

Kelso City Council Agenda

Regular Meeting, 6:00 pm
June 21, 2016
City Hall, Council Chambers
203 South Pacific
Kelso, WA 98626



**Special accommodations for the handicapped and hearing impaired are available
by special arrangement through the City Clerk's Office at 360-423-0900**

Roll Call to Council Members:

Invocation:

Pastor Chris Davis from Abundant Life Nazarene

1. Approve Minutes:

1.1. June 7, 2016 – Regular Meeting

2. Public Hearings:

2.1. Declare Surplus of City Property

2.2. 2016 HOME Project Allocations

2.2.1. Council Action

3. Consent Item:

3.1. Auditing of Accounts

4. Citizen Business:

5. Council Business:

5.1. Contract Award – Talley Way Overlay Construction Contract

5.2. Contract Award – Yew Street Project Construction Contract

5.3. Contract Award – Yew Street Project Consultant Services

5.4. Contract Award – Talley Way Perimeter Fence and Rotating Beacon Replacement
Projects

5.5. Loan Agreement – Drinking Water State Revolving Fund Loan

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6. Action/Motion Items:

6.1. Resolution

6.1.1. Declare Surplus of Property

Other Items:

- City Manager Report
- Staff/Dept Head Reports
- Council Reports
- Other Business
- Executive Session

Pastor Mark Schmutz, from Abundant Life Nazarene Church, gave the invocation. Mayor David Futcher led the flag salute. Mayor Futcher called the Regular Meeting of the Kelso City Council to order. Councilmembers in attendance were David Futcher, Nancy Malone, Larry Alexander, Todd McDaniel, Rick Roberson, and Jim Hill. Councilmember Kim Lefebvre was absent.

Minutes: Upon motion by Councilmember Alexander, seconded by Councilmember McDaniel, ‘Approve the Minutes of the May 17, 2016 Regular Meeting,’ motion carried, all voting yes.

Council Business Item moved forward:

Millennium Bulk Terminals Coal Export Facility Draft EIS Comments: Upon motion by Councilmember Hill, seconded by Councilmember Roberson, ‘Authorize the Mayor to sign a letter of support for the process of moving forward with the Millennium Bulk Terminals Coal Export Facility.’ Ted Sprague, President of the Cowlitz Economic Development Council, spoke in support of the process moving forward. Four citizens from the audience spoke in favor of the process moving forward and eight citizens spoke against it. Mayor Futcher read aloud the draft letter. Lengthy discussion followed. Councilmember Hill made a motion to table this item to discuss at a later date. Motion failed due to lack of a second. Mayor Futcher reiterated the original motion. Councilmember Hill voted yes. Councilmembers Futcher, Alexander, McDaniel, Roberson, and Malone voted no. Motion failed, 1 to 5.

PROCLAMATION:

Mayor Futcher read a proclamation declaring June 2016 as “**General Aviation Appreciation Month**” in the City of Kelso. City Manager Steve Taylor accepted the proclamation.

PRESENTATIONS:

Stormwater and Low Impact Development (LID) Code Update: Otak Consultant Trista Kobluskie provided an informative presentation on the City’s LID code update. The current permit requires an update of the City’s codes and practices.

LED Streetlight Conversion: Ameresco Inc. Project Manager Mike Pacella provided an end-of-project presentation on the conversion of city streetlights to LEDs.

CONSENT AGENDA:

1. **Contract Award:** 2016 Intersection Reconstruction Project – Advanced Excavating Specialists

Upon motion by Councilmember Roberson, seconded by Councilmember Hill, 'Approve the Consent Agenda.' Councilmembers Fatcher, Alexander, McDaniel, Roberson, and Hill voted yes. Councilmember Malone voted no. Motion passed, 5 to 1.

CITIZEN BUSINESS:

Steven Dahl, owner of a property management business in the community, spoke about the ordinance relating to the responsibility for the maintenance and costs of side sewers.

COUNCIL BUSINESS:

Longview Public Library Reciprocal Agreement: Upon motion by Councilmember McDaniel, seconded by Councilmember Malone, 'Approve the Renewal of the Longview Public Library Reciprocal Agreement.' Discussion followed. Motion passed, all voting yes.

MOTION ITEMS:

Ordinance No. 16-3874 – Budget Amendment: The Deputy Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Roberson, 'Adopt Ordinance No. 16-3874, 'AN ORDINANCE OF THE CITY OF KELSO RELATING TO PUBLIC EXPENDITURES AND DECLARING AN EMERGENCY UNDER THE PROVISIONS OF RCW 35A.34.150 FIXING THE AMOUNT OF MONEY REQUIRED TO MEET SUCH EMERGENCIES AND AUTHORIZING THE EXPENDITURE OF MONEY NOT PROVIDED FOR IN THE 2015-2016 BIENNIAL BUDGET OF THE CITY.' Discussion followed. Councilmember Fatcher, Alexander, McDaniel, Roberson, and Hill voted yes. Councilmember Malone voted no. Motion passed, 5 to 1.

MANAGER'S REPORT:

Steve Taylor: 1) Announced that the City of Kelso earned the Well City Award from the Association of Washington Cities (AWC) for the sixth consecutive year. He acknowledged that the Wellness Committee members' participation makes a healthier and happier workforce. 2) Commented that he would be attending the Annual AWC Conference in Everett on June 21st-24th so he will not be at the next regular council meeting. He encouraged councilmembers to consider attending the conference. 3) Provided an update on the Charter Review Committee. He commented that they would like to schedule a special meeting on June 28. After discussion, the Council directed staff to schedule a special council meeting for June 28, 2016.

STAFF REPORT:

Finance Director/City Clerk Brian Butterfield: Provided a status update on the annual city audit.

COUNCIL REPORTS:

Todd McDaniel: Commented that the first meeting of the Three Rivers Regional Wastewater Authority Governing Board will be June 8, 2016.

Rick Roberson: No report.

Jim Hill: Commented that the 911 Communications Center and the City Charter Review Committee both deserve a show of appreciation for their hard work and efforts.

Larry Alexander: Commented that he agreed that the 911 Communication Center deserved recognition for the good work that they do.

Nancy Malone: Announced that she would be awarding the Kelso Eagles Robert Larson Scholarship to a Kelso High School student tomorrow evening at the high school.

David Futcher: He commented that he appreciated the appropriate manner of all who addressed the council this evening.

There being no further business, Mayor Futcher adjourned the meeting at 7:50 p.m.

MAYOR

CITY CLERK

AGENDA SUMMARY SHEET
Business of the City of Kelso
City of Kelso, Washington

SUBJECT TITLE:

PUBLIC HEARING DECLARING CITY OWNED PROPERTY, PARCELS 24337 AND 24334 AS SURPLUS AND AUTHORIZING THE CITY MANAGER TO CONVEY SUCH PARCELS TO THE DAVIS TERRACE WATER ASSOCIATION

Agenda Item: _____

Dept. of Origin: Legal

For Agenda of: June, 21, 2016

Cost of Item: _____

PRESENTED BY:

Janean Parker

City Manager: Stephen Taylor

AGENDA ITEM ATTACHMENTS:

All relevant documents are attached to the proposed resolution later on the agenda.

SUMMARY STATEMENT:

The City has been negotiating an agreement for the purchase and sale of water with the Davis Terrace Water Association (DTWA). The DTWA owns a reservoir on City owned property. The City has not been able to establish an easement or other documentation authorizing use of the property. The DTWA would like to own the underlying property on which the reservoir is located and the City has no other uses for that property. The City would also reduce its liability exposure by disposing of the property. RCW 35.94.040 requires a resolution surplussing the property and a public hearing and a statement of the fair market value or consideration to be paid for any property originally acquired for utility purposes. Staff has researched the assessed value of the parcels from the Cowlitz County Assessor and determined that \$2,300.00 is a reasonable fair market value for the property.

FINANCIAL SUMMARY:

Sale price of \$2,300.

RECOMMENDED ACTION:

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Public Hearing To Allocate 2016 HOME Program
Grant Funding

Agenda Item: _____

Dept. of Origin: Community Development

For Agenda of: June 21, 2016

Cost of Item: _____

City Manager: Steve Taylor

PRESENTED BY:

Adam Trimble, City of Longview
Planner/Grant Coordinator

Agenda Item Attachments:

Presentation on 2016 project proposals
Four applications for 2016 HOME funding

SUMMARY STATEMENT:

This public hearing is to allocate 2016 HOME Investment Partnership Program funding and designate the 2016 Community Housing Development Organization (CHDO). The Public Hearing will be held to review and consider affordable housing projects submitted for funding and receive public comment for allocations. Four (4) HOME project applications have been received. All project designs have been made available for Council review. Public Review has been made available at the Community Development Office and on the City's HOME Website.

Funding for 2016 for the Longview-Kelso HOME Consortium is at \$244,413 of which Kelso's portion is \$42,182 plus \$89,474.60 (includes unallocated amount from 2015 and re-allocation from 2013 project), totaling \$132,286.60.

The Council may take action to allocate funding following the Public Hearing or choose to bring back for further consideration at a futcher council meeting.

RECOMMENDED ACTION(S):

1. Motion to allocate 2016 HOME program funding to applicants in amounts determined by the City Council.
2. Motion to designate Lower Columbia CAP as the 2016 CHDO

The 2016 HOME Projects Are:

Consortium Community Housing Development Organization (CHDO) Request for Funding

CHDO 5% Operating Costs:

To support the Consortium's Community Housing Development Organization (CHDO) Lower Columbia Community Action Program (Housing and Energy Division) operating and capacity building costs including salaries and benefits, training, department pro-rated cost allocations (rent, phone, etc.), equipment, materials, supplies and tools. The amount will be 5% of the 2016 HOME allocation.

Lower Columbia Community Action Program \$12,220.65

*Requires approval from Consortium Partners (Longview and Kelso City Councils)

2016 Kelso HOME Project Summaries

Amount Available: \$132,286.60 Amount Requested: \$305,571

- Kelso Roof Replacements, Health & Safety and Revitalization Project – replacement of roofs and revitalization of approximately 7 homes owned/rented by low-income residents to a standard of eligibility for separate weatherization assistance. Further revitalization including painting and landscaping will be coordinated with volunteers.
Lower Columbia Community Action Program \$132, 581
- Foundation for the Challenged – Rehabilitate one home for 3 developmentally disabled adults to reside in.
Life Works sponsored through Foundation for the Challenged \$42,581
- Homeless Recovery Rental Assistance – Provide tenant based rental assistance for a minimum of 10 homeless households. Community House/CORE Health and Emergency Support Shelter will select recipients based upon a housing readiness model. Recipients will receive 1- year of ongoing case management from a separate source.
Community House on Broadway \$40,000
- Columbia and Chinook Apartments Property Improvement – upgrade two apartment buildings providing housing for extremely low income residents including new appliances, flooring, paint and furnishings in units and common areas.
Kelso Housing Authority \$90,409



City of Longview/City of Kelso

HOME Participating Jurisdiction Project Design Proposal – 2016

Applicant: Lower Columbia Community Action Program **Contact Person:** Ilona Kerby
Address: 1526 Commerce Avenue **Title:** Executive Director
Longview, WA 98632 **Address:** same

Phone: (360) 425-3430 **Phone:** (360) 425-3430 extension 200
Fax: (360) 575-1664 **Fax:** (360) 575-1664
E-mail: _____ **E-mail:** ilonak@lowercolumbiacap.org

Non-Profit Status: NO **Yes** **IRS Tax Identification Number** 91-0814141

Location: Longview Kelso

Project Title: Kelso Roof Replacements, Health & Safety and Revitalization Project

HOME Funding Requested: \$ 132,581

Project Description

1. Give a *brief* summary of your project (under 101 words):

Our project will involve the replacement of roofs and revitalization of approximately 7 homes owned/rented by low-income residents in the City of Kelso with a focus on South Kelso. The roofs will be replaced by Lower Columbia CAP, health and safety issues will be addressed and then revitalization of the outside of the homes (fresh paint) and yard beautification will be coordinated with volunteers from the South Kelso Neighborhood Project. The intent is to find two or more homes, together, side by side, or across the street from each other so that improvements are readily noticed and the project becomes a springboard for similar projects in the future. Rehabilitating these homes will allow Lower Columbia CAP to proceed with weatherization activities, using separate set-aside weatherization funding. Recent weatherization audits have identified leaking roofs which create hazardous and dangerous living environments. Weatherization cannot proceed for homes in this condition.

2. Describe the project noting the problem(s) or opportunity(s) that will be addressed.

Lower Columbia CAP maintains a Home Repairs List for the whole of Cowlitz County, including low-income houses within the City of Kelso. Our project will involve approximately 7 homes owned/rented by low-income households living within Kelso city limits, with a focus on South Kelso. Our recent weatherization audits, which are meant to help low-income residents realize long-term cost savings,



have identified hazardous living conditions in low-income homes being audited. We have separate set-aside weatherization funding from the Washington State Department of Commerce; however weatherization activities can't begin until these hazardous conditions have been resolved. Roof replacements are required to conform to HUD Housing Quality Standards.

The opportunity we have in rehabilitating these houses not only will allow these low-income residents to live in safe housing, we will be able to use our weatherization dollars after the repairs to provide additional long-term cost savings to these residents having trouble affording their utility bills.

Another opportunity created will create a way for the South Kelso Neighborhood Project to rally volunteers to assist with the revitalizations to the outside of the homes with paint and yard beautification; neighbors helping neighbors.

3. List the specific HOME objective information from the "5 year Strategic Plan" within the 2014-2018 Longview-Kelso Consolidated Plan. (See website information under Instructions).

Objective Code and Number: SP-10
Objective Title: Geographic Priorities – 91.415, 91.215(a)(1)
Objective Proposed Accomplishments & Outcomes: 6. South Kelso

Objective Code and Number: SP-25
Objective Title: Priority Needs – 91.415, 91.215(a)(2)
Objective Proposed Accomplishments & Outcomes: 1. Improve the quality of the housing stock/Stabilize and revitalize neighborhoods; 2. Reduce extreme cost burdens

Objective Code and Number: SP-45
Objective Title: Goals – 91.415, 91.215(a)(4)
Objective Proposed Accomplishments & Outcomes: 1. Stabilize and revitalize neighborhoods

Objective Code and Number: SP-70
Objective Title: Anti-Poverty Strategy – 91.415, 91.215(j)
Objective Proposed Accomplishments & Outcomes: 1. Stabilize and revitalize neighborhoods

Project Readiness

4. Describe what specific steps need to be completed before the project will be ready to proceed? (Projects must be under construction within 12 months of signing your HOME Contract or funding will be de-obligated.)

Following approval by the City of Kelso, we are ready to begin our project. We have identified eligible homeowners/renters in the City of Kelso in need of roof replacements through the conduction of weatherization audits and also have a number of homes to assess through a recent advertisement.



5. Please list start and completion date by Month, Day and Year:

Complete the “Project Timeline” (included at the end of this application) detailing project tasks and dates. This will be a part of your contract goals should your project be selected.

Project Start Date (mm-dd-yyyy) November 1, 2016

Project Completion Date (mm-dd-yyyy) October 1, 2017

Problem Impact and Severity

6. How will this project increase housing affordability for rentals or home ownership? What reductions in cost of rent or a mortgage would be realized? What rents will you charge for each one, two, and three bedroom when the project is complete? (Please detail from your attached ProForma.)

According to the 2015 Washington State Housing Needs Assessment, when living in the Longview-Kelso area, a household of four people must earn 68.8% (\$40,680) of the Median Family Income in order to rent a three bedroom home. Both public agencies and private lenders suggest that a family should spend no more than 30% of their income on gross rent or monthly mortgage costs. More than 8,000 households (owners and renters) in the Longview-Kelso area are paying more than 30% of their income for housing, representing about 40% of urban area households. Almost half of them, 3,685 households, are severely cost-burdened, paying more than half their income for housing. It often takes just one major life event, such as an illness or breakdown of a vehicle needed to get to work, to lose the ability to pay rent. Two-thirds of the severely cost-burdened households are tenants; one-third are homeowners, who are typically older and living on a small fixed income. (2015 Community Report Card, Pathways 2020)

Our project will reduce cost burdens for low-income homeowners through the rehabilitation of homes to HUD Quality Standards and the weatherization of these homes when the rehabilitation is complete. This work will also increase the value of these homes, thereby increasing the quality of the housing stock.

7. How does this housing project create a better living environment for residents? Have local, county, or state authorities noted the severity of the problem? Note building, public health or/and safety issues.

The project creates a better living environment for low-income Kelso residents in need of roof replacements and health and safety issues which are creating dangerous and hazardous conditions. Once rehabilitation is completed, these households will be able to receive weatherization services, which will in turn improve the long-term cost burden associated with the home. It provides funding to situations where homeowners are paying more than 30% or even more than 50% of their incomes for their mortgages/rents, creating severe cost burdens for low-income residents.



Through the use of volunteers from the South Kelso Neighborhood Project, these homes will receive fresh coats of paint and yard beautification. Low-income households helped with rehabilitation will now have safe houses and regain pride in their homes. Rehabilitating these homes will create a springboard effect in the immediate neighborhood, creating the opportunity to assist additional households attain safe housing.

Rehabilitation of homes for low-income households have been identified as needs in the Longview-Kelso 2014-2018 Consolidated Plan.

8. List similar projects or programs your agency has, and other agencies have, in place to address this problem in the community. List agencies, funding sources and amounts. List the number of families housed under each of these programs.

Lower Columbia CAP has a rich history of serving the local community since its formation in 1964 as part of President Johnson's War on Poverty. Basic to the philosophy of community action is that communities identify and work together to solve their most pressing problems. Over the years, in response to needs in our community, Lower Columbia CAP has started a number of programs that grew into important, vital organizations themselves; including the Cowlitz Family Health Center, the Emergency Support Shelter, the Ethnic Support Council, Head Start, and the Saturday Farmer's Market. For more than 50 years, Lower Columbia CAP has worked to realize its mission of "building healthy communities, one family at a time."

Lower Columbia CAP has several affordable housing programs, including:

Self-Help Housing Program which has built 416 homes for affordable homeownership in both urban and rural areas of Cowlitz, Wahkiakum, Lewis and Clark Counties over the past 25 years. The program is funded for the period 2016-2018 by the USDA Rural Development at \$684,000.

Weatherization program, funded by WA Department of Commerce at approximately \$400,000 per year, has made weatherization repairs and upgrades for approximately 50 households per year.

Solution

Project Development

9. Did you attempt to collaborate the development of this project with other agencies? Which agencies were contacted and what was the outcome?

Lower Columbia CAP works in collaboration with a number of agencies when developing projects in Kelso, including the City of Kelso and the South Kelso Neighborhood Project.

10. How do you propose to solve the problem? Please be specific, itemizing the various tasks you will undertake.



This project will assist the revitalization and stabilization of Kelso neighborhoods through the replacement of leaky roofs, health and safety issues; and neighborhood revitalization (fresh applications of house paint and yard beautification) through the assistance of volunteers from the South Kelso Neighborhood Project.

We will begin in November by reassessing potential clients on the Home Repair List. Potential participants will be qualified for eligibility requirements. Once the houses have been identified for rehabilitation, Lower Columbia CAP will develop project plans and seek bids for roof construction tasks. Lower Columbia CAP will make an affirmative effort to market to Minority and Women Owned Businesses/Providers when seeking construction bids.

We estimate that it will take approximately one month per home to complete rehabilitation and individual home projects will be scheduled as such. Weatherization will begin once the home rehabilitation is complete. Upon project completion, a report will be finalized and submitted to the City.

11. List all persons who would be involved during the development of this project and describe their project responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include grant administration, project manager, developing partnerships, acquisition, overseeing construction, maintaining records, client intake and eligibility, etc.)

Greg Bournival, Project Manager – As Project Manager, Greg will be responsible for all home inspections, solicit and receive bids, and manage any contractors (for example, roofing or electrical contractors).

Tim Gregory, Home Inspection Coordinator – As Home Inspection Coordinator, Tim will perform all home inspections and develop the worklist of tasks needing completion at all homes. He will also be responsible for quality control, ensuring that contractors are performing according to HUD Housing Quality Standards.

Deanna Dahlberg, Compliance and Outreach Coordinator – As Compliance and Outreach Coordinator, Deanna will have the critical role of outreach, eligibility screening, and communication with eligible households. She will be responsible for adherence to HUD and City of Longview CDBG eligibility requirements when qualifying participants. She will also prepare contracts for contractors, in accordance with prevailing wage requirements and track individual home rehabilitation budgets.

Marie Robbins, Project Administrator – As Project Administrator, Marie will be responsible for all aspects of the project, overseeing both Rehabilitation and Tenant-Based Rental Assistance components. Marie is directly responsible for reviewing eligibility of potential participants, directing any in question to the Executive Sponsor for approval. She is also responsible for project tracking, communication with participants and coordinating project team meetings.

Project Operation



12. Are you partnering with other organizations or businesses in this project? Will you have contracts for supportive services? What roles will each organization or business play after the project is completed? Please submit letters from partnering agencies and/or businesses as supporting documentation.

Lower Columbia CAP is not partnering with other organizations on this project

13. List all persons involved in the operation of this project when completed and describe their responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include case management, day-to-day management, rent schedules for units, annual renter income review, partnerships in serving renters, etc., apartment management, and project owner.)

N/A – there are no ongoing operations once this project is complete

14. Complete the Rental or Ownership Proforma and Marketing Plan for 5 units or over (provided separately.) Summarize your marketing/public outreach that you will provide to inform the general community of this project? (Review the Marketing Plan information under the Underwriting Policies)

N/A

15. Describe your selection process for applicants to participate? How will disabled applicants be able to participate?

The applicant selection process for this project involves coordination with current existing programs, such as the LIHEAP program and Senior and Disabled Discount Programs for persons who are in need of weatherization. Applicants must meet income eligibility and then are processed on a first-come-first served basis.

Lower Columbia CAP maintains a list of clients who had applied for weatherization assistance but were deemed a “Walk Away” because of the extensive rehabilitation worked needed to be undertaken on their homes prior to weatherization. When an applicant doesn’t qualify for weatherization, because of the condition of their home, need for extensive rehab, CAP puts their name on a list in hopes that someday we are able to find funding to help. Then the applicant can qualify for the LIHEAP Weatherization program.

16. What other short-term and long-term outcomes will result from the project?

Short-term outcomes involve the participating households bettering their living conditions by residing in a home that meets HUD Housing Quality Standards. This will reduce their future cost burden.



This project will contribute to the long-term revitalization and stabilization of South Kelso and will directly address some of the most compelling issues identified in the 2014-2018 Longview-Kelso Consolidated Plan.

17. What activities would still need to be undertaken after the project is completed in order for the problem to be fully addressed? Quantify where possible.

Once the rehabilitation and weatherization is complete, there are no other activities that will need to be undertaken for these households.

Once our project is completed on the selected homes, we are hoping to continue the revitalization process in City of Kelso low-income neighborhoods, one house or more at a time until we can create a safe and livable community for residents of Kelso. We are hoping, even by rehabilitating a few houses at a time, that a dominos effect will occur down a street, in a neighborhood area, so that eventually the community has been revitalized and neighborhood residents feel connected.

Households Benefiting

18. What is the number of low-income households that will benefit from this project?

Use current year HUD Income Limits for family size.

At or below 80% of Median Income: 7

At or below 50% of Median Income:

At or below 30% of Median Income:

TOTAL Number of Households: 7

Budget

19. Explain why HOME funds are appropriate for your project. If this application is for a program currently receiving HOME funding, discuss what action you have taken and what other funding sources have been investigated in the last 12 months to reduce your organization's dependence on City of Longview (or City of Kelso) HOME funds.

Our project involves the rehabilitation of houses occupied by low-income households.

20. What agency funding will you commit to this project? If none, why not? (A 25% match of non-federal funding is desired.)

Lower Columbia CAP is not using any funding for this project, aside from the HOME funds requested in this proposal. There are no additional funds available at this time.

21. If one or more funding sources listed below is not realized, what impact would this have on your project? Explain what changes would be considered to its scope or design, including the number of families housed, structure(s) constructed, delays in construction start date, etc. and whether your project would exist without HOME funding.



22. Complete and attach the separate HOME Budget Form.

Complete the budget form showing all sources and uses of funds related to your project.

This project is not feasible without the requested HOME funding. And we cannot weatherize these homes without the rehabilitation made possible through HOME funding.

23. Sources and Uses Fund Statement / Budget Form Narrative

a. Please list all funding sources, intended uses, and amounts from your budget form. Identify each source as Federal, State, Local, or Private.

b. Identify which sources are proposed and which sources are committed.

c. Supporting Documentation: List and attach “Sources of Funds” supporting documentation noted under Question #25.

d. Supporting Documentation: List and attach “Uses of Funds” supporting documentation noted under Question #25.

