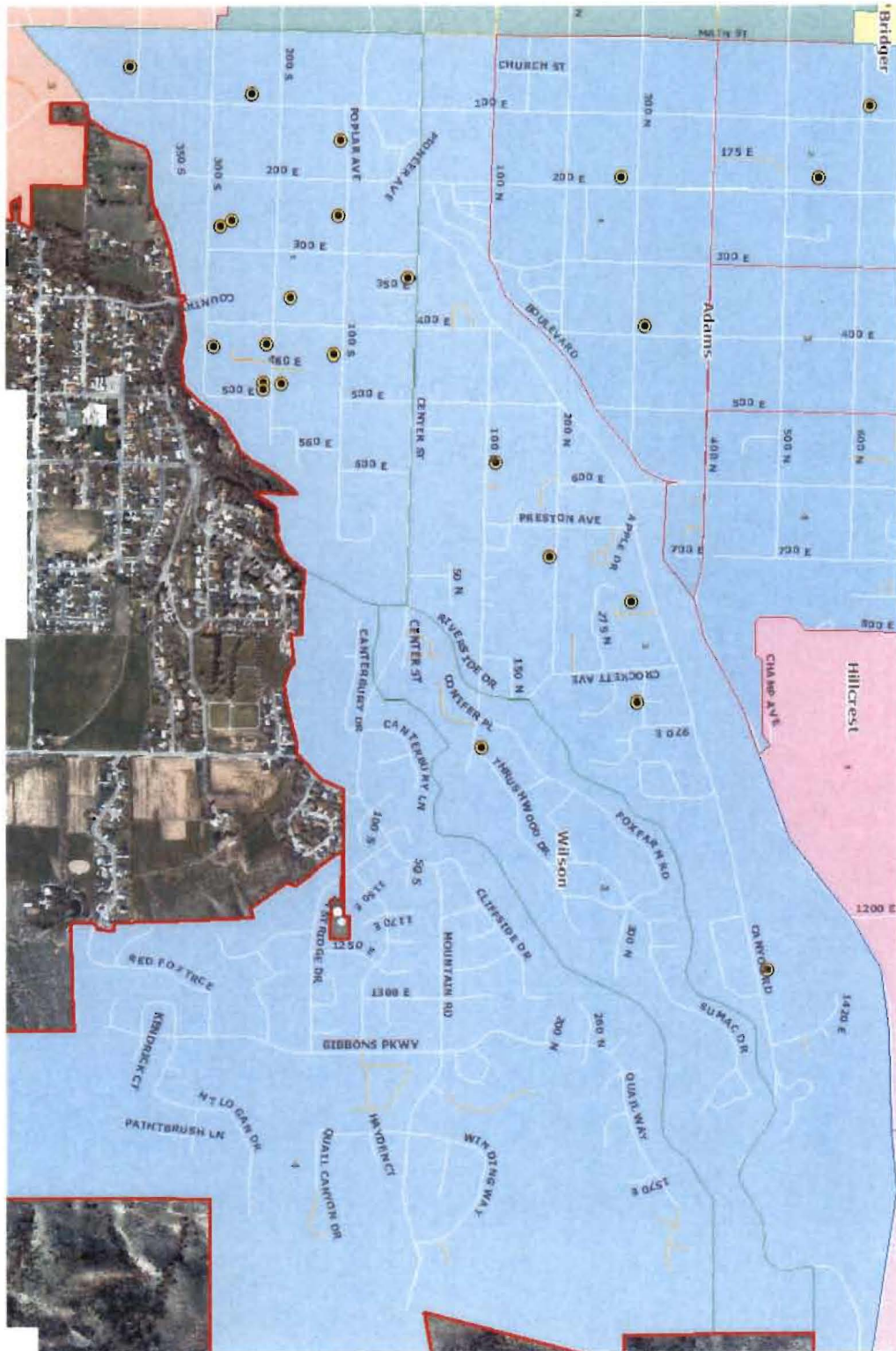


East
Adams



The map displays the Hillcrest neighborhood in San Diego. Key streets shown include Hillcrest Ave, Maple Dr, and various numbered streets like 1000 N, 1100 N, 1200 N, 1300 N, 1400 N, 1500 N, 1600 N, and 1700 N. A red boundary outlines a large area, and a blue line indicates a boundary near the bottom. The map is overlaid on an aerial photograph.

East
Wilson



Civil
PROOF OF PUBLICATION

STATE OF UTAH
COUNTY OF CACHE, ss

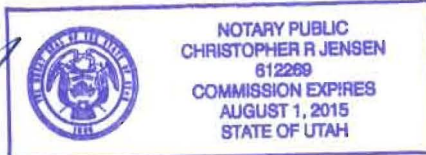
On this 27th day of May , A.D. 2014 personally appeared before me Monica Christensen who being first being duly sworn, deposes and says that she is the Assistant to the Finance Director of the Cache Valley Publishing Co., publishers of The Herald Journal a daily newspaper published in Logan City, Cache County Utah, and that the Legal Notice, a copy of which is hereto attached was published in said newspaper for 1 issue(s) and that said notice also published on utahlegals.com on the same days(s) as publication in said newspaper

Commencing on the following days:
05/25/2014



, Assistant to the Finance Director

Subscribed and sworn to before me on this 27th day of May , A.D. 2014



, Notary Public

Commissioned in the State of Utah

My Commission expires August 1, 2015

LEGAL NOTICE
LOGAN REDEVELOPMENT AGENCY

The Logan Redevelopment Agency of the City of Logan will hold a public hearing to consider a proposed resolution approving Agency Assistance for the Neighborhood Nonprofit Housing Corporation's "Welcome Home-Own in Logan" Program.

Said public hearing will be held Tuesday, June 3, 2014 not before 5:30 p.m. in the Logan Municipal Council Chamber, 290 North 100 West, Logan, UT. Full text of the resolution is available for inspection at the City Recorder's Office during business hours.

Teresa Harris, City Recorder
Publication Date: May 25, 2014