

To: Patty Hastings and Kate Sword

Nov. 13, 2017

The Columbian

This is in response to your invitation to comment on the Affordable Housing Fund created one year ago with a property tax levy.

These comments are being submitted on behalf of Faith Partners for Housing, an interfaith coalition of churches and faith groups in Vancouver and Clark Co.

Faith Partners for Housing had a seat on the review committee that evaluated and scored the first round of grant proposals submitted to the city under the Affordable Housing Fund. The recommendations from this working committee were sent to the City Council. We found the process to be fair, efficient and fully focused on the primary objectives of the program, that is, to add affordable living units in the city. As promised, the city accomplished this work without adding additional staffing or additional bureaucracy. Thus, overhead administrative costs were kept to a minimum, leaving more dollars for concrete on-the-ground projects.

The property tax levy amounts to about \$90 per year on a home valued at \$250,000. Are tax-payers receiving good value for their "investment". First, it should be noted that voters recognized the magnitude of the crisis when they voted to approve Prop #1. When volunteers from Faith Partners for Housing knocked on doors last Oct/Nov. we heard story after story about the high cost of rent and how members of the family could not find an apartment/home at a reasonable rent. Second, after examining the proposals, the process for approving grants and the non-profits that received grant awards, it is our view that, so far, tax payers are getting what they were promised and getting a very positive return on their tax "investment" They are seeing the beginning of a more stable and livable city environment for all of its citizens.

The projects that received funding from the \$6 million total had genuine merit. A high percentage of the grants were dedicated to adding new affordable units. The challenge is large one with several studies indicating that our city and county need between 3,000 to 6,000 affordable units to fill in the current shortfall. Prop # 1 funds bring us a step closer to addressing the crisis. But, it is important to recognize that Prop #1 will not, by itself, solve the crisis re the scarcity of affordable housing. Efforts from public, private, nonprofit and the faith community are still needed to work in partnership to end homelessness.

The 2017 grants support seven new construction projects that will create 237 new multifamily rental units. Seven percent of the funding went to rehabilitate existing low-cost housing in order to keep it in the housing stock---an important objective of Prop #1. While this number may be small in year one of the program it is likely to grow in future years as knowledge and capacity to utilize these funds expands.

Three projects were awarded to the experienced and high performing Vancouver Housing Authority. This is a positive. VHA has a good track record. It was fortunate that these three projects were in the Housing Authority's pipeline and could be submitted rather quickly. Meriwether is a 49-unit apartment on E. Fourth Plain Blvd. designed to serve the chronic mentally ill. Services will be located on the lower floors. 16th & D downtown apts is a 30-unit development. Ten of the 30 units will be available at 50% Ave Medium Income or below. Caples Terrace, at 500 Omaha Way, will have 28 units for youth who are

aging out of foster care. Homelessness among youth is not given enough attention. Caples Terrace helps to address this neglect.

REACH was awarded \$850,000 for Phase II of Isabella Crt, a 49-unit apartment building to be built next to the 49-unit Phase I building already completed. This project targets seniors and is in the Fourth Plain corridor. Seniors are increasingly vulnerable to rapidly rising rents and Isabella Crt Phase II helps to meet a critical need.

We give high marks to the City Council for approving first-time Prop #1 grants that break new ground.

The Housing Initiative, LLC received funding for The Pacific (18 units) which will serve formerly homeless individuals at 50% of AMI and 30% AMI. There is a huge need to have units in place that serve this lower income brackets. This is innovative because no federal funds will be used---just Prop #1 funds and conventional financing. Eliminating the use of federal funds means that some of the accompanying costs imposed by the feds can reduce overall total costs of construction. The Housing Initiative, LLC also received funding for The Shipyard which will be financed in much the same as The Pacific. 78 units will serve formerly homeless individuals, families and seniors. For The Shipyard, the grant covers early development costs in that land has not yet been acquired for this project. One concept is to look at com'l zoned land because multifamily zoned land is very expensive. Businesses could be placed on the first floor with living apartments above which would help defray costs of operation.

The city was fortunate to receive sound and worthy proposals from experienced developers. In addition, we applaud the city for stepping out a bit to explore a different model for financing affordable housing that does not depend on federal dollars. This model, adopted by Housing Initiative, LLC, is based on a successful program in Portland started in 2008. Since 2008 this Portland group (HomeFirst) has completed 440 units of low cost rental units. The city is now in a position to monitor and compare these different approaches as to development costs, construction costs, rents and the costs of operating a unit over time (energy consumption, utilities, quality). Instead of merely adopting the conventional method of financing which depends on HUD funds and the requirements that go with federal funding, Vancouver is in a position to find what works best for our city.

Finally, Evergreen Habitat for Humanity received a grant from Prop #1 funds to support McKibbin Commons project. The \$200,000 grant supports 4 homes targeted for completion in April 2018. This is a homeownership model and certainly deserves to be in the mix of diverse units being funded with Prop #1 funds.

We also support the small piece of Prop. #1 funds that will go to provide rent and utility subsidies as an emergency measure to keep people in their homes. This is a small share of the program, as it should be. The promise of dedicating the lion's share of the Affordable Housing Funds to expanding the number of affordable housing units is certainly being met.

In fact, we believe that other nearby jurisdictions, such as Clark County, should begin a process of evaluating how to raise funds to put a similar program in place. This problem is large and growing. The citizens of Vancouver have shown leadership and courage to enact a property tax levy. This should be a bellwether for other jurisdictions because it will certainly take all of us to overcome this crisis.

One final comment. Several members of Faith Partners for Housing noted that the city has not done a very good job of informing the community how the funds under Prop #1 were awarded, the number of

units being added by each project and what populations those apartment complexes are targeting. It helps a great deal if tax payers know the specifics of programs they are supporting through the property tax levy. We all like to know what we're paying for. We suggest that citizens of Vancouver would feel more comfort, pride and a strong sense of leadership by knowing specifics.

Note: Faith Partners for Housing was formed in late 2015 by a coalition of churches and faith organizations for the express purpose of educating and mobilizing faith organizations around long-term solutions to homelessness. The website is <https://affordablehousing465.wordpress.com>

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