24. Please list the amount of private, local, and State (non-federal) matching funds which will be designated towards the 25% match per HOME categories below:

- \$ _____ A. Cash Contributions
- \$ _____ B. Forgone, Taxes, Fees and Charge
- \$ _____ C. Donated Land or Other Real Property
- \$ _____ D. On Site and Off-Site Infrastructure
- \$ _____ E 1 Donated Site Preparation
- \$ _____ E 2 Donated Construction Material
- \$ _____ E 3 Donated Labor (other than homeowner): Number or hours _____ times \$10 per hour
- \$ _____ E1 Sweat Equity (homeowner only): Number or hours _____ times \$10 per hour
- \$ _____ F. Proceeds from Affordable Housing Bonds
- \$ _____ G. Supportive Services – Type _____
- \$ _____ G1 Homebuyer Counseling Services
- \$ _____ Estimated/Unknown at this time. Type : _____



Attachments

25. Required Attachments

- Project Timeline** *(Note: Funding is available in November following project submittal. Please plan accordingly.)*
- Project Budget** *(Note: Show all funding sources and note if they are committed or not committed. List date when commitment will be confirmed.)*
- Detailed Cost Estimates** *(Specific costs for project itemized to show project cost analysis.)*
- Project Documentation** *(See below)*
- HOME Performa: Rental or Homeowner Affordability**
- Market Analysis** *(separate form)*
- Marketing Plan** *(as described in the Underwriting Policies and Procedures.)*
- Developer Development Capacity Certification**
- Agency Financial Audit by e-mail** *(Most current independent audit.)*

Project Timeline

Detail Tasks for Project	Start Date	Completion Date
	Month Day Year	Month Day Year
Begin Rehabilitation project for four - five South Kelso homes	November 1, 2016	October 1, 2017
Reassess clients on home repair list as far as repairs and income eligibility.	November 1, 2016	November 30, 2016
Identify roofing projects and seek bid estimates for five rehabilitation projects	December 1, 2016	January 31, 2016
Begin Rehabilitation #1 to include contractor selection, City review of plans, right of way permit, etc.	February 1, 2017	
Complete Rehabilitation #1, including contractor quality inspection and close out of project.		March 1, 2017
Begin Rehabilitation #2 to include contractor selection, City review of plans, right of way permit, etc.	March 15, 2017	
Complete Rehabilitation #2, including contractor quality inspection and close out of project.		April 15, 2017
Begin Rehabilitation #3 to include contractor selection, City review of plans, right of way permit, etc.	May 1, 2017	
Complete Rehabilitation #3, including contractor quality inspection and close out of project.		May 31, 2017
Begin Rehabilitation #4 to include contractor selection, City review of plans, right of way permit, etc.	June 15, 2017	
Complete Rehabilitation #4, including contractor quality inspection and close out of project.		July 15, 2017
If funds allow -- Begin Rehabilitation #5 to include contractor selection, City review of plans, right of way permit, etc.	August 1, 2017	
If funds allows -- Complete Rehabilitation #5, including contractor quality inspection and close out of project.		August 31, 2017
Finalize Report to the City	September 1, 2017	October 1, 2017



Longview/Kelso Home Consortium
Exhibit B - PROJECT BUDGET AND FUNDING SOURCES

	Lv/Kelso Home						How costs determined (bid, est.)	
	Source 1	Source 2	Source 3	Source 4	Source 5	Total Cost		
Commitment Dates	2016							
ACQUISITION								
Purchase Price - Land						\$0.00		
Purchase Price - Bldg.						\$0.00		
Transaction Taxes						\$0.00		
Closing/Recording Fees						\$0.00		
Title Insurance/Binder Fees						\$0.00		
Appraisal						\$0.00		
Other:						\$0.00		
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00		
PREDEVELOPMENT								
Architect						\$0.00		
Engineering						\$0.00		
Legal Fees						\$0.00		
Environmental Review						\$0.00		
Preconstruction Inspection						\$0.00		
Other:						\$0.00		
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00		
CONSTRUCTION COSTS								
New Construction						\$0.00		
Rehabilitation	132,246.60					\$132,246.60		
Infrastructure on site						\$0.00		
Energy Related Improvements						\$0.00		
Repair/Replace Major Syst.						\$0.00		
Lead Based Paint /Haz Mat						\$0.00		
Access for Disabled						\$0.00		
Securing of Building						\$0.00		
Demolition						\$0.00		
Utility Connections						\$0.00		
Permits & Fees						\$0.00		
Construction Loan Fees						\$0.00		
Construction Inspections						\$0.00		
Sales Tax						\$0.00		
Insurance/Bond/Surety Fees						\$0.00		
Contingency						\$0.00		
Other:						\$0.00		
Subtotal	132,246.60	0.00	0.00	0.00	0.00	\$132,246.60		
OTHER								
Home Buyer Counseling						\$0.00		
Credit Report Fees						\$0.00		
Operating Deficit Reserves						\$0.00		
Relocation Costs						\$0.00		
						\$0.00		
Loan Fees						\$0.00		
Tenant Rental Assistance						\$0.00		
Affirmative Marketing						\$0.00		
Project Management						\$0.00		
Developer Fees						\$0.00		
Other:						\$0.00		
Other:						\$0.00		
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00		
HOME TOTAL	\$132,246.60	\$0.00	\$0.00	\$0.00	\$0.00	\$132,246.60		
Date:								
Sponsor:	Project Address:							

ADDITIONAL BUDGET PAGE FOR KELSO HOME GRANT APPLICATION

HOME

Contracts/Grants	<u>132,246.60</u>
Total	132,246.60

Salaries	11,960.00
Taxes	2,300.00
Benefits	4,640.00
Supplies	464.60
Printing	100.00
Operating supplies	0.00
Professional service	108,000.00
Communications	0.00
Travel	0.00
Advertising	0.00
Rentals	0.00
Insurance	0.00
Repairs	0.00
Training	0.00
Indirect	<u>4,782.00</u>
Total	132,246.60

CAP completing an estimated seven home rehabilitation projects
 4 homes at \$9,000 each and 3 homes at \$24,000

Salaries - per project cost (Project Manager/Quality Control 36 hours, Project Assistant 4 hours,
 Program Director 5 hours) These costs are doubled for the 3 larger units.

Taxes - FICA, Unemployment, Worker's Compensation

Benefits - Vacation, Health and Dental insurance, 401k

Professional service - Cost to contract repairs

Indirect - Agency has a federally approved indirect rate



Administration Annex ~ 207 4th Avenue N. ~ Kelso, WA 98626-4195
(360) 577-3041 ~ Fax (855) 710-6381 ~ www.cwcog.org

April 28, 2016

Ilona A. Kerby
Executive Director
Lower Columbia Community Action Program (CAP)
1526 Commerce Avenue
Kelso, WA 98632-8232

RE: Support of 2016 Kelso HOME rehabilitation proposal

Dear Ms. Kerby,

I am writing this letter to express support of CAP's HOME rehabilitation proposal for the City of Kelso. Quality of Place is a key component in attracting and retaining new business and families to our area. This proposal will allow CAP to do critical work to preserve and improve the quality of local housing stock in Kelso.

CAP's rehabilitation work will provide essential public service to residents in Kelso by preserving housing for low and moderate income families. It will also improve the neighborhoods and make inroads into improving the Quality of Place for Kelso.

There are a number of housing issues in the region. The CAP proposal to assist with rehabilitation and weatherization for the target homes is a small, but positive step toward improving the regional housing stock.

Sincerely,

A handwritten signature in black ink that reads "William A. Fashing".

William A. Fashing, Executive Director



April 26, 2016

Ilona A. Kerby
Executive Director
Lower Columbia Community Action Program (CAP)
1526 Commerce Avenue
Kelso, WA 98632-8232

RE: Support of 2016 Kelso HOME rehabilitation proposal

Dear Ms. Kerby,

I am writing this letter to express the Cowlitz Economic Development Council's support of CAP's HOME rehabilitation proposal for Kelso. Quality of Place is a key component in attracting and retaining new business and families to our area. This proposal will allow CAP to do critical work to preserve and improve the quality of local housing stock in Kelso.

CAP's rehabilitation work will provide essential public service to residents in Kelso by preserving housing for low and moderate income families. It will also improve the neighborhoods and make inroads into improving the Quality of Place for Kelso.

At Cowlitz Economic Development Council we wholeheartedly support CAP in this proposal and wish you success.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ted Sprague', is written over a light blue horizontal line.

Ted Sprague, President
Cowlitz EDC



Office of Administrative Services

207 Fourth Ave. North
Kelso, WA 98626
TEL (360) 577-3065
FAX (360) 423-9987

www.co.cowlitz.wa.us

Board of County Commissioners
Michael A. Karnofski District 1
Dennis P. Weber District 2
Joe Gardner District 3

Office of Financial Management
Claire J. Hauge, Director

OFFICE OF FINANCIAL MGT
Claire J. Hauge
Director

PEOPLESOFT
Kathy Sauer
System Administrator

RISK MANAGEMENT
Clyde Carpenter
Risk Manager

PURCHASING OFFICE
H. Matt Hanson
Purchasing Manager

CITIZEN LIAISON
Charlie Duncan
Citizen Liaison Manager

April 26, 2016

Ilona A. Kerby, Executive Director
Lower Columbia Community Action Program (CAP)
1526 Commerce Avenue
Longview, WA 98632-8232

RE: Support of 2016 Kelso HOME Rehabilitation Proposal

Dear Ms. Kerby:

I am writing this letter to express the County's support of CAP's HOME rehabilitation proposal for Kelso. Quality of Place is a key component in attracting and retaining new business and families to our area. This proposal will allow CAP to do critical work to preserve and improve the quality of local housing stock in Kelso.

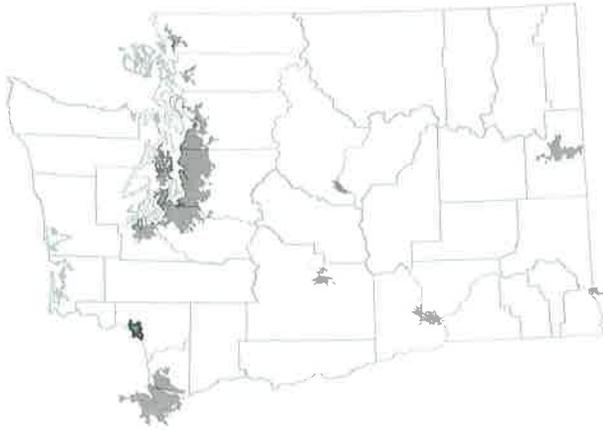
CAP's rehabilitation work will provide essential public service to residents in Kelso by preserving housing for low and moderate income families. It will also improve the neighborhoods and make inroads into improving the Quality of Place for Kelso.

At the County we wholeheartedly support CAP in this proposal and wish you success.

Sincerely,

Claire J. Hauge, Finance Director
Office of Financial Management

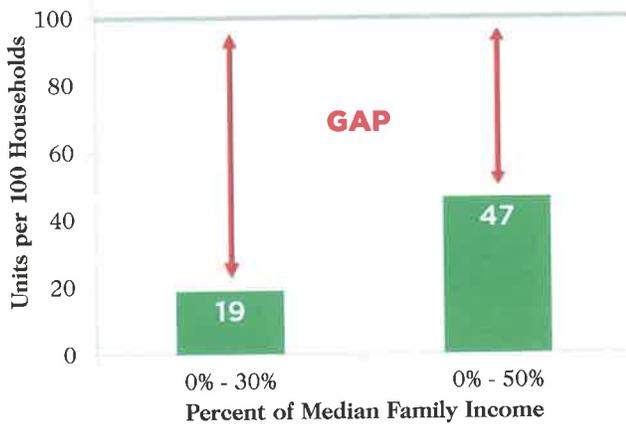
LONGVIEW AREA



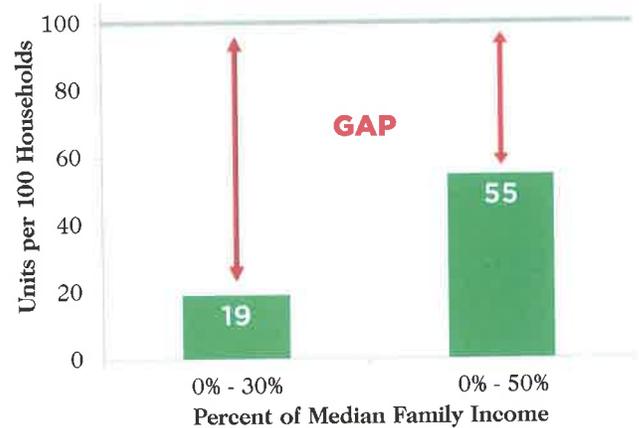
- Population: 63,334
- Area: 35 miles²
- Households: 25,696
- Median Family Income: \$59,100
- Low-income Renter Households: 6,925
- Subsidized Housing Units: 786

Affordable Housing Gap (for the County)

Affordable and Available Housing Units for Every 100 Households



Forecasted Affordable and Available Housing Units for Every 100 Households in 2019



Housing Market

How Much of the Median Family Income (MFI) Must a Household Earn to Afford Rent?

4 people / 3 bedrooms
Fair Market Rent: \$1,017



■ required income

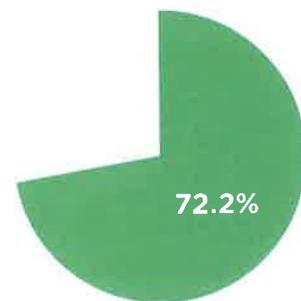
1 person / 1 bedroom
Fair Market Rent: \$601



■ required income

How Much of the Housing Stock Can the Median Family Income Afford to Buy?

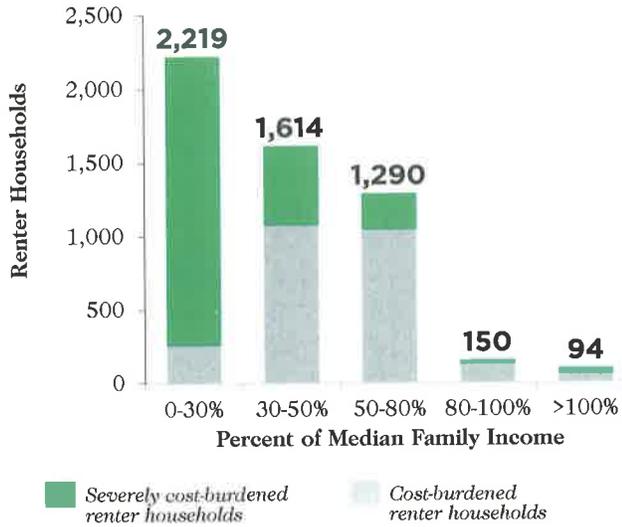
Maximum Affordable Home Value: \$233,176



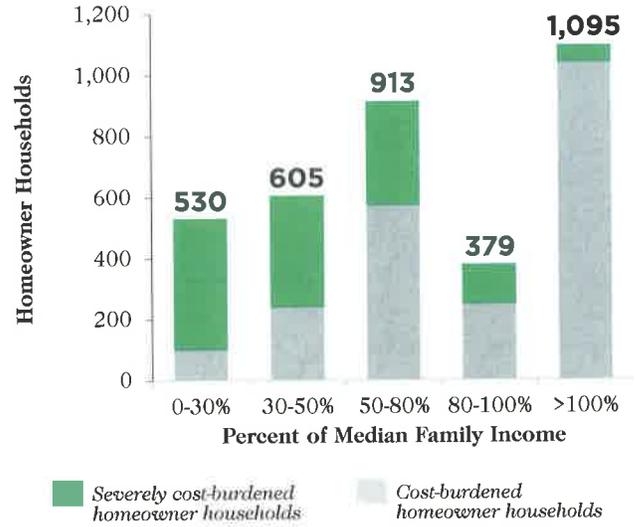
■ % of owner-occupied homes that are affordable

Cost Burden

Cost-Burdened **Renter** Households



Cost-Burdened **Homeowner** Households



Subsidized Housing Inventory

Subsidized Housing Units, Including Those That Are Scheduled to Expire by 2017

- Subsidized unit
- ✳ Expiring Section 8 or Section 515 unit
- 25 or fewer units
- 26-50
- 51-100
- 101-150
- 151 or more units



Subsidized Inventory Characteristics

- 🏠 Sites: 21
- 🔑 Units: 786
- 🕒 Section 8/Section 515 units

Are There Enough Subsidized Units for Eligible Renter Households at Different Income Thresholds?

% of Median Family Income	Renter Households	Subsidized Units for Which They Are Eligible*		Units per 100 Households
		#	%	
0% - 30%	2,585	489	100.0%	19
30% - 50%	1,970	366	74.8%	19
50% - 80%	2,370	8	1.6%	0
80% - 100%	769	0	0.0%	0

* Income eligibility was not available for all units in the inventory

http://tdn.com/news/local/kelso-gets-to-work-cleaning-up-abandoned-foreclosed-properties/article_6b1a67ba-29c6-11df-a89e-001cc4c002e0.html

Kelso gets to work cleaning up abandoned, foreclosed properties

By Amy M.E. Fischer / The Daily News Mar 6, 2010



Bill Wagner / The Daily News

Some of the messes at Terry's Salvage are behind the aging fences; some just sit in the open in the former driveway.

One property at a time, the city of Kelso is working to create stable, more attractive neighborhoods.

Using \$430,000 in federal funds to revitalize neighborhoods hurt by the subprime mortgage crisis, the city has developed a new Neighborhood Stabilization Program to buy and renovate foreclosed homes and sell them to low-to-mid-income families. The money the city received last year also will be used to demolish abandoned, blighted properties, starting with a derelict wrecking yard on North Pacific Avenue.

"We're not wasting any time," Community Development Director Mike Kerins said last week. "We're getting pretty aggressive to find homes, do demolition on the blight and try to raise up North Kelso."

The city bought its first foreclosed house last week in the 1400 block of North First Avenue for \$89,000. Kelso has contracted with Lower Columbia CAP to find a qualified buyer, make critical repairs and teach the new owners to do the finish work and basic maintenance, said Sheila Girt, CAP's energy and housing director.

"We're excited to see how it's going to come out — taking properties that are just abandoned, basically, and turning them into somebody's home," Girt said Wednesday. "There might be some good out of bad. At least they won't go to waste."

Under Kelso's new program, CAP will find a family that qualifies for a home loan, can afford a mortgage and earns 80 percent or less of the \$57,800 county median income for a family of four.

The state distributed \$28 million statewide last year from the U.S. Department of Housing and Urban Development to cities hit hardest by foreclosures. Kelso was the only Cowlitz County city to receive the funds based on factors that included the number of subprime loans, vacancy rates, number of foreclosures and delinquencies.

Kelso's blight demolitions likely will begin with Terry's Salvage Yard at 1124 N. Pacific Ave., Kerins said. The half-acre property at the corner of North Pacific and Donation Street was abandoned at least five years ago. Most of the hulk vehicles have been removed from the large yard surrounded by a sagging fence, but the boarded-up building and overgrown yard are littered with rusting oil drums, tires, broken glass, car body parts, a truck and two campers.

The city has been trying to contact the property owner, who is believed to live in Maryland, Kerins said.

Under HUD rules, when a city determines a property constitutes blight, the owner has 30 days to submit plans to clean up the property or demolish it. If the owner doesn't comply, the city can demolish the building and bill the owner. If the owner doesn't pay, the city may put a lien on the property and foreclose it, Kerins said.

Once the city has possession of Terry's Salvage, it will test the soil for hazardous waste and begin cleaning up, Kerins said. In 2004, the state Department of Ecology put the closed wrecking yard on its Hazardous Sites List and ranked it 2 out of 5 for pollution, with a 1 being the worst. The site remains on the state's list.

The city's plans to demolish Terry's Salvage are welcome news to Gary and Janice Fugleberg, who have lived directly behind the scrap yard since 1973.

"Get rid of it. It wouldn't hurt my feelings a bit," Gary Fugleberg, 62, said Wednesday.

Although there's a doorway cut into the fence with a wood ramp into Terry's Salvage yard, the Fuglebergs haven't noticed any vagrants or kids hanging out. However, the site is swarming with rats and possums, and its tangle of blackberry brambles have encroached on the Fugleberg's backyard. Also, Janice Fugleberg is afraid the sludge of old chemicals on the site will catch fire and blow up the whole block.

"If that thing goes up, it sits right against three houses," said Fugleberg, 60. "That's always been worrying me. Every time I smell smoke, I panic."

How the money will be put to work

Kelso has contracted with Lower Columbia CAP to do the remodeling work on the city's housing rehabilitation project.

The social service agency has been doing housing rehabilitation through various programs since 1989. Over the years, CAP has rehabilitated 110 houses and put nearly 400 families into new homes, according to Sheila Girt, CAP's energy and housing director.

Under Kelso's new property renovation program, CAP will charge the city a 15 percent technical assistance fee above the cost for renovation materials

After receiving federal funding for cleaning up blighted neighborhoods, Kelso worked with the Kelso Housing Authority and the Cowlitz-Wahkiakum Council of Governments to come up with a plan for spending the money, the original amount of which must be obligated by September.

Because the sale proceeds on the foreclosed homes to new buyers will go back into the Neighborhood Stabilization fund, the money will be recycled until it's all spent. It's estimated the fund will allow for the purchase and renovation of eight homes. (Gap financing will consume some of the money, Girt said.)

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Photos: N.W.A. joins rock hall with 4 rockers from the 1970s

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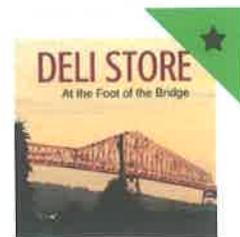
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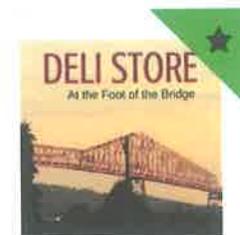
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http://tdn.com/news/local/cap-s-sweat-equity-program-has-helped-house-three-families/article_30e5e67b-605e-5c6d-8e98-c768edbc896c.html

FEATURED

CAP's sweat equity program has helped house three families

Sarah Grothjan sgrothjan@tdn.com Mar 18, 2016

Three families have moved into newly refurbished homes thanks to Lower Columbia Community Action Program (CAP)'s "sweat equity" home ownership program.

Although it's been just a year since CAP introduced the "Self Help Housing Acquisition Rehab Program," Marie Robbins, administrative manager community services/energy and housing, said it's already been a success.

"They were very happy, very pleased with what they got," she said of the three families.

Under the program, eligible families fix up foreclosed homes. Their labor substitutes for a down payment, although they still have a 33-year mortgage (but at a rate that is affordable).

The program is available to low-income families in rural areas of Clark, Cowlitz, Lewis and Wahkiakum counties and requires them to put at least 50 hours of work into the foreclosed homes.

The program is a variation of CAP's Self Help Housing Program, which helps families build their own homes in a year's time. Robbins said rehabbing a foreclosed home is a better option than building a house from the ground up because land is expensive. A rehabbed home is often more cost effective.

"There's so many homes that need rehabbing, and there's not a lot of land out there that's affordable. An added benefit is that the dilapidated homes are fixed up, which results in a nicer looking community.

Robbins said the program is important for the county because it creates security for residents.

"You have the stability of a home you can go to every night," she said. "It is important to me, and I feel that a lot of our clients have said 'If it wasn't for this program, I don't where I'd be right now. I'd maybe be on the street.' "

She said it also helps residents clean up their credit and work toward a better financial future.

"We help uplift them and teach them that they can do this," Robbins said. "They are actually the ones that end up doing everything. We are just a tool to help them get there."

Contact Daily News reporter Sarah Grothjan at 360-577-2541; on Twitter at @SarahGrothjan.

CAP seeking low-income families to participate in home ownership program



U.S. Rep. Herrera Beutler joins in recognition of CAP's housing program



Self-Help Housing participants take a hands-on approach to home ownership

Sarah Grothjan



HOME Participating Jurisdiction Project Design Proposal – 2016

Applicant: <u>Community House on Broadway</u>	Contact Person: <u>Frank Morrison</u>
Title: <u>Executive Director</u>	Title: <u>same</u>
Address: <u>1105 Broadway Longview, WA 98632</u>	Address: <u>same</u>
Phone: <u>360-425-8679</u>	Phone: <u>same</u>
Fax: <u>360-425-5949</u>	Fax: <u>same</u>
E-mail: <u>frankm@choblv.org</u>	E-mail: <u>same</u>

Non-Profit Status: NO Yes **IRS Tax Identification Number** 94-3067129

Location: Longview Kelso

Project Title: Homeless Recovery Tennant Based Rental Assistance

HOME Funding Requested: \$ 40,000

Project Description

1. Give a *brief* summary of your project (under 101 words):

This project will target a minimum of 10 homeless households who are not otherwise able to pay for housing rental costs due to their financial limitations. Community House/CORE Health will select recipients for these funds based upon a housing readiness model. This housing assistance will be granted to Community House residents who have worked diligently on their case managed Action Plan and CORE Health clients selected from the general public who have met their treatment goals. In addition, households from the Emergency Support Shelter will be allowed to access these funds based upon the request of their advocates. These dollars will be used to supplement households in an income bracket (below 80% AMI) to reduce the cost burden of housing. CHOB case management team and administration will be responsible to oversee the carrying out of this project in its entirety. Finally, the recipients of this program will be provided with 1-year of ongoing case management after they have found housing.

2. Describe the project noting the problem(s) or opportunity(s) that will be addressed.

The tenant based rental assistance project will primarily target homeless households that had a previous residency in Kelso. Data shows that CHOB serves approximately 50-60 households per year who had a previous residency in the City of Kelso. The goal of the project would be to help the household get rehoused in Kelso. If no housing options were available in that city than other housing locations would be sought after. Furthermore, CHOB demographics show that average household comes from extremely low income brackets coupled with multiple barriers to housing. These major barriers typically are:



mental health instability, poor rental history, evictions, poor credit, and criminal history. Cost burden is a common problem among low income renters. This leads to eviction as renters typically pay greater than 50% of their income on housing or housing related costs. CHOB data indicates that 29% of homeless individuals and families that enter the shelter lost their housing due eviction.

One of the problems that Community House residents have encountered in 2015 is a lack of rental assistance funding available. Lower Columbia CAP is limited in the number of households they can Serve. Coordinated Entry and Assessment (CEASE) has changed their selection criteria for Rapid Rehousing assistance. Currently to receive this assistance the household must be assessed as the most vulnerable. Unfortunately, many Community House residents because of their living status (i.e. in a homeless shelter) do not meet the criteria to be placed in the most vulnerable homeless category. This handcuffs many of the families that are in crisis and have the greatest need of housing which further creates a sense of hopelessness and depression.

The opportunity is that this project will provide funds for a minimum of 10 homeless family households to help pay a portion of first and last month's rent, utility deposit, security deposits, and/or a portion of rental costs for the recipients of this program.

3. List the specific HOME objective information from the "5 year Strategic Plan" within the 2014-2018 Longview-Kelso Consolidated Plan. (See website information under Instructions).

Consolidated Plan Objective Code and Number: **AP-55 Affordable Housing 91.420, 91.220(g)**
Consolidated Plan Objective Title: **Affordable Housing**

Consolidated Plan Objective Proposed Accomplishments & Outcomes: **Homeless households to be supported through rent assistance**

Project Readiness

4. Describe what specific steps need to be completed before the project will be ready to proceed? (Projects must be under construction within 12 months of signing your HOME Contract or funding will be deobligated.)

Community House on Broadway is operational and has all of the elements necessary to begin the project when funding is made available. Our professional case management team coupled with our Mental Health professionals from CORE Health will be able to select high needs, vulnerable households from the pool of clients at the shelter. Emergency Support Shelter will also have opportunity to use these funds for the domestic violence clients that they serve.

Final steps include:

- Finalize a contract with Longview-Kelso.
- Establish policies and procedures based upon the program.
- Market the program



- Select clients
- Work with local landlords to secure housing

5. Please list start and completion date by Month, Day and Year:

Complete the “Project Timeline” (included at the end of this application) detailing project tasks and dates. This will be a part of your contract goals should your project be selected.

Project Start Date (mm-dd-yyyy) 10/1/2016

Project Completion Date (mm-dd-yyyy) 9/30/2017

Problem Impact and Severity

6. How will this project increase housing affordability for rentals or home ownership? What reductions in cost of rent or a mortgage would be realized? What rents will you charge for each one, two, and three bedroom when the project is complete? (Please detail from your attached ProForma.)

When funding is made available, those who are selected from the homeless population at Community House and Emergency Support Shelter will receive the TBRA assistance which will reduce the cost burden of rent to less than 30% of their monthly income. For example, those that are working full-time low wage jobs will not be required to pay more than 30% of their monthly income on rent. This will make housing for our clients affordable and less expensive giving them a stable housing situation. In addition, Community House will provide intensive case manage the clients for up to one year after they move into housing.

7. How does this housing project create a better living environment for residents? Have local, county, or state authorities noted the severity of the problem? Note building, public health or/and safety issues.

The homeless households who are the recipients of this assistance, a stable housing situation will be provided. Furthermore, a safe and affordable housing situation will make the likelihood of long-term success and self-sufficiency for the household much greater. The goal of this project is to reduce homeless recidivism and the time families spend in homelessness. CHOB case management will assist the household receiving the assistance with in home case management along with potential mental health peer support. The goal of the case manager/peer support will be to advocate for, provide support to, and ensure the household is receiving the services necessary to retain their housing. The goal of the peer support is to make sure the clients stay engaged with mental health services and follow the treatment goals of the therapist.



The 2014-2018 Consolidated Plan explains the need for the homeless to have access to safe and affordable housing.

8. List similar projects or programs your agency has, and other agencies have, in place to address this problem in the community. List agencies, funding sources and amounts. List the number of families housed under each of these programs.

Community House on Broadway was recently awarded funding from the City of Longview to manage a TBRA program in the amount of \$80,000. CHOB also has a case management team and professional mental health outpatient services that will provide additional support for the service recipients of this project.

Longview Housing Authority provides CHOB with 5% of section-8 vouchers as they become available.

Lower Columbia CAP –rapid rehousing 274,000 for 2016

Solution

Project Development

9. Did you attempt to collaborate the development of this project with other agencies? Which agencies were contacted and what was the outcome?

Community House on Broadway will be grant access to the Tenant Based Rental Assistance (TBRA) with the Emergency Support Shelter clients. Community House administration has been in contact with the Emergency Support Shelter about the opportunity. There has also been interest from private parties to partner with Community House to help locate, develop, and rehabilitate multiple housing units for low income renters in this community as well.

10. How do you propose to solve the problem? Please be specific, itemizing the various tasks you will undertake.

Community House case managers will determine the selection criteria for the clients that receive this assistance based upon the research of Ralph da Costa Nunez the president and CEO of the Institute of Children, Poverty, and Homelessness. According to Nunez, the one-size fits all approach of Housing First is destined to fail as housing is not the only issue that the homeless struggle with. High recidivism rates prove the ineffectiveness of the Housing First approach. The Community House program is in a tremendous position to select potential candidates that would succeed if they had this assistance. The staff of the Community House is able to gauge the overall stability of the household. We offer a full range of supportive services including case management, mental health, and a therapeutic afterschool program that are all designed to aid the households recovery. At the Community House, the residents are given an individualized case managed Action Plan. The staff develops a personal relationship with the client as they navigate the social services and complete their goals. The client typically engages in _____



recovery based programs, saves income, and engages in job training or education while they stay at Community House. The accountability, structure, and hand-up approach that CHOB has in place will allow us to offer this pilot project housing assistance to family households who are in the best position to succeed with the housing assistance.

11. List all persons who would be involved during the development of this project and describe their project responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include grant administration, project manager, developing partnerships, acquisition, overseeing construction, maintaining records, client intake and eligibility, etc.)

Frank Morrison, Executive Director Community House on Broadway/CORE Health, (360) 355-5660, frankm@choblv.org
Responsibilities: grant administrator, oversee project

Jim Murphy, Operations Manager Community House on Broadway, (360) 560-8500, jimm@choblv.org
Responsibilities: maintaining records, confirming eligibility, reporting outcomes

Cameron Carson, Operations Manager CORE Health, (360) 270-4587, cameronc@choblv.org
Responsibilities: maintaining records, confirming eligibility, reporting outcomes

Project Operation

12. Are you partnering with other organizations or businesses in this project? Will you have contracts for supportive services? What roles will each organization or business play after the project is completed? Please submit letters from partnering agencies and/or businesses as supporting documentation.

Community House will work with the staff at the Emergency Support Shelter to ensure that ESS clients are given access to these funds. After the completion of the project, mental health peer support services and other forms of outpatient counseling may be provided per the client's discretion. The possible private parties involved will help maintain the properties for ongoing support.

13. List all persons involved in the operation of this project when completed and describe their responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include case management, day-to-day management, rent schedules for units, annual renter income review, partnerships in serving renters, etc., apartment management, and project owner.)

Jim Murphy, Operations Manager Community House on Broadway, (360) 560-8500, jimm@choblv.org
Responsibilities: maintaining records, confirming eligibility

Tim Tivey, Case Management Community House on Broadway, (360) 425-8679, timt@choblv.org
Responsibilities: maintaining case management records, intake, eligibility, housing locator, case management



Suzanne Gosch, Lead Peer Support Counselor CORE Health, (360) 200-5419, suzanneg@choblv.org
Responsibilities: maintain client outreach and engagement, ensuring the clients receive support services to maintain stable housing.

14. Complete the Rental or Ownership Proforma and Marketing Plan for 5 units or over (provided separately.)

Summarize your marketing/public outreach that you will provide to inform the general community of this project? (Review the Marketing Plan information under the Underwriting Policies)

Community House on Broadway case management team will seek out and make known the opportunities of the assistance to those that reside at the CHOB homeless recovery center. CORE Health will seek out and make known the opportunities of the assistance to the clients who choose to receive these services. In addition, the opportunity will be made available to clients of the Emergency Support Shelter.

15. Describe your selection process for applicants to participate? How will disabled applicants be able to participate?

Community House on Broadway (CHOB) will base the policy of determining eligible applicants using the research of Ralph da Costa Nunez. Nunez research supports the idea that families who become homeless due to a housing problem ought to be the first families that receive housing assistance. For example, families that experienced a medical emergency, job loss, or other short term crisis would be of the highest priority to get rehoused. Families that have significant housing barriers such as lack of job skills, mental health, substance abuse history, domestic violence, etc would be selected based upon meeting the recovery goals they develop with their case manager. Through CHOB case management interview sessions, staff will check client's history, debt, background information along with their current barriers that may have an impact to their success.

Eligible recipients will need to be in good standing with the CHOB program and with other recovery organizations in this community. The household must have a verifiable plan in place that will address their long term success after the short term subsidy has ended. The household must give CHOB permission to communicate with landlords during the assessment and for up to one year following the assistance to ensure and document success. The household will need to have verifiable, stable income and/or employment in Cowlitz County. The household will not have income exceeding the program requirements of greater than 80% of AMI. Finally, selected clients will be city of Kelso or Longview citizens.

Disabled applicants will be granted equal opportunity to this program.



16. What other short-term and long-term outcomes will result from the project?

The short term goals of this project is to meet the housing needs of at least ten (10) Community House on Broadway/CORE Health and Emergency Support Shelter households. Staff will work diligently to serve more than the 10 households as funds are stretched to their capacity. This will solve the recipients housing crisis and give them an advantaged opportunity to maintain self-sufficiency. Community House serves between 80-100 family households on an annual basis.

The long term goals will be the stabilization of the household's health, recovery, finances, and housing that will help their integration into the community as a stably housed and self-sufficient household.

17. What activities would still need to be undertaken after the project is completed in order for the problem to be fully addressed? Quantify where possible.

There will likely be a continued need for some types of supportive services to the households selected for this program. Programs including but are not limited to: ongoing case management, mental health treatment, substance abuse recovery services, continued education, and life skill enhancement. It will be the goal of the case manager to ensure that the client is connected to these services and the necessary social support structures are developed while they benefit from the assistance.

CHOB does foresee a need for this assistance if family homelessness remains a problem in Cowlitz County.

Households Benefiting

18. What is the number of low-income households that will benefit from this project?

Use current year HUD Income Limits for family size.

At or below 80% of Median Income: 10

At or below 50% of Median Income: _____

At or below 30% of Median Income: _____

TOTAL Number of Households: 10

Budget

19. Explain why HOME funds are appropriate for your project. If this application is for a program currently receiving HOME funding, discuss what action you have taken and what other funding sources have been investigated in the last 12 months to reduce your organization's dependence on City of Longview (or City of Kelso) HOME funds.

HOME funds are appropriate for Tenant Based Rental Assistance Projects such as this. No other funding source serves this project.

Community House is new to applying for HOME funds and will continue to investigate various avenues and funding sources to assist its clients of getting housing support.



20. What agency funding will you commit to this project? If none, why not? (A 25% match of non-federal funding is desired.)

Community House on Broadway will commit to funds for case management services for the ten (10) households that receive the assistance. This funding will come directly from the Community House general operating fund. We anticipate a cost of \$10,000 for in home case management and mileage expense.

21. If one or more funding sources listed below is not realized, what impact would this have on your project? Explain what changes would be considered to its scope or design, including the number of families housed, structure(s) constructed, delays in construction start date, etc. and whether your project would exist without HOME funding.

If HOME dollars are not provided, this project will not function at any capacity.

22. Complete and attach the separate HOME Budget Form.

Complete the budget form showing all sources and uses of funds related to your project.

23. Sources and Uses Fund Statement / Budget Form Narrative

a. Please list all funding sources, intended uses, and amounts from your budget form. Identify each source as Federal, State, Local, or Private.

b. Identify which sources are proposed and which sources are committed.

c. Supporting Documentation: List and attach “Sources of Funds” supporting documentation noted under Question #25.

d. Supporting Documentation: List and attach "Uses of Funds" supporting documentation noted under Question #25.

24. Please list the amount of private, local, and State (non-federal) matching funds which will be designated towards the 25% match per HOME categories below:

- \$ _____ A. Cash Contributions
- \$ _____ B. Forgone, Taxes, Fees and Charge
- \$ _____ C. Donated Land or Other Real Property
- \$ _____ D. On Site and Off-Site Infrastructure
- \$ _____ E 1 Donated Site Preparation
- \$ _____ E 2 Donated Construction Material
- \$ _____ E 3 Donated Labor (other than homeowner): Number or hours _____ times \$10 per hour
- \$ _____ E1 Sweat Equity (homeowner only): Number or hours _____ times \$10 per hour
- \$ _____ F. Proceeds from Affordable Housing Bonds
- \$10,000 _____ G. Supportive Services – Type Case management, mileage for home visits, and housing support
- \$ _____ G1 Homebuyer Counseling Services
- \$ _____ Estimated/Unknown at this time. Type : _____



Attachments

25. Required Attachments

- Project Timeline** (Note: Funding is available in November following project submittal. Please plan accordingly.)
- Project Budget** (Note: Show all funding sources and note if they are committed or not committed. List date when commitment will be confirmed.)
- Detailed Cost Estimates** (Specific costs for project itemized to show project cost analysis.)
- Project Documentation** (See below)
- HOME Performa: Rental or Homeowner Affordability**
- Market Analysis** (separate form)
- Marketing Plan** (as described in the Underwriting Policies and Procedures.)
- Developer Development Capacity Certification**
- Agency Financial Audit by e-mail** (Most current independent audit.)

Project Documentation to support your project. (Provide in order listed. Staff may limit the number of documents to the most important for Council to base its decision.)

- **Sources of Funds**
 1. Include commitment letters with all terms and conditions for all mortgages, loans, grants, subordination agreements, private fundraising, bridge (interim) loans and investment tax credits (historical low-income, if applicable);
 2. Provide a formal Certification letter signed by the Agency Director or Owner listing the amounts and type of all governmental assistance (Federal, State, and Local) which will be used in this project.
 3. If you (the applicant) are a partnership, or will enter into a partnership to undertake this project (including services) provide a copy of the partnership agreement, which will indicate the cash contributions by the general partner(s) and/or limited partner(s).
- **Uses of Funds**
 1. Earnest money agreement, option or closing statement for land and/or building(s);
 2. Construction cost estimate
 3. Construction contract or preliminary (bids)
 4. Agreements governing the various reserves which are capitalized at closing (to verify that the reserves cannot be withdrawn later as fees or distributions.)
 5. Appraisal (to substantiate the value of the land and the value of the property after rehabilitation or the structure being built)
 6. If low-income tax credits are utilized, provide documentation on the syndication costs (legal, accounting, tax opinion, etc.) from the organization/individuals who will syndicate and sell the offering to ensure that the project can support the fees necessary to syndicate/fund the project. All assumptions should be verified in the supporting documentation.
- Maps, architectural renderings and elevations, floor plans
- Surveys and other professional reports
- Letters from local, state, or federal agencies directing the repair or creation of a specific housing project
- Letters attesting to the subject problem
- Letters of support
- Current news articles
- Engineering, soils, or environmental reports



Marketing Plan: A marketing plan shall be completed to show how the project will be marketed publically to Longview and/or Kelso residents through the public media, professional realtor or/and real estate marketing staff for at least 90 days or until the unit(s) are fully sold/rented. The advertising methods used to reach buyers/renters, both paid and free, and direct promotion through local organizations, stakeholders and social media can be used. The message to buyers should note that the value/sales ore rental price is competitive and the home's features fit the target buyer or renter. The agency must follow its marketing plan and provide documentation of its public marketing effort prior to selecting its recipient(s.)



Development Capacity Certification

List your Project _____

Project Name:

Address:

City:

Owner, Developer, Sponsor (circle or bold all that apply)

Rental, Homeownership, Lease-to-Own, Self-Help (circle or bold one)

New Construction or Rehabilitation (circle or bold one)

Pre-development Start Date _____

Construction Start Date _____

Expected Construction Completion Date _____

Total Project Units: _____

Financial Capacity

Project Budget from all sources: \$

Are all sources committed? Yes No

HOME dollars \$

Do you have funds available for pre-development expenses, capital advances required for development, and to cover internal costs until fees are earned? Yes No

Note additional project information here:

Current Projects which will be underway at the same time::

I certify that the Longview Housing Authority has the personnel and financial capacity to develop this project as noted on these forms:

Signed _____ Agency Director.

Date _____

Developer Staff Capacity

HOME Program Longview- Kelso HOME Consortium

Questions? Technical Assistance? Contact Adam Trimble at 360.442.5092, or by e-mail at: adamt@mylongview.com



List all Staff and contracted employees who will be involved in this project:

Name and job title: _____
Full-time or part-time employee (circle or bold one)
Number weekly hours to be dedicated to this project: _____
(If new staff member under 1 year attach resume, or experience, skill or training of tasks to be fulfilled.)
Responsibilities/capacity for project:

Name and job title: _____
Full-time or part-time employee (circle or bold one)
Number weekly hours to be dedicated to this project: _____
(If new staff member under 1 year attach resume, or experience, skill or training of tasks to be fulfilled.)
Responsibilities/capacity for project:

Name and job title: _____
Full-time or part-time employee (circle or bold one)
Number weekly hours to be dedicated to this project: _____
(If new staff member under 1 year attach resume, or experience, skill or training of tasks to be fulfilled.)
Responsibilities/capacity for project:

Name and job title: _____
Full-time or part-time employee (circle or bold one)
Number weekly hours to be dedicated to this project: _____
(If new staff member under 1 year attach resume, or experience, skill or training of tasks to be fulfilled.)
Responsibilities/capacity for project:

Complete additional staff sheets as needed.

Instructions & Application Process

HOME Program Longview- Kelso HOME Consortium
Questions? Technical Assistance? Contact Adam Trimble at 360.442.5092, or by e-mail at: adamt@mylongview.com



Designing Projects

The Cities of Longview and Kelso appreciate your interest and participation in the HOME Program. Please follow these guidelines and requirements when proposing projects:

1. READ the 2014-2018 Consolidated Plan to develop annual projects. The Plan can be accessed on the City of Longview Website at www.mylongview.com under the Community Development Department *HOME Program* scrolling down to "Important Links."
2. Use the 5-year Objectives, Accomplishments and Outcomes to develop projects.
Meet the proposed accomplishments and outcomes
3. Review Underwriting Policies and Procedures.
4. It is strongly urged that your project be discussed in detail with HOME staff prior to design and submittal. Application completeness will be reviewed after submittal for possible additions/corrections.
5. Projects using other funding sources must show documentation through funding commitment letters. No HOME funding will be released without full project funding in place.
6. Projects which will not be substantially underway to drawdown funds by **July 2017 may be deobligated by December 2017.**
7. Agencies or individuals must start construction within 12 months of their HOME contract date or funding will be deobligated. Projects not completed within 3 years of the dated contract will have remaining HOME funding deobligated. Projects which cannot show a verified HOME accomplishment based upon their Project Design at the end of their contract date must return all HOME money spent to the Kelso-Longview Consortium.
8. If contractors are to be hired, an affirmative effort must be made to market to Minority and Women Owned Businesses / Providers.
9. All paid labor must adhere to HOME Davis/Bacon federal wage rules or meet state prevailing wage guidelines, whichever is higher in projects involving 12 or more housing units.
10. If rental property is involved, a "HUD Marketing Plan" must accompany your request, showing how you will be able to compete for market share; and "HOME Proforma" and still maintain affordable rents per HUD guidelines.
11. Your project must be in compliance with all federal guidelines pertaining to environmental hazards (e.g. asbestos, lead-based paint, soil contaminants, etc), public notices, reporting requirements, fair housing practices, and any other public regulations.

Project Proposals are usually due March 1st of each year.

HOME Program Longview- Kelso HOME Consortium

Questions? Technical Assistance? Contact Adam Trimble at 360.442.5092, or by e-mail at: adamt@mylongview.com



- Please submit **1 copy** of the Project Design Form, Project Timeline, Budget and Additional Attachments by **June 8, 2016, 3:00 pm to:**

Adam Trimble
Community Development Department
Longview City Hall
1525 Broadway
Longview, WA

- After staff review**, you will be asked to make **13 copies** of your entire application packet for the City Council Public Hearing.

Public Presentation of your Project Design Proposal

Longview Projects:

You may be asked to present your proposal to the Longview City Council, Longview City Hall in a Public Hearing on the Thursday, May 26, 2016.

Kelso Projects:

You will be asked to present your proposal to the Kelso City Council, Kelso City Hall in a Public Hearing June 21, 2016

Public Review of all projects is available at least one week prior to the public hearings.

Questions?? Technical Assistance??

Contact Adam Trimble 360.442.5092

FAX: 360.442.5953.

E-mail: adam.trimble@ci.longview.wa.us

Checkout our website at: <http://www.mylongview.com/index.aspx?page=498>

The City of Longview is the lead agency for the Longview – Kelso HOME Consortium.



Additional Budget Page for Kelso HOME Application

Administrative cost includes: project management, housing coordination, selection screening, outcomes reporting, etc.

\$3,600

Rental Assistance includes: application fees, first and last month's deposit, utility deposit, security deposit, rental subsidy

\$36,400

Intensive case management/ housing retention services provided by Community House on Broadway staff

\$10,000

HOME Request	\$40,000
CHOB contribution	\$10,000
Grand Total	\$50,000

Longview/Kelso Home Consortium

Exhibit B - PROJECT BUDGET AND FUNDING SOURCES

	Lv/Kelso Home Source 1	CHOB (committed)	Source 3	Source 4	Source 5	Total Cost	How costs determined (bid, est.)
Commitment Dates	2016	10/1/2016					
ACQUISITION							
Purchase Price - Land						\$0.00	
Purchase Price - Bldg.						\$0.00	
Transaction Taxes						\$0.00	
Closing/Recording Fees						\$0.00	
Title Insurance/Binder Fees						\$0.00	
Appraisal						\$0.00	
Other:						\$0.00	
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00	
PREDEVELOPMENT							
Architect						\$0.00	
Engineering						\$0.00	
Legal Fees						\$0.00	
Environmental Review						\$0.00	
Preconstruction Inspection						\$0.00	
Other:						\$0.00	
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00	
CONSTRUCTION COSTS							
New Construction						\$0.00	
Rehabilitation						\$0.00	
Infrastructure on site						\$0.00	
Energy Related Improvemts						\$0.00	
Repair/Replace Major Syst.						\$0.00	
Lead Based Paint /Haz Mat						\$0.00	
Access for Disabled						\$0.00	
Securing of Building						\$0.00	
Demolition						\$0.00	
Utility Connections						\$0.00	
Permits & Fees						\$0.00	
Construction Loan Fees						\$0.00	
Construction Inspections						\$0.00	
Sales Tax						\$0.00	
Insurance/Bond/Surety Fees						\$0.00	
Contingency						\$0.00	
Other:						\$0.00	
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00	
OTHER							
Home Buyer Counseling						\$0.00	
Credit Report Fees						\$0.00	
Operating Deficit Reserves						\$0.00	
Relocation Costs						\$0.00	
						\$0.00	
Loan Fees						\$0.00	
Tenant Rental Assistance	36,400					\$36,400.00	
Affirmative Marketing						\$0.00	
Project Management	3,600					\$3,600.00	
Developer Fees						\$0.00	
Case Management		10,000				\$10,000.00	
Other:						\$0.00	
Subtotal	40,000.00	10,000.00	0.00	0.00	0.00	\$50,000.00	
HOME TOTAL	\$40,000.00	\$10,000.00	\$0.00	\$0.00	\$0.00	\$50,000.00	
Date: 6/7/2016							
Sponsor:	Project Address: 1105 Broadway/PO Box 403, Longview, WA 98632						



CORE Health

Community Mental Health & Recovery
P.O. Box 2394
748 14th Avenue
Longview, WA 98632
(360) 200-5419
Frank Morrison, Executive Director

4/21/2016

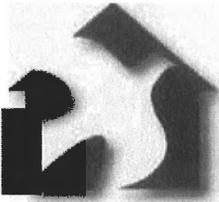
To whom it may concern,

CORE Health is willing and eager to participate in the "Home Program for Affordable Housing" Grant in collaboration with Community House.

CORE Health offers comprehensive outpatient mental health services to the residents of Cowlitz County and could greatly impact the recovery of the clients this grant would serve.

Sincerely,

Cameron Carson
Operations Manager



Emergency Support Shelter

*support * validation * safety * hope*

1330 11th Avenue
Longview, WA 98632
www.esshelter.com

360-425-1176
Fax 360-425-3970

6-8-16

To Whom it May Concern,

Emergency Support Shelter provides emergency shelter for over 240 households each year. The individuals and families that we serve are fleeing domestic violence situations in their homes and come to our shelter for safety and a chance to start new lives free from violence.

Emergency Support Shelter participates in the community coordinated entry system to access rental assistance for eligible clients. Approximately 70 households qualify for assistance through that resource in a year.

That leaves a significant gap of 170 households per year of individuals and families that could qualify for assistance with rents, deposits or utility deposits/arrears who are unable to access assistance. If Community House were to offer assistance in those areas we would be interested in participating in that resource for our clients.

If you have any questions or would like additional information, I can be reached at 360-353-5777 ext. 17 or by email at sherriet@cascadenetworks.net.

Sincerely,

Sherrie Tinoco
Executive Director



choice · innovation · transformation

April 25, 2016

Adam Trimble
Community Development Department
Longview City Hall
1525 Broadway
Longview, WA 98632

City of Longview

APR 28 2016

Community Development

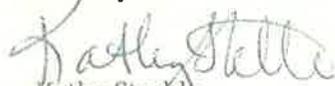
Dear Adam:

Foundation For the Challenged (FFC) is pleased to submit the attached applications for HOME funds for the acquisition and renovation of a single family home in either Longview or Kelso. This project will provide affordable, accessible housing for three people with developmental disabilities. Services will be provided by Lifeworks, and funded by the Developmental Disabilities Administration.

This project builds on the successful partnership between FFC, Lifeworks and the Cities of Longview and Kelso that has resulted in the development of three projects to date. This project has received funding from the State Housing Trust Fund and is fully funded except for Longview or Kelso dollars. Each \$1 of local funds will leverage \$10 of State funding.

We look forward to your review of our request. If you have any questions, please contact our development consultant, Philippa Nye at Ally Community Development.

Thank you,


Kathy Streblo
Executive Director



HOME Participating Jurisdiction Project Design Proposal – 2016

Applicant: <u>Foundation For the Challenged</u>	Contact Person: <u>Philippa Nye</u>
Title: <u>Kathy Streblo, Executive Director</u>	Title: <u>Development Consultant</u>
Address: <u>5970 Wilcox Pl., Suite E</u> <u>Dublin, OH 43016-6808</u>	Address: <u>5220 25th Ave. SW</u> <u>Seattle, WA 98106</u>
Phone: <u>614-389-4501</u>	Phone: <u>206-817-9551</u>
Fax: <u>614-389-4503</u>	Fax: <u>N/A</u>
E-mail: <u>kstreblo@ffcoho.org</u>	E-mail: <u>philippa@allycommunitydevelopment.com</u>

Non-Profit Status: NO ___ Yes X **IRS Tax Identification Number** 01-0619670

Location: ___ Longview X Kelso

Project Title: FFC Homes X

HOME Funding Requested: \$ \$42,581

Project Description

1. Give a *brief* summary of your project (under 101 words):

The Foundation For the Challenged (FFC) is proposing to purchase and renovate a three-bedroom house to provide affordable housing for three extremely low-income individuals with a developmental disability. The house will have accessibility features that meet or exceed ADA requirements. The 24/7 support services will be provided by Life Works and funded by the Developmental Disabilities Administration (DDA).

2. Describe the project noting the problem(s) or opportunity(s) that will be addressed.

There are about 457 people receiving living with a developmental disability and receiving services in Longview and Kelso according to the Consolidated Plan. People with development disabilities are typically living on disability payments and have incomes of about 17% of area median income. If they are living in market rate housing they are usually paying more than 50% of their incomes for rent. They also often need accessible housing units that are difficult to find at any rent. This project will provide accessible, affordable housing so that the residents can pay 30% of their incomes for rent. Support services will be provided in the home.

3. List the specific HOME objective information from the “5 year Strategic Plan” within the 2014-2018 Longview-Kelso Consolidated Plan. (See website information under Instructions).

Consolidated Plan Objective Code and Number: 2



Consolidated Plan Objective Title: Stabilize and revitalize neighborhoods

Consolidated Plan Objective Proposed Accomplishments & Outcomes: (1) rental unit rehabilitated

Project Readiness

4. Describe what specific steps need to be completed before the project will be ready to proceed? (Projects must be under construction within 12 months of signing your HOME Contract or funding will be deobligated.)

FFC was awarded \$450,913 from the State Housing Trust fund for the development of a home in Longview or Kelso. The local funding is the last funding needed to move forward with the project. As soon as Kelso funding is available we can identify a house to purchase.

5. Please list start and completion date by Month, Day and Year:

Complete the “Project Timeline” (included at the end of this application) detailing project tasks and dates. This will be a part of your contract goals should your project be selected.

Project Start Date (mm-dd-yyyy) As soon as funding is available (estimated 11/1/16)

Project Completion Date (mm-dd-yyyy) 5/1/17

Problem Impact and Severity

6. How will this project increase housing affordability for rentals or home ownership? What reductions in cost of rent or a mortgage would be realized? What rents will you charge for each one, two, and three bedroom when the project is complete? (Please detail from your attached ProForma.)

FFC will either purchase a vacant or owner-occupied house. FFC will be making a 40-year commitment to renting to extremely low-income individuals with a developmental disability whose income is at or below 30% of the area median. Tenants will be paying 30% of their incomes for rent and utilities.

7. How does this housing project create a better living environment for residents? Have local, county, or state authorities noted the severity of the problem? Note building, public health or/and safety issues.

The house will be remodeled to meet the health and safety needs of the tenants. This will include making the units accessible, and making improvements to extend the useful life of the building and reduce operating costs. If needed, special adaptations may be made for tenants' individual needs. One of the safety features will be the installation of a fire retardant sprinkler system that will be monitored 24/7 and is dialed into the fire department.



DDA has identified the Kelso area and this project in particular as one of their highest priorities for the development of affordable, accessible housing. In Cowlitz County there are only 27 affordable units available for every 100 households at 30% of median income.

8. List similar projects or programs your agency has, and other agencies have, in place to address this problem in the community. List agencies, funding sources and amounts. List the number of families housed under each of these programs.

FFC owns over 90 homes providing affordable, accessible housing to people with developmental disabilities. FFC has just completed a home for people with disabilities in Kelso and has another duplex funded that is in development.

FFC's previously developed homes in Cowlitz County include:

4560 Windemere, Longview 98632. This home was funded with State Housing Trust Fund (\$379,955) and Longview funding (\$45,000)

94 Redpath St. A & B, Kelso 98626. This home was newly constructed with State Housing Trust fund (\$383,887) and Kelso funding (\$45,000)

2481 Redwood Ave, Longview 98632. This home was newly constructed with State Housing Trust fund (\$394,762) and Longview funding (\$45,000)

5232 Oriole Drive, Longview 98632. This home was funded with State Housing Trust fund (\$373,434).

Our service provider for this project, Life Works, also owns and operates the Kelso Group Home at 922 Cedar Street that serves 9 adults with developmental disabilities who need housing and service supports. This home was originally developed by Cowlitz County in 1980. The initial funding of \$60,390 was from a State Referendum 29 grant. Extensive remodeling was completed using a State Housing Trust Fund grant in 2006 for \$358,106.

Life Works also provides supported living services to four clients in a group home located at 1111 11th Ave in Kelso that is owned by the Lower Columbia Action Program. The home did receive HOME funding from the City of Kelso for an ADA bathroom.

Solution

Project Development

9. Did you attempt to collaborate the development of this project with other agencies? Which agencies were contacted and what was the outcome?

FFC is collaborating with DDA and Life Works in the development of this project. FFC is acting in the capacity of developer, owner, and property manager. Life Works will continue to provide the tenants their 24/7 services and DDA will continue to fund these services.

HOME Program Longview- Kelso HOME Consortium

3

Questions? Technical Assistance? Contact Adam Trimble at 360.442.5092, or by e-mail at: adamt@mylongview.com



10. How do you propose to solve the problem? Please be specific, itemizing the various tasks you will undertake.

FFC will enter into one-year leases with each tenant, track their income annually, submit rent and utility information for each home, and ensure that the pro-rated rent payment per tenant does not exceed the HOME High Rent as set annually by HUD.

11. List all persons who would be involved during the development of this project and describe their project responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include grant administration, project manager, developing partnerships, acquisition, overseeing construction, maintaining records, client intake and eligibility, etc.)

Kathy Streblo, Executive Director of FFC, 614-389-4501, kstreblo@ffcoho.org
Kathy will have oversight of the entire project and will be executing all project related documents.

Philippa Nye, Ally Community Development, Development Consultant, 206-817-9551,
philippa@allycommunitydevelopment.com
Philippa will have the lead in writing the local funding applications, coordinating with funders and Life Works, searching for a property, supporting the bid process for contractors, overseeing the remodeling, and ensuring the project is completed on-time and within budget.

Amy Bliss, Property Manager, 206-714-6464, ffc.amy2@gmail.com
Amy will be doing the initial tenant eligibility reviews, putting together the leases, and addressing any initial tenant or house-related problems at rent-up.

Carolyn Anson, Finance Director of FFC, 614-389-4501, canson@ffcoho.org
Carolyn will be responsible for the fiscal management of the project including vouchering for funding, maintaining records, and the final close-out of grants.

Project Operation

12. Are you partnering with other organizations or businesses in this project? Will you have contracts for supportive services? What roles will each organization or business play after the project is completed? Please submit letters from partnering agencies and/or businesses as supporting documentation.

FFC is just acting in the capacity of developer, owner, and property manager. FFC is working with Life Works on this project. They currently are funded for and provide the 24/7 support and training services to the tenants identified for this project. They will maintain this role when the tenants move into the house. A Letter of Support from Life Works is attached.

13. List all persons involved in the operation of this project when completed and describe their responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include case



management, day-to-day management, rent schedules for units, annual renter income review, partnerships in serving renters, etc., apartment management, and project owner.)

Kathy Streblo, Executive Director of FFC, 614-923-6020, kstreblo@ffcoho.org
Kathy will have on-going oversight of the house and will execute documents as needed.

Michael Pollowitz, Asset Manager, 206-228-7275, mpollowitz@gmail.com
Michael will be completing all funder related reports, be the liaison between the tenants and FFC, and supervise David Scheiber, the Property Manager.

Amy Bliss, Property Manager, 206-714-6464, ffc.amy2@gmail.com
Amy will be the direct interface with tenants and Life Works around leases, repairs, responding to questions and problems, and overseeing the overall maintenance of the house.

Carolyn Anson, Finance Director of FFC, 614-389-4501, cason@ffcoho.org
Carolyn will be responsible for the fiscal management of the house including budgeting, vouchering for funding, maintaining records, and reconciling the income & expenses.

14. Complete the Rental or Ownership Proforma and Marketing Plan (provided separately.) Summarize your marketing/public outreach that you will provide to inform the general community of this project? (Review the Marketing Plan information under the Underwriting Policies)

There is no Marketing Plan. One of the HTF contractual requirements is that DDA will be the referral entity for this house. Given the complexity of service funding and the importance of roommate matching, Life Works will work directly with DDA on future tenant referrals. FFC will enter into a Referral Agreement with DDA once this project is fully funded. These Referral Agreements are standard practice and FFC already has an existing agreement with DDA Region 2.

15. Describe your selection process for applicants to participate? How will disabled applicants be able to participate?

DDA and Life Works will refer an eligible tenant(s) as vacancies occur. FFC will review tenants based on their rental application and funder eligibility requirements.

DDA and Life Works both incorporate philosophies that maximize the rights and responsibilities of people with developmental disabilities to participate in and make decisions about events that affect their lives. This housing opportunity will be another extension of this philosophy.

16. What other short-term and long-term outcomes will result from the project?

This project offers tenants long-term, stable housing that is both affordable and accessible. The specific health and safety needs of the tenants will be addressed in developing any remodeling scope of work.

The affordable rents will provide opportunities for the tenants to use their additional income to improve their quality of life.

17. What activities would still need to be undertaken after the project is completed in order for the problem to be fully addressed? Quantify where possible.

FFC believes that the problem of affordable, accessible housing will be addressed for the initial tenants once the project is completed and the tenants move in. Longer term, this home will continue to be an affordable, accessible housing resource for 40 years.

Households Benefiting

18. What is the number of low-income households that will benefit from this project? Use current year HUD Income Limits for family size.

At or below 30% of Median Income: 3
At or below 50% of Median Income: _____
At or below 80% of Median Income: _____
TOTAL Number of Households: 3

Budget

19. Explain why HOME funds are appropriate for your project. If this application is for a program currently receiving HOME funding, discuss what action you have taken and what other funding sources have been investigated in the last 12 months to reduce your organization's dependence on City of Longview (or City of Kelso) HOME funds.

The State Housing Trust fund expects local governments to contribute to HTF funded projects if funding is available. Local funding will be less than 10% of the total budget for this project. Once developed, the project will provide affordable housing for 40 years. HOME is the only available local source for this project.

20. What agency funding will you commit to this project? If none, why not? (A 25% match of non-federal funding is desired.)

FFC is committing \$3,000 to the project for the Operating Reserves. The State funding is not federal funds.

21. If one or more funding sources listed below is not realized, what impact would this have on your project? Explain what changes would be considered to its scope or design, including the number of families housed, structure(s) constructed, delays in construction start date, etc. and whether your project would exist without HOME funding.

All other funding is committed for the project. With Kelso funds, this project can proceed.

22. Complete and attach the separate HOME Budget Form.

HOME Program Longview- Kelso HOME Consortium

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Questions? Technical Assistance? Contact Adam Trimble at 360.442.5092, or by e-mail at: adamt@mylongview.com



See attached.

23. Sources and Uses Fund Statement / Budget Form Narrative

a. Please list all funding sources, intended uses, and amounts from your budget form. Identify each source as Federal, State, Local, or Private.

- The funding request to the State Housing Trust Fund is for \$450,913 of state bond derived dollars. The funding will be used for every aspect of the project’s development with the exception of the Operating Reserves.
- The funding request to the City of Kelso is for \$42,581 in federal HOME dollars to be used to assist with the costs of Acquisition and the Developer Fee.
- FFC will be providing \$3,000 of private funding that will be used for Operating Reserves.

b. Identify which sources are proposed and which sources are committed.

All other funding is committed for the project.

c. Supporting Documentation: List and attach “Sources of Funds” supporting documentation noted under Question #25.

d. Supporting Documentation: List and attach “Uses of Funds” supporting documentation noted under Question #25.

24. Please list the amount of private, local, and State (non-federal) matching funds which will be designated towards the 25% match per HOME categories below:

- \$ _____ A. Cash Contributions
- \$ _____ B. Forgone, Taxes, Fees and Charge
- \$ _____ C. Donated Land or Other Real Property
- \$ _____ D. On Site and Off-Site Infrastructure
- \$ _____ E 1 Donated Site Preparation
- \$ _____ E 2 Donated Construction Material
- \$ _____ E 3 Donated Labor (other than homeowner): Number or hours _____ times \$10 per hour
- \$ _____ E1 Sweat Equity (homeowner only): Number or hours _____ times \$10 per hour
- \$ \$450,913 F. Proceeds from Affordable Housing Bonds
- \$ _____ G. Supportive Services – Type _____
- \$ _____ G1 Homebuyer Counseling Services
- \$ _____ Estimated/Unknown at this time. Type : _____

Attachments

25. Required Attachments

Project Timeline (Note: Funding is available in November following project submittal. Please plan accordingly.)

HOME Program Longview- Kelso HOME Consortium

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Questions? Technical Assistance? Contact Adam Trimble at 360.442.5092, or by e-mail at: adamt@mylongview.com



- Project Budget** (*Note: Show all funding sources and note if they are committed or not committed. List date when commitment will be confirmed.*)
- Detailed Cost Estimates** (*Specific costs for project itemized to show project cost analysis.*)
- Project Documentation** (*See below*)
- HOME Performa: Rental or Homeowner Affordability**
- Market Analysis** (*separate form*)
- Marketing Plan** (*as described in the Underwriting Policies and Procedures.*)
- Developer Development Capacity Certification**
- Agency Financial Audit by e-mail** (*Most current independent audit.*)

Project Documentation to support your project. (Provide in order listed. Staff may limit the number of documents to the most important for Council to base its decision.)

- **Sources of Funds**
 1. Include commitment letters with all terms and conditions for all mortgages, loans, grants, subordination agreements, private fundraising, bridge (interim) loans and investment tax credits (historical low-income, if applicable);
Attached
 2. Provide a formal Certification letter signed by the Agency Director or Owner listing the amounts and type of all governmental assistance (Federal, State, and Local) which will be used in this project.
Attached
 3. If you (the applicant) are a partnership, or will enter into a partnership to undertake this project (including services) provide a copy of the partnership agreement, which will indicate the cash contributions by the general partner(s) and/or limited partner(s).
N/A
- **Uses of Funds N/A**
 1. Earnest money agreement, option or closing statement for land and/or building(s);
 2. Construction cost estimate
 3. Construction contract or preliminary (bids)
 4. Agreements governing the various reserves which are capitalized at closing (to verify that the reserves cannot be withdrawn later as fees or distributions.)
 5. Appraisal (to substantiate the value of the land and the value of the property after rehabilitation or the structure being built)
 6. If low-income tax credits are utilized, provide documentation on the syndication costs (legal, accounting, tax opinion, etc.) from the organization/individuals who will syndicate and sell the offering to ensure that the project can support the fees necessary to syndicate/fund the project. All assumptions should be verified in the supporting documentation.
- Maps, architectural renderings and elevations, floor plans N/A
- Surveys and other professional reports N/A
- Letters from local, state, or federal agencies directing the repair or creation of a specific housing project N/A
- Letters attesting to the subject problem N/A
- Letters of support
In attachment from Life Works
- Current news articles N/A
- Engineering, soils, or environmental reports N/A

Marketing Plan: A marketing plan shall be completed to show how the project will be marketed publically to Longview and/or Kelso residents through the public media, professional realtor or/and real estate marketing staff for at least 90 days or until the unit(s) are fully sold/rented. The advertising methods used to reach buyers/renters, both paid and free, and direct promotion through local organizations, stakeholders and social media can be used. The message to buyers should note that the value/sales or rental price is competitive and the home's features fit the target buyer or renter. The agency must follow its marketing plan and provide documentation of its public marketing effort prior to selecting its recipient(s.)

DDA provides the essential funding for and contracts with Life Works to provide the necessary 24/7 residential support services. Given this partnership, Life Works and DDA will work jointly to implement a Tenant Selection Process that includes:

- identifying potential tenants that have a developmental disability;
- through a tenant application and/or screening process, ensure that tenants qualify for the housing based on funder eligibility criteria;
- ensure that each tenant has sufficient service funding for their health and safety; and
- where appropriate, there is a reasonable expectation of house-mate compatibility.



Development Capacity Certification

List your Project FFC Homes X

Project Name: FFC Homes X

Address: TBD

City: Kelso, WA

Owner, Developer, Sponsor (circle or bold all that apply)

Rental, Homeownership, Lease-to-Own, Self-Help (circle or bold one)

New Construction or Rehabilitation (circle or bold one)

Pre-development Start Date 9/1/2014

Construction Start Date 3/1/2017

Expected Construction Completion Date 5/1/2017

Total Project Units: 3

Financial Capacity

Project Budget from all sources: \$496,494

Are all sources committed? **Yes** No

HOME dollars \$42,581

Do you have funds available for pre-development expenses, capital advances required for development, and to cover internal costs until fees are earned? **Yes** No

Note additional project information here: **None**

Current Projects which will be underway at the same time: FCC IX has one home still to be constructed.

I certify that the Foundation For the Challenged has the personnel and financial capacity to develop this project as noted on these forms:

Signed  FFC Agency Director.

Date 4-19-16

Developer Staff Capacity

List all Staff and contracted employees who will be involved in this project:

Development Capacity Certification

List your Project FFC Homes X

Project Name: FFC Homes X

Address: TBD

City: Longview, WA

Owner, Developer, Sponsor (circle or bold all that apply)

Rental, Homeownership, Lease-to-Own, Self-Help (circle or bold one)

New Construction or Rehabilitation (circle or bold one)

Pre-development Start Date 9/1/2014

Construction Start Date 3/1/2017

Expected Construction Completion Date 5/1/2017

Total Project Units: 3

Financial Capacity

Project Budget from all sources: \$498,914

Are all sources committed? **Yes** No

HOME dollars \$45,000

Do you have funds available for pre-development expenses, capital advances required for development, and to cover internal costs until fees are earned? **Yes** No

Note additional project information here: **None**

Current Projects which will be underway at the same time: FCC IX has one home still to be constructed.

I certify that the Foundation For the Challenged has the personnel and financial capacity to develop this project as noted on these forms:

Signed Kathy Stebbins FFC Agency Director.

Date 4-19-16

Developer Staff Capacity

List all Staff and contracted employees who will be involved in this project:

Longview/Kelso Home Consortium - Kelso Application

PROJECT BUDGET AND FUNDING SOURCES

	Kelso HOME Source 1	HTF Source 2	FFC Source 3	Source 4	Source 5	Total Cost	How costs determined (bid, est.)	
Commitment Dates	2016							
ACQUISITION								
Purchase Price - Land						\$0.00		
Purchase Price - Bldg.	38,323	291,677				\$330,000.00	Market Study	
Transaction Taxes						\$0.00		
Closing/Recording Fees		1,100				\$1,100.00	prior projects	
Title Insurance/Binder Fees		1,400				\$1,400.00	prior projects	
Appraisal		550				\$550.00	prior projects	
Other:						\$0.00		
Subtotal	38,323.00	294,727.00	0.00	0.00	0.00	\$333,050.00		
PREDEVELOPMENT								
Architect		25,000				\$25,000.00	prior projects	
Engineering						\$0.00		
Legal Fees						\$0.00		
Environmental Review		1,000				\$1,000.00	prior projects	
Preconstruction Inspection		600				\$600.00	prior projects	
Other: Capital Needs Assessments		1,500				\$1,500.00		
Subtotal	0.00	28,100.00	0.00	0.00	0.00	\$28,100.00		
CONSTRUCTION COSTS								
New Construction						\$0.00		
Rehabilitation		55,600				\$55,600.00	prior projects	
Infrastructure on site						\$0.00		
Energy Related Improvemts						\$0.00		
Repair/Replace Major Syst.						\$0.00		
Lead Based Paint /Haz Mat						\$0.00		
Access for Disabled						\$0.00		
Securing of Building						\$0.00		
Demolition						\$0.00		
Utility Connections						\$0.00		
Permits & Fees						\$0.00		
Construction Loan Fees						\$0.00		
Construction Inspections		900				\$900.00		
Sales Tax						\$0.00		
Insurance/Bond/Surety Fees		600				\$600.00	prior projects	
Contingency		8,340				\$8,340.00	HTF requirement	
Other: Utilities		250				\$250.00	prior projects	
Subtotal	0.00	65,690.00	0.00	0.00	0.00	\$65,690.00		
OTHER								
Home Buyer Counseling						\$0.00		
Credit Report Fees						\$0.00		
Operating Deficit Reserves						\$0.00		
Relocation Costs						\$0.00		
Operating Reserves			3,000			\$3,000.00	prior projects	
Loan Fees		9,018				\$9,018.00	2% HTF fee	
Tenant Rental Assistance						\$0.00		
Affirmative Marketing						\$0.00		
Project Management		0				\$0.00	prior projects	
Developer Fees	4,258	40,878				\$45,136.00	10% of award	
Other: Accounting/Audit		500				\$500.00	prior projects	
Other: Replacement Reserves		10,000				\$10,000.00		
Other: Real Estate Tax		2,000				\$2,000.00	Market Study	
Subtotal	4,258.00	62,396.00	3,000.00	0.00	0.00	\$69,654.00		
HOME TOTAL	\$42,581.00	\$450,913.00	\$3,000.00	\$0.00	\$0.00	\$496,494.00		
Date: 4/18/16								
Sponsor: Foundation For the Challenged	Project Address: TBD							

**Form 8A
Proposed Rents**

Sponsor Name: Foundation For the Challenged
Project Name: FFC Homes X

Instructions:

- * Rent - if the project includes PHA / HUD / USDA subsidy, include only the subsidy payment amount in column H.
- ** Annual Gross Tenant Paid Rental Income will flow into Year 1 "Annual Gross Tenant Paid Rental Income" entered on Operating Pro Forma.
- *** Annual Gross Rental Subsidy Income will flow into Year 1 "Annual Gross Rental Subsidy Income" entered on Operating Pro Forma.

A	B	C	D	E	F	G	H	I	J	K	L
% of Median Income Served	Number of Units or Beds	Unit Size (Number of Bedrooms)	Average Square footage of unit	Tenant - Paid Monthly Rent	Tenant - Paid Utilities	Sum of Tenant - Paid Rent and Utilities (E + F)	PHA / HUD / USDA Subsidy Payment *	Gross Monthly Rent (G + H)	Annual Gross Tenant Paid Rental Income ** (B x E) x 12	Annual Gross Rental Subsidy Income *** (B x H) x 12	Annual Gross Rental Income J+K
30%	3	1	450	\$ 190.00	\$ 63.00	\$ 253.00	\$ -	\$ 253.00	\$ 6,840.00	\$ -	\$ 6,840.00
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common Area Units (Unrestricted Mgr's Units)				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Market Rate Units				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	3								\$ 6,840.00	\$ -	\$ 6,840.00

**Form 8B
Operating and Service
Sources**

Sponsor Name:	Foundation For the Challenged
Project Name:	FFC Homes X

ANNUAL OPERATING SUBSIDY SOURCES (Do Not Include SERVICE Dollars Here)

Source and Type	Proposed Funding	Committed / Conditional Funding	Total Funding	Length of Commitment
Housing Trust Fund (HTF) O&M		\$ -	\$ -	
County 2060 O&M (<i>specify county</i>)	\$ -	\$ -	\$ -	
Local O&M (<i>specify jurisdiction</i>)	\$ -	\$ -	\$ -	
McKinney Operating Support	\$ -	\$ -	\$ -	
Other:	\$ -	\$ -	\$ -	
Other:	\$ -	\$ -	\$ -	
Other:	\$ -	\$ -	\$ -	
Other:	\$ -	\$ -	\$ -	
Total Annual Operating Subsidy Sources	\$ -	\$ -	\$ -	

ANNUAL SERVICE FUNDING SOURCES (Do Not Include OPERATING Dollars Here)

Source and Type	Proposed Funding	Committed / Conditional Funding	Total Funding	Length of Commitment
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Total Annual Services Funding Sources	\$ -	\$ -	\$ -	

**Form 8C
Operating Pro Forma**

Sponsor Name: Foundation For the Challenged									
Project Name: FFC Homes X									
Instructions: * Complete all 15 years of the pro forma. Cells shaded green are input cells; all others will auto-calculate. * If project has rental subsidies, provide two separate pro formas - one with subsidy and one without.									
REVENUES									
Residential Income									
Annual Gross Tenant Paid Rental Income	From Rents	Inflation Factor	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
		2.50% per year	\$ 6,840.00	\$ 7,011.00	\$ 7,186.28	\$ 7,365.93	\$ 7,550.08	\$ 7,738.83	\$ 7,932.30
Annual Gross Rental Subsidy Income	From Rents		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Operating Subsidy Sources	From Operating Sources		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income			\$ 6,840.00	\$ 7,011.00	\$ 7,186.28	\$ 7,365.93	\$ 7,550.08	\$ 7,738.83	\$ 7,932.30
Total Annual Service Funding			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME			\$ 6,840.00	\$ 7,011.00	\$ 7,186.28	\$ 7,365.93	\$ 7,550.08	\$ 7,738.83	\$ 7,932.30
Less Residential Vacancy	Vacancy Rate	5.00% per year	\$ (288.00)	\$ (295.00)	\$ (302.00)	\$ (310.00)	\$ (318.00)	\$ (326.00)	\$ (334.00)
Less Non-Residential Vacancy	Vacancy Rate	10.00% per year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EFFECTIVE GROSS INCOME (EGI)			\$ 6,552.00	\$ 6,716.00	\$ 6,884.28	\$ 7,055.93	\$ 7,232.08	\$ 7,412.83	\$ 7,598.30
EXPENSES									
Operating Expenses-									
		Inflation Factor							
		2.50%							
		Cost Per Unit							
Heat			tenant paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric			tenant paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water & Sewer			tenant paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garbage Removal			tenant paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Repairs	\$ 260.00			\$ 780.00	\$ 799.50	\$ 819.49	\$ 839.97	\$ 860.97	\$ 882.50
Maintenance and janitorial	\$ 150.00			\$ 450.00	\$ 461.25	\$ 472.76	\$ 484.60	\$ 496.72	\$ 509.13
Management - Off-site	\$ 1,048.33			\$ 3,145.00	\$ 3,223.63	\$ 3,304.22	\$ 3,386.82	\$ 3,471.49	\$ 3,558.28
Management - On-site	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 226.67			\$ 680.00	\$ 697.00	\$ 714.43	\$ 732.29	\$ 750.59	\$ 769.36
Accounting	\$ 300.00			\$ 900.00	\$ 922.50	\$ 945.56	\$ 969.20	\$ 993.43	\$ 1,018.27
Marketing	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate Taxes	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 60.00			\$ 160.00	\$ 164.50	\$ 169.11	\$ 173.84	\$ 178.69	\$ 183.65
Total Residential Operating Expenses				\$ 6,135.00	\$ 6,268.38	\$ 6,445.58	\$ 6,606.72	\$ 6,771.89	\$ 6,941.10
Replacement Reserve	\$ 139.00			\$ 417.00	\$ 427.63	\$ 438.69	\$ 449.21	\$ 460.19	\$ 471.64
Operating Reserve	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Reserves				\$ 417.00	\$ 427.63	\$ 438.69	\$ 449.21	\$ 460.19	\$ 471.64
Service Expenses	From Service Budget			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES				\$ 6,552.00	\$ 6,716.00	\$ 6,884.28	\$ 7,055.93	\$ 7,232.08	\$ 7,412.83
NET OPERATING INCOME (EGI - Total Expenses)				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service on									
	Loan Amount	Rate (%)	Amortization (years)						
Lender				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Gross Cash Flow				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Coverage Ratio (DCR)									

**Form 8C
Operating Pro Forma**

Sponsor Name: Foundation For the Challenged	
Project Name: FFC Homes X	

	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
REVENUES								
<i>Residential Income</i>								
Annual Gross Tenant Paid Rental Income	\$ 8,130.61	\$ 8,333.88	\$ 8,542.22	\$ 8,755.78	\$ 8,974.67	\$ 9,199.04	\$ 9,429.02	\$ 9,664.74
Annual Gross Rental Subsidy Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Operating Subsidy Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Residential Income	\$ 8,130.61	\$ 8,333.88	\$ 8,542.22	\$ 8,755.78	\$ 8,974.67	\$ 9,199.04	\$ 9,429.02	\$ 9,664.74
Total Annual Service Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Residential Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT INCOME	\$ 8,130.61	\$ 8,333.88	\$ 8,542.22	\$ 8,755.78	\$ 8,974.67	\$ 9,199.04	\$ 9,429.02	\$ 9,664.74
<i>Less Residential Vacancy</i>	<i>\$ (342.00)</i>	<i>\$ (351.00)</i>	<i>\$ (360.00)</i>	<i>\$ (369.00)</i>	<i>\$ (378.00)</i>	<i>\$ (387.00)</i>	<i>\$ (397.00)</i>	<i>\$ (407.00)</i>
<i>Less Non-Residential Vacancy</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>
EFFECTIVE GROSS INCOME (EGI)	\$ 7,788.61	\$ 7,982.88	\$ 8,182.22	\$ 8,386.78	\$ 8,596.67	\$ 8,812.04	\$ 9,032.02	\$ 9,257.74
EXPENSES								
<i>Operating Expenses-</i>								
	Cost Per Unit							
Heat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Electric	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water & Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garbage Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Repairs	\$ 309.05	\$ 927.17	\$ 950.35	\$ 974.11	\$ 998.47	\$ 1,023.43	\$ 1,049.01	\$ 1,075.24
Maintenance and janitorial	\$ 178.30	\$ 534.91	\$ 548.28	\$ 561.99	\$ 576.04	\$ 590.44	\$ 605.20	\$ 620.33
Management - Off-site	\$ 1,246.14	\$ 3,738.42	\$ 3,831.88	\$ 3,927.67	\$ 4,025.87	\$ 4,126.51	\$ 4,229.68	\$ 4,335.42
Management - On-site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 269.44	\$ 808.31	\$ 828.51	\$ 849.23	\$ 870.46	\$ 892.22	\$ 914.52	\$ 937.39
Accounting	\$ 356.61	\$ 1,069.82	\$ 1,096.56	\$ 1,123.98	\$ 1,152.08	\$ 1,180.88	\$ 1,210.40	\$ 1,240.66
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 71.32	\$ 213.96	\$ 219.31	\$ 224.80	\$ 230.42	\$ 236.18	\$ 242.08	\$ 248.13
Total Residential Operating Expenses	\$ 7,202.59	\$ 7,474.90	\$ 7,661.77	\$ 7,853.32	\$ 8,049.85	\$ 8,250.89	\$ 8,457.17	\$ 8,668.59
Replacement Reserve	\$ 165.34	\$ 496.02	\$ 507.97	\$ 520.45	\$ 533.46	\$ 547.02	\$ 561.15	\$ 574.85
Operating Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Reserves	\$ 496.02	\$ 507.97	\$ 520.45	\$ 533.46	\$ 547.02	\$ 561.15	\$ 574.85	\$ 589.15
Service Expenses <i>From Service Budget</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES	\$ 7,788.61	\$ 7,982.88	\$ 8,182.22	\$ 8,386.78	\$ 8,596.67	\$ 8,812.04	\$ 9,032.02	\$ 9,257.74
NET OPERATING INCOME (EGI - Total Expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service on								
Lender	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lender	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Gross Cash Flow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Coverage Ratio (DCR)	=	=	=	=	=	=	=	=

Form 8D Operating Budget Details

Sponsor Name: Foundation For the Challenged
Project Name: FFC Homes X

Vacancy Rates and Inflation Factors

Please provide the rationale for the vacancy and inflation factors used in the Operating Pro Forma:

Both the vacancy rate (5%) and the inflation rates of the income (2 1/2%) are all accepted industry standard for a project of this type. Since all utilities are tenant paid, expense escalator of 2.5% was considered sustainable.

Operating Expenses

Instructions:

• Indicate whether estimates are based upon current operations. If not, what is the basis for the estimate?

Heat	Tenant Paid
Electric	Tenant Paid
Water & Sewer	Tenant Paid
Garbage Removal	Tenant Paid
Contract Repairs	Based on current operations
Maintenance and Janitorial	Based on current operations. Tenants maintain unit; this cost is for fire system monitoring.
Replacement Reserve	Net cash flow is deposited into reserves; \$10,000 also capitalized in Dev. Budget
Operating Reserve	Capitalized at \$3,000
Off-Site Management	Based on current operations
On-Site Management	No on site management
Insurance	Based on current operations
Accounting	Based on current operations
Marketing	
Real Estate Taxes	Exempt
Other (identify and include cost estimate for each)	

Market Analysis for the HOME Program Rental and Homebuyer

Part 1

Consolidated Plan Market Analysis

Year: 2014-2018

Project Type: The acquisition and remodeling of a three-bedroom, single-family house.

Consolidated Plan Objective Code and Number: 2

Consolidated Plan Objective Title: Stabilize and revitalize neighborhoods

Need (Number of units): 3 beds in single family home

Target Demographics: Extremely low-income individuals that have a developmental disability. The initial tenants have already been selected by Life Works and supported by the Developmental Disabilities Administration (DDA).

Part 2

Project Description/Structure and Analysis

Project Need/Demand: The tenants need to reduce their burdensome market-rate rent by moving into a shared home where their rent will be set according to HOME rules for shared home settings.

Project Affordability for participant: FFC will be setting rent according to HOME rules for group home settings. The anticipated rate will be in the range of 30% of a tenant's income minus a utility allowance.

Project Design (number of units, unit types, sizes, amenities, and services): FFC is proposing to acquire a three-bedroom house. Each tenant will have their own bedroom and share the common areas including a kitchen. Life Works will continue to provide these tenants 24/7 support services.

Income range of participants (example: 16,000-40,000): The yearly income range is anticipated to be between \$9,120 and \$10,800 for each of the three tenants.

Income eligibility requirement(s)/restrictions for project: This project's eligibility requirements include:

- **income at or below 30% of the area median;**
- **to be determined by DDA to have a developmental disability, and**
- **receive sufficient support to ensure their health and safety.**

Timing for Rental Lease-up or Home ownership transfer: May, 2017

Part 3

Market Area Definition:

Name of Neighborhood/ Boundaries of Market Area: TBD in Kelso

Market Area:

Demographic Profile/Socio-Economic Trends (population, number of households, age profile, household incomes): According to the Consolidated Plan there are 457 people with developmental disabilities receiving services in Longview and Kelso. It is estimated that all or most of these individuals have income at or below 30% of the area median.

Demand Analysis:

Characteristics of households likely to be attracted to development: Most individuals with a developmental disability will likely be eligible for this housing.

Target population pool for participants: People with developmental disabilities.

Supply Analysis

Characteristics, prices, sales activity trends in the target market area: In a Market Analysis completed on April 13, 2016, there were two houses that met the project's needed characteristics:

- <\$320,000 acquisition plus estimated renovation cost
- >1,500 square feet
- Can be renovated to provide 3 bedrooms
- Located in Kelso
- Rambler style single floor
- Owner occupied or vacant

Characteristics, prices, sales activity in other local areas where potential buyers could purchase housing or renters could rent housing. This was not within the scope of this project given the particular tenants identified.

Part 4

Project Site

Neighborhood Physical Condition: (Age of Buildings, Blighting influences, Attractive aspects): TBD

Address of Project: TBD

Site Advantages: TBD

Site Disadvantages: TBD

Part 5 N/A

***Rental Housing Development of 6 or more units
Analysis of Unit Absorption***

Example on Next Page

- Number of units in HOME project _____

- Total number of Market Area households (2012) _____

- Number of rental households _____

- Percentage of total (estimated) _____

- Number of rental households with income of _____
(enter your income range from your project description)
who can afford the rent _____

- Estimated number of rental households in income group _____ %
(Enter a percentage of those who will qualify to rent and multiply that percentage to get a number)

- Market penetration by number of _____ HOME project units _____ %
(Divide HOME project units by Estimated Number of Households in Income Group to get percentage. The above percentage-should be 5% or less)

- Number of permits issued for similar projects not yet constructed _____

- **For Rental Buildings: Complete the “Supply Analysis Characteristics of Comparisons Properties.”**

Compare market rate and subsidized properties together:

Property, Year Rehabbed, unit configuration (bed/bath), rents per unit, increases planned date, new rent, occupancy percentage, utilities included, change in rent (range for varying rents, comments explaining amenities, landscaping, maintenance, occupancy by of Sec 8 tenants



STATE OF WASHINGTON

DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000

www.commerce.wa.gov

December 23, 2015

Kathy Streblo
Foundation For the Challenged
5970 Wilcox Place, Suite E
Dublin, OH. 43016

Re: Your 2015 Housing Trust Fund Application

Dear Ms. Streblo:

Congratulations! I am pleased to inform you that your Housing Trust Fund (HTF) application to develop the **FFC Homes X** project has been conditionally approved for funding. Your project is awarded **up to \$2,642,200** in HTF funds from the 2015-2017 State Capital Budget. This award will be contracted under Contract # 15-94110-011.

This funding approval is conditioned upon the following:

1. The project will produce the following units of affordable housing to be placed in service at the end of the construction phase:
 - 23 units for people with disabilities (legislatively required population).
2. Evidence that all the necessary capital funding is committed by September 30, 2016.
3. Evidence that all the necessary approvals have been secured and construction will begin by September 30, 2016.

Please note that this funding approval may be withdrawn or, if award funds had been disbursed, you may be required to reimburse the funds if the above conditions are not met. **You are responsible for informing your HTF Project Manager (identified below) in advance of any issues that may impact your ability to meet any of these conditions.**

This HTF funding round is the result of the Legislature's mandate that Commerce award funds to projects producing affordable housing units serving specific population categories. At a minimum, you will be required to produce the units identified above, which are in accordance with the information you provided in your HTF application or during the application review

process. Unit reductions to the legislatively required populations (as noted above) will not be allowed, or your award may be reduced or withdrawn.

Commerce is making all efforts to meet the targets for the legislatively required populations. We encourage you to review your intended populations, and should you be able to increase the number units serving any of the following population categories, please contact your Project Manager: people with chronic mental illness, homeless families with children, people with disabilities, veterans, homeless youth, and farmworkers (homes or seasonal beds).

Documentation of the commitment of all capital financing and a current development and operating budget, proof of organization filings with the Washington Secretary of State, and a certificate of Liability Insurance for your organization will be required prior to execution of the contract. The budget is subject to review and approval by Commerce. Commerce reserves the right to reduce its award if costs are lower or other fund sources are higher than what was projected in the approved application. Note that not more than 10 percent of the HTF award may be used for developer/project management fees, including Evergreen Sustainable Development Standards (ESDS) coordination.

The awarded funds may not be used to reimburse costs incurred prior to the execution of the contract, except upon written approval from Commerce. In addition, funds will not be disbursed until the following two conditions have been met:

1. Your Evergreen Project Plan (EPP) has been approved by Commerce. The ESDS is currently being revised and version 3.0 will be published on our website in February 2016. Your project is required to comply with ESDS v2.2 with the option to comply with v3.0 if you choose. Refer to our ESDS webpage for current requirements:
<http://www.commerce.wa.gov/Programs/housing/TrustFund/Pages/EvergreenSustainableDevelopment.aspx>
2. Your project has demonstrated compliance with the historical, cultural, and tribal review process, including any recommended survey work. If HTF funds will be used for land acquisition, the review process must be completed prior to the second draw. Refer to Section 201.7 of the HTF Handbook for more information:
<http://www.commerce.wa.gov/Programs/housing/TrustFund/Pages/Handbook.aspx>

If HTF funds will be used solely for acquisition, pre-development, or for homeownership on-site infrastructure costs (i.e., no building construction), 10 percent of the HTF award will be retained until project completion. Exceptions must be requested in writing and approved by your HTF Project Manager in advance of contract execution.

Your Project Manager will be Susan Butz. She will be in contact with you shortly to discuss your contracting process. You may also be contacted by a Washington Community Reinvestment Association (WCRA) staff. Commerce contracted with WCRA to provide third-party construction review services for most projects funded through HTF. WCRA staff will notify you of any documentation they may need.

Kathy Streblo - Foundation For the Challenged

December 23, 2016

Page 3

If you have any questions in the meantime, you can contact Susan Butz directly at (360) 725-5005 or Susan.Butz@commerce.wa.gov or myself at (360) 725-4142 or Diane.Klontz@commerce.wa.gov.

Congratulations on your HTF award. We look forward to working with you on this project!

Sincerely,

A handwritten signature in black ink, appearing to read "Diane Klontz". The signature is fluid and cursive, with a large initial "D" and a long horizontal stroke at the end.

Diane Klontz, Assistant Director
Community Services and Housing Division

cc: Susan Butz, Project Manager, HTF



PROPOSED HOUSING RESOLUTIONS: 08/10/2015 FFC BOARD MEETING

WHEREAS, the Foundation has a mission to support initiatives designed to support individuals with developmental disabilities, including making available affordable, community-based residential housing; and

WHEREAS, the Foundation desires to acquire and renovate neighborhood community homes for leasing to low-income individuals with developmental disabilities in the State of Washington, which project is to be known as the FFC X Housing project and

NOW, THEREFORE BE IT RESOLVED, that the Foundation is authorized and directed to contribute \$18,000 to this project to be used for Operating Reserves to support the acquisition and remodeling of 6 houses, one each to be located in the cities of Vancouver, Longview, Kelso and the counties of Thurston, Pierce, and Lewis, to support (23) extremely low-income tenants with a developmental disability.

FURTHER RESOLVED, each officer of the Foundation and it's Executive Director, Kathy Streblo is individually authorized and directed, for and on behalf of the Foundation, to take any step or action necessary to complete, submit and execute the application and, if awarded, to negotiate the terms of, and execute, any grant awarded to the Foundation by the Housing Trust Fund and public entities referenced above.


Seatta Layland, Board President



Cowitz AmeriCorps
Network

April 24, 2016

Kelso HOME Program
Kelso, WA 98626

Re: HOME Application for low income housing

Dear Council Members,

Life Works has been serving people with developmental and intellectual disabilities in our community for thirty six years. These individuals are typically in the very low income category and are renting places to live in our community at market rates. They often have to live with unrelated people in order to share living expense and in order to receive the supported living services that the state is contracting with us to provide. With this arrangement, most individuals have very little money left for food, clothing, and an occasional recreational activity.

With this project, the people we support will only pay one third of their income for their rent and utilities which will have a significant positive impact on their lives. While many of them struggle to find jobs to make ends meet, this project will reduce their costs and provide them with safe, affordable housing.

Life Works will continue to provide the twenty four hours per day, seven days per week support for the individuals who will move into this housing. We have identified current clients who are most in need of an improved living condition that is being proposed in this grant request. History tells us that once these individuals make this their home; they will live there for many years.

In addition to providing supported services, Life Works will take on a role of collecting and paying rents, notifying the rental agency of maintenance needs, assisting tenants to keep the property presentable, and assisting tenants to keep the home clean and safe.

Thank you for your consideration of the very important project. With this grant, you will be making an important contribution to the community's low income housing stock and to the lives of individuals who will have the opportunity to live here.

Respectfully,

A handwritten signature in blue ink, appearing to read 'David Hill'.

David Hill, CEO



City of Longview/City of Kelso

HOME Participating Jurisdiction Project Design Proposal – 2016

Applicant: Kelso Housing Authority **Contact Person:** Joleen Reece
Title: Executive Director **Title:** _____
Address: 1415 S 10th Ave. **Address:** _____
Kelso, WA 98626

Phone: 360-423-3490 **Phone:** _____
Fax: 360-577-6694 **Fax:** _____
E-mail: JReece@kelsohousing.org **E-mail:** _____

Non-Profit Status: NO Yes **IRS Tax Identification Number** 91-6001995

Location: Longview Kelso

Project Title: Columbia and Chinook Apartments Property Improvement

HOME Funding Requested: \$ \$90,409

Project Description

1. Give a *brief* summary of your project (under 101 words):

The Kelso Housing Authority operates two (2) apartment buildings that are specifically designated to meet the needs of extremely low income residents. The HOME funds will be used to help facilitate a much needed upgrade. This upgrade would include new appliances, flooring, and furnishings in the units as well as common areas. This property improvement project would also include new interior paint throughout the buildings.

2. Describe the project noting the problem(s) or opportunity(s) that will be addressed.

This project provides the necessary funds to assist KHA in its mission to provide decent, safe, and sanitary housing for a vulnerable, at-risk population. KHA, through its housing programs at the Columbia and Chinook apartment buildings, is dedicated to providing stable, supportive housing that addresses the unique needs of people with severe and persistent mental illness and/or are experiencing homelessness. These apartments foster an environment that stresses personal responsibility and growth, allowing tenants to focus on wellness and recovery. The apartments are a place where tenants are encouraged to participate in their community while having access to the necessary resources to maintain a healthy lifestyle.

The Chinook apartments offer transitional housing to populations that have experienced chronic



homelessness and/or who suffer from physical and mental disabilities. The clientele served is in need of furnished apartments due to their circumstances prior to be housed. Since the inception of these housing programs, upgrades have been done as funds have allowed in a piecemeal fashion. In numerous units of the Chinook the appliances are over twenty (20) years old, and the mattresses over ten (10). Worn carpeting creates a tripping hazard, and in many cases produces an impediment for KHA tenants with physical handicaps. An unexpected and costly elevator repair has greatly diminished KHA's ability to keep up with the repairs and replacements necessitated by aging appliances and furnishings.

The Chinook Apartments obtain annual funding of \$88,000 thru McKinney Vento monies. The Columbia Apartments receive no funding beyond rents.

New furnishes and appliances in the three Chinook common area would greatly increase tenant satisfaction, as well as strengthen much needed socialization skills.

As noted in HOME's 5-year Strategic Plan, "Resources for non-profit housing development operational support are limited. State funding through the Housing Trust Fund is non-existent at present due to other demands placed upon state budget resources." Unfortunately, resources are scarce but KHA believes the allocation of HOME funds would be a solution that benefits our tenants and in turn, our community.

3. List the specific HOME objective information from the "5 year Strategic Plan" within the 2014-2018 Longview-Kelso Consolidated Plan. (See website information under Instructions).

Consolidated Plan Objective Code and Number: Objective #1
Consolidated Plan Objective Title: Stabilize and revitalize neighborhoods

Consolidated Plan Objective Proposed Accomplishments & Outcomes: Provide rental rehabilitation funds to upgrade properties in low and-moderate income neighborhoods

The Columbia Apartments were last renovated in 1980. The Chinook Apartments were renovated in 1998. HOME funds would allow for new appliances, new mattresses, mattress covers, furnishes, flooring, and paint. The HOME report bases this high priority of need on the following statement, "Renter households need sound, safe housing that remains affordable." This can be provided through rental rehabilitation, as noted.

Project Readiness

4. Describe what specific steps need to be completed before the project will be ready to proceed? (Projects must be under construction within 12 months of signing your HOME Contract or funding will be deobligated.)

Due diligence will be exercised to ensure most competitive prices are obtained for all purchases. Fiscal responsibility and good stewardship of funds are evident within all KHA projects. Products will be chosen for their proven ability to be durable and long-lasting. When funding is received, items will be purchased.



5. Please list start and completion date by Month, Day and Year:

Complete the “Project Timeline” (included at the end of this application) detailing project tasks and dates. This will be a part of your contract goals should your project be selected.

Project Start Date (mm-dd-yyyy) 11-15-2016

Project Completion Date (mm-dd-yyyy) 06-30-2017

Problem Impact and Severity

6. How will this project increase housing affordability for rentals or home ownership? What reductions in cost of rent or a mortgage would be realized? What rents will you charge for each one, two, and three bedrooms when the project is complete? (Please detail from your attached ProForma.)

The Columbia offers 29 units and the Chinook 21. All units are either studio or one bedroom. All units remain affordable, at or below FMR. By undertaking this project, the rents will not have to be increased for replacement reserve replenishment. Rents will be kept competitive, in keeping with HOME’s 5 Year Strategic Plan.

7. How does this housing project create a better living environment for residents? Have local, county, or state authorities noted the severity of the problem? Note building, public health or/and safety issues.

The Chinook and Columbia apartments offer permanent, supportive housing to people with mental and physical health issues. In addition, most tenants have experienced homelessness, which as the HOME report highlights, is an area of particular concern in our region. KHA’s buildings are secure and offer stable housing to Kelso’s most vulnerable population.

The correlations between health and housing standards are well documented (see 2002 NIH study <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1447157/>). Old carpeting is often a reservoir for dust, allergens, and toxic chemicals. Exposure to these agents can result in allergic, respiratory, neurological, and hematologic illnesses. Replacing the carpeting within the Columbia and Chinook with laminate flooring could alleviate a host of potential poor health outcomes for tenants. As noted, new flooring would also improve ease of wheelchair and walker usage.

New mattresses and mattress covers would provide support and lessen the possibilities of bedbug infestations.



New ventilation hoods in the kitchen would greatly improve air quality within the units. The current age of the appliances in the units means parts are no longer available for repairs. In addition, these old models lack the safety features found in new models.

It is within the scope of past research to believe that the project improvements will provide a psychological boost to tenants who have, and are attempting to overcome, major barriers.

8. List similar projects or programs your agency has, and other agencies have, in place to address this problem in the community. List agencies, funding sources and amounts. List the number of families housed under each of these programs.

KHA has 50 senior (62 and above) units at the Cowlitz Villa. Kelso Homes houses 50 family units. These projects are funded by federal operating and capital HUD grants, in addition to tenant rents. Total annual funding is approximately \$600,000. These projects have a 5-year Capital Improvement Plan that is submitted to HUD. Annual improvements are undertaken. The Cowlitz Villa units are currently undergoing a floor remodel, so the Housing Authority employees have gained extensive knowledge in the processes necessary for undertaking a large project while accommodating the needs of vulnerable tenants.

Solution

Project Development

9. Did you attempt to collaborate the development of this project with other agencies? Which agencies were contacted and what was the outcome?

No, KHA knows of no agencies where a partnership would be suitable for this project. Without a HOME award, KHA will continue to attempt to piecemeal property improvements when, and if, funds allow. Should HOME elect to partially fund this improvement project, KHA will prioritize needs and undertake whichever projects will provide the greatest tenant outcomes. KHA feels that this property improvement is perfectly aligned with the city's revitalization plan for North Kelso. Today's investment will positively affect current tenants, as well as a myriad of future tenants.

10. How do you propose to solve the problem? Please be specific, itemizing the various tasks you will undertake.

- Replace flooring
- Update Common Areas
- Paint units
- Replace appliances
- Install new furnishings

11. List all persons who would be involved during the development of this project and describe their project responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include grant administration, project manager, developing partnerships, acquisition, overseeing construction, maintaining records, client intake and eligibility, etc.)

Project Manager: Joleen Reece at KHA will coordinate all site preparation and construction work as well as ensure compliance with federal and local procurement policy and other federal and state regulations. A two-person construction crew reports to Joleen. Joleen is also the Asset Manager and is responsible for tracking and managing costs associated with the improvement project.

Housing Coordinator: Ariana Anderson will be responsible for working directly with the tenants to facilitate logistics of remodel so as to cause the least amount of anxiety and distress. Ariana works with area mental health providers and coordinated entry programs to determine client eligibility for KHA's public housing programs

A/P clerk: Tammy Randolph manages accounting and finance staff that is responsible for financial reporting associated with this project.

Project Operation

12. Are you partnering with other organizations or businesses in this project? Will you have contracts for supportive services? What roles will each organization or business play after the project is completed? Please submit letters from partnering agencies and/or businesses as supporting documentation.

Supportive services for Chinook and Columbia apartment tenants are provided through a contract with Columbia Wellness. The mental and physical wellbeing of KHA tenants during project improvements will be of the highest importance. KHA staff will be working directly with mental health services providers to ensure the tenants are supported throughout the process.

13. List all persons involved in the operation of this project when completed and describe their responsibilities. (Include names, titles, phone and e-mail.) (Responsibilities should include case management, day-to-day management, rent schedules for units, annual renter income review, partnerships in serving renters, etc., apartment management, and project owner.)

Ariana Anderson- Public Housing Specialist- aanderson@kelsohousing.org . She works directly with the tenants of the Columbia and Chinook apartments. She conducts annual inspections, tenant complaints and income reviews of public housing clients.

Shelly Watkins – Section 8/ Housing Choice Voucher Specialist – swatkins@kelsohousing.org . She conducts annual inspections and income reviews of HCV clients in the Columbia Apartments.



Don Skreen- Maintenance Supervisor- dskreen@kelsohousing.org - is the head maintenance person who sees to the repairs and upkeep of the buildings.

Tammy Randolph- trandolphin@kelsohousing.org – is the Public Housing and Section 8/ HCV Manager/ AP clerk. She will be in charge of the AP invoices and help guide our Specialists when needed.

14. Complete the Rental or Ownership Proforma and Marketing Plan for 5 units or over (provided separately.)

Summarize your marketing/public outreach that you will provide to inform the general community of this project? (Review the Marketing Plan information under the Underwriting Policies)

Applications for the rental units at the Chinook and Columbia apartments are available through all area mental health service providers.

15. Describe your selection process for applicants to participate? How will disabled applicants be able to participate?

All applicants are placed on a waiting list based on the time and date of the receipt of their application. When a vacancy occurs, the applicant at the top of the wait list is notified and housed.

Many of KHA's clients are disabled. The percentage of KHA clients with disabilities is historically significantly higher than that of the general population. A portion of the units at each apartment building are fully ADA compliant.

16. What other short-term and long-term outcomes will result from the project?

Current and future clients will feel that they are worthy of investment. KHA anticipates that residents will have an increased sense of safety and wellbeing with new appliances and flooring.

17. What activities would still need to be undertaken after the project is completed in order for the problem to be fully addressed? Quantify where possible.

Periodic housekeeping inspections and annual HQS inspections will ensure that units are kept in a decent, safe, and sanitary condition.

KHA anticipates that this improvement project will successfully alleviate much of the current problem. The replacement reserves used for repeated elevator maintenance will accumulate and be available for future rehabilitation needs. These HOME funds will produce a long-lasting solution that will benefit many vulnerable members of our community.

Households Benefiting

18. What is the number of low-income households that will benefit from this project?

Use current year HUD Income Limits for family size.

At or below 80% of Median Income: _____

At or below 50% of Median Income: _____

At or below 30% of Median Income: 50 _____

TOTAL Number of Households: 50 _____

Budget

19. Explain why HOME funds are appropriate for your project. If this application is for a program currently receiving HOME funding, discuss what action you have taken and what other funding sources have been investigated in the last 12 months to reduce your organization's dependence on City of Longview (or City of Kelso) HOME funds.

The goals of HOME funding are well matched to the goals of the Columbia and Chinook apartments. Kelso Housing Authority's goal is to keep our properties decent, safe, and sanitary while providing much needed housing for vulnerable, low income clientele. Because of the unexpected elevator maintenance, and high client turnover, replacement reserves have been required to be used on an emergency basis, leaving the properties with older furnishings, appliances and well used flooring. HOME grant funds will help prevent future rent increases.

20. What agency funding will you commit to this project? If none, why not? (A 25% match of non-federal funding is desired.)

The properties have replacement reserves that will be committed as the 25% match to this project.

21. If one or more funding sources listed below is not realized, what impact would this have on your project? Explain what changes would be considered to its scope or design, including the number of families housed, structure(s) constructed, delays in construction start date, etc. and whether your project would exist without HOME funding.

If any funding source is not realized, the project would continue to be done in a piecemeal fashion on an emergency need basis or as tenants move out. This project would exist without HOME funding, but the quality of the environment would suffer.

22. Complete and attach the separate HOME Budget Form.

Complete the budget form showing all sources and uses of funds related to your project.

See Attachment - HOME Budget form



23. Sources and Uses Fund Statement / Budget Form Narrative

a. Please list all funding sources, intended uses, and amounts from your budget form. Identify each source as Federal, State, Local, or Private.

HOME federal funds, in the amount of \$90,409 will be used for carpet and floor replacement. Local replacement reserves in the amount of 30,151 will be used for replacing beds, mattresses, mattress protectors, and furniture. The housing authority will also see private donation of mattresses or other furniture.

b. Identify which sources are proposed and which sources are committed.

The replacement reserves – local government match is committed to this project. In the event that privately donated material is not obtained, the housing authority will use additional replacement reserves. See table below for commitment date.

c. Supporting Documentation: List and attach “Sources of Funds” supporting documentation noted under Question #25.

Kelso Housing Authority
2016 HOME project Grant Proposal
Sources of Funds

Source	Amount	Committed?	Confirmed Date
HOME Grant	\$ 90,409	No	
Replacement Reserves - Local Government	27,151	Yes	
Privately Donate Material Contribution	3,000	No	7/15/2016
 Total Project Sources	 \$ <u>120,560</u>		

If the private donations are not secured, then replacement reserves will be utilized.



Attachments

25. Required Attachments

- Project Timeline** (Note: Funding is available in November following project submittal. Please plan accordingly.)
- Project Budget** (Note: Show all funding sources and note if they are committed or not committed. List date when commitment will be confirmed.)
- Detailed Cost Estimates** (Specific costs for project itemized to show project cost analysis.)
- Project Documentation** (See below) *N/A*
- HOME Performa: Rental or Homeowner Affordability** *N/A*
- Market Analysis** (separate form) *N/A*
- Marketing Plan** (as described in the Underwriting Policies and Procedures.)
- Developer Development Capacity Certification**
- Agency Financial Audit by e-mail** (Most current independent audit.)

Project Documentation to support your project. (Provide in order listed. Staff may limit the number of documents to the most important for Council to base its decision.)

- **Sources of Funds**
 1. Include commitment letters with all terms and conditions for all mortgages, loans, grants, subordination agreements, private fundraising, bridge (interim) loans and investment tax credits (historical low-income, if applicable);
 2. Provide a formal Certification letter signed by the Agency Director or Owner listing the amounts and type of all governmental assistance (Federal, State, and Local) which will be used in this project.
 3. If you (the applicant) are a partnership, or will enter into a partnership to undertake this project (including services) provide a copy of the partnership agreement, which will indicate the cash contributions by the general partner(s) and/or limited partner(s).
- **Uses of Funds**
 1. Earnest money agreement, option or closing statement for land and/or building(s);
 2. Construction cost estimate
 3. Construction contract or preliminary (bids)
 4. Agreements governing the various reserves which are capitalized at closing (to verify that the reserves cannot be withdrawn later as fees or distributions.)
 5. Appraisal (to substantiate the value of the land and the value of the property after rehabilitation or the structure being built)
 6. If low-income tax credits are utilized, provide documentation on the syndication costs (legal, accounting, tax opinion, etc.) from the organization/individuals who will syndicate and sell the offering to ensure that the project can support the fees necessary to syndicate/fund the project. All assumptions should be verified in the supporting documentation.
- Maps, architectural renderings and elevations, floor plans
- Surveys and other professional reports
- Letters from local, state, or federal agencies directing the repair or creation of a specific housing project
- Letters attesting to the subject problem
- Letters of support
- Current news articles
- Engineering, soils, or environmental reports

Attachments

25. Required Attachments

- Project Timeline** (Note: Funding is available in November following project submittal. Please plan accordingly.)
- Project Budget** (Note: Show all funding sources and note if they are committed or not committed. List date when commitment will be confirmed.)
- Detailed Cost Estimates** (Specific costs for project itemized to show project cost analysis.)
- Project Documentation** (See below) *N/A*
- HOME Performa: Rental or Homeowner Affordability** *N/A*
- Market Analysis** (separate form) *N/A*
- Marketing Plan** (as described in the Underwriting Policies and Procedures.)
- Developer Development Capacity Certification**
- Agency Financial Audit by e-mail** (Most current independent audit.)



Longview/Kelso Home Consortium
Exhibit B - PROJECT BUDGET AND FUNDING SOURCES

	Lv/Kelso Home Source 1	Source 2	Source 3	Source 4	Source 5	Total Cost	How costs determined (bid, est.)
Commitment Dates	2016	Local Reserves					
ACQUISITION							
Purchase Price - Land						\$0.00	
Purchase Price - Bldg.						\$0.00	
Transaction Taxes						\$0.00	
Closing/Recording Fees						\$0.00	
Title Insurance/Binder Fees						\$0.00	
Appraisal						\$0.00	
Other:						\$0.00	
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00	
PREDEVELOPMENT							
Architect						\$0.00	
Engineering						\$0.00	
Legal Fees						\$0.00	
Environmental Review						\$0.00	
Preconstruction Inspection						\$0.00	
Other:						\$0.00	
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00	
CONSTRUCTION COSTS							
New Construction						\$0.00	
Rehabilitation	90,409	30,151				\$120,560.00	Quotes
Infrastructure on site						\$0.00	
Energy Related Improvemts						\$0.00	
Repair/Replace Major Syst.						\$0.00	
Lead Based Paint /Haz Mat						\$0.00	
Access for Disabled						\$0.00	
Securing of Building						\$0.00	
Demolition						\$0.00	
Utility Connections						\$0.00	
Permits & Fees						\$0.00	
Construction Loan Fees						\$0.00	
Construction Inspections						\$0.00	
Sales Tax						\$0.00	
Insurance/Bond/Surety Fees						\$0.00	
Contingency						\$0.00	
Other:						\$0.00	
Subtotal	90,409.00	30,151.00	0.00	0.00	0.00	\$120,560.00	
OTHER							
Home Buyer Counseling						\$0.00	
Credit Report Fees						\$0.00	
Operating Deficit Reserves						\$0.00	
Relocation Costs						\$0.00	
						\$0.00	
Loan Fees						\$0.00	
Tenant Rental Assistance						\$0.00	
Affirmative Marketing						\$0.00	
Project Management						\$0.00	
Developer Fees						\$0.00	
Other:						\$0.00	
Other:						\$0.00	
Subtotal	0.00	0.00	0.00	0.00	0.00	\$0.00	
HOME TOTAL	\$90,409.00	\$30,151.00	\$0.00	\$0.00	\$0.00	\$120,560.00	
Date:							
Sponsor:	Kelso Housing Authority			Project Address: 202 and 212 N Pacific, Kelso WA			

Kelso Housing Authority
 2016 HOME project Grant Proposal
 Uses of Funds - Detailed Cost Estimates

	Total	Home	Match	Method	Amount
Chinook					
Carpet - Common Space	11,957	11,957	-	Quote	3 hallways and open areas
Replace Flooring in units	14,490	14,490	-	Quote	\$690 x 21 units
Paint supplies and Labor	5,250	4,150	1,100	Recent purchases	50 gallons of paint, and supplies. Estimated labor hours
Dining Set	5,124	1,624	3,500	Quote	\$244 X 21
Mattresses	6,300	3,000	3,300	Quote	\$300 X 21
Bed Prevention Mattress Covers	1,197	-	1,197	Quote	\$57 X 21
Bed with Drawers	10,248	1,398	8,850	Quote	\$488 X21
Refrigerators	4,599	1,000	3,599	Quote	\$219 X 21
Other Minor Rehab	3,000	1,500	1,500		
Chinook Project	\$ 62,165	\$ 39,119	\$ 23,046		
Columbia Apartments					
Refrigerators (29)	11,719	11,719	-	Quote	\$404 X 29
Electric Ranges and hoods	18,256	18,256	-	Quote	\$629.50 X 29
Flooring	28,420	21,315	7,105	Quote	\$980 X 29
Columbia Project	\$ 58,395	\$ 51,290	\$ 7,105		
Total HOME Proposal	\$ 120,560	\$ 90,409	\$ 30,151		

Marketing Plan: A marketing plan shall be completed to show how the project will be marketed publically to Longview and/or Kelso residents through the public media, professional realtor or/and real estate marketing staff for at least 90 days or until the unit(s) are fully sold/rented. The advertising methods used to reach buyers/renters, both paid and free, and direct promotion through local organizations, stakeholders and social media can be used. The message to buyers should note that the value/sales ore rental price is competitive and the home's features fit the target buyer or renter. The agency must follow its marketing plan and provide documentation of its public marketing effort prior to selecting its recipient(s.)

The Housing Authority will follow our existing marketing/ advertising policy. This provides advertisement through our website and recommendations from our support partners.



Development Capacity Certification

List your Project: **Rehab the Columbia and Chinook appliances, flooring, painting and furnishings.**

Project Name: Columbia and Chinook Rehab-2016
Address: 202 and 212 N. Pacific
City: Kelso, WA 98626

Owner, Developer, Sponsor (circle or bold all that apply)
Rental, Homeownership, Lease-to-Own, Self-Help (circle or bold one)
New Construction or Rehabilitation (circle or bold one)

Pre-development Start Date November 2016
Construction Start Date November 2016
Expected Construction Completion Date June 2017

Total Project Units: 50

Financial Capacity

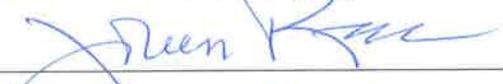
Project Budget from all sources: \$ 125,560 Are all sources committed? Yes No
HOME dollars \$ 90,409

Do you have funds available for pre-development expenses, capital advances required for development, and to cover internal costs until fees are earned? Yes No

Note additional project information here: **N/A**

Current Projects which will be underway at the same time: **N/A**

I certify that the Kelso Housing Authority has the personnel and financial capacity to develop this project as noted on these forms:

Signed  Agency Director.

Date  6/8/14

HOME Program Longview- Kelso HOME Consortium

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Questions? Technical Assistance? Contact Adam Trimble at 360.442.5092, or by e-mail at: adamt@mylongview.com



Developer Staff Capacity

List all Staff and contracted employees who will be involved in this project:

Name and job title: Joleen Reece

Full-time or part-time employee (circle or bold one)

Number weekly hours to be dedicated to this project: 20

(If new staff member under 1 year attach resume, or experience, skill or training of tasks to be fulfilled.)

Responsibilities/capacity for project: Project Manager and Financials, Procurement policy and Davis Bacon if needed.

Name and job title: Don Skreen

Full-time or part-time employee (circle or bold one)

Number weekly hours to be dedicated to this project: 10

(If new staff member under 1 year attach resume, or experience, skill or training of tasks to be fulfilled.)

Responsibilities/capacity for project: Painting, supervising staff

Name and job title: Ben Santana

Full-time or part-time employee (circle or bold one)

Number weekly hours to be dedicated to this project: 20

(If new staff member under 1 year attach resume, or experience, skill or training of tasks to be fulfilled.)

Responsibilities/capacity for project: Painting, Installing and removing appliances, as well as removing old carpet.

Name and job title: _____

Full-time or part-time employee (circle or bold one)

Number weekly hours to be dedicated to this project: _____

(If new staff member under 1 year attach resume, or experience, skill or training of tasks to be fulfilled.)

Responsibilities/capacity for project: _____





COLUMBIA
WELLNESS

921 14th Avenue
Longview, WA 98632

Phone: 360-423-0203
Fax: 360-423-2311

www.columbiawell.org

Re: Kelso Housing Authority
Application for CDBG

To Whom It May Concern:

I am writing on behalf of Kelso Housing Authority in regard to their application for HOME funding to make repairs on the Columbia and Chinook Apartments building in Kelso, Washington.

The Columbia and Chinook Apartments building is identified in the Longview-Kelso Consolidated Plan as affordable housing with supportive mental health services and as such is considered an important part of the local institutional structure that furthers that plans strategies to meet housing needs in our community.

HOME funds used to improve the condition of the property would also support the Five Year Strategic Plan goal of retaining, preserving and improving the condition of decent and affordable housing to low-to-moderate income households.

I encourage you to consider the impact that these funds would have in this community and know that I fully support the Kelso Housing Authority's application to receive these funds.

Sincerely,

David McClay

Chief Executive Officer
Columbia Wellness



COLUMBIA
WELLNESS

921 14th Avenue
Longview, WA 98632

Phone: 360-423-0203
Fax: 360-423-2311
www.columbiawell.org

June 6, 2016

Re: HOME Grant/Kelso Housing Authority Proposal

To Whom It May Concern:

This letter is in support of the application for HOME funds to help with modifications to the residences of the Columbia and Chinook Apartment buildings. These buildings serve those who suffer with a chronic mental illness and a majority of them have struggled with chronic homelessness due to their mental illness as well as their financial situation.

At Columbia Wellness, since 2008 we have provided supportive services to many of the 50+ tenants who reside in the apartments. Many of the residents when they move in have nothing but the clothing that they are wearing. There is also little access to items necessary to maintain a residence.

Some furnishing are provided for residents in the Chinook and a few appliances are furnished in the Columbia. The Chinook was opened in 1998 and many items in the building are starting to show their age. Funding to replace items within the building has been non-existent to be able to repair or replace items necessary for the building to be fully functional. Items in the Columbia are just as old and need significant repairs or replacements.

The residents would really benefit from any upgrades that could come from such funding such as HOME. I ask that you please consider Kelso Housing Authority and the residents of the Columbia and Chinook Apartments as a place where HOME funding would be put to great use!

Sincerely,

 MS CMHS DMHP
Jon London, MS CMHS DMHP
(360) 353-9409



AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Award Contract for:
2016 Talley Way Overlay Ph. II
Project #581602

Agenda Item: _____

Dept. of Origin: Com Dev/Engineering

For Agenda of: June 21, 2016

PRESENTED BY:

Michael Kardas, P.E.
Community Development Director / City Engineer

Cost of Item: \$254,760.00

City Manager: Steve Taylor

AGENDA ITEM ATTACHEMENTS:

Bid Tabulation

SUMMARY STATEMENT:

The Talley Way Overlay Ph. II project provides for an asphalt pavement overlay for 3,650' of Talley Way, from the terminus of the 2015 overlay project at Parrott Way to the north side of the Coweeman River bridge. The major work elements include 2,050 square yards of pavement planing, 2,905 tons of hot mix asphalt for pavement repair, preleveling, overlay and driveway approaches, and 165 tons of crushed rock for shoulder finishing.

Two (2) bids were received for this project ranging from a high bid of \$378,378.00 to the low bid of \$254,760.00. After reference checks, Lakeside Industries, Inc. submitted the qualified low bid of \$254,760.00.

FINANCIAL SUMMARY:

This project is fully funded from the Citywide Pavement Preservation budget item of the Arterial Street Fund. The qualified low bid is \$61,910.00 below the Engineer's Estimate of \$316,670.00.

RECOMMENDED ACTION:

Staff recommends that the City Council award the project to the lowest qualified bidder, Lakeside Industries, Inc. in the amount of \$254,760.00.

BID TABULATION**Talley Way Overlay Ph II**

Project #581602

June 10, 2016

Item No.	Description	Quantity	Unit	ENGINEER'S ESTIMATE		Granite Construction Company		Lakeside Industries	
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Mobilization	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 26,478.00	\$ 26,478.00	\$ 11,000.00	\$ 11,000.00
2	Project Temporary Traffic Control	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	\$ 6,600.00	\$ 6,600.00
3	Flaggers	200	HR	\$ 60.00	\$ 12,000.00	\$ 60.00	\$ 12,000.00	\$ 53.00	\$ 10,600.00
4	RP & Reset Existing Surface Monuments	2	EA	\$ 375.00	\$ 750.00	\$ 400.00	\$ 800.00	\$ 165.00	\$ 330.00
5	Adjust Water Valve Can & Cover	1	EA	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 165.00	\$ 165.00
6	Planing Bituminous Pavement	2,050	SY	\$ 3.50	\$ 7,175.00	\$ 9.00	\$ 18,450.00	\$ 4.50	\$ 9,225.00
7	Pavement Repair Excavation Incl. Haul	510	SY	\$ 7.00	\$ 3,570.00	\$ 45.00	\$ 22,950.00	\$ 1.00	\$ 510.00
8	HMA for Preleveling, CL. 3/8", PG 64-22	175	TON	\$ 90.00	\$ 15,750.00	\$ 120.00	\$ 21,000.00	\$ 75.00	\$ 13,125.00
9	HMA CL. 1/2", PG 64-22	2,350	TON	\$ 80.00	\$ 188,000.00	\$ 81.00	\$ 190,350.00	\$ 66.00	\$ 155,100.00
10	HMA for Approach, Cl. 1/2", PG 64-22	200	TON	\$ 135.00	\$ 27,000.00	\$ 120.00	\$ 24,000.00	\$ 100.00	\$ 20,000.00
11	HMA for Pavement Repair Cl 1/2", PG 64-22	180	TON	\$ 150.00	\$ 27,000.00	\$ 120.00	\$ 21,600.00	\$ 100.00	\$ 18,000.00
12	Shoulder Finishing	165	TON	\$ 20.00	\$ 3,300.00	\$ 95.00	\$ 15,675.00	\$ 30.00	\$ 4,950.00
13	Paint Line	10,950	LF	\$ 0.75	\$ 8,212.50	\$ 0.25	\$ 2,737.50	\$ 0.40	\$ 4,380.00
14	Temporary Pavement Marking - Short Duration	3,750	LF	\$ 0.75	\$ 2,812.50	\$ 0.25	\$ 937.50	\$ 0.18	\$ 675.00
15	Erosion Control	1	LS	\$ 700.00	\$ 700.00	\$ 1,000.00	\$ 1,000.00	\$ 100.00	\$ 100.00
TOTAL:					\$ 316,670.00		\$ 378,378.00		\$ 254,760.00

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Award Contract for:
Yew Street Improvements
Project #580702

Agenda Item: _____

Dept. of Origin: Com Dev/Engineering

For Agenda of: June 21, 2016

PRESENTED BY:

Michael Kardas, P.E.
Community Development Director / City Engineer

Cost of Item: (to be determined at bid opening)

City Manager: Steve Taylor

AGENDA ITEM ATTACHEMENTS:

Bid Tabulation to be provided at Council meeting.

SUMMARY STATEMENT:

The Yew Street Improvements project provides for reconstruction of 1,300' of Yew Street, from Pacific Way to S. 7th Avenue. This project also includes construction of 1,900' of off-site stormwater sewer on S. 7th Avenue/Walnut Street for a stormwater outlet. The major work elements include 5,680 cubic yards of roadway excavation, 4,050 tons of crushed rock, 2,435 tons of hot mix asphalt, 2,550' of curb, 1,080 square yards of sidewalk, 21 curb ramps, stormwater rain gardens with plantings for treatment of the stormwater runoff, and 3,260' of stormwater pipe.

Bids were received for this project on Friday, June 17, 2016. Information regarding the bids received will be provided at the Council meeting.

FINANCIAL SUMMARY:

This project will be funded by the 2016 General Obligation bond sales. The Engineer's Estimate is \$1,507,960.

RECOMMENDED ACTION:

Following review of the bids and determination of the lowest responsible bidder, staff will provide a bid award recommendation at the Council meeting.

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Construction Engineering and Inspection
Services for Yew Street Improvements
Project #580702

Agenda Item: _____

Dept. of Origin: Com Dev/Engineering

For Agenda of: June 21, 2016

PRESENTED BY:

Michael Kardas, P.E.
Community Development Director / City Engineer

Cost of Item: \$151,099.00

City Manager: Steve Taylor

AGENDA ITEM ATTACHEMENTS:

Professional Services Agreement for construction engineering and inspection services during construction of the Yew Street Improvements project.

SUMMARY STATEMENT:

The Yew Street Improvements project provides for reconstruction of 1,300' of Yew Street, from Pacific Way to S. 7th Avenue. This project also includes construction of 1,900' of off-site stormwater sewer on S. 7th Avenue/Walnut Street for a stormwater outlet. The major work elements include 5,680 cubic yards of roadway excavation, 4,050 tons of crushed rock, 2,435 tons of hot mix asphalt, 2,550' of curb, 1,080 square yards of sidewalk, 21 curb ramps, stormwater rain gardens with plantings for treatment of the stormwater runoff, and 3,260' of stormwater pipe.

Engineering services are required during construction of this project, including inspection, materials testing, and evaluation of groundwater conditions. Through a competitive evaluation process Otak, Inc. was selected as the firm most qualified to provide these services for this project.

FINANCIAL SUMMARY:

This work is funded by the 2016 General Obligation bond sales. The estimated fee for this work is \$151,099.00.

RECOMMENDED ACTION:

Authroize the City Manager to enter into an agreement with Otak, Inc. to provide engineering services during construction of the Yew Street Improvements Project.

PROFESSIONAL SERVICES AGREEMENT

This Agreement ("Agreement") is dated effective this _____ day of _____, 2016. The parties ("Parties") to this Agreement are the City of Kelso, a Washington municipal corporation ("City"), and Otak, Inc. ("Consultant").

A. The City seeks the temporary professional services of a skilled independent consultant capable of working without direct supervision in the capacity of a Civil Engineering, and is familiar with the City's municipal code, resolutions, regulations and policies.

B. The Consultant has the requisite skill and experience necessary to provide such services and has obtained a City of Kelso business license to perform these services.

NOW, THEREFORE, the Parties agree to the following terms and conditions:

1. SERVICES.

1.1 The Consultant agrees to furnish all personnel, materials, equipment and supervision and to otherwise do all things necessary for or incidental to the performance of the work set forth below and more particularly described in the Consultants Proposal to perform the scope of work attached hereto as Exhibit A-1 and incorporated by this reference ("Services").

1.2 Compliance With Laws. All duties of the Consultant or designees shall be performed in accordance with all applicable federal and state laws and city ordinances as now existing or hereafter adopted or amended.

1.3 The Consultant shall control and direct the performance of the work. The City reserves the right to inspect, review and approve the work to assure that it has been completed as specified prior to payment.

1.4 Performance Standard. All duties by the Consultant or his designees shall be performed in a manner consistent with accepted practices for other similar services, performed to the City's satisfaction, within the time period prescribed by this Agreement and pursuant to the direction of the City Manager or designee.

2. TERM.

The Term of this Agreement shall commence on July 1, 2016 and shall continue until the completion of the Services, but in any event no later than December 31, 2017. This Agreement may be extended for additional periods of time upon the mutual written agreement of the City and the Consultant. During any term, this Agreement may be terminated, with or without cause by either Party, by giving ninety (90) days written notice to the other party.

3. COMPENSATION.

3.1 Total Compensation. In consideration of the Consultant performing the Services, the City agrees to pay an amount not to exceed \$151,099.00.

3.2 Compensation Rates. Compensation for Services shall be based on the attached compensation schedule not to exceed \$151,099.00.

3.3 Method of Payment. Payment by the City for the Services will only be made after the Services have been performed and an itemized billing statement has been submitted in the form specified by the City and approved by the appropriate City representative, which shall specifically set forth the Services performed, the name of the person performing such Services, and the hourly labor charge rate for such person. Payment shall be made on a monthly basis thirty (30) days after receipt of such billing statement.

3.4 Consultant Responsible for Taxes. The Consultant shall be solely responsible for the payment of any taxes imposed by any lawful jurisdiction as a result of performance and payment under this Agreement.

4. REPRESENTATIONS.

4.1 The Consultant warrants that it has the requisite training, skill and experience necessary to provide the Services and is appropriately accredited and licensed by all applicable agencies and governmental entities.

5. INDEPENDENT CONSULTANT.

5.1 It is the intention and understanding of the Parties that the Consultant shall be an independent consultant. The Consultant or his or her employees or agents performing under this Agreement are not employees or agents of the City. The Consultant will not hold himself or herself out as nor claim to be an officer or employee of the City. The Consultant will not make any claim of right, privilege, or benefit which would accrue to an employee under law. The City shall neither be liable for nor obligated to pay sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax which may arise as an incident of employment. The Consultant shall pay all income and other taxes as due. Industrial or any other insurance which is purchased for the benefit of the Consultant shall not be deemed to convert this Agreement to an employment contract.

5.2 It is recognized that the Consultant may or will be performing professional services during the term for other parties and that the City is not the exclusive user of the Consultant's services; provided, however, that the performance of other professional services shall not conflict with or interfere with the Consultant's ability to perform the Services. The Consultant agrees to resolve any conflict in favor of the City.

6. INDEMNIFICATION.

6.1 Consultant Indemnification. The Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the

performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

6.2 Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

7. INSURANCE.

7.1 The Consultant shall procure and maintain for the duration of the Agreement, a the insurance policies described below against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, their agents, representatives, employees or subconsultants.

A. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit and further shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent consultants, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 11 85. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage.

B. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

7.2 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Commercial General Liability insurance:

A. The Consultant's insurance coverage shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

B. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

7.3 Verification of Coverage. Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

8. EQUAL OPPORTUNITY EMPLOYER.

In the performance of all Services under this Agreement, the Consultant, or its employees, agents, subconsultants or representatives, shall not discriminate against any person because of sex, age (except minimum age and retirement provisions), race, color, creed, national origin, marital status or the presence of any disability, including sensory, mental, or physical handicaps, based upon a bona fide occupational qualification in relationship to hiring and employment. The Consultant shall comply with the Washington Law Against Discrimination (Chapter 49.60 RCW) and with any other applicable federal or state law or local ordinance regarding non-discrimination. Any material violation of this provision shall be grounds for immediate termination of this Agreement by the City and, in the case of the Consultant's breach, may result in ineligibility for further City agreements.

9. INTELLECTUAL PROPERTY-- Warranty of Noninfringement

Consultant represents and warrants that the Consultant is either the author of all deliverables to be provided under this Agreement or has obtained and holds all rights necessary to carry out this Agreement. Consultant further represents and warrants that the Services to be provided under this Agreement do not and will not infringe any copyright, patent, trademark, trade secret or other intellectual property right of any third party.

10. CONFIDENTIALITY.

The Consultant agrees that all materials containing confidential information received pursuant to this Agreement shall not be disclosed without the City's express written consent. Consultant agrees to provide the City with immediate written notification of any person seeking disclosure of any confidential information obtained for the City.

11. WORK PRODUCT.

All work product, including records, files, documents, plans, computer disks, magnetic media or material which may be produced or modified by the Consultant while performing the Services shall belong to the City. Upon written notice by the City during the Term of this Agreement or upon the termination or cancellation of this Agreement, the Consultant shall deliver all copies of any such work product remaining in the possession of the Consultant to the City.

12. BOOKS AND RECORDS.

The Consultant agrees to maintain books, records, and documents that sufficiently and properly reflect all direct and indirect costs related to the performance of the Services and maintain such accounting procedures and practices as may be deemed necessary by the City to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject, at all reasonable times, to inspection, review, or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

13. NON-APPROPRIATION OF FUNDS.

If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will not be obligated to make payments for Services or amounts incurred after the end of the current fiscal period, and this Agreement will terminate upon completion of all remaining Services for which funds are allocated. No penalty or expense shall accrue to the City in the event this provision applies.

14. GENERAL PROVISIONS.

14.1 Entire Agreement. This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement and no prior agreements shall be effective for any purpose.

14.2 Modification. No provisions of this Agreement may be amended or modified except by written agreement signed by the Parties.

14.3 Full Force and Effect. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

14.4 Assignment. Neither the Consultant nor the City shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other party.

14.5 Successors in Interest. Subject to the foregoing Subsection, the rights and obligations of the Parties shall inure to the benefit of and be binding upon their respective successors in interest, heirs and assigns.

14.6 Attorney Fees. In the event either party brings a lawsuit to enforce the terms of this Agreement, or arising from a breach of this Agreement, the prevailing party shall be entitled to its costs and attorneys' fees for bringing or defending against the action.

14.7 No Waiver. Failure or delay of the City to declare any breach or default immediately upon occurrence shall not waive such breach or default. Failure of the City to declare one breach or default does not act as a waiver of the City's right to declare another breach or default.

14.8 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

14.9 Venue. The venue for any dispute related to this Agreement or for any action to enforce any term of this Agreement shall be Cowlitz County, Washington.

14.10 Authority. Each individual executing this Agreement on behalf of the City and the Consultant represents and warrants that such individuals are duly authorized to execute and deliver this Agreement on behalf of the Consultant or the City.

14.11 Notices. Any notices required to be given by the Parties shall be delivered at the addresses set forth below. Any notices may be delivered personally or may be deposited in the United States mail, postage prepaid, to the address set forth below. Any notice so posted in the United States mail shall be deemed received three (3) days after the date of mailing.

14.12 Performance. Time is of the essence of this Agreement in each and all of its provisions in which performance is a factor.

14.13 Remedies Cumulative. Any remedies provided for under the terms of this Agreement are not intended to be exclusive, but shall be cumulative with all other remedies available to the City at law or in equity.

14.14 Counterparts. This Agreement may be executed in any number of counter-parts, which counterparts shall collectively constitute the entire Agreement.

Executed on the dates written below.

CONSULTANT

CITY OF KELSO

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

Date: _____

Date: _____

Approved as to form:

City Attorney

City Clerk

EXHIBIT A

SCOPE OF SERVICES CONSTRUCTION INSPECTION AND ENGINEERING SERVICES

City of Kelso, Washington

Yew Street Reconstruction

City Project #580702

June 16, 2016

The purpose of the Yew Street Improvements Project is to reconstruct Yew Street between South Pacific Avenue and 7th Avenue and construction of a stormwater line continuing on 7th Avenue and Walnut Street. The following scope of work describes Otak's services to provide construction engineering, field observation, and documentation for the project, in accordance with the final construction documents prepared by Otak in May 2016. This scope assumes that the project will last approximately 16 weeks for construction.

1.0 PROJECT MANAGEMENT AND COORDINATION

1.1 Coordination with City of Kelso

Otak will coordinate with City of Kelso Engineering staff on a weekly basis to keep the City's project manager informed about project issues and schedule. A kickoff/coordination meeting will be conducted with Otak's project team and City staff to establish procedures/protocols and communication requirements for the project. Otak will assist in scheduling project related meetings, reviews, and other coordination activities needed to keep the project moving ahead.

Deliverables:

- On-going coordination and communication as needed to appropriately manage the project (no tangible deliverables for this task).

Assumptions:

- Assumes up to one hour per week for Otak's project manager to coordinate with the City project manager on project issues and updates.

1.2 Project Invoicing

This task will include preparation and review of the monthly invoice statements.

Deliverables:

- Monthly invoices – Submitted to City.

1.3 Meetings

Otak will attend meetings, including a preconstruction conference with City and contractor, weekly project progress meetings as required, and utility coordination meetings. Other specific pre-work meetings may include the following (based on need during construction or contractor request): traffic control/staging, construction surveying, and HMA paving. Otak's Field Representative will be in attendance at every meeting and the project manager will attend if necessary. Project meetings will be used to promote effective communication between the City, Otak, Contractor and other project stakeholders.

Deliverables:

- No deliverables for this task, meeting attendance only.

Assumptions:

- Up to 16 weekly meetings (project manager attending up to 4 meetings with travel included).
- City will coordinate meetings, prepare agenda and meeting minutes.

2.0 CONSTRUCTION ADMINISTRATION AND ENGINEERING

2.1 Project Setup

Otak will prepare the quantity paybook, prepare the spreadsheets for the monthly progress payments to the Contractor, Request for Approval of Materials (RAM) and Record of Material (ROM) forms, and prepare templates for other required documentation forms. Otak staff will work with the City to develop a list of deliverables and approximate timeframe for submitting information to the City (ie. throughout the duration of the project, monthly, at project completion, etc.).

Deliverables:

- Draft list of Deliverables to City with approximate time frame(s) for submittal
- Final list of Deliverables to City once Otak/City meet to discuss.

Scope of Services

Continued

Assumptions:

- The forms for material submittals, progress payments and other reports will follow WSDOT standard forms and be produced using Excel.

2.2 Material Submittals

The City will be responsible for receiving, logging and tracking the material submittals from the Contractor. Otak will review the material submittals sent by the City within the timeframe established in the Standard Specifications. Otak will respond to the City with the approvals and /or conditions for the material submittals. It is anticipated that the submittals to be reviewed will include the following: traffic control plan, staging plans, erosion and pollution control plans, construction schedules, drainage structure shop drawings, HMA and concrete mix designs, retaining wall calculations and drawings, landscaping submittals, and others required by construction contract specifications.

Deliverables:

- Material and submittals review comments and approvals.

Assumptions:

- The project manager will spend approximately 2 hours per week on material submittals with the assistance of the field representative if required.

2.3 Construction Administration and Engineering

Otak's Field Representative will work directly with the City's Project manager to coordinate daily activities and identify any field changes that are needed. The field representative will work with the contractor when changes are identified and draft the initial change orders. The City will review the draft change orders and determine if the change warrants Otak's Project Manager review and approval. If the change orders require design and engineering revisions, Otak will provide the construction engineering and drawing changes necessary for the change order. The City will approve and distribute the final change order. The City will keep a log of all change orders for the project.

Otak will prepare and submit field pay notes and Force Account work documentation to the City on a weekly basis. These will be used to prepare the monthly progress estimate that will be prepared by Otak for City review. Otak will review the monthly pay estimate for accuracy and completeness.

Otak will conduct employee wage rate interviews at the request of the City.

Scope of Services

Continued

Deliverables:

- Draft construction contract change orders
- Field Pay Notes (submitted weekly)
- Force Account documentation (submitted weekly)
- Employee Wage Rate Interviews (assumes up to 4 requests)
- Monthly progress estimates
- Final payment recommendation (at project close-out)

Assumptions:

- Budget includes time for drafting up to 10 change orders and assumes up to 4 hours for field representative, 1 hour for project manager review and 2 hours for design engineer to make revisions.

2.4 Response to Questions/Field Changes

Otak will respond to requests for information by the Contractor after the City has received and logged the RFI. Otak will provide supplemental information as needed to maintain the progress of the work. If field adjustments are required as a result of a change in conditions or a desired change by the City, Otak will prepare necessary change order documents (per 2.3) and plan revisions.

Deliverables:

- Responses to RFI's in a timely manner (within 24 hours)

Assumptions:

- The RFI responses will be emailed to the City (up to 40 RFI's and 4 hours per week for team which includes the field representative and project manager)

3.0 CONSTRUCTION OBSERVATION

3.1 Field Observation

Otak will provide a Field Representative to observe the construction work on a daily basis. The Field Representative will typically be the first point of contact, and will be readily accessible, for the business/property owners, general public, and others affected by the project. The Field Representative will observe construction, attend the pre-construction conference and progress meetings, complete daily inspection reports and weekly statements of working days, measure quantities and keep quantity paybooks, and review quantities with the Contractor prior to submittal to the City for payment. The Field Representative will maintain a full-size set of plans, noting changes to the work, to be used as the basis for construction record drawings, along with the Contractor's as-built records. The Field

Scope of Services

Continued

Representative will be on site daily when the Contractor is working and will adjust hours accordingly to coincide with contractor schedule and specific items of work.

Deliverables:

- Daily progress reports (submitted weekly)
- Weekly statement of working days (submitted weekly)
- Quantity paybooks (submitted at project closeout)
- Monthly quantity spreadsheets (submitted monthly with progress estimate)

Assumptions:

- Field Observation time is based on 30 hours per week for the lead field representative and 8 hours per week for the assistant inspector for a total of 38 hours per week for coverage in the field.

3.2 Material Testing

Otak will provide material testing in conformance with City of Kelso and WSDOT requirements. Prior to construction, Otak will meet with the City to determine the appropriate testing frequency for applicable materials and develop a tracking spreadsheet to ensure all testing occurs as required.

Assumptions: The proposed scope and fee for this task is based on the following material testing frequencies and anticipated site visits:

Compaction Testing:

- Subgrade – 5 trips
- Base Aggregate – 5 trips
- Asphalt – 4 trips
- Asphalt OT – 4 trips
- Trench Bedding and backfill – 8 trips

Concrete Samples:

- Field Concrete Testing – 1 trip
- Cylinder Pick Up – 1 trip

Laboratory Services:

- Concrete Compressive Strength Test – 4 cylinders
- Moisture/Density Curve – 4 tests
- Ignition Oven Calibration (supplier provided samples) – 1 test
- Rice Density – 4 tests
- Ignition Grade, AC Content – 3 tests

Deliverables:

- Copies of material testing results (within 48 hours after results are available)

3.4 Final Inspections

The Construction Project Manager, Field Representative, and Design Project Manager will inspect the project and compile a punch list upon substantial completion. After the Contractor has completed all punch list items, the Construction Project Manager, Field Representative, and Design Project Manager will again inspect the project and establish the physical completion date.

Deliverables:

- Initial punch list for City review and comment
- Final punch list incorporating all comments
- Notification of punch list completion and physical completion date

Assumptions:

- Project manager, field representative and assistant inspector will spend approximately 2 half days for developing punch list and final walk through.

4.0 TRENCH DEWATERING PLAN REVIEW AND INSPECTION

This task covers the consultation services provided by GRI to review the contractors submittal for a Trench Dewatering Plan. GRI will use the geotechnical report prepared by Ash Creek for the project to determine if the contractors Trench Dewatering plan is acceptable for the proposed method and timing for construction of the stormwater line. GRI anticipates the dewatering plan may include wells, well points, sump pumps, or a combination of these methods. This task covers the plan review, consultation during construction and two site visits during implementation of the dewatering plan. GRI will work directly with Otak's field representative during the dewatering implementation.

Deliverables:

- Response to Trench Dewatering submittal.

Assumptions:

- GRI will not perform the day to day inspection. This task covers two site visits (8 hours) and consultation during construction (8 hours).
- The geotechnical information available is limited and therefore GRI's review of the dewatering plan will be limited based on the information provided in the Geotechnical Report prepared by Ash Creek and the assumptions made by the contractors engineer such as groundwater levels, drawdown, hydraulic properties of the soils and aquifer, and limited evaluation of the submitted design calculations.

5.0 PROJECT CLOSEOUT

5.1 Closeout Documentation

Otak will compile project closeout documentation and coordinate with the Contractor and the City to obtain the required documents. Otak will assemble project documentation and deliver to the City at project completion.

Deliverables:

- Project quality and quantity documentation including final material tracking sheet, final pay estimate and final change order list.

5.2 As Constructed Record Drawings

The Final Plans will be revised to conform to construction record drawings from information supplied by the Contractor and Field Representative. Two hardcopy sets of "Construction Record" plans (paper format) and a CD with an electronic copy of the plans (AutoCAD .dwg file format) will be submitted to the City.

Deliverables:

- Hardcopy and electronic As-Constructed Plans

EXPENSES

Expenses have been estimated in the budget at approximately 5% of the labor cost, but will be invoiced based on actual costs incurred. Mileage for travel to and from the site will be reimbursed at \$0.54 per mile and assumes 80 miles roundtrip.

ASSUMPTIONS

- The scope and budget have been prepared with the assumption that actual construction of the project will begin in July 2016 and take approximately four months (16 weeks) to complete.
- The City will prepare and coordinate execution of the Construction Contract. The City will be responsible for completing proper documentation related to project funding.
- If utility potholing is required, it will be completed by others. Otak will assist with coordinating locations.
- Field Representative hours are based on 30 hours/week for 16 weeks
- Construction staking is not included in this scope of work. This will be contractor provided.

EXHIBIT B

Yew Street Inspection

Fee Estimate

Summary of Otak, Inc. and all subconsultants

Otak Project # 15299B

<i>Task</i>	<i>Description</i>	Otak	Col. West	GRI	<i>Total Hours</i>	<i>Total Budget by Task</i>
1	PROJECT MANAGEMENT AND COORDINATION					
1.1	Coordination with City of Kelso	16			16	\$2,544
1.2	Project Monitoring and Reporting	12			12	\$1,548
1.3	Project Meetings	32			32	\$3,856
2	CONSTRUCTION ADMINISTRATION AND ENGINEERING					
2.1	Project Setup	48			48	\$5,072
2.2	Material Submittals	48			48	\$7,008
2.3	Construction Administration and Engineering	64			64	\$7,400
2.4	Response to Questions/Field Changes	64			64	\$7,712
3	CONSTRUCTION OBSERVATION					
3.1	Field Observation	608			608	\$68,224
3.2	Material Testing					\$15,120
3.3	Final Inspections	32			32	\$3,856
4	TRENCH DEWATERING PLAN REVIEW AND INSPECTION	6		24	30	\$5,838
5	PROJECT CLOSEOUT					
5.1	Closeout Documentation	28			28	\$3,164
5.2	As Constructed Record Drawings	30			30	\$2,938
	<i>Total Hours</i>	988		24	1012	
	<i>Total Labor Cost</i>	\$114,120	\$15,120	\$5,040		\$134,280
	<i>Direct Expenses (5%)</i>	\$5,706		\$100		\$5,806
	<i>Subconsultant Administration (5%)</i>	\$1,013.00				\$1,013
	MANAGEMENT RESERVE	\$1,013				\$10,000
	Project Total	\$120,839	\$15,120	\$5,140		\$151,099

Note: Direct Expenses will be billed at cost.

EXHIBIT B

Yew Street Construction Inspection

Fee Estimate

Otak, Inc.

Otak Project # 15299B

<i>Task</i>	<i>Description</i>	Civil Engineer IX (Allen)	Field Representative (Eric)	Engineering Designer III (Phil)	Project Admin. Assistant (Yvonne)	<i>Total Hours</i>	<i>Total Budget by Task</i>
1	PROJECT MANAGEMENT AND COORDINATION						
1.1	Coordination with City of Kelso	16				16	\$2,544
1.2	Project Monitoring and Reporting	8			4	12	\$1,548
1.3	Project Meetings	8	16	8		32	\$3,856
2	CONSTRUCTION ADMINISTRATION AND ENGINEERING						
2.1	Project Setup	8	16	16	8	48	\$5,072
2.2	Material Submittals	32	16			48	\$7,008
2.3	Construction Administration and Engineering	8	40	16		64	\$7,400
2.4	Response to Questions/Field Changes	16	32	16		64	\$7,712
3	CONSTRUCTION OBSERVATION						
3.1	Field Observation		480	128		608	\$68,224
3.2	Material Testing						
3.3	Final Inspections	8	16	8		32	\$3,856
4	TRENCH DEWATERING PLAN REVIEW AND INSPECTION						
4.1		2	4			6	\$798
5	PROJECT CLOSEOUT						
5.1	Closeout Documentation	4	16	4	4	28	\$3,164
5.2	As Constructed Record Drawings	2	8	20		30	\$2,938
	<i>Total Hours</i>	112	644	216	16	988	
	<i>Billing Rate</i>	\$159.00	\$120.00	\$83.00	\$69.00		
	<i>Total Labor Cost</i>	\$17,808	\$77,280	\$17,928	\$1,104		\$114,120
	<i>Direct Expenses (5%)</i>						\$5,706
	<i>Subconsultant Administration</i>	\$1,013					\$1,013
	Project Total						\$120,839

EXHIBIT B

Yew Street Construction Inspection

Fee Estimate

Columbia West

Otak Project # 15299B

<i>Task</i>	<i>Description</i>					<i>Total Hours</i>	<i>Total Budget by Task</i>
1	PROJECT MANAGEMENT AND COORDINATION						
1.1	Coordination with City of Kelso						
1.2	Project Monitoring and Reporting						
1.3	Project Meetings						
2	CONSTRUCTION ADMINISTRATION AND ENGINEERING						
2.1	Project Setup						
2.2	Material Submittals						
2.3	Construction Administration and Engineering						
2.4	Response to Questions/Field Changes						
3	CONSTRUCTION OBSERVATION						
3.1	Field Observation						
3.2	Material Testing						\$15,120
3.3	Final Inspections						
4	TRENCH DEWATERING PLAN REVIEW AND INSPECTION						
5	PROJECT CLOSEOUT						
5.1	Closeout Documentation						
5.2	As Constructed Record Drawings						
	<i>Total Hours</i>						
	<i>Billing Rate</i>						
	<i>Total Labor Cost</i>						\$15,120
	<i>Direct Expenses</i>						
	Project Total						\$15,120

EXHIBIT B

Yew Street Construction Inspection

Fee Estimate

GRI

Otak Project # 15299B

<i>Task</i>	<i>Description</i>	GRI Principal		<i>Total Hours</i>	<i>Total Budget by Task</i>
				0	\$0
1	PROJECT MANAGEMENT AND COORDINATION			0	\$0
1.1	Coordination with City of Kelso				
1.2	Project Monitoring and Reporting			0	\$0
1.3	Project Meetings			0	\$0
2	CONSTRUCTION ADMINISTRATION AND ENGINEERING			0	\$0
2.1	Project Setup			0	\$0
2.2	Material Submittals			0	\$0
2.3	Construction Administration and Engineering			0	\$0
2.4	Response to Questions/Field Changes			0	\$0
3	CONSTRUCTION OBSERVATION			0	\$0
3.1	Field Observation			0	\$0
3.2	Material Testing			0	\$0
3.3	Final Inspections			0	\$0
4	TRENCH DEWATERING PLAN REVIEW AND INSPECTION	24		24	\$5,040
5	PROJECT CLOSEOUT			0	\$0
5.1	Closeout Documentation			0	\$0
5.2	As Constructed Record Drawings			0	\$0
	<i>Total Hours</i>			24	
	<i>Billing Rate</i>	\$210.00			
	<i>Total Labor Cost</i>				\$5,040
	<i>Direct Expenses</i>			\$100	\$100
	Project Total				\$5,140

COST INFORMATION
BREAKDOWN OF BILLING RATES AND DIRECT NONLABOR RATES
 Otak, Inc.

DIRECT LABOR COSTS

Classification (Examples)	Direct Salary Rate		Overhead 177.27%		Fee 12.00%		Billing Rate	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
	PIC/Sr. PM Architecture	\$57.69	\$63.11	\$102.27	\$111.87	\$6.92	\$7.57	\$166.88
Sr. PM - Architecture	\$50.00	\$52.88	\$88.64	\$93.74	\$6.00	\$6.35	\$144.64	\$152.97
Architect III	\$35.58	\$43.00	\$63.07	\$76.22	\$4.27	\$5.16	\$102.92	\$124.38
Architect II	\$33.17	\$35.00	\$58.80	\$62.04	\$3.98	\$4.20	\$95.95	\$101.24
Architect I	\$31.25	\$32.81	\$55.40	\$58.17	\$3.75	\$3.94	\$90.40	\$94.92
Project Manager- Design	\$37.98	\$42.00	\$67.33	\$74.45	\$4.56	\$5.04	\$109.86	\$121.49
Architectural Technician III	\$27.16	\$28.52	\$48.15	\$50.55	\$3.26	\$3.42	\$78.57	\$82.49
Architectural Technician II	\$24.04	\$28.35	\$42.62	\$50.26	\$2.88	\$3.40	\$69.54	\$82.01
Architectural Technician I	\$20.19	\$24.22	\$35.79	\$42.94	\$2.42	\$2.91	\$58.40	\$70.07
Sr. PIC/Sr. PM Civil	\$64.90	\$78.25	\$115.05	\$138.71	\$7.79	\$9.39	\$187.74	\$226.34
PIC/Sr. Project Manager Civil	\$60.10	\$68.15	\$106.54	\$120.80	\$7.21	\$8.18	\$173.85	\$197.12
Civil Engineer X	\$55.77	\$59.06	\$98.86	\$104.70	\$6.69	\$7.09	\$161.33	\$170.85
Civil Engineer IX	\$52.98	\$58.10	\$93.92	\$102.99	\$6.36	\$6.97	\$153.26	\$168.06
Civil Engineer VIII	\$46.00	\$53.00	\$81.54	\$93.96	\$5.52	\$6.36	\$133.06	\$153.32
Civil Engineer VII	\$45.00	\$47.51	\$79.77	\$84.23	\$5.40	\$5.70	\$130.17	\$137.44
Civil Engineer VI	\$41.14	\$44.63	\$72.93	\$79.11	\$4.94	\$5.36	\$119.01	\$129.09
Civil Engineer V	\$39.28	\$42.91	\$69.63	\$76.07	\$4.71	\$5.15	\$113.63	\$124.14
Civil Engineer IV	\$36.06	\$37.86	\$63.92	\$67.12	\$4.33	\$4.54	\$104.31	\$109.53
Civil Engineer III	\$32.93	\$36.44	\$58.38	\$64.59	\$3.95	\$4.37	\$95.26	\$105.40
Civil Engineer II	\$29.00	\$31.70	\$51.41	\$56.19	\$3.48	\$3.80	\$83.89	\$91.70
Civil Engineer I	\$25.75	\$30.29	\$45.65	\$53.70	\$3.09	\$3.64	\$74.49	\$87.63
Engineering Designer IV	\$31.50	\$36.35	\$55.84	\$64.44	\$3.78	\$4.36	\$91.12	\$105.15
Engineering Designer III	\$27.26	\$30.29	\$48.32	\$53.70	\$3.27	\$3.64	\$78.86	\$87.63
Engineering Designer II	\$25.00	\$27.26	\$44.32	\$48.32	\$3.00	\$3.27	\$72.32	\$78.85
Engineering Designer I	\$22.84	\$24.23	\$40.49	\$42.96	\$2.74	\$2.91	\$66.07	\$70.10
Engineering Technician VI	\$33.99	\$35.69	\$60.25	\$63.27	\$4.08	\$4.28	\$98.32	\$103.24
Engineering Technician V	\$29.42	\$34.32	\$52.15	\$60.85	\$3.53	\$4.12	\$85.10	\$99.29
Engineering Technician IV	\$26.44	\$29.48	\$46.87	\$52.27	\$3.17	\$3.54	\$76.48	\$85.29
Engineering Technician III	\$25.00	\$26.00	\$44.32	\$46.09	\$3.00	\$3.12	\$72.32	\$75.20
Engineering Technician II	\$21.32	\$23.10	\$37.79	\$40.95	\$2.56	\$2.77	\$61.67	\$66.82
Engineering Technician I	\$18.50	\$23.10	\$32.79	\$40.95	\$2.22	\$2.77	\$53.51	\$66.82
Field Representative	\$35.00	\$49.35	\$62.04	\$87.48	\$4.20	\$5.92	\$101.24	\$142.75
Sr. PIC/Sr. PM I.A./Master Planner	\$59.00	\$73.20	\$104.59	\$129.75	\$7.08	\$8.78	\$170.67	\$211.73
PIC/Sr. PM I.A./Master Planner	\$52.40	\$56.29	\$92.89	\$99.79	\$6.29	\$6.75	\$151.58	\$162.83
Landscape Architect V	\$37.50	\$40.38	\$66.48	\$71.59	\$4.50	\$4.85	\$108.48	\$116.82
Landscape Architect IV	\$34.13	\$37.86	\$60.50	\$67.12	\$4.10	\$4.54	\$98.73	\$109.53
Landscape Architect III	\$31.25	\$35.33	\$55.40	\$62.63	\$3.75	\$4.24	\$90.40	\$102.21
Landscape Architect II	\$23.75	\$30.29	\$42.10	\$53.70	\$2.85	\$3.64	\$68.70	\$87.63
Landscape Technician III	\$24.04	\$32.81	\$42.62	\$58.17	\$2.88	\$3.94	\$69.54	\$94.92
Landscape Technician II	\$22.60	\$24.23	\$40.06	\$42.96	\$2.71	\$2.91	\$65.38	\$70.10
Landscape Technician I	\$20.00	\$22.71	\$35.45	\$40.26	\$2.40	\$2.73	\$57.85	\$65.70
Urban Designer V	\$52.88	\$55.52	\$93.74	\$98.43	\$6.35	\$6.66	\$152.97	\$160.61
Urban Designer IV	\$43.27	\$48.87	\$76.70	\$86.63	\$5.19	\$5.86	\$125.17	\$141.36
Urban Designer II	\$32.02	\$40.38	\$56.76	\$71.59	\$3.84	\$4.85	\$92.62	\$116.82
Graphics Specialist	\$27.47	\$30.29	\$48.70	\$53.70	\$3.30	\$3.64	\$79.46	\$87.63
Sr. Proj. Mgr. - Planner II	\$55.29	\$62.10	\$98.01	\$110.08	\$6.63	\$7.45	\$159.94	\$179.63

COST INFORMATION
BREAKDOWN OF BILLING RATES AND DIRECT NONLABOR RATES
 Otak, Inc.

DIRECT LABOR COSTS

Classification (Examples)	Direct Salary Rate		Overhead 177.27%		Fee 12.00%		Billing Rate	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Sr. Proj. Mgr. - Planner I	\$46.88	\$54.60	\$83.10	\$96.79	\$5.63	\$6.55	\$135.61	\$157.94
Planner III	\$40.87	\$44.63	\$72.45	\$79.11	\$4.90	\$5.36	\$118.22	\$129.09
Planner II	\$28.85	\$37.86	\$51.14	\$67.12	\$3.46	\$4.54	\$83.45	\$109.53
Planner I	\$26.44	\$27.76	\$46.87	\$49.21	\$3.17	\$3.33	\$76.48	\$80.31
Planner Associate III	\$23.08	\$28.77	\$40.91	\$51.00	\$2.77	\$3.45	\$66.76	\$83.22
Planner Associate II	\$21.15	\$22.21	\$37.49	\$39.37	\$2.54	\$2.66	\$61.18	\$64.24
Planner Associate I	\$20.19	\$21.53	\$35.79	\$38.16	\$2.42	\$2.58	\$58.40	\$62.27
Sr. GIS Specialist Planner	\$29.71	\$31.20	\$52.67	\$55.30	\$3.57	\$3.74	\$85.94	\$90.24
Scientist IV	\$38.82	\$43.92	\$68.82	\$77.86	\$4.66	\$5.27	\$112.29	\$127.05
Scientist III	\$36.40	\$42.41	\$64.53	\$75.18	\$4.37	\$5.09	\$105.29	\$122.68
Scientist II	\$25.00	\$26.25	\$44.32	\$46.53	\$3.00	\$3.15	\$72.32	\$75.93
Scientist I	\$20.80	\$21.84	\$36.87	\$38.72	\$2.50	\$2.62	\$60.17	\$63.18
PIC/PLS - Sr. Manager	\$58.41	\$68.15	\$103.54	\$120.80	\$7.01	\$8.18	\$168.96	\$197.12
PLS Sr. Manager	\$40.14	\$51.49	\$71.16	\$91.28	\$4.82	\$6.18	\$116.11	\$148.95
PLS Project Manager	\$38.00	\$39.90	\$67.36	\$70.73	\$4.56	\$4.79	\$109.92	\$115.42
Sr. Professional Land Surveyor	\$33.65	\$38.87	\$59.65	\$68.91	\$4.04	\$4.66	\$97.34	\$112.44
Professional Land Surveyor	\$28.38	\$31.50	\$50.31	\$55.84	\$3.41	\$3.78	\$82.09	\$91.12
Survey Technician	\$27.50	\$32.55	\$48.75	\$57.70	\$3.30	\$3.91	\$79.55	\$94.16
Survey Tech II, Sr. Field Party Chief	\$23.00	\$29.40	\$40.77	\$52.12	\$2.76	\$3.53	\$66.53	\$85.05
Sr. Field Survey Technician II	\$22.00	\$27.30	\$39.00	\$48.39	\$2.64	\$3.28	\$63.64	\$78.97
Sr. Field Survey Technician I	\$19.50	\$22.05	\$34.57	\$39.09	\$2.34	\$2.65	\$56.41	\$63.78
Field Survey Tech	\$15.50	\$18.90	\$27.48	\$33.50	\$1.86	\$2.27	\$44.84	\$54.67
Project Administrative Assistant	\$22.74	\$23.88	\$40.31	\$42.33	\$2.73	\$2.87	\$65.78	\$69.07
Contract Administrator	\$27.03	\$28.38	\$47.92	\$50.31	\$3.24	\$3.41	\$78.19	\$82.10

Note:

- All travel will be billed per WSDOT Travel Regulations;
- All sub-consultant costs and direct reimbursables will be at cost with no mark-ups; and
- The max. rates include 5% escalation.

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Award Contract for Talley Way Perimeter Fence
and Rotating Beacon Replacement
Projects: 571501/571502

Agenda Item: _____

Dept. of Origin: Engineering Department

For Agenda of: June 21, 2016

PRESENTED BY:

Michael Kardas, PE
Community Development Director/City Engineer

Cost of Item: \$297,442.80

City Manager: Steve Taylor

AGENDA ITEM ATTACHEMENTS:

Bid Tabulation

SUMMARY STATEMENT:

This work consists of construction of 2000 linear feet of perimeter fence, including a new electric access gate (including pavement rehabilitation), as well as, the demolition and replacement of the rotating beacon tower.

Three contractors submitted bid responses for this work ranging from the low of \$297,442.80 to a high of \$325,428.56. After reference checks and review by the Federal Aviation Administration (FAA), PCR Inc. of Beaver Creek, Oregon was determined to have the lowest responsible bid.

FINANCIAL SUMMARY:

The amount bid for this project is \$62,110.80 above the Engineer's Estimate of \$235,332.00. This project is funded by a 90% FAA Grant, 5% WSDOT Grant, and a 5% local Airport Match. The outside funding agencies have reviewed and approved the higher contract amount.

RECOMMENDED ACTION:

Staff recommends that the City Council make a motion to award the above-referenced project to the lowest bidder, PCR, Inc and authorize the City Manager to execute the construction contract in the amount of \$297,442.80 upon the release of funding by FAA. .



**City of Kelso, Talley Way Perimeter Fence and Rotating Beacon Replacement
 BID TABULATION
 May 4, 2016; 3 p.m.**

BID SUMMARY

	<u>Engineer's Estimate</u> Total Price	<u>PCR, Inc.</u> Total Price	<u>Five Rivers Construction, Inc.</u> Total Price	<u>JH Kelly, LLC</u> Total Price
Total Basic Bid	235,332.00	297,442.80	299,515.32	325,438.56

Basic Bid: Talley Way Perimeter Fence and Rotating Beacon Replacement

	Qty	Unit	<u>Engineer's Estimate</u>		<u>PCR, Inc.</u>		<u>Five Rivers Construction, Inc.</u>		<u>JH Kelly, LLC</u>			
			Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price		
1	A-01 22 00	Mobilization	1	LS	20,000.00	20,000.00	27,000.00	27,000.00	28,000.00	28,000.00	7,340.00	7,340.00
2	A-01 22 00	Construction Survey	1	LS	5,000.00	5,000.00	3,500.00	3,500.00	3,500.00	3,500.00	20,551.00	20,551.00
3	A-01 35 00	Trench Excavation Safety	1	LS	1,500.00	1,500.00	10.00	10.00	250.00	250.00	931.00	931.00
4	A-01 35 00	Utility Locate	1	LS	3,000.00	3,000.00	400.00	400.00	800.00	800.00	734.00	734.00
5	A-01 35 00	FOD Prevention	1	LS	2,000.00	2,000.00	1,500.00	1,500.00	5,000.00	5,000.00	3,641.00	3,641.00
6	A-01 35 13	Traffic Control	1	LS	6,000.00	6,000.00	5,000.00	5,000.00	13,000.00	13,000.00	3,817.00	3,817.00
7	A-01 45 00	Contractor Quality Control/ Acceptance Testing	1	LS	5,000.00	5,000.00	3,000.00	3,000.00	9,000.00	9,000.00	26,423.00	26,423.00
8	P-156	Temporary Gravel Access Road	1	EA	3,000.00	3,000.00	3,000.00	3,000.00	2,500.00	2,500.00	1,615.00	1,615.00
9	P-156	Construction Entrance	1	EA	3,000.00	3,000.00	4,000.00	4,000.00	3,500.00	3,500.00	2,642.00	2,642.00
10	P-156	Straw Wattles	100	LF	4.00	400.00	3.00	300.00	9.00	900.00	17.62	1,762.00
11	P-156	Silt Fence	200	LF	5.00	1,000.00	4.00	800.00	4.00	800.00	17.62	3,524.00
12	F-162	Chain-Link Fence	2000	LF	30.00	60,000.00	28.00	56,000.00	46.00	92,000.00	49.18	98,360.00
13	F-162	Vehicle Gates	3	EA	8,000.00	24,000.00	1,800.00	5,400.00	2,100.00	6,300.00	2,787.00	8,361.00
14	P-32 01 00	Electric Gate Driveway Rehabilitation	300	SY	100.00	30,000.00	45.00	13,500.00	61.08	18,324.00	39.63	11,889.00
15	T-901	Seeding	1	AC	3,000.00	3,000.00	5,000.00	5,000.00	4,400.00	4,400.00	2,936.00	2,936.00
16	L-101	Airport Rotating Beacon Demolition	1	EA	500.00	500.00	2,000.00	2,000.00	2,750.00	2,750.00	919.00	919.00
17	L-101	Airport Rotating Beacon Construction	1	EA	7,000.00	7,000.00	16,000.00	16,000.00	16,055.00	16,055.00	48,290.00	48,290.00
18	L-103	Beacon Tower and Foundation Demolition	1	EA	4,000.00	4,000.00	25,000.00	25,000.00	5,120.00	5,120.00	18,731.00	18,731.00
19	L-103	Beacon Tower and Foundation Construction	1	EA	24,500.00	24,500.00	80,000.00	80,000.00	48,390.00	48,390.00	21,097.00	21,097.00
20	L-26 00 51	Panelboard Replacement	1	EA	6,500.00	6,500.00	4,000.00	4,000.00	2,140.00	2,140.00	2,865.00	2,865.00
21	L-32 31 14	Gate Automation	1	EA	8,500.00	8,500.00	20,000.00	20,000.00	14,600.00	14,600.00	14,904.00	14,904.00
Total Basic Bid					217,900.00		275,410.00		277,329.00		301,332.00	
Plus Sales Tax (8.0%)					17,432.00		a 22,032.80		22,186.32		24,106.56	
Total Basic Bid Plus Sales Tax					235,332.00		b 297,442.80		299,515.32		325,438.56	

Notes

- a** Amount on 00 04 10 shows sales tax as \$22,033
- b** Amount on 00 04 10 shows total bid as \$297,443
- c** Unit price on 00 04 10 shows \$2636.00

AGENDA SUMMARY SHEET
Business of the City Council
City of Kelso, Washington

SUBJECT TITLE:

Acceptance of Drinking Water State Revolving
Fund Loan for Minor Road and S. Kelso
Transmission Main

Agenda Item: _____

Dept. of Origin: Community Development
Engineering

For Agenda of: June 21, 2016 _____

Cost of Item: Varies from \$295,000 to \$230,000

PRESENTED BY:

Michael Kardas, PE
Community Development Director
City Engineer

City Manager: Steve Taylor _____

AGENDA ITEM ATTACHMENTS:

Public Works Board Letter- Drinking Water State Revolving Fund Loan Contract
Amortization Schedule

SUMMARY STATEMENT:

The City was successful in qualifying for a Drinking Water State Revolving Fund (DWSRF) Loan in the amount \$4,529,850 to fund a major portion of the Minor Road Reservoir Replacement and South Kelso Drive Water Transmission Pipeline projects. Environmental review is complete and the State Department of Commerce has provided the City with the contract documents for execution.

FINANCIAL SUMMARY:

The total loan amount is \$4,529,850, the loan term is 20 years and the interest rate is 1.5%. Annual payments ranging from a first year payment of \$294,440.25 to a final payment of \$229,889.89. The repayment will be funded from water utility within the currently approved rate structure.

This loan is approximately 70% of the overall \$6.5 million project budget. The remaining monies come from a \$1,455,000 state appropriation grant and \$500,000 from the City's Water Capital Fund.

RECOMMENDED ACTION:

Motion to accept the DWSRF loan in the amount of \$4,529,850 and authorize the City Manager to execute the DWSRF loan contract.



Washington State Public Works Board

1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

June 16, 2016

Michael Kardas
203 S Pacific Ave
PO Box 819
Kelso, WA 98626

RE: Loan Contract Number: DM16-952-013

Dear Mr. Kardas:

Enclosed are two originals of the Drinking Water State Revolving Fund Loan Contract Number identified above. The Loan Contract details the terms and conditions that will govern the agreement between us, which includes the project's Scope of Work and an Attorney's Certification as formal attachments.

When you have obtained the appropriate signatures, please return both original contracts and all the attachments to the Public Works Board within 60 calendar days of the date of this letter. Failure to return the contracts within this timeline may result in your loan offer being withdrawn.

Please note that the U.S. Environmental Protection Agency is the funding source for this program and the Catalog of Federal Domestic Assistance (CFDA) number is 66.468. Consequently, the loan funds are federal and subject to both state and federal requirements.

If the loan fee applies, the amount of the loan includes an amount sufficient to cover a one-percent loan administration fee. The fee will be collected at contract execution, and is non-refundable. Please review the terms and conditions of the Loan Contract carefully, as well as the attachments.

A requirement of the DWSRF program is that you must maintain updated project records and yearly renewal of your registration in the System for Award Management at www.sam.gov.

Another requirement of the DWSRF program is that all entities are required to verify that the federal government has not suspended or debarred them from receiving federal funds. This includes, but is not limited to, project contractors, subcontractors, engineers, architects, consultants, and equipment vendors. The Exclusion Report can be accessed at www.sam.gov. Failure to provide this required certification may result in termination of your loan contract.

After the Loan Contracts have been signed by the Board or its designee, one fully executed original will be returned to you for your files. Instructions for drawing the loan funds will be returned to you with the executed Loan Contract, as well as the necessary forms. The Loan Contract specifies that draws may be made for costs that have been incurred, and which have supporting documentation such as receipts or bills.

Administrative services provided by the Department of Commerce

(360) 725-3150

Fax (360) 586-8440

www.pwb.wa.gov

We are looking forward to working with you over the course of this project. If you have any questions about this Loan Contract, please contact me.

Sincerely,

Jeff Hinckle
Project Manager
Federal Programs Unit
360-725-3060
jeff.hinckle@commerce.wa.gov

Enclosures:

ATTACHMENT I: ATTORNEY'S CERTIFICATION
ATTACHMENT II: FEDERAL AND STATE REQUIREMENTS
ATTACHMENT III: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS
ATTACHMENT IV: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS
ATTACHMENT V: DWSRF ELIGIBLE PROJECT COSTS
ATTACHMENT VI: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE GOVERNMENT ENTITIES



**Washington State
Public Works Board**

1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

Capital Agreement between:

**City of Kelso
and**

Public Works Board

For:

Project Name: **Minor Road Reservoir Replacement and Transmission Main**

Loan Number: **DM16-952-013**

Loan Type: **DWSRF NT**

Contract Start Date: _____ **Contract Execution Date** _____



Department of Commerce

Innovation is in our nature.

Washington State Department of Commerce

www.commerce.wa.gov

DECLARATIONS

CLIENT INFORMATION

Legal Name: City of Kelso
Loan Number: DM16-952-013
Award Year: 2016
State Wide Vendor Number: SWV0002996-00

PROJECT INFORMATION

Project Title: Minor Road Reservoir Replacement and Transmission Main
Project City: Kelso
Project State: Washington
Project Zip Code: 98626

LOAN INFORMATION

Loan Amount: \$4,529,850
Loan Fee (Included in loan amount if applicable) \$44,850
Loan Forgiveness %: 0%
Loan Term: 20 Years
Interest Rate: 1.5%
Payment Month: October 1st
Earliest Date for Construction Reimbursement: 7/1/2015
Time of Performance: 48 months from Contract execution date to Project Completion date.

FUNDING INFORMATION

Total Amount of Federal Award (as applicable) [To be determined]
Federal Award Date [To be determined]
Federal Award ID # (FAIN) [To be determined]
Amount of Federal Funds Obligated by this action [To be determined]
Awarding Official [To be determined]

SPECIAL TERMS AND CONDITIONS GOVERNING THIS LOAN AGREEMENT

The following sections of this contract are hereby deleted:

Section 2.2 - ADMINISTRATIVE COST ALLOCATION (final sentence): "An approved current federal indirect cost rate may be applied up to the maximum administrative budget allowed".

Section 2.24. - INDIRECT COSTS (entire section).

LOAN SECURITY CONDITION GOVERNING THIS LOAN AGREEMENT

This loan is a revenue obligation of the Contractor payable solely from the net revenue of the Water system. Payments shall be made from the net revenue of the utility after the payment of the principal and interest on any revenue bonds, notes, warrants or other obligations of the utility having a lien on that net revenue. As used here, "net revenue" means gross revenue minus expenses of maintenance and operations. The Board grants the Contractor the right to issue future bonds and notes that constitute a lien and charge on net revenue superior to the lien and charge of this loan Contract. This option may be used only if the entire project is a domestic water, sanitary sewer, storm sewer, or solid waste utility project.

DECLARATIONS (continued)

Loan Number:

DM16-952-013

Project Title:

Minor Road Reservoir Replacement and Transmission Main

Scope of Work:

Minor Road Reservoir Replacement: Project includes design and construction of approximately 2 MG reservoir at existing reservoir site, demolition of two existing reservoirs, site excavation and grading, and approximately 920 feet of fencing. Project also includes inlet, outlet, drain and overflow piping and construction of access road around reservoir.

Kelso Drive Transmission Main: Design and construct roughly 4,800 linear feet of approximately 16-inch transmission main. Street trenching and associated street patching and overlay will also be included. The transmission main will tie into the existing water mains on the north and the south sides of Kelso Drive.

In addition to costs of construction, costs may include (but are not limited to): engineering, cultural and historical resources review, permits, public involvement, and bid documents needed to meet local, state, and federal standards.

Refunding

SRF Loan - 2016
 Amortization Schedule
 \$ 4,529,850.00

	Principal	Interest 1.5%	Total Payment	Outstanding Principal
				\$ 4,529,850.00
10/1/2017	226,492.50	67,947.75	294,440.25	4,303,357.50
10/1/2018	226,492.50	64,550.36	291,042.86	4,076,865.00
10/1/2019	226,492.50	61,152.98	287,645.48	3,850,372.50
10/1/2020	226,492.50	57,755.59	284,248.09	3,623,880.00
10/1/2021	226,492.50	54,358.20	280,850.70	3,397,387.50
10/1/2022	226,492.50	50,960.81	277,453.31	3,170,895.00
10/1/2023	226,492.50	47,563.43	274,055.93	2,944,402.50
10/1/2024	226,492.50	44,166.04	270,658.54	2,717,910.00
10/1/2025	226,492.50	40,768.65	267,261.15	2,491,417.50
10/1/2026	226,492.50	37,371.26	263,863.76	2,264,925.00
10/1/2027	226,492.50	33,973.88	260,466.38	2,038,432.50
10/1/2028	226,492.50	30,576.49	257,068.99	1,811,940.00
10/1/2029	226,492.50	27,179.10	253,671.60	1,585,447.50
10/1/2030	226,492.50	23,781.71	250,274.21	1,358,955.00
10/1/2031	226,492.50	20,384.33	246,876.83	1,132,462.50
10/1/2032	226,492.50	16,986.94	243,479.44	905,970.00
10/1/2033	226,492.50	13,589.55	240,082.05	679,477.50
10/1/2034	226,492.50	10,192.16	236,684.66	452,985.00
10/1/2035	226,492.50	6,794.78	233,287.28	226,492.50
10/1/2036	226,492.50	3,397.39	229,889.89	-
	<u>\$ 4,529,850.00</u>	<u>\$ 713,451.38</u>	<u>\$ 5,243,301.38</u>	

AGENDA SUMMARY SHEET
Business of the City of Kelso
City of Kelso, Washington

SUBJECT TITLE:

**A RESOLUTION OF THE CITY OF
KELSO, WASHINGTON, DECLARING
CITY OWNED PROPERTY, PARCELS
24337 AND 24334 AS SURPLUS AND
AUTHORIZING THE CITY MANAGER TO
CONVEY SUCH PARCELS TO THE DAVIS
TERRACE WATER ASSOCIATION**

Agenda Item: _____

Dept. of Origin: Legal

For Agenda of: June, 21, 2016

Cost of Item: _____

PRESENTED BY:
Janean Parker

City Manager: Stephen Taylor

AGENDA ITEM ATTACHMENTS:

Proposed Resolution
Map of Property
Assessor's Parcel Search

SUMMARY STATEMENT:

The City has been negotiating an agreement for the purchase and sale of water with the Davis Terrace Water Association (DTWA). The DTWA owns a reservoir on City owned property. The City has not been able to establish an easement or other documentation authorizing use of the property. The DTWA would like to own the underlying property on which the reservoir is located and the City has no other uses for that property. The City would also reduce its liability exposure by disposing of the property. RCW 35.94.040 requires a resolution surplussing the property and a public hearing and a statement of the fair market value or consideration to be paid for any property originally acquired for utility purposes. Staff has researched the assessed value of the parcels from the Cowlitz County Assessor and determined that \$2,300.00 is a reasonable fair market value for the property.

Upon approval of this surplus resolution, the City staff will prepare an ordinance conveying the property (required by the City Charter) and will finalize the water agreement with DTWA for your approval.

FINANCIAL SUMMARY:

Sale price of \$2,300.

OPTIONS:

1. Do Nothing
2. Grant DTWA an easement for their use of the property
3. Surplus and sell the property to DTWA

RECOMMENDED ACTION:

Move to approve the Resolution declaring city owned property surplus and authorizing its conveyance to the Davis Terrace Water Association.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF KELSO, WASHINGTON,
DECLARING CITY OWNED PROPERTY, PARCELS 24337 AND
24334 AS SURPLUS AND AUTHORIZING THE CITY MANAGER
TO CONVEY SUCH PARCELS TO THE DAVIS TERRACE WATER
ASSOCIATION**

WHEREAS, the City owns Parcel No. 24337 and Parcel No. 24334, legally described below, in Kelso, Washington; and

WHEREAS, the Davis Terrace Water Association (the "DTWA") is a water district that provides water to residences in both the City and unincorporated Cowlitz County; and

WHEREAS, the DTWA owns a 60,000 gallon reservoir located on the real property described below together with the water system to serve its customers, which reservoir and water system connects to the City water system at Coweeman and Grade Streets; and

WHEREAS, the DTWA has purchased water from the City since at least 1951 and the City and the DTWA have been negotiating a revised agreement for the continued purchase and sale of water; and

WHEREAS, the property described below is necessary to the DTWA's continued use and operation of its water system and the City has not used and has no plans to use this property for any other public purpose; and

WHEREAS, the City Council held a public hearing on the matter and took testimony on June 21, 2016; and

WHEREAS, pursuant to RCW 35.94.040, the City has determined that the fair market value of the property as encumbered in \$2,300.00

WHEREAS, the City finds that it is in the public interest to surplus the property and to convey the property to the DTWA for consideration in the amount of \$2,300, for the continued use and operation of their water system.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF KELSO DO HEREBY RESOLVE:

SECTION 1. Findings of Fact. Each and every of the recitals contained in the ‘whereas’ clauses of the preamble to this ordinance are hereby adopted as findings of fact and incorporated herein fully by reference.

SECTION 2. Legal Description. The City owns the following described real property, hereinafter “the Property,” situated in the City of Kelso, Cowlitz County Washington:

1. Cowlitz County Parcel No. 24337.

BEGINNING AT THE WEST QUARTER CORNER SECTION 36, TOWNSHIP 8 NORTH, RANGE 2 WEST OF THE W.M., SAID POINT BEING THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION; THENSE ALONG THE SECTION LINE NORTH 286.59 FEET TO THE POINT OF BEGINNING OF THE DESCRIPTION; THENCE NORTH ALONG SAID SECTION LINE 100.00 FEET; THENCE SOUTH 89 DEGREES 11 ½ ‘ EAST PARALLEL TO THE EAST AND WEST CENTER LINE OF SAID SECTION, A DISTANCE OF 100.00 FEET; THENCE SOUTH PARALLEL TO THE WEST LINE OF SAID SECTION THENCE NORTH 89 DEGREES 11 ½ ‘ WEST 100.00 FEET TO THE POINT OF BEGINNING.

2. Cowlitz County Parcel No. 24334.

BEGINNING AT THE EAST QUARTER CORNER OF SECTION 35, TOWNSHIP 8 NORTH, RANGE 2 WEST, WILLAMETTE MERIDIAN; THENCE NORTH 2°14’44” EAST, 332.61 FEET; THENCE NORTH 87°55’16” WEST, 64.49 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 87°55’16” WEST, 119.63 FEET; THENCE ALONG THE ARC OF A NONTANGENT, 220.00 FOOT RADIUS CURVE TO THE LEFT, 66.59 FEET THROUGH A CENTRAL ANGLE OF 17°20’28”, THE

CHORD OF WHICH BEARS NORTH 79°15'02" WEST, 66.33 FEET; THENCE NORTH 87°55'16" WEST, 628.81 FEET; THENCE ALONG THE ARC OF A TANGENT 430.00 FOOT RADIUS CURVE TO THE RIGHT 117.49 FEET THROUGH A CENTRAL ANGLE OF 15°39'20", THE CHORD OF WHICH BEARS NORTH 80°05'36" WEST, 117.13 FEET; THENCE NORTH 01°45'54" EAST, 54.05 FEET; THENCE SOUTH 83°00'29" EAST, 116.76 FEET; THENCE SOUTH 87°55'16" EAST, 628.81 FEET; THENCE ALONG THE ARC OF A TANGENT 280.00 FOOT RADIUS CURVE TO THE RIGHT 202.37 FEET, THROUGH A CENTRAL ANGLE OF 41°24'34", THE CHORD OF WHICH BEARS SOUTH 67°12'59" EAST, 197.99 FEET TO THE TRUE POINT OF BEGINNING.

SECTION 3. Surplus Declaration. The Property, described in Section 2 above, is declared surplus to the needs of the City.

SECTION 4. City Manager Authority. The City Manager is directed to convey the Property described in Section 2 above to the DTWA upon payment of \$2,300.00 consideration and is authorized to take all steps necessary and incidental to accomplishing this conveyance.

SECTION 5. Effective Date. This Resolution shall take effect immediately.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2016.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY



Cowlitz County Assessor's Parcel Search

5/6/2016 3:42 PM

Parcel: 24334 Site Address:

Account: R039120

Owner: KELSO CITY OF
Mailing Address: PO BOX 819
KELSO, WA 98626

Jurisdiction: CITY OF KELSO

Abbr Property Ref: SUB:KELSO OUTLOT BLK:KEOL LOT:539 DESC: EXC GRIMM RD FEE 800221002 EXC KEOL 539A FEE 830722047 EXC KEOL 539B FEE 830804001 SECT,TWN,RNG:35-8N-2W PARCEL: 24334

Neighborhood: 19 - SOUTH COWEEMAN

Tax District: 800 Kelso City Limits

Levy Code: 800 = KEL-458-LV-#2

Current Assessed Value	Assess Year 2015	Tax Year 2016	Type PUBLIC EX LAND	Actual Value 1,500	Assess Value 1,500	Acres .43	(18,731 sq ft)
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Conveyance History:	Reception 860421007	Book 1001	Page 143	Grantor	= .08 PER Sq Ft
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Property Details: Short Plat/Large Lot #:

Photographs:



Cowlitz County Assessor's Parcel Search

5/6/2016 3:42 PM

Parcel: 24337 Site Address:

Account: R039126

Owner: KELSO CITY OF
Mailing Address: PO BOX 819
KELSO, WA 98626

Jurisdiction: CITY OF KELSO

Abbr Property Ref: SUB:KELSO OUTLOT BLK:KEOL LOT:542 SECT,TWN,RNG:36-8N-2W PARCEL: 24337

Neighborhood: 223 - KELSO

Tax District: 800 Kelso City Limits

Levy Code: 800 = KEL-458-LV-#2

Current Assessed Value	Assess Year	Tax Year	Type	Actual Value	Assess Value	Acres
						.23 (10,000 sq ft)

Conveyance History:	Reception	Book	Page	Grantor
	362079	498	208	

.08 per sq ft = \$800^{sq}

Property Details: Short Plat/Large Lot #:

Photographs:



